SUBJECT: Anti-Tudeh Activities of Zahedi Government

REFERENCE: [Blank]

1. General Dadsetan, Military Governor of Tehran, has been assigned by Prime Minister Zahedi task of directing countrywide crackdown on Tudeh Party.

2. As of 5 September Dadsetan had arrested 412 Tudeh members including: Morteza Qasemi, Davud Narud and Zahra Zandiz, when Dadsetan considers members of Tudeh Central Committee.

3. Rank-and file Tudeh members, who are arrested, are to be banished to Turistan.

4. Three Tudeh arsenals and "several" printing presses have been seized.

5. Dadsetan claims "part of" Tudeh headquarters has been raided and captured documents turned over to Iranian 0-2.

6. Tudeh Party is now printing newspapers in Soviet Russia. Newspapers are transported in diplomatic cars to Russian Legation. These Tudeh newspapers are placed in bundles with newspaper attache and keyman on top. Newspapers are then taken by diplomatic cars to four distribution points: Ja'naviyeh (near railroad station); Hotabad (near Boshan Tappeh Airfield); Majidieh Brewery; and one undetermined point. From these points, bundles are thrown into unlicensed jeeps which throw bundles on streets.

7. Within Government now ministers are generally agreed on outing Tudeh members from Government Ministries. Ministers do not know Tudeh members and must uncover them. Zahedi continues to press for action. (Washington Current. for further information concerning General Zahedi's views on this subject.)

8. Tudeh Party is now underground but is trying to form coalition of pro-Mosadeg elements. Dadsetan states emphatically that he has severed Mosadeg-Tudeh alliance and that Bazaar has abandoned Mosadeg. Dadsetan is watching closely for possible sources of financial support for Tudeh Party.

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