CHAPTER X

NATIONALIZATION

(1) Capitalist Development
(2) Factory Employment in Iran 1969.
(3) New Opposition
The Second World War provoked political upheavals throughout the globe; and in many countries communist parties gained unprecedented strength through leading struggles in the tempestuous conditions of the global battle. This was true in countries under fascist occupation or fascist attack where the communist parties were among the most effective leaders of the anti-fascist movement and where they were among the most effective leaders of the anti-fascist movement and where they were able to benefit from the exchanged prestige of the Soviet Union. This was true in eastern Europe (Albania, Yugoslavia, Poland, Czechoslovakia) in Western Europe (France, Italy and Britain) and in several countries of the Far East (China, Vietnam, Korea). In countries under the domination of imperialist powers fighting on the Allied side the Communist parties had a completely different problem; their prize response to the weakened imperialist hold was to call for all-out defence of the Soviet Union and half to anti-imperialist struggle. This meant that in a situation of economic and political Turmoil it was the nationalists and not the communists who were able to come forward as the apparent champions of the oppressed peoples; and they were able to do so all the more easily in that they expressed themselves in the idiom peculiar to that country. During and after the Second World War, in India, in the Middle East and throughout Latin America the communist parties were reduced to defensive positions while bourgeois nationalists had the field all to
themselves. In different ways, but all benefitting from this open situation, a generation of nationalists used the weakening of the world imperialist system by the Second World War. To mobilize support, where the communist parties were reduced to paralysis, Mahatma Ghandi, Gamal Abdal-Nasser and Juna Peron rode the popular wave. This situation applied with variation to Iran. There the unique demand of loyalty to the Soviet Union was made more complicated by the fact that Soviet Troops were actually on Iranian soil and the Soviet Union was demanding an oil concession in northern Iran from the Tehran government, the loosened political situation created by the occupation had enabled political parties to organize and communist party, the Tudeh (Masses) party, had grown in strength both in Tehran and the north and in the oilfields of the south. But the Tudeh were forced to concede ground to their bourgeois rivals and, when the Shah's government maneuvered the Red Army out of northern Iran at the end of 1946, official attacks on the left grew stronger.

The biggest threat to the Shah came from the nationalists led by an anti-imperialist landowner, Mohammad Mosadeq, who was calling for the nationalization of Iranian oil. Between 1915 and 1950 the Anglo-Iranian Oil Company had realized a profit of £613 million, while the Iranian government had received only £316 million. While Tudeh was confined by its ties to the U.S.S.R. Mosadeq was immensely popular with the urban masses; and in 1951 he became Prime Minister and immediately nationalized the oil industry. The expropriated British launched a campaign against him; the social-imperialist of the Attlee government
organized a world wide embargo on Iranian oil, and made a
determined effort to bring down the Iranian nationalist regime.
They had some success, in that the end of oil revenues bro-
ught problems to the Iranian economy. Moreover, Mosadeq
had an unorganized political following; he was popular, and
backed by the majority of Iranians; but his national front
consisted of a coalition of small groups and was not hohe-
ently organized. The only organized anti-imperialist force,
the Tudeh party, at first opposed him; the party secretary
Radmanesh told the Nineteenth congress of the communist
party of the Soviet Union in early 1952 that Mosadeq was an
American agent, trying to wrest Iranian oil from the British.
It was only after Shah of Qavam-es-sultaneh had tried to
oust Mosadeq in July 1952 that Tudeh suddenly switched over
and began to support Mosadeq's position.

By this time it was too late, the U.S. had at first
taken a cautious stand and hoped to use Mosadeq to weaken
the British. Later the State Department became worried by
the growth of the mass movement. In January 1953 the change
of administration in Washington brought Eisenhower and
Dulles into power. In terms of cold war strategy Iran formed
part of what the American called the "northern tier" - THE
anti-Soviet front line running from Turkey through Iran to
Pakistan. Dulles, with his aggressive global strategy, wan-
ted to consolidate the U.S. position in these countries; and
the decision was taken to overthrow Mosadeq. Mosadeq's
bourgeois allies had started to desert him; and on 13 August
1953 the, Shah, with U.S. guidance, staged a showdown, by
signing an edict (firman) that dismissed Mosadeq. Mosadeq resisted and arrested the chief of the Shah’s Imperial Guard. The Shah then escaped to Baghdad and thence to Rome; and in Tehran there was an outburst of republican demonstrations. Meanwhile, in a Swiss ski resort Allen Dulles, head of the CIA, held a meeting with the Shah’s twin sister Princess Ashraf and the U.S. Ambassador to Iran, Loy Henderson. A Colonel Schwar Takofp, who had trained the Iranian Police during the war, was dispatched to Tehran with $10 million in notes; and there, in cooperation with CIA Chief in the area, Kermit Roosevelt, the anti-Mosadeq coup was organized. On 13 August two prongs of the counter-revolution went into operation. First bribed crowds of prostitutes and Thugs swarmed up from southern Tehran, led by a right-wing bazaar leader named Shaaban Jafari; then the army, led by pro-shah General Fazlollah Zahedi, marched into Tehran. Mosadeq was arrested and the Shah restored. A bewildered and terrorized population was unable to resist, while many of those in organized political groups expected that the reinstated Shah would be unable to remain in office for long.

This coup, known in Iran by its Persian date “The 28th Mordad”, was organized in detail by the CIA and the U.S. military Assistance Mission in Iran. As the director of U.S. Military assistance later told the U.S. Congress:

When this crisis came on the thing was about to collapse, we violated our normal criteria, and among other things we did, we provided the army immediately on an emergency basis, blankets, boots, uniforms, electric generators, and medical
supplies that permitted and created an atmosphere in which they could support the Shah: the guns that they had in their hands, the trucks that they rode in, the armored cars that they drove through the streets, and the radio communications that permitted their control, were all furnished through the Military Defense Assistance Program. If it had not been for this program, a government unfriendly to the United States probably would now be in power.

Another U.S. commentator was even more straightforward: "It is senseless as some observers have written, to say that the Iranians overthrew Mossadeq all the themselves. It was an American operation from beginning to end."

**Capitalist Development**

After 1953 Iran went through two phases. The period from 1953 to 1960 was marked by severe repression and by the continued political instability of the regime. The phase from 1961 began with a temporary revival of the nationalist movement, but was dominated by the regime's programme of reform, which initiated wide-ranging capitalist transformation and the conversion of Iran into one of the dozen most powerful states in the world. Political men appeared to be more docile and controlled, until 1971 when a new revolutionary opposition movement emerged from the movement of the previous two decades.

Since it was the U.S.A. that had put the Shah back in power, it was not surprising that for the first time they acquired some ownership of Iranian Oil. Formally, this
remained nationalised, but a new consortium of companies was
given the right to continue plundering in a manner similar
to before. BP retained a 40 per cent share; Shell acquired
14 per cent. CFP got 6 per cent; and the remaining 40 per
cent was shared out between the five U.S. majors, with 7
per cent each, and a 5 per cent share for a group of minor
U.S. companies. The new agreement was to last until 1994.
A company set up by Mosadeq, the national Iranian Oil Com-
pany, was to receive 50 per cent of the profits along the
lines of the 50-50 agreements which Saudi Arabia and Kuwait
had already signed. The U.S. domination was confirmed even
more intensively in the military sphere. In 1964 Iran joined
the pro-Western Baghdad pact (later CENTO). The formal
reason for this military strengthening was the threat of a
Soviet invasion; the real reason was internal repression.
U.S. aid which poured into Iran over the period 1953-60
enabled the Shah to expand his army from 120,000 men to
190,000, his air force from nothing to 2,000 and his navy
from nothing to over 4,000. Military expenditure rose from
2.56 rials (350 million dollars) (in 1953-54 to 14.26 rials
(2 milyard dollars) in 1960-61 to 33.96 (4 milyard dollars)
in 1966-7. Between 1950 and 1965, 2000 Iranians were train-
ed in the U.S. In Iran itself at least three U.S. military
groups operated; ARMISH = The United States Military Mission
with the Imperial Iranian Army; MAAG, the Military Assis-
tance Advisory Group to Iran; and GEWISH = The United States
Military Mission with the Imperial Iranian Gendarmerie.
Hubert Humphery summed it up in 1960: "Do you know what the head of the Iranian army told one of our people? He said the army was in good shape, thanks to U.S. aid - it was now capable of coping with the civilian population."

In the whole period from 1946 to 1970 Iran was estimated to have received a total of $1,365.6 million in military aid, of which $830.4 million came under the Military Assistance Programme and another $504.1 million took the form of credit from the U.S. government.

**U.S. Military Aid to Iran under the Military Assistance Programme 1949-69**

<table>
<thead>
<tr>
<th>Year</th>
<th>$ million</th>
<th>Year</th>
<th>$ million</th>
</tr>
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<tbody>
<tr>
<td>1949-52</td>
<td>16.6</td>
<td>1963</td>
<td>70.1</td>
</tr>
<tr>
<td>1953-7</td>
<td>133.9</td>
<td>1964</td>
<td>27.3</td>
</tr>
<tr>
<td>1958</td>
<td>73.0</td>
<td>1965</td>
<td>49.9</td>
</tr>
<tr>
<td>1959</td>
<td>90.9</td>
<td>1966</td>
<td>93.5</td>
</tr>
<tr>
<td>1960</td>
<td>89.1</td>
<td>1967</td>
<td>75.3</td>
</tr>
<tr>
<td>1961</td>
<td>49.2</td>
<td>1968</td>
<td>86.8</td>
</tr>
<tr>
<td>1962</td>
<td>33.3</td>
<td>1969</td>
<td>50.9</td>
</tr>
</tbody>
</table>

Source: The Arms Trade with the Third World, Stockholm International Peace Research Institute, Stockholm, 1971, p. 146

This sum represented roughly 7 per cent of all U.S. aid to other countries under the Military Assistance Programme.
The organization that ruled Tehran by martial law after the coup, the Fārsand-i-Nizāmi, set about tracking down the Shah's opponents; U.S. advisers imported FBI methods; and the Iranian security forces were revamped in 1956 to form the now notorious secret police, the Sa'dun-i-Stelaat Va Amniyat-i-Keshvar, or organization of Information and Security of the country, known by its initials SAVAK. There were three sorts of opponents whom the newly reinstated regime had to crush. First, there were the nationalist supporters of Nosadeq. These were arrested and tried; Nosadeq himself was sentenced to three years in prison and then banished to his village, while Fatemi, his foreign minister, was shot; the loose National Front was shattered. The Second source of opposition came from anti-monarchist tribes, particularly the Quashapai, in Southern Iran. Their flocks and villages were strafed and bombed and their leaders driven into exile. The Tudeh were a more serious case. They had a powerful apparatus inside the officer corps; it numbered up to 600 men and was headed by an ex-officer named Khosro Ruzbeh.

The civilian Tudeh were rounded up during late 1953 and 1954 and the government gained considerable profit from the surprise of their coup and from Tudeh's underestimation of the new U.S. - Shah alliance, the military net work was broken through torture and constant harassment; and in 1953 Khosro Ruzbeh himself was captured after a gun battle, tried and executed. By the late 1950 Tudeh leaders, exiled in
Leipziga announced to the world that they no longer possessed any organization with Iran itself.

As far as U.S. imperialism was concerned, the situation in Iran seemed to have restabilised itself. The state had been strengthened and the enemy crushed. Change was now possible. In 1960 political controls were lessened and the opposition was allowed to contest the elections for the assembly in August 1960. So blatant was the government's rigging of those elections that the Shah had to cancel them, and a new government was brought into reorganize the political set-up. Political opposition broke out in university and in a number of professions, including the teachers, and in 1961 and 1962 the army invaded the university with the result that students were shot and arrested. The leadership of this new wave went to the national front, which raised the slogan of "restoring constitutional government" and called for the return of Mosadeq, the Tudeh party tried to join the national front, but were rejected as being anti-nationalists and agents of the Soviet Union.

The initiative at this time lay with the Shah, who was able to outmanoeuvre his divided and uncertain opposition. Under the influence of the Kennedy administration in Washington and pressure for development at home the Tehran government launched a programme of reform entitled the "White Revolution", the aim of which was allegedly to bring democracy and prosperity to Iran; and in January 1963 a rigged referendum validated the six principles of this "revolution" po-
Popular anger mixing revolutionary, military and religious obscurantism continued to rise; and in June 1963 a full-scale popular insurrection took place in Tehran and its environs. Thousands of people were gunned down in the streets and the religious leader Ayatollah Khomeini was bundled off to exile in Turkey. Severe repression brought all opposition to an end and Iranian Politicals returned to a SAVAK run peace comparable to that of the 1950s.

At first the key element in the White Revolution was the land redistribution. Upto 1962 Iran had been an overwhelmingly agricultural country, with a round 50,000 villages, 70 per cent of the land was cultivated by share-croppers under a system known as monorce and some feudal families owned tens of villages. The biggest landowners of all had been the Royal Family, late-comers who had robbed other more Traditional families in 1920's and 1930s but the Shah himself,had begun to dispose of his lands in 1949. The first stage of land reform, from 1962 to 1964, limited ownership to one village per owner and an estimated thirteen to fourteen thousand villages were thus reallocated. In August 1964 a second stage of reform introduced capitalist rents and farming techniques into the remaining villages. Paralled to this break-up of the old estates a Health Corps and a Literacy corps were sent into the rural areas allegedly to educate and assist the people.

This reform was accompanied by delirious propaganda in favour of the shah and his "wisdom". It was pretended
that the land reform showed the Shah's love for his people. In fact it showed the opposite. The people's hatred of the Shah and his fear of them. As Ali Amini, the Prime Minister in 1962, remarked in defending the reforms: 'We must not allow the people's anger to rise. It would sweep us all away, the Shah and The Aminis'. Like many capitalist land reforms before it, such as Stolypin's reforms in Russia, two years after the 1906 revolution, the main purpose of the land reform was political. To reduce Tensions in the population, and to create a strong rural base for the regime. Like the later 'Green Revolution' in India, it tried to broaden the Social base of the regime.

The land reform replaced pre-capitalist agrarian relations by a capitalist system. Mozarree, share-cropping, was replaced by rents. Those peasants who did receive land taken from the biggest owners were in general peasants who had been relatively well off before the reform. In 1967, at the end of the second phase of the reform, official figures showed that 736,715 peasants—around 20 per cent of the rural population—had become owners, but nearly twice that number—1,233,963—had become leaseholders. Many landowners were able to evade the reform provision; the second phase allowed owners with 'mechanization' to retain more land; and many a rusty tool or Tractor was produced to justify this claim, the cooperatives set up by the regime were in practice dominated by the rich peasants, who used them to control the marketing of other's produce.
Some Iranian revolutionaries at first argued that the land reform was a fake designed to deceive the Iranian people. This was clearly not the case; a real shift in class forces had taken place. The biggest and most backward land owners were weakened and then integrated into the new bureaucratic apparatus set up by the reform. Some peasants were co-opted into the system as owners, but many more saw the rate of exploitation rise as mozarreestics were replaced by rents to be paid in money. One consequence of this was the forced migration of rural population to the towns, where they formed a volatile and unemployed lumpenproletariat.

Tehran’s population rose from 1.5 million in 1963 to 2.3 million in 1963. But in the villages the health and literacy corps provided the government with a bureaucratic apparatus through which to control the peasantry more easily, the distinguishing feature of this particular capitalist land reform was that others such reforms generally aimed not only to stabilize the political situation but also to generate an economic surplus from rural production that would facilitate the development of industry. In Iran the surplus came not from agriculture but from oil; and agrarian production actually fell behind the rise in population. In 1969 agrarian output rose by only 1.7 per cent, while the population rose by 3.2 per cent and agriculture amounted for a little as 15 per cent while employing up to 45 per cent of the population. After ten years of white revolution Iran had become a net importer of meat and cereals for the first time.
The rise in oil revenues formed the basis of Iran's growth rate, which in the middle and late 1960 was as high as 10 percent. From 1967 onwards the Shah negotiated annual agreements with the oil consortium, guaranteeing rises in prices in price and in Iran output; and in February 1971 he patronised the Tehran talks between the OPEC Gulf states and the oil companies, which reached a comprehensive five-year deal on price and output figures. However, although in June 1972 he reached a further agreement with the Iranian consortium on long term future cooperation, he was outdistanced by the Arab oil 'Participation' agreement of October 1972. In January 1973, at the tenth anniversary celebrations of the White Revolution, he announced that new negotiations would be needed immediately to revise the concession. With planned investment for the 1973-8 five year plan at $32,000 million, the annual production of oil would have to rise from its 1971 level of 222 million tons to around 400 million tons during the plan period. In may 1973 the oil companies agreed to terminate the 1954 agreement (scheduled to run till 1994) and to hand over ownership of its fields and of their finery in return for Twenty years guaranteed supplies.

The economic growth actually carried out in the first decade of the White Revolution had two marked limitations. First, it was heavily concentrated in the services sector. Secondly, it was very much dependent on foreign capitalist penetration of Iran. The fastest growing sector of the Iranian economy was services, which in 1968-9 made up over
40 percent of production. The industrial development carried out was often very inefficient, the two largest industrial projects, the gas trunk-lines to Russia and the Shahpur Petrochemical plant, both cost more than double the $ 500 million originally allocated to each. Most of the establishments listed as 'factories' were very small, employing an average of around four people, and were concentrated in the light industry zone.

The foreign share of the economy developed despite the Shah's own rising revenues and his heady rhetoric about national independence. A special centre for the Attraction and protection of foreign Industries - CAFFI - was set up for this purpose, the U.S. was the leading investor in this field. In April 1971, of the 119 foreign companies operating in Iran in fields other than oil - 32 were U.S. firms, 18 were West German and 14 British; but of the total $ 350 million invested by foreign firms up to mid 1970 under the 1968-72 five year plans $ 215 million were U.S. funds.

U.S. firms invested more per company in Iran and were more numerous overall. Whether American or not, all foreign firms were able to repatriate profits under the auspices of CAFFI; between 1965 and 1968 over 30 percent of money invested in Iran through CAFFI left the country again as capital outflow to foreign firms.

Another way of returning the surplus to the advanced capitalist countries was through military purchases. These escalated in 1960. In 1970 alone they rose by 50 percent, and in 1972 came to $ 895 million, over a third of the
budget and dwarfed even those of Saudi Arabia. From 1961 the U.S. gave less out right aid to third-world countries for military purpose, and such supplies were financed either through credit or through purchases by the countries themselves. Iran was in a position to meet both credit and outright purchase conditions; in the period 1962-8 U.S. export sales to Iran were $515.4 million or 24 percent of all U.S. arms sales to the third world. Subsequent credits have included several hundred million dollars of Export-Import Bank credits for the purchase of Phantom F-4 Jets, for re-equipping the army, for naval expansion in the Gulf. The British, too, provided extensive naval and land arms supplies, including 800 Chieftain tanks. In 1972 Iran's total foreign debt amounted to $12,232 million and over $200 million went on servicing the military part of it alone. In 1973 it announced a new $2,500 million arms agreement with the U.S.A., and it was estimated that in 1973-4 Iran would spend more on arms than in the previous fifteen years. In 1972 Iran was estimated to have a total armed force of 1,91,000 and a defence budget of $915 million, which represented around 8 percent of GNP. The army numbered 1,60,000 men, the navy 9,000 and the airforce 22,000, the country possessed a vast arsenal of tanks, rockets, fighter-bombers and armed hovercraft, comprising by far the largest military power in the area. If upto 1961 the main purpose of the military supplies had been internal repression, the aim in the 1960 and 1970 was more strategic. The Shah propagated Iran's dominant role in the Gulf, once the British had
left, and he built up his naval forces with the object of continued expansion into the Indian ocean. In 1971 Iran occupied three islands, the two Tuibs and Abu Musa, in the mouth of the Gulf, and in 1972 the Sultan of Oman gave it the island of Umm al/Ghanem, the Shah stated flatly that Iran would not allow revolution on the Arab side of the Gulf. With one big $200 million naval base already established at Bandar Abbas, the Shah began construction of a second base outside the mouth of the Gulf, at Chah Bahar in Baluchistan, at a cost of $600 million. In 1972 he even announced that Iran had acquired naval facilities on the island of Mauritius, far out in the Indian Ocean; and he warned that in the event of rebellion in Pakistan, Iran would invade. When the Shah dispatched around 10,000 counter insurgency troops to Oman in December 1973, this was the first time the Iranian army had fought a major campaign abroad since the bandit/Turned-Monarch Nadir Shah had invaded northern India and Oman in the early eighteenth century. The Iranian people, many of whom have a sharp sense of history, will recall the fate which befell Nadir Shah: 20,000 men lost their lives in Oman before the Iranian invaders were driven out. Then the monarch himself was assassinated by four of his army officers, who feared that the Shah's tyrannical practice might soon claim them as its victims.

The strengthening of Iran involved a change both in relations with Russia and with the imperialist powers. Although the Shah visited Moscow in 1956, relations with the
Soviet Union in the 1950s were bad, and they only improved after the Shah's second visit to Moscow in 1965. In 1967 the Shah concluded a $110 million military purchase agreement, and this was followed by an economic treaty worth $260 million, under which the Russians would build a steel mill in Isfahan and Iranian gas would be piped to the Soviet Union. Around 1,500 Russian experts came to work in Iran, and when in 1972 the Shah paid a third visit to Moscow a further economic and cultural exchange agreement was signed. The imperialist countries at first viewed these ties with alarm, but it was soon clear that the Shah remained solidly in the western camp; and by 1970 Britain and the U.S. were encouraging Iran to play an important role in the Gulf and Indian Ocean. More populous and capable than Saudi Arabia, Iran was allotted a key role in imperialist policy. The New York Times summed it up in July, 1974:

"Acting with British/American blessings, Shah Mohammed Reza Pahlavi has accepted responsibility for the security of the Persian Gulf after Britain removes its production and armed forces by 1975, when the present programme of military deliveries and training is completed. Iran is expected to be a major Middle Eastern power and an element of stability in the Volatile Gulf region, American officials say."

Nixon's visit to Tehran after his trip to Moscow in May 1972, and the appointment of former CIA Richard Helms as U.S. ambassador to Tehran confirmed this support.
### Table 27

**FACTORY EMPLOYMENT IN IRAN 1969**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Employees</th>
<th>Factories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food manufacturing</td>
<td>1,27,877</td>
<td>21,564</td>
</tr>
<tr>
<td>Beverages</td>
<td>3,619</td>
<td>58</td>
</tr>
<tr>
<td>Tobacco</td>
<td>4,387</td>
<td>3</td>
</tr>
<tr>
<td>Textiles, Carpets &amp; Celims</td>
<td>2,04,705</td>
<td>42,889</td>
</tr>
<tr>
<td>Apparel, made up cloth</td>
<td>1,21,718</td>
<td>45,762</td>
</tr>
<tr>
<td>Wood and furniture</td>
<td>30,615</td>
<td>13,333</td>
</tr>
<tr>
<td>Paper &amp; Cardboard</td>
<td>2,588</td>
<td>254</td>
</tr>
<tr>
<td>Printing &amp; Binding</td>
<td>8,230</td>
<td>1,054</td>
</tr>
<tr>
<td>Leather and hides</td>
<td>6,329</td>
<td>1,239</td>
</tr>
<tr>
<td>Rubber &amp; rubber products</td>
<td>6,001</td>
<td>604</td>
</tr>
<tr>
<td>Chemicals</td>
<td>13,738</td>
<td>364</td>
</tr>
<tr>
<td>Non/Metallic minerals</td>
<td>42,998</td>
<td>5,096</td>
</tr>
<tr>
<td>Petroleum</td>
<td>790</td>
<td>10</td>
</tr>
<tr>
<td>Basic metal</td>
<td>7,893</td>
<td>696</td>
</tr>
<tr>
<td>Metal Products</td>
<td>70,811</td>
<td>23,930</td>
</tr>
<tr>
<td>Non/electrical machinery</td>
<td>6,378</td>
<td>5,037</td>
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<tr>
<td>Electrical machinery</td>
<td>18,068</td>
<td>70</td>
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<tr>
<td>Transport equipment</td>
<td>17,925</td>
<td>7,183</td>
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<tr>
<td>Other miscellaneous</td>
<td>9,481</td>
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<tr>
<td>Electric power</td>
<td>7,34,867</td>
<td>1,81,383</td>
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</table>

**Source:** The Middle East and North Africa 1973-3 Page 313.
NEW OPPOSITION

The ideological component of the "White Revolution" was the monarchist frenzy that the Shah tried to elicit from his people and from the rest of the world. He made no pretense of allowing any political freedom to his people and by 1973 had taken to lecturing western listeners about their "Softness" towards dissidents in their own country. Even loyal servants whose actions were popular, like the first agricultural reform minister, Arsanjani, and the mayor of Tehran, Nafici, were dismissed lest they lessened public concentration on the Shah. This megalomania reinforced the illusion that the Shah alone ruled the country, a version of events that masked the development under the Shah of a large ruling class in which remnants of the old and newly enriched elements united. Even the Iranian opposition appeared at times to be victims of this personalist mythology, failing to see the way in which the consolidation and subsequent expansion of the Pahlavi regime at the political level had been accompanied by class formation at the socio/economic level.

The new ruling class depended partly on the expanded state apparatus (Civil and military), the growth of Iranian commercial and industrial enterprises, however subsidiary, and the reorganised agrarian system, its economic prosperity was visible for all to see, but it seemed to present no serious direct challenge to the Shah at the political level. It sheltered behind his dictatorship and was accomplice to his terrorization of the people. Two puppet organizations, the Iran Novin (New Iran) and Mardon (people) parties,
carried out a shadowy debate in the Iranian parliament and
went through the motions of standing for election. This
went in July 1971 for the elections. All premiers
installed were chosen as loyal servants of the Shah him­
self. Inside Iran, stringent measure were taken to pre­
clude criticism of the Shah. Shakespeare plays that por­
troyed the murder of kings were banned lest the audience
applauded. Parallel measures were taken abroad, where the
2,500th anniversary had in fact fallen in 1962, but because of the uncertain political situation nothing had been
celebrated at the time. The other was that over 1,000
people were taken into detention by SAVAK in the months before the celebration in order to prevent any opposition. 1971 was marked by a much more important event for the Iranian people than the Shah's circus, it saw for the first time in a decade the emergence on a small scale of a revolutionary opposition. This new movement grew out of the defeat of the old, the nationalist and communist movements that had grown up during the second world war had become divided, and had paid the price of this in the bloody and passive defeat of August, 1953. The Tudeh had then been too hostile to the nationalists and had been hampered by its ties to the Soviet Union. The nationalists had produced no strong political organization and had clung to parliamentary means of gaining and retaining power. In the relative relaxation of 1960-65 the Tudeh had followed after the nationalists, while the latter had reproduced in an even starker form the mistakes of the period before 1953. Their slogan, "restoration of legitimate government" and their reformism were no match for the Shah and his manoeuvres. At the one permitted National Front Congress, held in Tehran in 1962, a committee from Tehran University was defeated in calling for more vigorous activity and in opposing collaboration with the regime.

The opportunism of the old national front leaders weakened its support; and in January 1963 the Shah went on to the attack with his capitalist reforms. A bewildered opposition denounced these as fakes, tried to ask for more, and forced no coherent position on the religiously inclined rebels who flared up in Tehran and in the holy city of Qom.
In June 1963, when thousands of workers and peasants rose in spontaneous opposition and were massacred, the vacillation and reformism of the national front and their Tudeh trailers had been proved to many militants.

In the years after this second defeat the nuclei of a new militant opposition began to reflect and to work. Some were former members of Tudeh or of the national front. Others were members were of the University who had participated in the struggles of 1960-63. A powerful adjunct to this development inside Iran was confederation of Iranian students, which operated in Europe and North America and which included all political tendencies with in the 20,000 exiled student community who opposed the Shah. Other factor also assisted political clarification. The evolution of capitalist relations inside Iran increased the numbers of working class in the main urban centres. The growth of economic and military ties with the Soviet Union also enforced the need for self-reliance among the Iranian opposition. This was equally encouraged by the development of ties between the Shah and the people's republic of China in 1971; and by the diplomatic praise granted to the regime by Chinese officials. Another radicalizing factor was the growth of armed struggle in other parts of the colonial world: in Vietnam, in Palestine and in Latin American. In the Arab countries the Nasserists had initially benefited from the weakness of the communist parties and had then given birth to a revolutionary current through their own degeneration; in Iran the discredi-
ting of the Tudeh and then of the National Front combined with the world revolutionary upsurge of the late 1960 to produce the new opposition that broke out in 1971.

Although many distinct small groups made up this movement, they all had in common a recognition of the fact that armed struggle was a necessary form of political activity in Iran, their disparities, meanwhile, were due more to diverse origins than to sectarian disagreement. One group which began in 1965 sent two of its militants to fight for a time with the Palestinian guerrillas; and in February 1971 it tried to start a guerrilla movement in the mountains north of Tehran. They attacked a police station at Siahkal in February, but were quickly surrounded by hundreds of government troops backed by helicopters. Three were killed, twelve were arrested and later shot and the police later claimed to have captured another fifty. According to press reports the group had four components: a rural guerrilla section; an urban guerrilla section; a smuggling and munitions section and forgery section.

The Siahkal attack was the biggest guerrilla outbreak up to then; and despite their set back, the group that organised it continued their activities under a new name, the Guerrilla Organisation of the Devotees of the people (Chirikha-ye-Edayi-i-Khalq).

Members of another organisation, the Palestine Group, had been arrested in December 1970 while trying to escape
from Iran over the Iraqi border to make their way to Jordan. At their trial in January 1974, one of their members, Shokrallah Faknejad, described the political position he represented: 'I am a Marxist-Leninist, and I am proud of my way of thinking,' he said.

I used to be a religious man, and in the course of social struggle as a member of the Iran National Party.