The essay provides a background and review of events in Iran from 1921 to 1978 including a description of education, religion, society, politics and economics. The revolution of 1978 is described to include the resultant economic distress of the country. Post-revolutionary trends are described, followed by an analysis of US interests and a summary.
US ARMY WAR COLLEGE

INDIVIDUAL RESEARCH BASED ESSAY

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IRAN-REGIONAL COUNTRY STUDY

BY

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CHAPTER I

Introduction

The purpose of this paper is to examine the historical, political, and economic social system of Iran and the military significance to the U.S. of the overthrow of the Shah.

Rather than restate 25 centuries of progress and regression in these subject areas, I will confine my comments and research to that period in Iranian history beginning with Reza Shah's accession to the throne and the establishment of the Pahlavi Dynasty on 21 February 1921.

Background

On February 21, 1921, a bloodless coup d'état occurred in Tehran, Iran, against the Qajar dynasty. It was instigated and led by a journalist by the name of Sayyid Zin al Din Labatabai. It was militarily supported by a Persian Cossack Brigade commanded by Colonel Reza Kahn, under the title of minister of war and commander in chief of the Army. Three months after the Coup, Labatabai resigned his position and fled the country. Reza Khan assumed control of the government, and with support of the liberals, attempted the establishment of a republican regime, encountering as his major opposition the religious leaders who wanted to maintain the monarchy. In February 1925, Reza Khan was declared commander in chief of the Armed Forces for
life. In December 1925, Reza Pahlavi was declared first Shah of the Pahlavi Dynasty and his son, Mohammed Reza Pahlavi was named crown prince.¹

In the following twenty years, Reza Shah concentrated much of his efforts in uniting the separate tribes in Iran and bring them under control of his government. He started the development of a modern Army and centralized government. During the early years of his reign, Iran was subject to a great deal of foreign control over the wealth of the nation. This control was primarily exercised by Great Britain and Russia. Reza Shah wanted to westernize and industrialize his country, but at the same time reduce the direct involvement and control by foreign countries in political and economic areas. In an effort to discharge this foreign control and develop national unity, Reza Shah embarked on social, economic, and political re-orientation of his country.

Iran: 1921-1941

During Reza Shah's reign, Iran was a constitutional monarch which had begun with the constitution of 1906. Legally, this constitution gave the Shah a role in decision-making and in execution of governmental policy. In reality, however, with his assumption of the throne, he became the most important national symbol and political force in Iran. The principle force was provided by the Army under the command of Reza Khan. Through the use of the Army and force, he was able to reunite the provinces and force the Southern Arabs to surrender.²

The Reza Shah's power and prestige surpassed that of parliament and was the focal point of a centralized government. While it was not

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representative of the people as a whole, it was responsive, through its organization, to public pressures. The Shah, through the Ministry of Interior, appointed all governors of provinces and mayors of cities. The police force in the cities and towns also came under the control of the Ministry of the Interior. Needless to say, this type of centralization was restrictive to initiative and independence down to and including local government.

As the Reza Shah's reign progressed, he pulled more power away from the Constitution, and because of prior experiences with the Russians he became staunchly hostile to socialistic ideas, particularly to Communism, which to him was a movement by the Russians to control and subvert legitimate authority in Iran. His distrust of Communism grew to the point that, through repeated urging, he convinced the Majlis to pass a law outlawing Communism. This distrust carried over into other political parties, many of which were able to exist only briefly as active parties.³

When Reza Shah came to power, the judicial system was subject to overrule by the Muslim priests, who were the religious deputies and could veto a law if it were contrary to the official religion of Shiite Islam. The power of the Shiite Islam was present in the society, the laws, and the culture, as well as in the ethics and behavior, and was all inclusive.

One of Reza Shah's first acts was to influence, through a series of reforms and abolitions, the power of the religious leaders. He introduced the French judicial system in 1927 which excluded them as arbiters of civil law. This was the first of a series of actions he would take to strip them of their power.⁴
Once the Reza Shah insured his power, he turned to the westernization and industrialization of his country, realizing the requirement for more money. The obvious came to mind—this being taxation—and which in the case of Iran, during this time frame, would require an improvement in the quality and efficiency of the bureaucracy. The Shah elected to use foreign loans as the initiative for his nation to begin its growth.\(^5\)

The mounting need for money continued—primarily for the costly modernization of the Army. To raise the money, an attempt was made to lower foreign exchange by an industrialization program intended to produce dramatically many imported items. This was far from successful, as the importing of industrial equipment and expertise far exceeded even the long run costs of importing the goods. Though this program was not totally successful, it was a combination of this type of program that began the transformation of Iran into a state possessing a combination of Western and Iranian ideals, a higher general standard of living, and a much more significantly industrialized economy. The major problem with the development of the economy seemed to be the lack of a centralized plan supported by developmental-type organization. Projects were undertaken with no future planning or priority as to where a particular project should fall in the development of the national economy as a whole.\(^6\)

The result of the industrialization program was a development of industry in the northern part of Iran, the majority of which operated at a loss, despite government protective tariffs. Iran in effect controlled all industry, and in turn controlled all exports and imports. "To all intents and purposes, Iran had become a national socialist state by 1941, a fact which was reflected also in the social reforms instituted
by fiat."  

The Iranian Government’s economic difficulties, though severe, took a subordinate position to the political difficulties which the government was encountering both internally and externally.

Internally, the feeling of the people was that the government collected taxes, exploited the masses, and was to be avoided as much as possible. Many of the wealthy were the landowning aristocracy who were also becoming very disgruntled because many of the programs being implemented by the Shah for support of his westernization and industrialization directly affected their position and wealth. The landowning aristocracy was strongly opposed to modernization of the Army, which the Shah considered an integral part of the political system, but which was viewed by the landowners as a threat to the political control that they had enjoyed.

The ownership of all but five percent of the land under cultivation was in the hands of the large landowners; 75 percent of the population depended on the land for a livelihood. The peasant normally worked the land on a sharecropper basis and to the advantage of the landowner. By the early forties, this began to change: the peasant, and in particular, the farm laborers, started a migration to the urban centers in search of a better life in the newly developing industrial society. This migration caused more disruption to agriculture production and added to the already growing number of problems in the urban areas. One of the primary problems in the urban area was the limited availability of public utilities and overcrowding, which caused a disgruntled lower middle class.

With the development of internal industrialization and an agrarian
oriented population, Iran enjoyed a "reported" zero unemployment rate. This was a change, however, with the migration of the agriculture worker to urban areas and the introduction of women into the labor force. The Reza Shah directed the majority of his social reform efforts toward the emancipation of women and eradication of traditional power and practices of religion. Women were ordered to remove their black veils, the wear of European dress was encouraged, girls' schools were built, and women were encouraged to enter into the economic and social activity of the country. The Reza Shah realized that the future of his country depended on the education of the young people, so government-financed school construction programs were implemented, mandatory education was enforced and higher education was encouraged through attendance at the newly founded Tehran University or European universities.10

In the area of social reform, the majority of the Shah's opposition came from the Mullahs and religiously conservative people who viewed these social reforms as another means by which the government was retaining their hold on the people and stripping them of their prestige and power. The cleric's opposition to the government's social reforms was also due in part to a reduction in their incomes caused by a variety of government programs.

The social reform's replacement of the religious law, adoption of western codes and the removing of religious authority over such things as marriage and divorce were viewed as a threat to the maintenance of religion as the dominant social force. This threat was compounded by such things as refusal of the government to exempt theological students from military service; taking control of general education out of the hands of the religious authority, and introducing western forms of entertainment, which the religious leaders felt undermined public
Summary

The Reza Shah had moved far and fast; he implemented women's rights, established labor laws, education programs, improved medical facilities, constructed an interconnected highway and rail network, and was continuing to move toward his ultimate goal of industrialization and westernization of his country.

In 1940, the Reza Shah was to make two major decisions; one was to adopt a five-year plan to increase the country's agriculture production, and the second was to enter into a foreign trade agreement with Germany, which was at war with half the world. Following the trade agreement with Germany, Reza Shah declared neutrality in the Russo-German conflict. The Russian government viewed the presence of Germans in Iran as a threat, and on August 25, 1941, British and Soviet troops invaded Iran. On September 16, 1941, Reza Shah abdicated, and his son, Mohammed Reza, assumed the position of the Shah of Iran.
CHAPTER II

Iran: 1941-1978

On September 16, 1941, Shapur Mohammed, the son of Reza Shah, at the age of twenty-two, assumed the throne of Iran and the title of Mohammed Reza Pahlavi. He had been carefully prepared for the monarchy by his father. He was educated in Switzerland and then at the military college of Tehran. He ascended the throne facing political constraints by the Allied powers occupying Iran and serious internal, economic, and political problems. His father's tight political constraints over the country were gone, many repressed groups and tribal leaders had regained lost authority and traditional ways. Religious leaders and numerous political parties vying for their share of control over the people and the country, added to the many economic, social, and political challenges that were facing the new Shah.

Through the next year, and until 1943, Iran was subject to strong Allied pressures. The effects of the war and Allied occupation resulted in scarcity of food and other essential items, severe inflation, and lack of governmental unity.12

In analyzing the Shah's reign, its effect on the country as a whole, and its people in particular, one must first analyze the political arm developed by the Shah to support his programs.

The executive Arm was headed by the Shah; he designated the prime
minister and all cabinet members. He had the authority to convene and
dissolve Parliament, determine all internal and external policy, and was
commander in chief of the Armed Forces. The constitutional power of the
Shah could best be summed up as:
He rules as well as he reigns, and this position caused
considerable political and religious turmoil during the decade
following the end of World War II, bring him into opposition
with all of the traditional sources of power except the
Army.13

The Shah's first real test of power came in 1946, when the Russians
were reluctant to withdraw their forces from Iran in spite of a 1942
treaty. With the support of the United States, the Shah personally
supervised the military operations against a Soviet-sponsored govern-
ment in Ayerbaijan. This action raised the prestige of the Army and
gave the Shah the power, through control of the Army, that he needed to
insure his supremacy in Iranian politics. Despite the attempt on his
life in 1954, by a member of the Imperial Guard, the Army remained loyal
to the Shah and was the backbone of his reign.14

By many purgings of the government to include communistic,
socialistic, and religious factions, the Shah by the early 1960's had
established control over all sectors of the government and had consoli-
dated his power. He created a two-party system, one being a governmen-
toriented majority party and the second, a legitimate opposition party;
this organization was basically ineffective as a political instrument but
did provide some semblance of the legality which the Shah desired his
government to have. In 1963, the Shah undertook a program of national
reform called the White Revolution. This program was designed to cut
him off from many of the traditional sources of power and gave him as a
base of support the small farmers; working class; and of course, he
maintained control of the military.
The White Revolution initially consisted of six points:

(1) the land reform law; (2) a law nationalizing the country's forests; (3) a law permitting the sale of state-owned factories; (4) a law requiring that 20 percent of the net profits of factories and industrial establishment be shared with the workers; (5) a law granting voting and political rights to women; and (6) the formation of a nationwide literacy corps.

Additional points were added, all dealing with development and modernization of the country. Feeling a further need to secure his position, the Shah by various means overcame until 1978, all opposition including the various radical groups, large landowners, military, and clergy. The Shah's stated aim, as the leader of his country, was to take those steps necessary to preserve the peace, stability and prosperity of his country: "With a population of more than 300 million and a per capita income of approximately $200, the Shah saw the need to carry out economic and social reform with all possible speed."

After gaining control of the political factions in the country, initiating a modernization and build up of the military forces, the Shah embarked on the development of a high technological state. He purchased nuclear reactors from France, steel mills from Germany, automobile assembly plants from the United States, and petrochemical plants; completed hospitals and refineries, built roads, and dams; but did not have the 40,000 qualified technicians necessary to get the maximum utilization out of the facilities. In an attempt to develop the qualified technicians, a goal of higher degree of educational literacy was established. Most estimates place literacy, during the early years of the Shah's reign, at well below 35 percent. The Shah carried on many of his other programs in this area. He reissued the decree for compulsory elementary education that his father had initially instituted, and until he could get trained teachers, used high school graduates in the Armed
Forces to serve their required time teaching in a newly developed elementary education system.

**Education**

Educational programs, politics, and enrollments continued to expand throughout the 60's and 70's and was felt by many to be due to a popular demand for schooling. This assumption was not necessarily the case in the rural area. To the farmer, education did not mean more money or a better life, but those hours of the day when he lost needed workers from the fields. In the mid-70's, it was estimated that three million primary school-age children were still not in school, the majority of which were from the rural area. In the urban environment, the importance of primary education was accepted by the people as resulting in their productivity and earning power being increased through acquisition of new skills. Above the primary level, a circumstance common to most developing countries is the desire of secondary schools to pursue academic schooling rather than technical education in order to prepare them for the jobs that would become available in the expanding industry. Industry in turn had to rely on on-the-job training rather than school-trained workers. In higher education, the University of Tehran was expanded to include engineering, medicine, dentistry, pharmacy, agriculture, veterinary medicine, law, economics and education. Smaller universities were established in several of the provinces.18

**Religion**

With the Shah's reorganization and establishment of new goals for education in Iran, the historical educational process was removed from the hands of the religious leaders. The Mullahs
had taught reading, writing, and the Quran to the people. In addition to administration of law, active influence in these areas was likewise decreased considerably by the constitution and governmental policies implemented by the Shah's reign. The Shah attempted to maintain a balance between the government and religious authority while still promoting modern social and economic programs. In later years, it was evident that though the religious leaders had lost their political power base, they could still offer solid opposition to the Shah and many of his policies. One characteristic that must be noted about Shiite Islam was its ability to influence much of Iranian society, whether illiterate peasant or member of the middle/upper class. Religious leaders expressed their dissatisfaction with the government through religious revivalist movements which were normally directed at Iran's social and political progress; in turn these movements were classified as political opposition to the government and often dealt with very harshly.  

Social/Political

The urban society is the only sector that permitted identification of the basic three-class social system. The middle class was represented by government bureaucrats, professionals, technicians, etc. The stimulus for the development of a middle class and the increasing size of the upper class was political rather than economic, as in the West.

Tehran is where the elite lines form contracts and spends its money and favors. It also provides the educational services that spawn the growing modern middle class as well as the infrastructure to support the occupations of such a class.
In 1977, the upper class was comprised of less than one percent of the population. The middle class underwent change during the 1960's and 1970's and can be divided into the upper and lower middle class with separation of each into modern and traditional groups. The members of the upper middle were from the same occupational sources as the upper class, but one step lower. Members of the urban lower class had a high rate of illiteracy, performed manual labor, and could be distinguished by traditional dress and linguistic use. The gap between the middle class and lower class is much wider than one might imagine. In the urban area, the lower class is made up of the street cleaners, apprentices in the bazaars, servants, peddlers, etc. In the rural area, the peasant fell in this class system with very little opportunity to improve his economic or social position. It was the stated intentions of the Shah through the White Revolution and in particular land reform that the traditional economic and social relationship between landlord and peasant was to change, raising the standard of living for the peasant. This never materialized to any measurable degree with the exception of the area of education; economically, the peasant continued to exist in poverty.

In contrast, women's rights made tremendous progress during the Shah's reign. The majority of the progress was evident, however, only in the urban area where it was led and supported by the women from the upper class. The greater freedom awarded women was continually under criticism and opposition, especially by the religious leaders. In spite of the opposition from the religious leaders, women throughout history had been nothing more than totally subservient to men. In 1977, 13 percent of the female labor force was em-
played, compared to 68 percent for men; women had twenty-one of the 268 seats in the Majlis, and held such additional positions as head of Tribal Affairs Department and State Factories Department; two were senators; and the total number of professional women totaled approximately 120,000.22

**Economic**

The determination of Shahansha Reza Pahlavi to elevate Iran and its people to a prominent position in the world was not only through political and social means, but also through raising Iran's economy to the level of Western Europe's. Many of the economic programs he implemented were responsible for the population migration from the rural to urban areas and the increase in per capita income from $200 in 1963 to $2500 in 1978. This figure is misleading, in that agriculture is the principal economic activity in Iran and accounts for 35 percent of the total labor force but less than 15 percent of the G.N.P., with the end result that the peasant's income is generally very low. In the 1960's, Iran was required to import most quantities of food stuff, primarily because the peasants were still farming with the same equipment and methods they had used in the past and due to increased population and other demands could not produce at consumption levels. "Despite the early social and political benefits of land reform, agriculture in general suffered under the Shah, to the point where it became one of the principle issues against him by his opponents."23

The major industry in Iran is the petroleum industry; through modernization and foreign influence, it has been the primary source of income for the industrialization and modernization of the country. The industry of Iran has grown rapidly since 1963, financed initially by
foreign loans and later by oil revenues. Over two million people were employed in industry in 1974. Iran's new industry was concentrated on turning local or imported raw materials into goods for consumption in Iran, thus reducing the foreign money flow and stimulating economic growth within the local economy. The growth of the economy made major changes in its internal structure. It was slow at first, but with the increasing oil revenues, the economic development reached a high peak. Roads, railroads, industrial plants, health services, and educational services are just a few of the programs implemented by the government and financed by oil. These "fast growing sectors provided higher paying jobs, attracted workers to government employment and to construction, trade, transport and the oil industry." This growing economy resulted in many farmers coming to the urban centers to take advantage of the increased incomes. This migration in turn resulted in the urban centers being subjected to shortages in housing, services and consumer goods. With the migration of the peasant to the urban area came the demand for, and development of, additional manufacturing and utilities.

Summary

During the Shah's reign, Iran made remarkable economic progress, most of which took place between 1960-1977. The economy had achieved a position of 15th in the world, but was still dependent on one industry, that being oil.

In 1976, serious mass demonstrations erupted of such magnitude not seen in Iran for over a decade. Neither observers of Iran nor the Shah, himself, realized the significance of the demonstrations. All possible sources were investigated with negative results.
Only remnants of the Tudeh Party survived; the several hundred remaining members badly splintered among Soviet and Maoist factions. The Kurdiah tribesmen in Northwest Iran, unlike their Iraqi brethren, had been comparatively docile since 1946.26

The Shah felt secure in his position. The military, now a modern force, was tied to the monarch through pay and stature. The urban class was perceived as being comfortable with its prosperity. The religious hierarchy was thought to be under control through denial of effective political power and use of imprisonment or exile. The religious opposition was, however, underestimated. A religious leader in exile by the name of Khomeini was to come out of exile and serve as the national symbol behind which the Iranians could rally. Mass religious demonstrations started. Minor demonstrations against the Shah and his programs occurred in 1977 and were quickly repressed by the Shah’s security force, the SAVAK. Unrest continued, escalating into the riots of 1978 in the holy cities of Qum and Tabrez. The first major riot occurred in January 1978 when the Tehran newspaper ran a government statement accusing Khomeini of being a communist and plotting against the Shah. Khomeini’s followers marched in his support and were suppressed by government Army troops who opened fire into the marchers. The deaths in this encounter between Khomeini’s supporters and the Shah’s troops were the first of an estimated 10,000 deaths that would occur in 1978. The demonstrators continued to grow in numbers and support. In June 1978, the students from the universities in Iran joined the cause of Khomeini, who was still in exile, but taking an active part in encouraging the demonstrations. The Shah continued his use of military force against the demonstrators; and the U.S. government, the Shah’s strongest supporter, continued in its pronouncements of support for the Shah and his government.27

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The magnitude of the violence of the anti-Shah movement in Iran continued in spite of counter-violence by the Shah’s Army troops and last minute efforts of appeasement, such as granting amnesty to Khomeini. Neither the appeasement or the counter violence worked and seeing his control of Iran crumbling, the Shah announced, “I am going on vacation because I am feeling tired.” The Shah departed on January 16, leaving his country in the hands of his newly appointed premier, Shahpur Bakhtier.
CHAPTER III

Revolution of 1978

A number of political groups were involved in the overthrow of the Shah. The strongest with the most support of the masses was the then exiled religious leader, the Ayatollah Khomeini.

The Ayatollah Khomeini, a religious leader of the Shiite Muslims, was a longtime enemy of the Shah. He was exiled to Iraq in 1964, later moved to France where he developed his organization and launched his propaganda campaign against the Shah's reign.

His position of power was primarily through the religious hierarchy of Iran. One must remember that Iran has a population of 36 million of which approximately 32 million are Shiite Muslims. They are led by a religious hierarchy of 350 Ayatollahs which the 12 most influential formed the support nucleus for the Ayatollah Khomeini and his opposition front against the Shah.29

There was no one in the U.S. or Iranian government providing any type of advance warning, prior to the Shah's departure from Iran, that a real revolution was occurring. Therefore, the leadership and military network was never really set into motion with the express purpose of quelling a revolution. This lack of total commitment made it much easier for the revolution to succeed. The people in turn continued to rally to the cause of Khomeini and the Shah was forced to leave Iran on

Khomeini consolidated his position as leader of the revolution upon arrival in Iran on 1 February 1979. His first action was to form a provincial government and installed Dr. Bozargan as Prime Minister. It was evident from the start that Dr. Bozargan was a figure head only and that the real governing power rested with the 15 member revolutionary council formed and headed by Khomeini. This body ruled according to Islamic law and was the driving force behind the declaration of Iran as an Islamic Republic.30

Khomeini's first order of business was to withdraw Iran from the Central Treaty Organization (CENTO) and align himself with the Arab world against Israel. His second action, and probably the one he is most notorious for, was the establishment of a revolutionary court which has sentenced thousands of the opposition to their death.

Dr. Bazargan spoke out against the actions of the revolutionary court and was promptly fired by Khomeini and Abotharum Bani-Sadi was "elected President." The power remained in the hands of Khomeini and the instrument of this power was the newly adopted constitution which directs that the executive, legislative and judicial branches of government are directly accountable to the authority of the religious leader. The constitution further states that spirituality and laws of Islam are the basis for all political, social and economic actions of the republic. This is important if one is to understand the Iran of today.31

Khomeini, as mentioned earlier, is the dominant force in Iran. He rules basically as dictator and derives his power from religious law and the constitution. There are other political factions in Iran which are allowed by the constitution. Currently there are 12 political parties
that are authorized to exist per the constitution. The largest and most
influential is the Islamic Republican Party which is directly aligned
with the policies of Khomeini and in turn receives the support of the
government. The remaining parties, though allowed to exist per the
constitution, are harassed and restricted in their actions by the
government. None of them have yet presented a major threat to the
Khomeini reign and in some cases have been driven to underground opera-
tions. The Marxist groups are one of the primary ones operating in the
underground environment and are openly hunted by the government.32

Though, economically times are tough in Iran, one must remember
that the current government is riding a religious cause. If any of
opposing political parties are to have any degree of success in gaining
a position of influence and power in the governing of Iran, they will
have to be patient and allow the current government and its leadership
to lose control due to unrest caused by political discrimination,
economic failure and general governmental mismanagement. There power
can be gained by the support of a sizable middle class which developed
under Shah's reign and is currently being suppressed by Khomeini.

Economic Weakness

Currently the major weakness in the existing government of Iran is
its economic system. Under the Shah, the economic program was patterned
after that of the United States and was oriented on the development of a
business economy with a strong agricultural base. A comparison of
productivity provides an indicator with some of the current problems
with the economy. The backbone of the Iranian economy has been its oil
production. In December 1977, under the Shah's reign, oil production
was six million barrels per day, three years later it had declined to 3.7 million barrels per day.\textsuperscript{33} Today it is estimated to be at an even lower level than the 1980 figures. It is reported that production of goods, services and manufacturing is in the same direction of oil production. Manufacturing alone declined 40 percent the first year following the revolution and has continued to drop since. These reductions in output coupled with the confusion of the revolution, the loss of trade with the United States, the war with Iraq and confrontations with Kurdistan have together had a devastating effect on the Iranian Economy.\textsuperscript{34}
CHAPTER IV

Post-Revolution Direction

There does not seem to be a post-revolution direction of the government to the solving of the political, social or economic programs presently facing Iran and its people. The current leadership seems to be designing its structure and addressing its problems after the fact with very little long range planning and few favorable results. The end result of the lack of logical direction of the leadership has resulted in the minority and political groups who participated in the overthrow of the Shah, now being so disenchanted with the direction and results of the current government that they have attempted to re-ignite the spark of revolution. The strongest internal resistance to the Khomeini government has been from the Kurds and the Mujahedeen.

The Kurds are led by Abdur Qassemlu who was active in the anti-Shah movement but now feels he and his people have been betrayed by the Khomeini government. In response to this perceived betrayal, Qassemlu stated, "All the peoples of Iran made the revolution, but the clergy have confiscated it." He has also voiced his displeasure with the continued prejudice of the Persians towards the Kurds and has backed his statements of discontent with military actions.

The Mujahedeen is an urban guerrilla group who have considerable strength in the more secular parts of the country and "their ideology is
based on quotations from the Koran which they have given socialistic interpretation. They tend to support the Kurdish movement and denounce the cruelty of the courts and leadership of the new regime.

This ever growing disenchantment with the actions of the new regime in Iran has spread throughout the country to include cities in which is located the majority of the middle class. Rising unemployment and the replacement in city government of qualified administrators with unqualified religious figure heads has fanned the fires of discontent within the middle class. Experts in the field state, "The economic pressure is going to bring tremendous demand for political change, and the Mullahs can't deliver on the economic front." It was felt by many that the war with Iraq would bring unity to different religious, political and leadership factions involved in the continuous decline of Iran's political, economic and social structure. It has to date, however, had that effect. In fact it was reported in an article titled "Iran after Khomeini," by William Safire, that the Iranian government has not made an honest effort to negotiate a settlement with Iraq because Khomeini as the head of the government does not want a victorious military to return to central Iran. The reason the armed forces have no supreme command or winning strategy is that the Mullahs want no general to emerge a hero and have kept military command down at the regiment level. Decapitated and subdivided, the armed forces have been supine during the reign of terror; right-wing paralysis need not continue during a left-wing putsch.

Many feel Bani-Sadr has been the only one in a position of leadership in Iran since the revolution who possessed the economic background, political acceptance by the Kurds and Mujahadeen and administrative ability to put the country back on the right track. He,
of course, was forced into exile by Khomeini and did not have a chance
to put his programs into effect.

Khomeini still appears to be the ultimate power in Iran, with a
very simple pro-revolutionary program. His interval strategy appears to
be one of executing any opposition that even appears to threaten the
government and externally one of continuing the war with Iraq and Kurds.
If his leadership continues in this direction, it is my opinion that the
economic, political and social structure of the country will continue
erode. This coupled with the internal and external strengthening of a
sub-political system could lead to the downfall of the traditional
religious order currently in power.
CHAPTER V

U.S. and Foreign Interest

Iran, prior to the revolution was of strategic and economic importance to the U.S. Economically there was massive trade between the two countries. Military arms and industrial trade from the U.S. to Iran with oil in return. More importantly, however, Iran was of strategic importance. It was a staunch friend in a troubled region of the world of which we have strategic interest. Iran claimed a sizable, modern military force controlled by a leader that the U.S. considered loyal to the U.S. This trust and dependency between the two countries has changed 180 degrees since the overthrow of the Shah.

Now, not only is the United States deeply concerned about Iran's position and actions in the Middle East, but many of Iran's neighboring countries have come to look on Iran with concern and distrust. Much of this distrust has resulted from Iran's lack of support of Arab causes and engaging in a war with another Moslem nation.

Following the revolution, Masir Arafat, the leader of the Palestinian Liberation Organization was the first foreign leader to establish relations with Iran. Following his visit to Iran, and discussions with Khomeini, Arafat expressed the concerns of many of the Moslem countries when he stated, "the Iranian Revolution has turned the balance of power upside down in the Middle East."38 The fighting of the war
with Iraq has not only slowed down the internal reorganization of
Iranian economic and political structure, but has added to the concern
of the other countries in the region. The fighting of a war with
another Moslem nation has resulted in Iran's inability to assume her
position and receive needed assistance from the other countries in the
Moslem world.

This concern is also shared by the United States. In the past Iran
was the United States solid foothold in the region. This helped in
countering the Soviets influence in the Persian Gulf area. Many fear
the possibility of a direct action by the Soviets toward Iran. Prior to
the revolution in Iran and in turn the loss of U.S. influence over Iran,
the Soviets used indirect strategy to influence the countries in the
Middle East. There are exceptions, however, to this indirect strategy:

One of these is the recent case of Afghanistan where direct
Soviet intervention was required to prevent foreclosure of
original nonbelligerent political maneuvers. With Afghanistan
in Soviet harness, only two countries remain standing in the
way of the USSR's completing her historical expansion southward to close the gap in her southern security flank: Turkey
and Iran.

This threat is compounded by what many feel is a shaky U.S. position in
Turkey.

The current administration in the United States is deeply concerned
about the lessening of U.S. influence in the region and the increasing
aggressiveness of the Soviet Union. To the U.S. the region is of stra-
tegic importance because of geographic position and resources. These
are viewed as threats by the Soviet invasion of Afghanistan and the
Iranian revolution. This uneasiness is compounded when viewed in the
light of Libyan expansionism, Iran/Iraq War, possible Arab-Israeli con-
flict, etc. The U.S. has increased its political and economical commit-
ment to the perceived Soviet threat in the region. Politically the
Reagan Administration has stated:

It must be clear that in its view, the threat of Soviet expansionism into the Middle East and the need to protect the West's oil supplies took precedence over all other long-standing problems.10

This support of the friendly countries in the region is also shown through sizable increases in U.S. military and economic aid. A further concern of the U.S. is the apparent preoccupation of the regional countries with their own local quarrels versus the regional and worldwide importance of the Soviet intervention and Iranian revolution. Dr. Dunn in an article in the June 1981, "Defense Foreign Affairs", stated:

The regional states do not ignore the perceived threat; they disagree about how to meet it. Most of the pro-Western states of the region doubt that there is any real threat of encirclement by pro-Soviet states followed by increasing destabilization of the traditional governments of the region. They thus seek to solve those regional disputes.41

Within the boundaries of Iran widespread unrest continues to grow. There is no longer a central theme to hold all the political factions on the same course. This is emphasized in an article in the Defense Foreign Affairs which stated:

The cohesiveness of the radical-left movements inside Iran now no longer depends on common ground and has left the radical-left now under much stronger Soviet influence, via the Tudeh (communist) Party.42

The current government's position appears to be deteriorating and some feel that the radical groups are beginning to manuever strongly in preparation of a continued decline in current government's influence over the people or the death of Khomeini.

Summary

The internal growing discontent of the different factions of the Iranian leadership and population coupled with the lack of trust and
cooperation of neighboring countries has placed Iran in a favorable position for Soviet expansion into her internal affairs. Should this happen, it would impact not only on the region but on most of the other countries in the world. Some feel that at no time in world history has a country been so important strategically and economically, while at the same time being so volatile and unstable posing a threat to world peace, because of a lack of strong government and Army.

In my opinion, the clergy of Iran have led the country to the brink of a downfall. They have destroyed any semblance of organization and power through execution of pre-revolution civil and military leadership, and general decimation of the Armed Forces.

Prior to the revolution, Iran was allied with the U.S., cooperated with CENTO and fielded a modern 500,000 man Army. Through its position of power in the region, was politically able to plant seeds of doubt in the minds of the Soviets as to what Iran's actions would be should the Soviets attempt to communize Afghanistan. The Khomeini government through its destruction of the largest most modern Army in the area has allowed the Soviets to launch its initial strategic drive into the area.

The political arm of the Soviets is also starting to gain ground inside the borders of Iran. This is through a reported tactical alliance between the pro-Moscow Tudeh Party in Iran and the Ayatollah Khomeini. The end results sought by the Tudeh Party was to establish an alliance with the leadership of the revolution and be in a position which would give them the maximum freedom possible to establish a strong organization in the country. With a strong organization they would then be in position to take control of the country, should Khomeini die or lose control of the government.
The Armed Forces of Iran, once a power in the region, have only recently been able to make minor advancements against the Iraq Army. This, many feel, is the result of the Ayatollah Khomeini's purge leaving it without qualified leadership. The leadership purge had another effect also; it, at least for the near future, leaves little hope for a military figure to emerge as an opponent to the current government.

Though I have painted a bleak picture of conditions internal and external to the Iranian border one, from reviewing history, cannot write Iran off as a lost cause. Babak Khomeini in his article, The Military and National Security of Iran, substantiates this comment when he states:

Iran has many times been at the verge of full collapse as a nation, and has drawn together to survive. Iranian culture, nationalism or Aburamazda, the God of Iran since ancient times, always seems to step in and rally the people.
ENDNOTES


5. Ibid, p. 77.


27. Ibid., p. 118.

28. Ibid., p. 119.


41. Michael C. Dunn, op. cit., p. 22.

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