

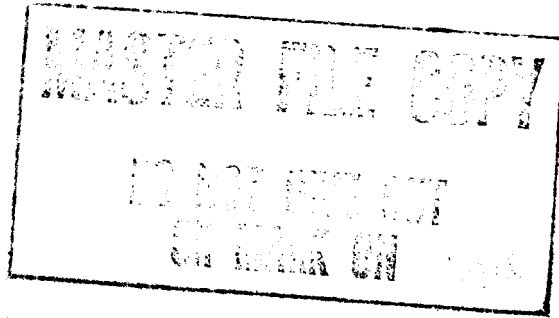


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Iran: A Handbook



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Iran: A Handbook

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This paper was prepared by [Redacted]
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Iran: A Handbook**Introduction**

Iran's rich natural and human resources and its location in the Persian Gulf region give it strategic importance in the East-West rivalry. Until 1978 Iran seemed solidly in the Western camp. The Shah intended Iran to be a model of Third World development and a reliable link in the Western chain of defenses. Tehran was using its income as the world's second-largest oil exporter to develop what it hoped would be a self-sustaining industrial base and as the basis for a major role in the international arena. The Shah commanded the region's largest and most sophisticated armed forces and communications network.

The political upheaval of late 1978 led to the creation in early 1979 of the Islamic Republic under Ayatollah Khomeini. Iran became an international maverick fueled by religious fervor and actively opposed to US interests. The Soviets had made a major strategic gain; even if Moscow failed to win influence with the new Iranian regime, the United States had lost a major ally in the region.

The Iranian revolution was a genuinely popular movement. It included a visceral revulsion against Western—particularly US—influences that were perceived as destroying basic Iranian religious and cultural values. During the past three years the clerical activists who played the leading role in the upheavals have, through repression, eliminated their most powerful secular and leftist allies. They have exploited:

- The emotional and symbolic appeal of Shiism, especially its anti-Western aspects.
- Khomeini's personal charisma.
- A nationwide organization centered on local mosques and charitable foundations.

The clerics' fear of and lack of interest in a modern economy and armed forces led to extensive purges of experienced civilian and military personnel. Their extremist foreign policy initiatives and determination to "export the revolution" isolated Iran from its neighbors and the industrial states that had earlier backed its development. The economy is in disarray—oil exports are one-third of prerevolutionary levels, foreign exchange reserves have declined by 85 percent, and yearly inflation is at least 70 percent.

Nonetheless the Khomeini regime has muddled through. The regime provides the basic necessities, especially to the lower classes who comprise its power base. The middle and upper classes have left Iran or are cowed. The regular armed forces and Revolutionary Guard, though antagonistic to

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each other and ill supplied, have proved responsive to the regime's demands and capable of defending it against Iraq and internal threats.

Tehran has turned to the USSR and its allies for arms and civilian goods largely because other sources are unavailable. The Soviets, for their part, are eager to improve relations. Tudeh, the Iranian Communist Party, has not been allowed a full political role, but it has had some success in penetrating key sectors of the society, despite deep suspicion in Iran of Soviet aims and of the Communist threat to Islam.

The Khomeini regime enters its fourth year with a sense of confidence and coherence noted by most recent visitors to Tehran. It is engaged in a diplomatic offensive designed to open political and economic contacts with a wide range of nonaligned and European states. Iranian troops have seized the initiative in their war with Iraq. Tehran maintains contacts with international mediators but has not relaxed its terms for a settlement. Important legislation seems to be moving through parliament after negotiated compromises between rival pro-Khomeini factions.

Iranian attitudes toward the United States and the West show few signs of softening. But, economic need and Iran's newfound self-confidence could eventually lead to some moderation of its anti-Western rhetoric.

Iran has the potential to resume playing a dominant role in the Gulf in the 1980s unless its revolution degenerates into civil war. Its two rivals, Iraq and Saudi Arabia, probably will strengthen cooperation against this danger, but the Gulf's weaker states have historically sought to establish a working relationship with both Baghdad and Tehran in an attempt to play off contending ambitions.

Domestically, the Islamic Republic is still fragile. To survive, its clerical leaders must:

- Control the various regular and irregular armed forces and not allow them to exacerbate factionalism within the ruling group.
- Make better use of technocrats and other experts trained at home and abroad.
- Provide the prospect of economic and social betterment to the lower classes.
- Sustain an ability to compromise among themselves.

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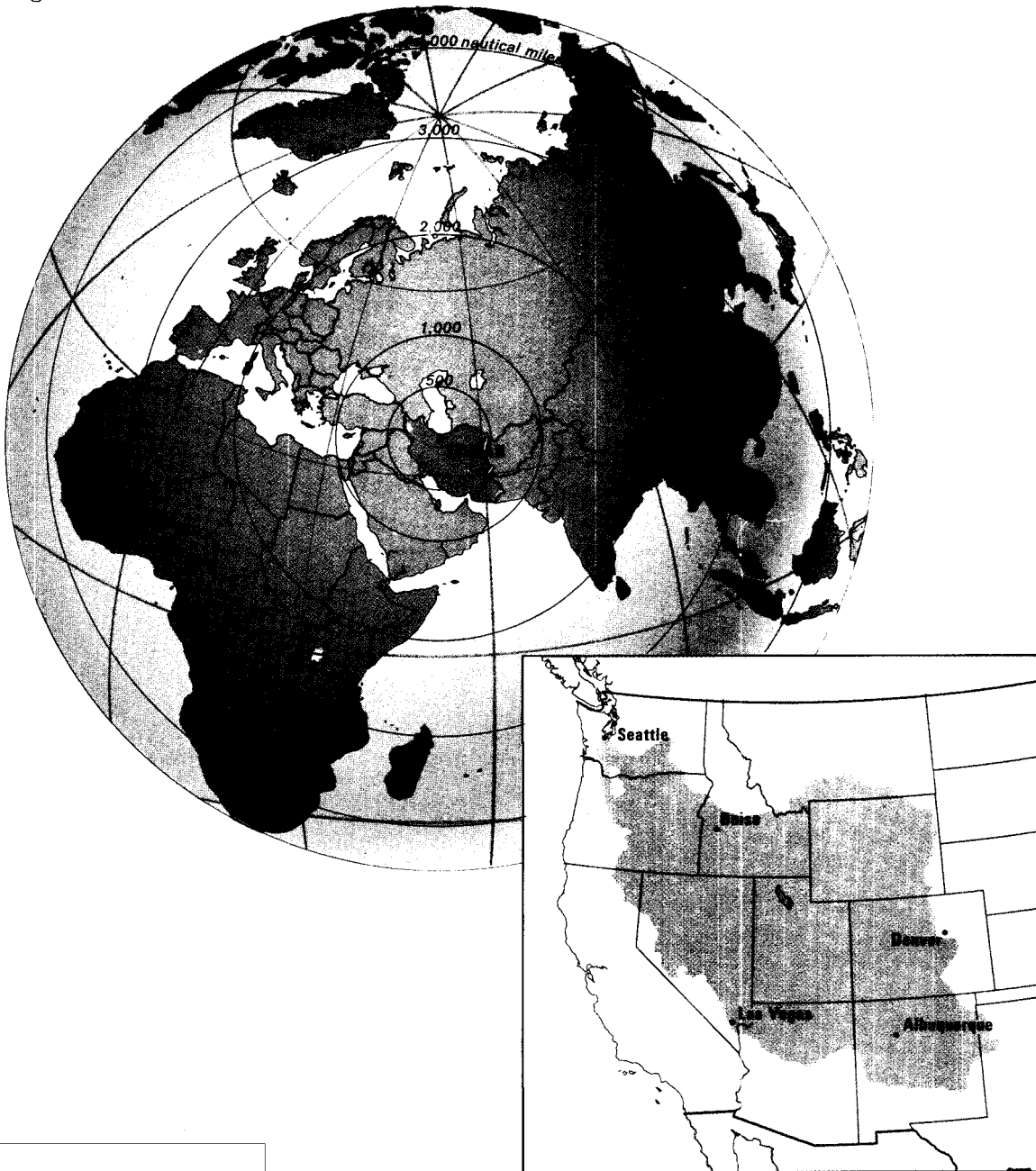
Their most intractable problem may be legitimizing their authority after Khomeini dies. He symbolizes the aims of the revolution and, like other charismatic leaders, is irreplaceable. Rival factions seem to have reached agreement—with his blessing—on how to proceed with selecting the senior cleric or clerics who will eventually inherit his power. Iranian spokesmen have indicated that this individual or individuals should be named by midyear. If the clerics manage an orderly transition to the post-Khomeini era, their chances of retaining power will be considerably enhanced.

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Figure 1



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Contents

| | <i>Page</i> |
|---------------------|-------------|
| Introduction | iii |
| Geography | 1 |
| Economy | 17 |
| Political Situation | 25 |
| Opposition | 29 |
| Armed Forces | 33 |
| Foreign Relations | 37 |
| US Interests | 41 |
| Personalities | 43 |
| Chronology | 49 |
| Statistical Summary | 53 |

25X1

Tables

| | | |
|----|---|----|
| 1. | OPEC Crude Oil Production Excluding Natural Gas Liquids | 18 |
| 2. | Iran: Crude Oil Official Sales Price | 19 |
| 3. | Iran: Production of Selected Crops | 20 |
| 4. | Iran: Selected Agricultural Imports | 22 |
| 5. | Prominent Iranian Exiles | 32 |
| 6. | Inventory of Selected Military Equipment | 34 |

Figures

| | | |
|----|----------------------------------|----|
| 1. | Locator Map | vi |
| 2. | Major Iranian Oilfields | 3 |
| 3. | Industry and Mining | 4 |
| 4. | Land Utilization | 5 |
| 5. | Major Crops | 6 |
| 6. | Iran: Population Growth, 1940-85 | 7 |
| 7. | Population | 8 |

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25X1

| | | |
|-----|--|----|
| 8. | Ethnic Groups | 11 |
| 9. | Iran: Crude Oil Production and Exports | 19 |
| 10. | Agricultural Areas and Rainfall | 21 |
| 11. | Iran | 59 |

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Geography ¹

Location

Iran is located in the highlands of southwest Asia between the Caspian Sea and the Persian Gulf. Iran's area is 1.6 million km, about one-fifth that of the United States. It has a northwest-southeast extent of about 2,250 km and an east-west extent of about 1,450 km.

Topography

Iran consists of rugged hills and mountains that form a wide rimland nearly enclosing an interior area of plains, hills, and mountains; discontinuous low plains fringe the Caspian Sea and Persian Gulf.

The sparsely populated desert plains of the interior range from about 200 to 1,500 meters above sea level. Intermittent small streams carry runoff inland to low-lying salt lakes. During dry periods the salt lake beds have a firm crusty surface underlain by miry soil. Dunes and unstable sand are located in many parts of the plains. The interior highlands rise above the plains in steep rocky slopes and rugged crests of 750 to 2,400 meters. Grass, trees, and crops are common only in the northwest. Irrigated crops are grown near settlements in the southeast. The growing season is generally between April and October. A few scattered rural settlements are located along the periphery of the interior basin connected by a few dirt and gravel roads.

The rimland of high rugged mountains and narrow valleys comprises about one-half of Iran. The crests—1,100 to 4,000 meters above adjacent valley bottoms—average at least 1,800 meters above sea level and reach over 5,500 meters in the Elbruz Mountains in the northwest. Included in the mountain rimland are small plains, mostly scattered throughout eastern Iran. In the north and west a few deeply incised perennial streams flow in narrow, intensively cultivated valleys. Runoff drains into them during the wet season from early December to April.

Most towns and transportation facilities in the rimland are located in the north and west. The few main roads are asphalt or gravel; the narrow connecting roads are dirt or gravel.

A narrow flat plain edges the coast of the Caspian Sea and extends along the Rud-e Gorgan into the USSR. Vegetation consists of shrubs, sparse grass, crops, and a few trees adjacent to watercourses. There are several perennial streams, most of which have low banks, and many small, shallow irrigation ditches. Flooding occurs sporadically during April, May, September, and October. Several minor fishing ports and trading centers along the Caspian coast are connected by a hard-surfaced road that roughly parallels the coast. It connects with the scattered rural villages by a sparse network of mostly dirt or gravel roads.

The Khuzestan plains in the southwest are an extension of the eastern part of the Tigris-Euphrates basin of southeastern Iraq. The plains are flat to rolling and are covered by small areas of loose sand, cultivated crops, and desert grass. Several large perennial streams flow southward across the plains into the Persian Gulf. Low areas are inundated or miry from early March through May; this includes large marshes, mudflats, and areas of tall grass and reeds found along the lower reaches of streams and along the Gulf coast. Most of the major oilfields of Iran are located in this area and are connected with processing and storage facilities by several aboveground pipelines. A fairly extensive system of asphalt and gravel roads and a rail line connect the large urban centers.

Climate

Most of Iran is arid or semiarid with marked seasonal extremes of temperature. Winters are characterized by passage of lows and frontal systems. Summers are monotonously sunny, dry, and hot almost everywhere. Topographical features strongly influence all aspects of the climate, causing variation according to location.

¹ A detailed summary of Iran's military geography is available from the Persian Gulf Division of the Office of Near East-South Asia Analysis.

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In winter mean daily maximum temperatures vary from 0°C to 10°C; mean minimums range from -10°C to 0°C. At the highest elevations temperatures usually remain below freezing all winter, and some minimums register well below -20°C. In the south the average daily temperatures in winter range from 10°C to 20°C. Iran is one of the hottest countries in the world from June through August. Heat is most intense on the Khuzestan plains at the head of the Persian Gulf, where daily maximum temperatures exceed 45°C throughout most of the summer. Afternoon temperatures reach above 30°C almost daily in the rest of the country except along the Caspian Sea and at the highest elevations. The most humid parts of Iran are the coastal regions along the Caspian Sea and Gulf of Oman. In the interior relative humidity is moderately high during winter but is very low in summer.

Precipitation on parts of the Caspian littoral and adjacent mountain slopes, particularly in the western sections, exceeds a mean of 115 cm. Most of the remainder of the country receives scanty precipitation except for a few mountain areas in the west and north. The extensive interior basins and the lowlands along the Gulf of Oman are the most arid, averaging less than 15 cm of precipitation annually. Monthly amounts during periods of maximum precipitation are 3 to 10 cm except at some Caspian locations in autumn, when monthly means can exceed 25 cm.

Natural Resources

Petroleum and Minerals. Iran's oil and gas reserves are among the largest in the world, with major inland oilfields running for 160 km in the southern Zagros Mountains. The US estimate of Iran's proven oil reserves is 60 billion barrels. Gas reserve estimates range from 390 to 600 trillion cubic feet, about 15 percent of the world total. (For further details, see Economy: Main Sectors of the Economy—Petroleum.)

The country's other raw materials are varied but relatively undeveloped. Discoveries and exploitation of many of the mineral deposits have been made only recently. Coal deposits range between 300 and 400 million tons; undiscovered reserves may be as high as

4 billion tons. Proven reserves of copper are estimated at 630 million tons and iron ore at 840 million tons (potentially 2-4 billion tons). Other significant mineral deposits are lead and zinc (10-50 million tons), manganese (720,000 tons), sulphur (12 million tons), and antimony (12,000 tons). Minor quantities of mercury, ferrous oxide, nickel, quartz, silver, and borax have been found.

Agriculture and Livestock. Agriculture has traditionally been Iran's largest employer despite generally unfavorable environmental conditions. Less than one-fourth of the country has the potential to produce crops, and less than 10 percent of the land is under cultivation at any one time. Each year 40 to 75 percent of the total cultivated area is left fallow to permit the soil to absorb moisture and regain fertility. Only the Caspian coast and the western mountain ranges receive enough rainfall to support nonirrigated agriculture. The most productive croplands are in the northern and western provinces, where precipitation patterns favor winter grain production (see Economy: Main Sectors of the Economy—Agriculture).

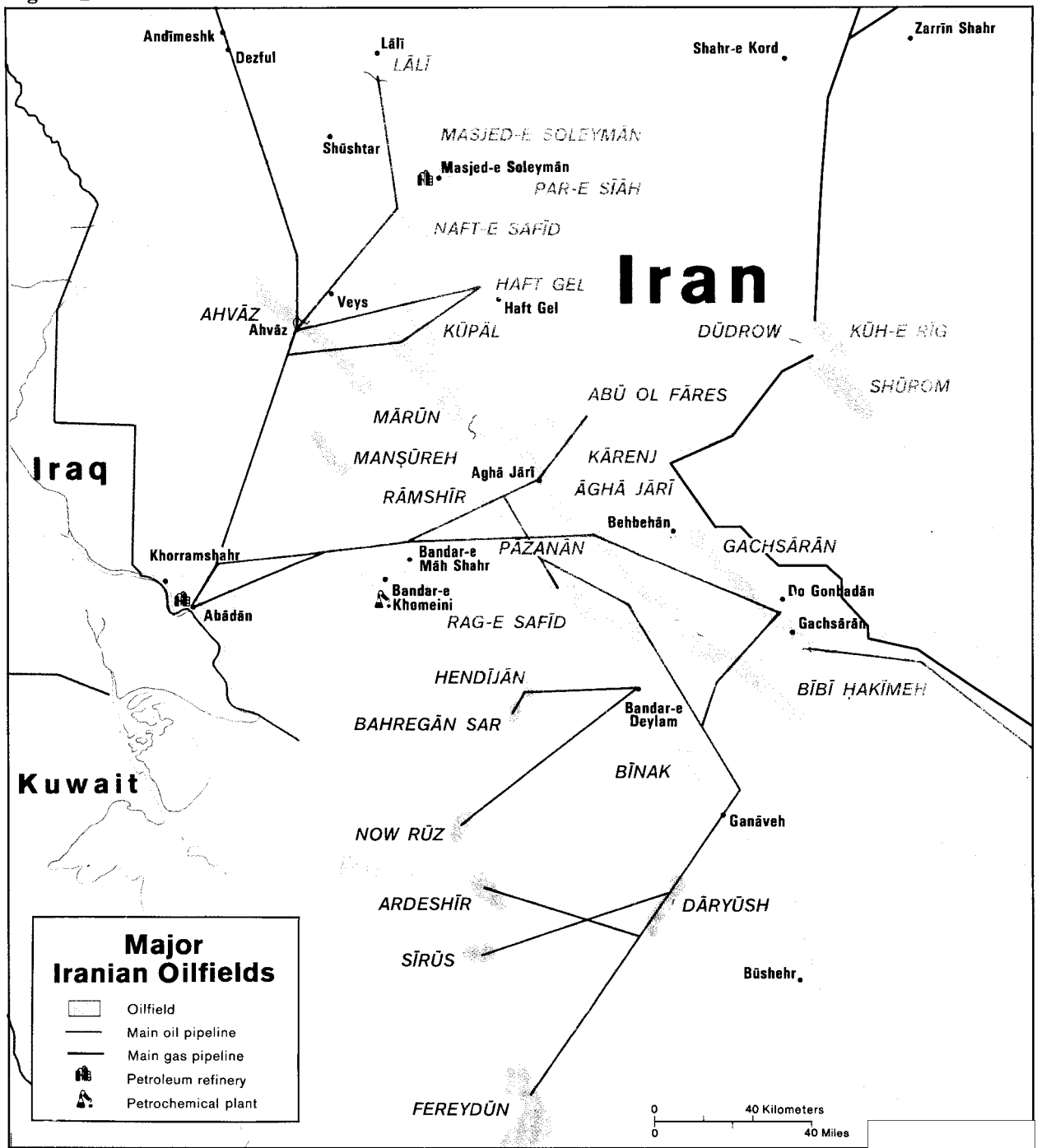
Staple Crops. Iran's principal crops are wheat and barley, predominantly winter varieties. Wheat is the country's basic food, accounting for at least half of the energy value in the diet; of late it has become even more important because shortages and higher prices of other foods are increasing the demand for bread. Barley is the major feedgrain. Other major crops include sugar beets, rice, cotton, tea, oil seeds, and pistachio nuts. Corn, tobacco, potatoes, and onions are also grown.

Livestock. The livestock industry plays an important role in the Iranian economy, contributing approximately 40 percent of the value of total agricultural output. The performance of the livestock sector in recent years reflects poor feeding and shelter conditions, which make the animals susceptible to disease. By the mid-1970s, 80 percent of the pasturage in Iran was overgrazed. Sheep, goats, cattle, and poultry are the principal livestock animals.

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Figure 2



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Figure 3



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Figure 4

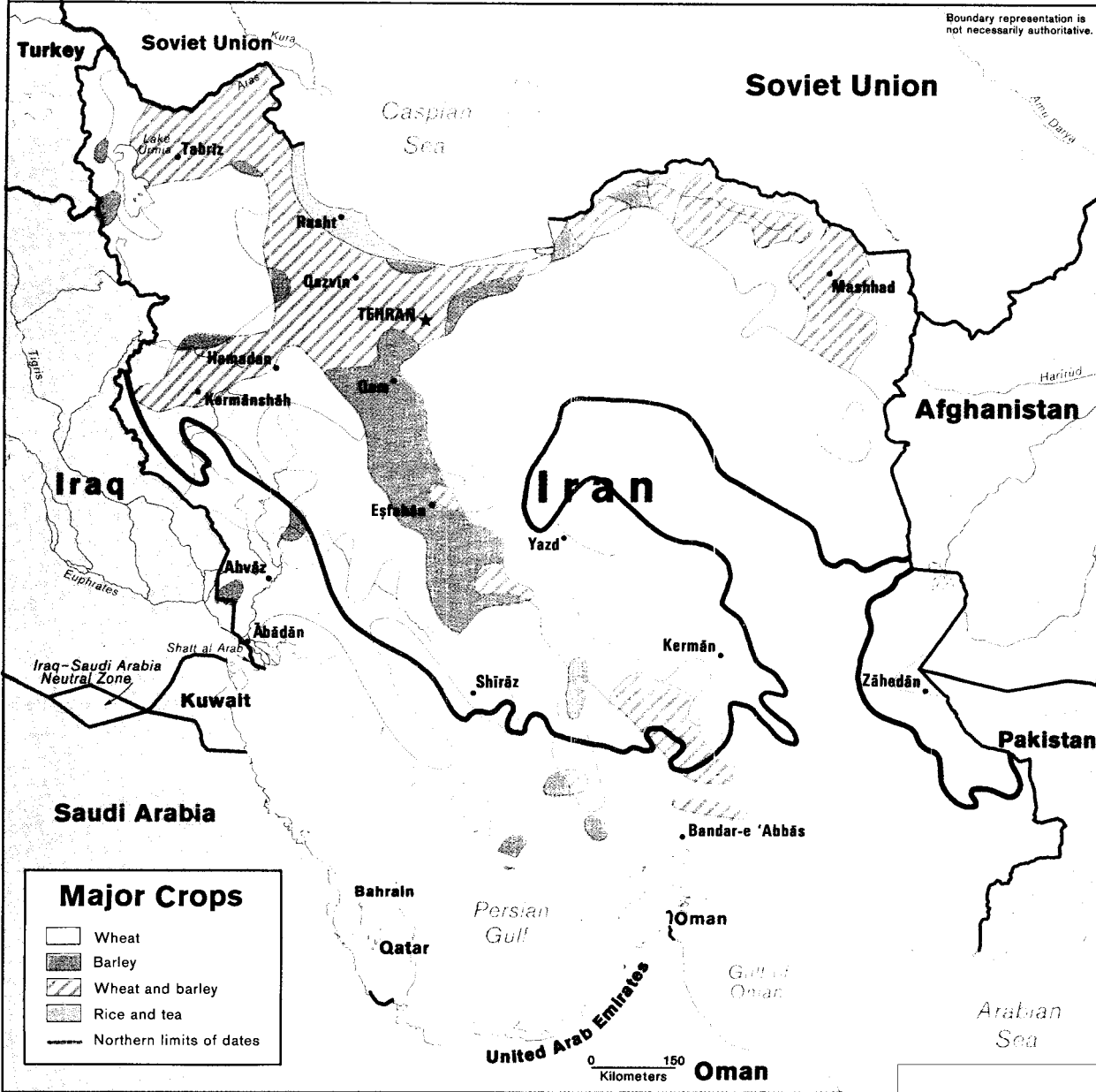


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Figure 5



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Fish. The Caspian Sea and Persian Gulf are rich in fish, but commercial fishing is not well developed in Iran. Caspian waters are mostly exploited by the USSR. Over 100 species of fish can be found in the Caspian Sea including white salmon, pike, perch, carp, herring, and sturgeon. The Persian Gulf is believed to have some 200 largely unexploited varieties of fish, the most significant being sardines, mackerel, tuna, and shrimp.

Human Resources

Population. Iran's population was estimated in 1977 at over 34 million and growing at a rate of 2.7 percent per annum. At this rate the population would now be almost 39 million. But the growth rate has almost certainly increased since the Islamic revolution because family planning programs have been abandoned. The Khomeini regime, however, claims a population of only 36 million. The median age is slightly over 17, compared to a median age of about 19 in Egypt and 30 in the United States.²

Iranian society is characterized by ethnic and linguistic diversity. Around a central core of Persians who speak the Persian language (Farsi) are a number of minority groups of diverse origin and differing languages. Some of these groups form virtually separate enclaves, while others are in varying stages of absorption into the Persian majority. Poverty and illiteracy are pervasive and severe.

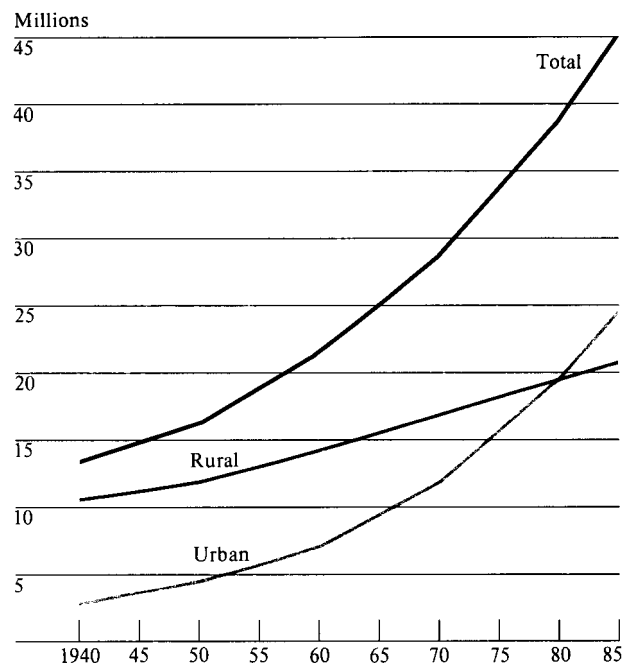
Islam is the strong unifying force—only about 2 percent of the population is non-Muslim. The vast majority of Iranians belong to the heterodox Shia branch of Islam. Iran's rich cultural heritage and long tradition serve to perpetuate a sense of national identity, although the Khomeini regime emphasizes Islamic rather than nationalist themes. A strong sense of individualism pervades the society, and primary loyalties are focused on the family.

Although Iran is a conservative, tradition-bound society based on agriculture, significant social change had taken place before the Islamic revolution, primarily as

² Median ages for Iran and Egypt are based on 1976 data; for the United States, on 1980 data.

Figure 6

Iran: Population Growth, 1940-85



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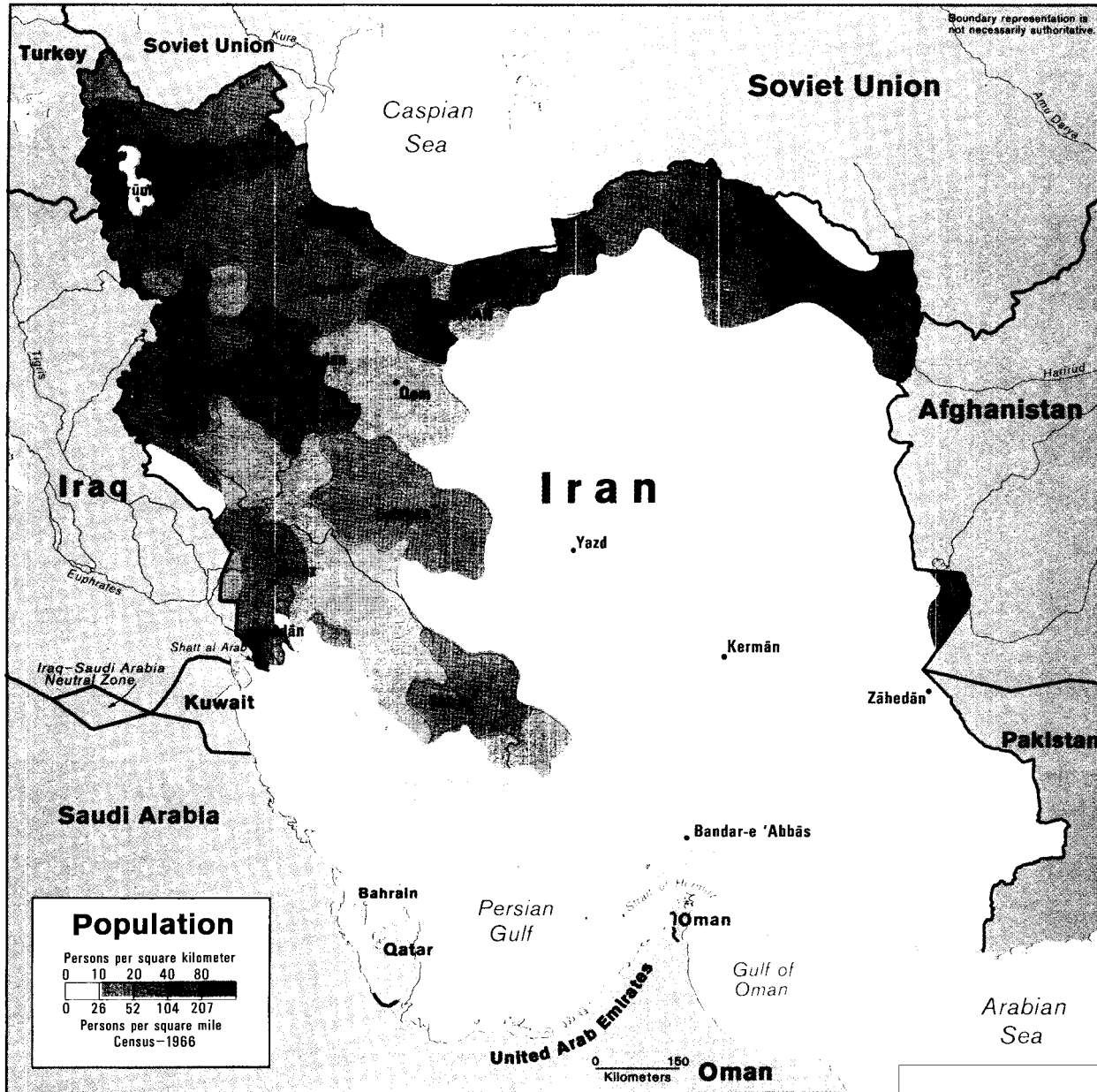
a result of land reform, industrial development, urbanization, and increased educational opportunities. These changes weakened the landlords, improved the lot of many peasants, and expanded the middle class. Accelerated rural-to-urban migration, however, increased the already large rootless lower class of unskilled and illiterate workers.

The population's growth rate, its youth, and urban migration are causing serious social and economic problems. There are severe housing and food shortages and high unemployment. The Islamic revolution's disruption of the economy and society have deepened these problems.

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Figure 7



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Society. Iranian society is in transition. Social change gained momentum early in this century with the spread of Western ideas and technology; it was accelerated by Reza Shah's modernization program and further speeded by the last Shah. Reaction to this rapid modernization and Westernization was a driving force behind the Islamic revolution. The revolution has sought to return Iranian society to more traditional ways with all aspects of life governed by Islamic teaching, tradition, and law.

Land is the traditional basis of wealth. After the turn of the century, however, new sources of wealth in trade, manufacturing, finance, and real estate speculation created a commercial and industrial stratum—a new upper middle class—located in the urban centers. This group, which included many individuals of middle or lower middle class origin, increased substantially as a result of the extensive economic development that accompanied the expansion of the oil industry after World War II.

The Islamic revolution drastically changed all this. The Shah, his family, and his court, once the apex of the social pyramid, are now dead or in exile. The wealthy elite (Westernized importers, industrialists, bankers, and high government officials) and the middle class have been eliminated by the revolution or maintain a low profile out of fear. Urban middle class groups of industrial managers, engineers, technicians, skilled workers, and intellectuals which multiplied as a result of economic development and increased educational opportunities have been largely replaced by petty merchants, craftsmen, Muslim clergy, and Islamic revolutionaries.

At the bottom of the urban class structure are the street vendors, service workers, day laborers, and an increasing number of industrial workers. The urban lower class continues to swell as large numbers of peasants migrate to the cities in search of employment. The incidence of unemployment, however, is high; and despite the regime's social welfare programs, the economic plight of the lower classes is often desperate.

Traditionally, rural society has been less stratified than urban, but a wide gap has existed between the wealthy landlords and the lower class tenant farmers

and day laborers at the bottom of the village social scale. The landowners frequently owned whole or parts of villages; many were absentee landlords residing in the cities. Today, in addition to the headman, the mullah, schoolteacher, and local leaders of various Islamic "revolutionary" organizations constitute a village leadership of sorts. Most communities have an Islamic komiteh, some have an Islamic court, and a few have village councils.

The Islamic government continues to try to come to grips with the divisive land reform problem. Much of the holdings of the large landowners were taken by the clergy after the revolution, and current attempts by the government at land redistribution are being resisted by conservative clerics.

Loyalty to family and devotion to Islam form the basis of the traditional value system. For most the first allegiance is to the immediate kinship group, then, in lessening degrees, to more distant relatives, to the community or tribe, and finally to the nation. Economic, political, and social activities are largely family affairs, and family honor is zealously protected, particularly among tribespeople. Whatever its ethnic, linguistic, or tribal affiliation, the traditional family, with few exceptions, is extended, patriarchal, patrilineal, endogamous, and occasionally polygynous. Women occupy a subordinate position to men.

Family relationships, along with most other aspects of life, are largely regulated by the precepts of Islam. Islamic values are puritanical, emphasizing good deeds in anticipation of a final judgment and stressing resignation to the will of God. While aspiring to a better life, the devout poor are convinced that the division of worldly goods is ordained by the Almighty—a belief that helps the impoverished accept gross economic inequalities.

Most members of the urban upper and middle classes subscribe only nominally to Islamic beliefs and practices, finding them incompatible with the partially Westernized lifestyles and secular values that they were adopting before the Islamic revolution.

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Many of the urban poor, on the other hand, are devout to the point of fanaticism. Rural people in the traditional mold tend to accept the premises and prescriptions of Islam to the extent that they are familiar with them, but they are not rigid in their religious practice.

Iranians regard themselves as an individualistic people; this fosters a strong sense of personal worth and an extreme sensitivity to insult or lack of respect. Skillful politicians and others have been able to exploit the apparent readiness of mobs to respond to remarks or actions deemed insulting by invoking what is known as *qeyrat*, or zeal in defense of honor. Iranian individualism has helped foster a habitual distrust of outsiders, often construed to mean all but family. This in turn has impeded the development of a deep sense of community. Honesty is a highly regarded ideal, and there is considerable respect for a man who refrains from making illicit gains. Shrewdness, however, is valued as a weapon in interpersonal struggles involving the exploitation or manipulation of others, and many display a certain admiration for the adroit rascal. There appears to be an ingrained cynicism regarding official motives and the processes of government. Forcefulness and strength are seen as the most important qualities for leadership. The forceful man emerging in the role of leader has been a frequent feature of Iranian history.

The idea of progress, defined as material advancement, is regarded with some suspicion by devout Muslims since it is almost inevitably followed by a decline in religious observance and a breach in traditional Islamic values. The more fanatical orthodox adherents, including ultraconservative religious leaders, view any change as anathema.

Ethnic Groups. Almost all of the Iranian people are descendants of invading Indo-Europeans, Turks, Mongols, and Arabs. The largest group are the so-called ethnic Iranians whose Indo-European, or Aryan, progenitors probably settled in present-day Iran in the second millennium B.C. Predominant among the ethnic Iranians are the Persians, who comprise 65 percent of the population and are concentrated in the country's large central plateau.

The Turkic peoples, who invaded Persia between the 10th and 13th centuries, are the second-largest ethnic group, accounting for an estimated 18 percent of the population. Chief among them are the Azarbayjanis found in the northwestern provinces of East and West Azarbayjan (Azarbayjan-e Khavari and Azarbayjan-e Bakhtari, respectively) and Gilan. Largely settled farmers or townspeople, they belong to the same ethnic group as the Turks of Anatolia and those of the Azerbaydzhan Republic in the USSR. The most important tribally organized Turkic groups in Iran are the Turkomans and Qashqai. The former, who include both pastoralists and farmers, reside in Khorasan Province and the eastern half of Mazandaran Province; others live in the Turkmen Republic in the Soviet Union and in Afghanistan. Mostly nomads, the Qashqai are concentrated primarily in Fars Province in central Iran. Two smaller nomadic Turkic tribes are the Shahsavan and the Afshar, most of whom inhabit East Azarbayjan.

The third sizable ethnic group, the Arabs, entered the area during the rapid expansion of Islam in the seventh century. Now estimated to comprise 3 percent of the population, they constitute the majority of the inhabitants of Khuzestan Province and also dwell in Fars and Khorasan Provinces, in the cities of Yazd and Kerman, and along the coast of the Persian Gulf.

Smaller ethnic groups include the Kurdish, Lur, Bakhtiari, and Baluchi tribes and the Gilani and Mazandarani peoples. The Kurdish tribes have a strong ethnic identity and inhabit Iraq, Turkey, and Syria as well as Iran. Most Iranian Kurds live in the mountainous area of the northwest, while the remainder reside in the north-central portion of Khorasan Province. Formerly a nomadic people, the majority are now farmers; a few have migrated to the cities. Lur and Bakhtiari tribespeople live in the Zagros Mountain region, with the Bakhtiari inhabiting an area southeast of the Lurs. The Bakhtiari are seminomads; the Lurs mainly farmers.

Among the most backward and impoverished of the ethnic Iranian minorities are the nomadic Baluchis who dwell in the eastern half of Baluchestan va Sistan

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Figure 8



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Province in the southeast. They are part of a larger group, being closely related to the Pushtu speakers of Afghanistan and Pakistan, and have a strong ethnic identity. The Gilani and Mazandarani peoples, residing in Gilan and Mazandaran Provinces, respectively, on the coast of the Caspian Sea, have been settled farmers and fishermen for centuries. They do not differ markedly from the Persians.

Ethnic minorities, particularly the nomadic tribal groups, have been a source of difficulty for Iranian governments. Until the 1920s most tribal leaders exercised a large measure of independence, controlling routes to their respective areas, extorting payment from travelers, and indulging in pillage and banditry. Reza Shah Pahlavi tried to solve the problem by undermining tribal organization and attempting to convert the nomads to sedentary farming. The upshot was economic disaster for the tribes. Toward the end of his reign, Reza Shah was forced by economic considerations to modify his approach. After his abdication in favor of his son in 1941, tribal groups were able to resume their traditional way of life, but most never fully recovered from the effects of the repression. In 1946 the Bakhtiari and the Qashqai staged open rebellions that were suppressed only with considerable bloodshed. A limited and unsuccessful uprising among the Qashqai occurred as late as 1968.

Control of the central government over the Iranian periphery has weakened since the Islamic revolution. Ethnic groups, particularly the Kurds, have moved to assert more local control as Tehran's power has weakened. The range of their political concerns, however, will remain limited by parochial goals. The ethnic minorities, as a rule, will exploit rather than instigate political change (see Opposition: Ethnic Groups for more on minority political activity; religious ethnic groups are discussed in Geography: Human Resources—Religion).

Language. Most Iranians speak standard Persian, or Farsi, the official language of Iran and the second language of a majority of non-Persians. Promoted by the Pahlavi government to foster unification among the country's diverse ethnic groups, it is the language of the government, the military, and the schools.

An Indo-European language, Persian is written in a variation of the Arabic alphabet and contains a large Arabic vocabulary as well as some Turkish words, especially military terms. Spoken Persian has several dialects, ranging from the speech of Tehran and other urban centers to peasant dialects.

Other Indo-European languages spoken in Iran include Kurdish, Gilani, Mazandarani, Luri, and Baluchi, each of which has several dialects. Except for Kurdish, these non-Persian languages are rarely written.

The Turkic dialects of Iran, which belong to the Altaic family of languages, differ from standard Turkish but are mutually intelligible to a considerable degree. Azarbayjani, or Azari, the most important of the Turkic dialects, is similar to the vernacular of Soviet Azerbaydzhani. In the northeast the Turkomans speak a different Turkic vernacular that is nearly identical with that spoken by their counterparts across the border in the Soviet Union.

Arabic dialects spoken in Iran are modern variants of the older Arabic that formed the base of the classical literary language and all Arab dialects in the Middle East. The Khuzestan Province dialect is similar to that of Iraq. Most Iranian Muslims have some familiarity with Arabic as the language of the Koran.

The language of Iran's small Armenian community, although Indo-European, is unintelligible to Persian speakers. Members of the country's small Assyrian minority speak Syriac, a modern variant of Aramaic, an ancient Semitic language. Iran's Jews speak Hebrew and an old, Hebrew-flavored Persian dialect, while the small Gypsy population speaks Romany, originally a language of northern India.

Educated Iranians are often literate in one or more Western languages, primarily French, English, and German. Russian is widely understood as a second language in Gilan and Mazandaran Provinces. The Islamic government has decreed that all students must study Arabic as their second language. Theological students, in Qom at least, must learn English or French.

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Religion. Muslims comprise over 98 percent of the country's inhabitants.³ More than 93 percent of the population belong to the heterodox Shia branch of Islam, while no more than 5 percent of the total, mainly Turkomans, Baluchis, Arabs, and some Kurds, are orthodox Sunni Muslims.

When Muhammad died in 632, a dispute over his legitimate successor developed into the Sunni/Shia split. The Sunnis insisted that the successor should be chosen according to Arab tribal custom by agreement of the community. The Shias believed that Muhammad should be followed by his son-in-law and cousin Ali ibn Abu Talib.

Since the 16th century Iran has been the citadel of the Shia world, which comprises perhaps 8 percent of all Muslims. The Shia faith has tended to isolate Iran from the rest of the Muslim world, and pan-Islamic sentiment accordingly has not been widespread. In the past, friction between Shiites and Sunnis was pronounced, but it subsided during the 20th century only to be revived under the new Islamic Republic.

At the heart of Shia doctrine—and not accepted by Sunnis—is the primacy given to the role of the Imams, who are considered to be infallible and the successors of Muhammad appointed to guide the Muslim community. Ithna-Ashariyah Shiites believe in the existence of an immortal Hidden Imam, the 12th, who went into concealment as a child about 878 A.D., and who will reappear one day as the Mahdi (divinely guided one) to establish peace and justice throughout the world. Official Iranian media often refer to Ayatollah Khomeini as the deputy of the Hidden Imam.

Besides the predominant Ithna-Ashariyahs, there are two other small Shia sects in Iran, neither of which has more than a few thousand adherents. The Ismailis, sometimes known as Seveners, since 1957 have had as their international spiritual head Aga Khan IV. Fewer in number than the Ismailis, the Sheikhis are followers of Sheikh Ahmad Ahsai, who claimed direct contact with the Hidden Imam.

Like all Muslims, the Shiites accept certain basic articles of faith and religious practice. These include belief in one eternal god, Allah; recognition of Muhammad as the special Prophet of God and of his teachings as recorded in the Koran and the *Hadith* (traditions); and observance of the “five pillars” of the faith—recital of the creed “There is no God but God, and Muhammad is His Prophet” to which Shiites add “and Ali, God's friend”; performance of prayer and ritual; almsgiving; fasting; and pilgrimage (haj) to the holy cities of Mecca and Medina.

For many Iranians the five pillars represent only the formal aspect of Islam. The popular religion of the peasants and urban lower classes combines superstitious beliefs and rites, many of them pre-Islamic, with Islamic tenets and practices. In contrast, neither formal Islam nor folk beliefs seem to have had much appeal to better educated urban Iranians. Most Westernized Iranians appear to be only nominal Muslims, but they generally avoid displaying their disregard for the custom of fasting during Ramadan.

Iran has about 20,000 mosques, ranging from relatively primitive and unadorned mud or brick structures in the rural areas to elaborate domed edifices in the cities. Village mosques frequently serve as local community centers, while religious schools are often conducted within both rural and urban mosques. Mosque functionaries vary in number from one for each village mosque or group of mosques to several in each of the larger urban mosques.

Attendance at formally designated “Friday mosque” services is a religious duty. The Friday prayer service had both religious and political significance when it was created in the seventh century to distinguish the Muslim community from unbelieving Arabs, Christians, and Jews. Mention of the ruler during the prayer for all Muslims was an important symbol of the ruler's sovereignty in all Muslim states, and any loss of his power was immediately reflected in the Friday sermons.

Under the Shah the Friday services declined in significance. Friday prayer leaders were appointed or confirmed by the Shah, and many were objects of

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local disdain. Sermons from that period focus almost entirely on moral exhortations and laments for the martyred Hussein, whom the Shias consider one of Muhammad's rightful heirs.

The Khomeini regime has replaced prayer leaders appointed by the Shah, established new Friday mosques where none had been, returned the weekly service to its former importance, and maintained the symbolic linkage to Shia struggles. Government policy makes the Friday Imam the senior local representative of the regime and requires that local officials meet weekly under his auspices to coordinate their activities. Emphasizing the importance of the ceremonies, the government's official newspaper, *Islamic Republic*, always labels prayer leaders Imam Jomeh (Friday prayer leader) rather than using a more pedestrian, but historically accurate, term meaning preacher. These individuals are almost always clerics—usually with the middle-level rank of Hojjat ol-Eslam.

The popular base of support for the clergy remains in the traditional bazaar areas of Tehran and other large cities. The piety of some shopkeepers and artisans borders on fanaticism; historically their zeal has been exploited by extremist clerics against the government or other visible targets (such as the "British imperialists" during the 1950s and the "US Satan" now). The bazaaris provide financial support to the clergy by paying a religious tax called khums. The khums, discontinued by the Sunnis after the death of Muhammad, is one-fifth of yearly cash income payable to Ali and his descendants, the Imams. The clergy, acting in the absence of the Imams, receive this tax.

Most Shia clergy are conservative, if not reactionary, in political-religious outlook. Three characteristics of Shia doctrine not shared with Sunnis have allowed them to assume popular and political leadership:

- The khums, which gives the clergy some financial autonomy from the state.
- The concept that some individuals, mujtahids, have the authority to make creative interpretations of religious law.
- The concept that the believer must follow the religious guidance of a mujtahid.

The revolution in Iran is the most conspicuous example of an "Islamic resurgence." It is too early to know if recent developments mark a genuine return to Islam or are merely a temporary setback in the trend toward complete secularization. There seems little doubt, however, that religious considerations will play a predominant role in government actions and policies for the foreseeable future.

Adherents of Iran's minority religions—Christianity, Judaism, Zoroastrianism, and Bahaism—altogether number no more than 2 percent of the total population. Scattered throughout the country, these minorities reside largely in the cities, particularly Tehran. The great majority of Christians are members of the Assyrian and Armenian minorities. Assyrians are divided among the Nestorian, Catholic, and Protestant churches, while most Armenians belong to the Armenian Orthodox, or Gregorian, Church.

The Iranian Jewish community—primarily in Tehran, Shiraz, Hamadan, Esfahan, and Abadan, with smaller numbers in other urban centers—is one of the oldest in the world, dating back 2,600 years. Their population has dropped from an estimated 80,000 in 1978 to about 32,000 in 1980 as a result of the Islamic Revolution. Iran's Jews are orthodox in religious practice, and their communities are governed by rabbis administering Mosaic law. Since the mid-1950s both US and international Jewish organizations have provided medical and educational assistance to impoverished Jews, with the result that the community today is fully literate, and under the Shah was able to support its own schools, medical facilities, and religious personnel.

Zoroastrians live in close-knit communities mainly in Tehran, Yazd, and Kerman. Their contemporary religious tenets and practices are similar to those that prevailed in the past. Zoroastrianism was the dominant religion in Iran from the sixth century B.C. until the victory of Islam in 641 A.D. During the late 1960s Zoroastrians financed construction of one of Tehran's modern middle class suburbs.

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Bahatism, whose following is estimated to number about 60,000, is the only minority religion not recognized by the Khomeini government. It originated during the mid-19th century in Iran as an offshoot of the persecuted Babi sect. The urbanized Bahai community is relatively well educated, and most of its adherents have been engaged in business or the professions. The Khomeini regime insists it is not persecuting the Bahais, but it has moved forcefully against Bahai interests.

Education. The Islamic revolution has virtually eliminated secular education in Iran. All foreign educational groups have been expelled. Unrest at the universities resulted in their closure, but some have recently reopened. Attendance at elementary and high schools has been reduced. Literacy, 40 percent before the revolution, probably is decreasing.

Efforts are under way to change the Shah's educational system, which had become increasingly Westernized, into an Islamic system. Teachers are being retrained in Islamic methods, and university texts in 36 fields are being revised. Medicine, agriculture, engineering, and Islamic jurisprudence are being given priority. New restrictions are being implemented to reduce the number of Iranians studying abroad—currently about 150,000 to 200,000.

Health. Iran suffers from a severe shortage and poor distribution of medical personnel and rural ignorance of proper health practices. Medical facilities, in much better supply than medical personnel, are available to meet most health needs.

The doctor shortage is particularly acute in rural areas where life, death, health, and sickness are often attributed to God and fate. Medical aid in these areas is sought only when illness is so severe as to interfere with work, and then use of midwives, village herbalists, barbers (for dental extractions), and practitioners with limited medical education are common.

Major causes of mortality in the 1970s were infant, gastrointestinal, respiratory, and parasitic diseases. Drug addiction also is a serious health problem, opium being plentiful and its use traditional. The infant mortality rate was estimated at 100 per 1,000 in 1971, the last year for which statistics are available.

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Economy

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Economy

Iran is richly endowed with oil, mineral, power, and agricultural resources. Oil contributes by far the most to the country's GNP, but agriculture provides the main occupation for the Iranian population. Despite a large labor base and rich resources, economic development has been slow. Factors that have hindered development include lack of capital, aridity of the land, great distances between areas under cultivation, and prolonged periods of revolution and anarchy.

The first efforts to modernize the economy began in the early 1800s. Modern production techniques, equipment, and skilled labor were imported from Europe. Social, political, and economic conditions were unfavorable to modernization, however, and by 1920 there were only a few large plants producing simple commodities, such as textiles, bricks, and flour. The bulk of the population remained illiterate, impoverished, and engaged in subsistence agriculture.

In 1925 Iran began to modernize its economy under Reza Shah. Priority was given to transportation and communications; the trans-Iranian railroad, running from the Persian Gulf to Tehran, was constructed. By the time Reza Shah abdicated in 1941, only a handful of industrial plants had been established.

Planned economic development in Iran began after World War II. In its early stages the program suffered because of competing personalities and ideas within the Iranian political hierarchy. Iran's first two development plans (1949-55 and 1956-62) concentrated on providing the country with modern roads and dams. Because of a lack of funds, the first plan was almost a complete failure and the second was only a partial success. The third and fourth plans (1963-67 and 1968-72) attempted to develop the transportation network gradually, to induce major transformations in the pattern and methods of agriculture, and to encourage industrial growth.

Largely because of the spectacular rise in oil revenues (from \$310 million in 1962-63 to \$2.6 billion in 1973), the fourth plan met its basic objectives. Iran achieved

a growth rate of 10 percent, while total GNP rose 11 percent in 1968 and 13 percent in 1972, and per capita income rose from \$307 to \$504. Despite these high growth rates, many of the social indicators (illiteracy, birth, and mortality rates) in 1972 still showed a society facing problems and an economic structure in which industry contributed only 19 percent of nonoil gross domestic product. Iran also began to run into serious manpower and transportation bottlenecks.

The fifth plan (1973-78) was revised in 1975 because oil price increases had sharply increased foreign exchange earnings allowing a doubling of the allocation for development (\$70 billion). Spectacular goals were set, with the bulk of investments made in housing, manufacturing and mining, oil and gas, and transportation and communications. Major problems soon appeared because of the tremendous scale of the plan. Transportation bottlenecks developed despite considerable expansion of capacity. Labor shortages, inflation, and profiteering also developed. The revised goals were not met, but substantial growth was achieved despite the problems.

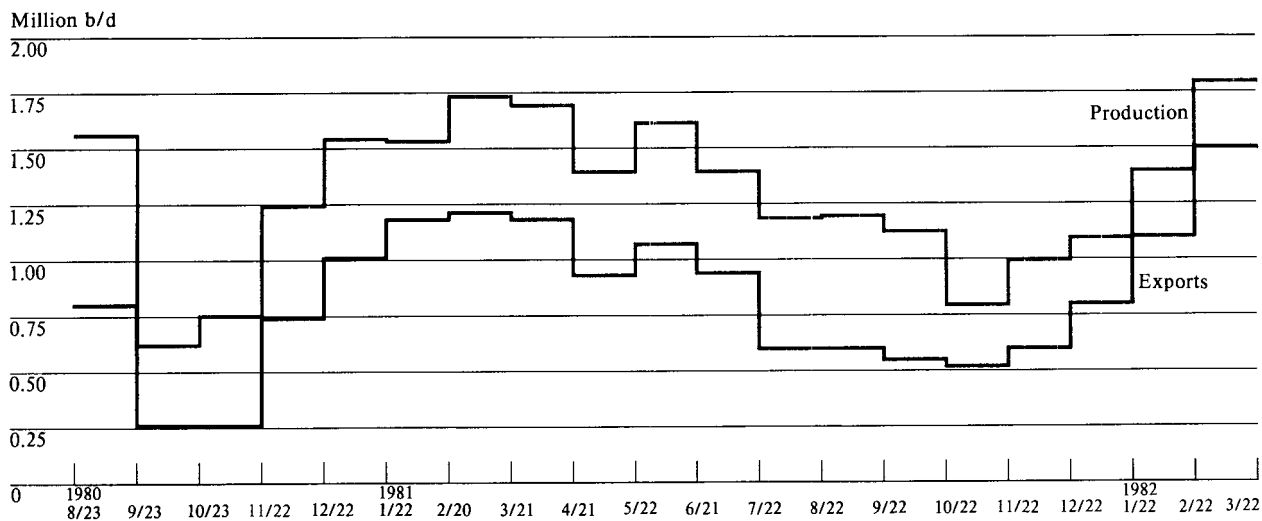
The Islamic revolution in 1979 severely depressed the economy, and the war with Iraq has added to the disruption. Political infighting at the top slows the formulation of coherent economic policies, and intermittent purges of the civil service have removed qualified personnel. Industry is plagued by abysmal labor productivity, worker and clerical interference in management, a lack of competent technical and managerial personnel, and shortages of raw materials and spare parts. Agriculture is suffering from shortages of capital, raw materials (such as fertilizer, seed, and fuel), and equipment. The war has caused inflation and unemployment to worsen due to shortages and displacement of workers. Basic needs are being met, but much depends upon the level of oil exports.

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Figure 9

Iran: Crude Oil Production and Exports^a



^aIncluding product exports. Data are a daily average for each period.

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Main Sectors of the Economy

Petroleum. Petroleum has been important to the economy since the early 1900s, but the effect of its revenues on the economy and Iran's large population was limited until the early 1970s. In 1960 oil contributed only 16 percent of total GNP. Agriculture's contribution to the GNP exceeded that of the oil sector until 1970. In 1974 as a result of sharp oil price increases, 85 percent of total government revenue came from oil. By 1976 oil contributed 40 percent of GNP.

Before the Islamic revolution of 1979, Iran was the world's fourth-largest producer of crude oil and the second-largest exporter of petroleum. In 1978 oil production was 5.2 million barrels per day, and exports were 4.7 million barrels per day. Oil production and exports declined precipitously after the revolution and the outbreak of the war with Iraq in September 1980. A modest recovery during the first half of 1981 was followed by steadily declining production and exports during the latter part of that

Table 1

Thousand b/d

OPEC Crude Oil Production Excluding Natural Gas Liquids

| | 1977 | 1978 | 1979 | 1980 | 1981 |
|--------------|--------|--------|--------|--------|--------|
| OPEC | 31,225 | 29,807 | 30,928 | 26,890 | 22,500 |
| Algeria | 1,100 | 1,161 | 1,154 | 1,012 | 800 |
| Ecuador | 183 | 202 | 214 | 204 | 200 |
| Gabon | 222 | 209 | 203 | 175 | 200 |
| Indonesia | 1,686 | 1,635 | 1,591 | 1,577 | 1,629 |
| Iran | 5,663 | 5,242 | 3,168 | 1,662 | 1,300 |
| Iraq | 2,348 | 2,562 | 3,477 | 2,514 | 1,000 |
| Kuwait | 1,784 | 1,894 | 2,213 | 1,387 | 900 |
| Libya | 2,063 | 1,983 | 2,092 | 1,787 | 1,100 |
| Neutral Zone | 393 | 473 | 568 | 538 | 400 |
| Nigeria | 2,085 | 1,897 | 2,302 | 2,055 | 1,400 |
| Qatar | 445 | 487 | 508 | 472 | 400 |
| Saudi Arabia | 9,017 | 8,066 | 9,251 | 9,631 | 9,600 |
| UAE | 1,998 | 1,830 | 1,831 | 1,709 | 1,500 |
| Venezuela | 2,238 | 2,166 | 2,356 | 2,167 | 2,100 |

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Table 2

US \$ Per Barrel

Iran: Crude Oil Official Sales Price

| | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | | |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | | | | Jan | Feb | Mar |
| Light 34° API 1.35% sulfur | 12.81 | 12.81 | 19.45 | 34.54 | 36.60 | 34.20 | 32.16 | 30.20 |
| Heavy 31° API 1.60% sulfur | 12.49 | 12.49 | 18.49 | 33.60 | 35.57 | 32.30 | 30.26 | 28.30 |
| | | | | | | | | 25X1 |

year. The regime's refusal to lower oil prices in a depressed market and, to a lesser extent, buyer apprehension about the dependability of Iranian supplies were largely to blame. Until late October 1981 the Iranians charged \$36.50 per barrel, well above prices for comparable crude elsewhere, and many West European and Japanese customers canceled scheduled liftings.

Iran's agreement in late October to bring its prices in line with the OPEC benchmark price of \$34 per barrel resulted in a resumption of unfulfilled liftings by former customers and the signing of new contracts, raising December 1981 exports to about 800,000 barrels per day. Tehran needs oil sales of at least 1.1 million barrels per day to balance its hard currency trade even at the present level of depressed economic activity.

The Khomeini regime has announced anticipated oil revenues of \$18 billion during 1982, entailing exports of 1.7 million barrels per day of crude oil at Iran's current price of \$29 per barrel. To spur sales further, however, Tehran is discounting much of its crude on the spot market. The Iranians also have expressed a willingness to drop oil prices to as low as \$26 per barrel to achieve revenue goals. At the \$26 per barrel price, Iran would need to export about 2 million barrels per day of crude oil to meet its financial requirements.

Organizational problems in the National Iranian Oil Company (NIOC) and inadequate maintenance of production facilities probably will prevent Iran from exceeding 3 million barrels per day after the war, despite the capacity of Iranian oil reservoirs to sustain production of as high as 4-5 million barrels per day for several years. The Iranians can repair, replace, and maintain most of the production facilities left behind by foreign companies, but sabotage, low morale, worker recalcitrance, and purges of experienced managers have had an adverse impact on operations. Because NIOC currently has only a few operable drilling rigs, its well workover and drilling program has all but collapsed. Also, NIOC has been unable to restart some wells that were shut down when production was initially reduced.

In any event, the present regime has shown little interest in increasing exports much beyond 2-2.5 million barrels per day after the war. To do so probably would require the return of some foreign technicians as well as expensive repair and maintenance efforts, both of which the present regime wants to avoid (see Geography: Natural Resources—Petroleum and Minerals).

Agriculture. The Islamic government is committed to giving greater emphasis to domestic agriculture. Nevertheless, strong direction and a coordinated policy

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Table 3

Thousand Metric Tons

Iran: Production of Selected Crops

| | Average 1970-75 | 1976 | 1977 | 1978 | 1979 | 1980 (Estimated) |
|-------------|--------------------|-------|-------|-------|-------|---------------------|
| Wheat | 4,081 | 5,500 | 5,000 | 5,300 | 5,000 | 4,750 |
| Rice, paddy | 1,173 | 1,276 | 1,051 | 1,288 | 1,212 | 1,163 |
| Barley | 933 | 1,150 | 1,100 | 1,000 | 970 | 1,000 |
| Cotton | 183 | 155 | 180 | 150 | 100 | 100 |
| Sugar, raw | 606 | 687 | 633 | 630 | 640 | 600 |

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are lacking. Primary responsibility for agricultural policymaking lies with the Ministry of Agriculture and Rural Development. The top positions in the ministry, however, have been taken over by mullahs who lack agricultural expertise. For ideological reasons the mullahs support a move away from the Shah's goal of large centralized agricultural units toward support of small holdings and traditional farming. The Planning Authority opposes this shift, as do many technocrats within the ministry. Agribusinesses and large capital-intensive projects have received little government support since the revolution, and projects under construction at the time of the revolution have been dropped or are in disarray.

Confusion over land ownership is widespread because there is no clear national policy. Land tenure committees have been set up in several areas to redistribute land that is underutilized. They probably are taking land primarily from the large landholders who did not redistribute their land during the Shah's land reform programs, but medium and even small farmers may be losing land as well. Many farmers who have not yet lost their holdings fear expropriation, which inhibits them from trying to expand production. Meanwhile, mullahs—many of whom lost land as a result of the Shah's reforms—reportedly are regaining or extending their holdings.

Ineffective Programs. The clerical government has given the provinces substantial economic autonomy, allowing them to establish their own banks and devise independent development budgets. It also has raised

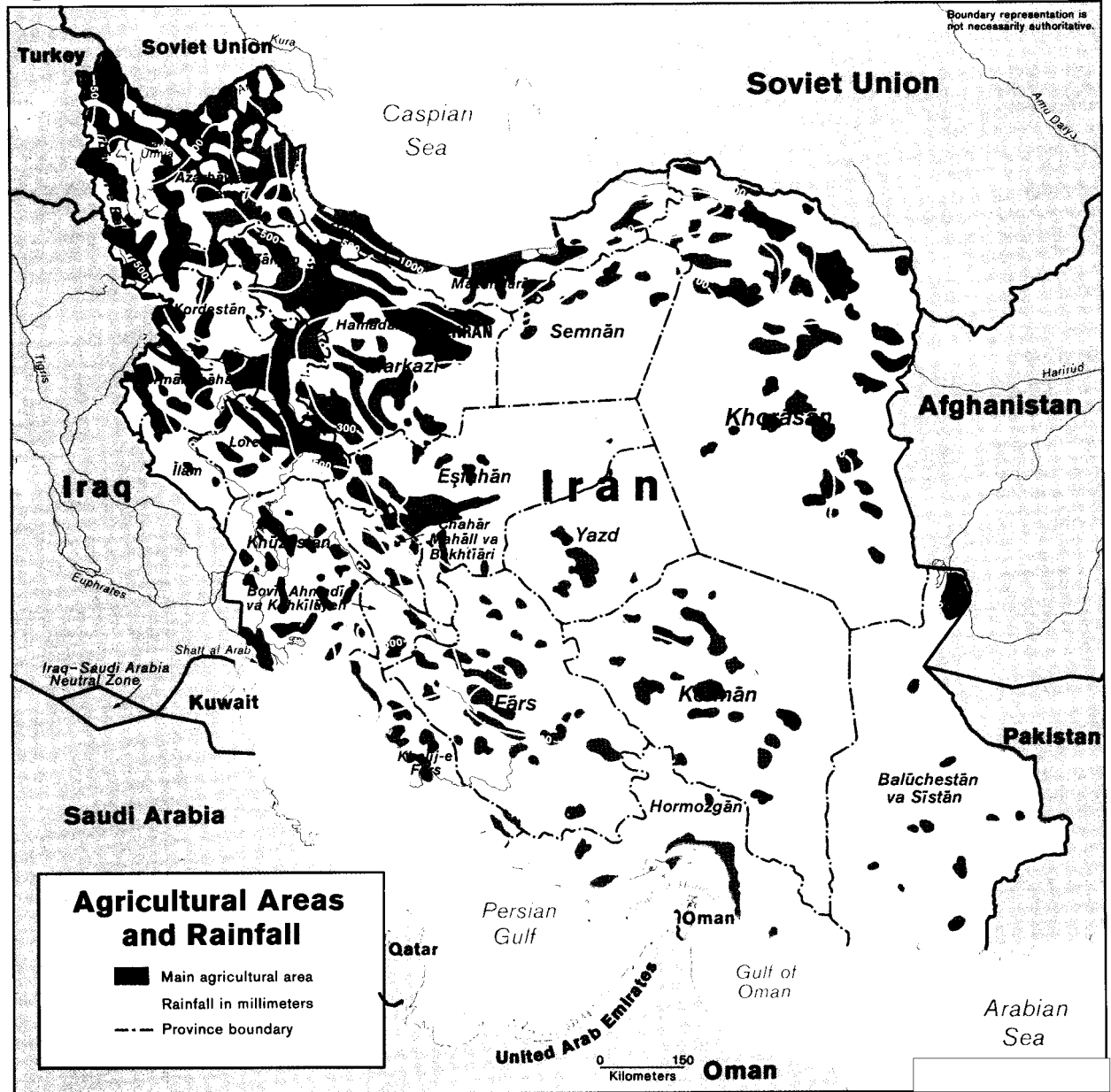
procurement prices, made credit available to farmers, and facilitated increased imports of seed, fertilizer, and farm machinery. Despite these measures, commercial agriculture is depressed. In 1980-81 output of cottonseed, soybeans, and sunflower seeds—produced primarily by commercial farmers—dropped to less than half that in 1979-80, probably because of the reluctance of farmers to invest and plant at previous levels. The drop led to a sharp decline in Iran's vegetable oil consumption in 1980.

The government reportedly plans to promote grain production in rain-fed areas at the expense of expanding irrigated agriculture. Such a policy will heighten dependence on weather and aggravate the existing problems of wide annual fluctuations in yields and output. At the same time, the government is encouraging poultry and livestock production, which will greatly expand feedgrain requirements. Breeding stock are to be imported to replace stock killed for food, even though shortages of fodder already have been reported.

Finally, the government is encouraging reverse migration from the cities back to the villages, but without much success. The population of Tehran and its suburbs, for example, has ballooned to a reported 6.7 million and continues to grow rapidly. A lack of incentives for farmers to stay on the land and the perception that they can make more money in urban areas—even if in illegal activities—continue to spur migration to the cities.

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Figure 10



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Impact of the War. The war with Iraq has depressed Iranian agriculture in a number of ways. Although most of the Iraqi-occupied region in western Khuzestan is normally not cultivated, in areas near Abadan, Ahvaz, and Dezful at the eastern edge of the war zone, fields usually planted in cash crops had to be abandoned. Sugar beet fields west of Ahvaz were intentionally flooded. Croplands near Kermanshah suffered some damage. An additional 1 million hectares (15 percent of the total farmland) reportedly were not planted last fall because of the war. Many farm workers have been called into military service, which could result in a rural labor shortage. The war also has created fuel shortages that may limit distribution of the harvest. Overall, however, the war has caused relatively little permanent harm to agricultural areas. Most farmland could easily be returned to production once the war ended.

Outlook. Iran will continue to rely heavily on imports to meet food requirements. Although the country's agricultural performance may improve somewhat, little if any increased output will reach the cities. The total agricultural import bill may reach \$3.8 billion in 1982. The US share of the Iranian agricultural import market has been rising since the resolution of the hostage crisis, despite the antipathy of the Iranian Government and the availability of grain from other foreign sources. US sales of white wheat are already back to pre-1980 levels. In 1982 the US share of Iran's total agricultural imports could rise to about 15 percent—worth more than \$500 million—if Iran imports as much as now seems likely.

Over the longer term Iran's domestic production is unlikely to keep pace with demand—much less achieve food self-sufficiency—so long as political and infrastructural problems remain unresolved. Expansion of agricultural production will depend largely on increased productivity because the growth of the agricultural labor force is slowing. That would require strong policy direction in a stable political climate. Without these conditions farmers are unlikely to invest in improved technology, and agricultural development efforts will flounder.

In the livestock sector, while resolute restocking and stricter controls on range use could at least ensure a stable (if still inadequate) meat supply, continued

Table 4

Thousand Metric Tons

Iran: Selected Agricultural Imports

| | 1977 | 1978 | 1979 | 1980 (Estimated) |
|--------------------------|--------------|--------------|--------------|---------------------|
| Wheat | 1,277 | 1,206 | 1,200 | 2,000 |
| Wheat flour ^a | 45 | 52 | 56 | 42 |
| Rice | 630 | 367 | 440 | 470 |
| Barley | 334 | 467 | 200 | 600 |
| Corn | 328 | 283 | 600 | 897 |
| Other cereals | 233 | 283 | 50 | 100 |
| Total cereals | 2,797 | 2,709 | 2,546 | 4,109 |

^a In wheat equivalent. (1 ton of flour equals 1.39 tons of wheat equivalent.)

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overgrazing of the range will ultimately lead to a decline in livestock production. The outlook, therefore, is for even greater dependence on agricultural imports, given expected increases in population, an emerging urban majority, and likely changes in diet in the years ahead (see Geography: Natural Resources—Agriculture and Livestock).

Industry (Nonpetroleum). The Shah's fifth plan increased the importance of industry in Iran's economy. By 1979 Iran was producing a wide variety of goods such as paper, fertilizers, steel pipes, aluminum, diesel engines, electric fans, detergents, glass, gas stoves, passenger cars, television sets, and refrigerators. Nearly all products were absorbed by the domestic market, and petroleum remained the country's main foreign exchange earner.

Overall industrial activity in Iran probably has declined to one-fourth to one-third of the prerevolutionary level. Government attempts to use the war to cajole increased production from workers have been ineffective. Aside from low labor productivity there are acute shortages of fuel, skilled labor, spare parts, raw materials, and technical and managerial expertise. The war has caused most industries in Khuzestan Province to close down because of war damage or the wholesale exodus of the working population.

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Income Distribution

Iran's per capita income in 1979 was \$2,179, but this has dropped significantly since the revolution. We have no current figures but believe it could be as low as half the 1979 figure. Rural income is considerably lower than urban, and 30 percent of the urban work force is unemployed. Many of the needs of the lower classes are satisfied through the distribution of food and other supplies by the government, largely through the local mosques. Inflation, officially estimated by the government at 30 percent, probably is closer to 100 percent. The government consumer index gives disproportionate weight to housing expenses, which have remained stable since the revolution. In addition only the price of basic commodities sold at government-subsidized prices is factored into the food portion of the index. Black-market prices are not included, and they have more than doubled in the last year.

Transportation and Communication

Iran has 71,000 km of roads, 26,700 km of which are asphalt surfaced. Some areas still lack roads and modern transport. There are 154 usable airfields throughout the country. Of these 18 are major airports, two of which are international. Tehran is linked to the Persian Gulf ports by 4,300 km of railroad. There are rail connections with Turkey and the USSR, and track was extended to Kerman in 1977. Iran is experiencing difficulties in obtaining equipment to keep the rail lines operating. Shipment of most of the crude oil, petroleum products, and natural gas is through 8,200 km of pipeline (1976 figure).

Iran's port capacity now stands at 10.35 million tons per annum. Major port expansion projects at Bandar Khomeini and Bandar Abbas have been slowed because of the war and financial constraints.

Adequate information on Iran's communications network has been unavailable since the revolution. The regime claims to be expanding the system. In 1978 Iran had the most advanced telecommunications system in the Middle East with over 550 microwave stations in a 17,700-km network. Transmission capability included telegraph, television, and data communications. Television transmissions could reach 60 percent of the population, and 11 cities had computerized telex links to major countries. In 1978 there were approximately 800,000 telephones and international links via satellite.

Foreign Trade and Balance of Payments

Steadily declining oil revenues during the second half of 1981—from monthly earnings of \$1.1 billion during May to \$500 million in November—put a severe strain on Iranian finances and forced the government to impose stringent measures. By September 1981 oil earnings were covering only about half of estimated monthly import expenditures.

Iran has had to rely increasingly on its already slender official reserves. Iranian gold and foreign exchange reserves may have declined from \$7 billion in mid-1981 to below \$3 billion in December—less than \$1 billion in foreign bank accounts and perhaps \$2 billion in government securities, gold, and International Monetary Fund deposits. Current reserve levels represent about three months of imports at austere levels. Tehran also has \$5-6 billion in nonliquid assets. These are primarily in the form of loans Iran extended to other developing nations, many of which will never be repaid, and equity investments that probably could be liquidated only at substantial loss. The drain on Iran's official reserves will ease once hard currency flows from larger oil liftings begin entering government coffers.

The Iranians are also attempting to reduce hard currency spending by expanding barter arrangements. Tehran is conducting a substantial barter trade with Communist countries—with Romania, for example, for refined oil products, machinery, and tools, and with North Korea for armaments. It has approached several Western countries, such as New Zealand, a major supplier of foodstuffs, with a proposal to exchange oil for their goods.

Exchange

Bank Markazi is responsible for issuing money and has the authority to control variables affecting the value of the currency. The official exchange rate is 70.5 rials to 1 US dollar. The black-market rate far exceeds this. The fiscal (and Islamic calendar) year runs from 21 March to 20 March.

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Political
Situation

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Political Situation

In September 1941 Muhammad Reza Pahlavi became Shah of Iran upon the forced abdication of his father, Reza Shah. A relatively weak and uncertain ruler, he was ousted for four days in 1953 by Muhammad Mossadeq. Restored to power, a newly confident Shah reduced the substantial power of the Majlis (parliament) and affirmed his authority over every aspect of government, becoming one of the most powerful rulers in Iranian history. By 1963 the Shah had stabilized the political scene and begun a 15-point program of reforms and modernization called the Shah-People Revolution (first known as the White Revolution).

A persistent rhetorical theme of the Shah's political program was the need for popular participation. But he was unwilling to reduce his power sufficiently to permit genuine political activity until the people became "politically educated." In what the Shah termed an effort to educate the people, he abolished all political parties in 1975 and established a single government-sponsored party called the Rastakhiz (Resurgence). It was the political arm of the Shah, and all "loyal" Iranians were expected to join and participate. The Shah's hope that Rastakhiz would provide a mechanism for broad political participation and education was never realized.

In 1978 a downturn in the economy, tensions produced by social modernization, and longstanding resentment over repression and corruption led to riots and calls for the Shah's overthrow. His hold on political life was so complete that discontent could be expressed only through the religious community. The result was a coalition of secular moderates, leftists, and both hardline and moderate clerics. The emergence of a vengeful and charismatic Ayatollah Khomeini to lead the revolt, his use of modern communications techniques to organize and mobilize the masses, and an ineffectual response by an isolated and seriously ill Shah resulted in a cycle of violence and protest that ultimately led to the Shah's overthrow in 1979.

The revolutionary coalition that swept the Shah from power was united only by a desire to topple the monarchy and soon began to disintegrate. Khomeini's religious and lay supporters gradually eliminated their more moderate secular rivals and now monopolize the formal reins of power. They have apparently crushed their leftist opponents and have consolidated a clergy-dominated authoritarian regime, for which Khomeini is the source of legitimacy.

Despite continuing assassinations resulting in the steady depletion in the clerical leadership ranks of the Islamic Republic Party, the regime has been able to hold elections and produce new officeholders. The Khomeini regime has dealt swiftly and ruthlessly with its opponents. It controls a network of mosques and various revolutionary organizations such as the Revolutionary Guard, Hezbollahis (fundamentalist thugs), and komitehs (local revolutionary cells) and is able to manipulate the media and financial institutions. It has neutralized the military through infiltration, executions, purges, and promotions.

Clerical Factionalism

The Iranian clerical community is divided by theological, political, geographic, generational, and educational rivalries. A large proportion of the clerical community remains politically inactive. Those who are active and support Ayatollah Khomeini's regime are divided roughly into three groups: the Islamic Republic Party, the Qom theological community,⁴ and the moderates. The other most senior ayatollahs oppose the Khomeini regime in varying degrees, but they have been effectively outmaneuvered by Khomeini's supporters.

The Islamic Republic Party dominates the government but does not fully control the executive and legislature. It has at least three subfactions whose

⁴ Qom is the most important Shia religious center in Iran, and the major Shia clerics resident in Iran either live there or spend much of their time there.

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positions range from advocating radical social and economic change to backing more conservative policies. Clerics associated with the Qom theological community are the party's primary rivals. They take the hardest line on Iraq, are responsible for indoctrinating the Revolutionary Guard, dominate the judiciary and educational system, and control many local clerical posts. Proregime moderates oppose radical domestic changes and seem to have been willing to work with some of the secular politicians ousted by the party.

Clerical rivalries already have found expression in the debates over the land reform program that will define the access of each faction to crucial political and financial resources. Restructuring the Revolutionary Guard also has aroused controversy. Its backing is viewed by many prominent political figures as crucial to the success of their political ambitions and to the longevity of the Khomeini regime itself. Khomeini has avoided choosing between factions by delegating to each group important and overlapping authority. He does not want to acknowledge that there are insoluble disagreements within the clerical community over the structure of the Islamic government. If the clerical factions are able to negotiate their major differences within the legislative process in the Majles, for example, the Khomeini regime will be significantly strengthened (see *Opposition: Clerical Opposition*).

The Constitution

The Iranian constitution, which defines the political, economic, and social order of the Islamic republic, grants broad powers to the Islamic clergy. Leadership of the republic is entrusted to a religious leader—Ayatollah Khomeini is specifically mentioned—or, in the absence of a single leader “enjoying the confidence of the majority of the people,” to a small council of religious leaders. The procedures for selecting the leader or council of leaders are ambiguous.

The powers of the leader or council of leaders overshadow those of the other institutions of government. The leader or council is empowered to appoint a “Council of Guardians,” which must review all legislation for fidelity to the principles of Islam; appoint the highest judicial authorities, who must themselves be religious jurists; command the armed forces; and approve the competence of candidates for the presidency of the republic.

The constitution provides for an executive composed of both a president and a prime minister. The president is elected to a four-year term by an absolute majority of the voters and supervises the affairs of the executive branch, “with the exception of the tasks delegated directly by this law to the leadership.” The prime minister is nominated by the president and approved by vote of the Majles. He supervises the Council of Ministers, coordinates government decisions, and decides which government policies will be debated in the Majles.

The constitution provides that Shia Islam will be the official religion of Iran. Other Islamic denominations “enjoy complete respect,” and recognized minority religions are “free within the limits of the law to perform their religious rites and act in personal matters according to their religious regulations.” “The people of Iran, regardless of ethnic and tribal origin, enjoy equal rights,” but the constitution does not formally grant the ethnic minorities the autonomous status within the Islamic republic that many desire.

Provisions relating to human rights are ambiguous in several respects. Freedom of the press, for example, is guaranteed, provided that the views expressed are not “contrary to Islamic precepts or public rights.” Similarly, the right to form political parties is guaranteed, “provided that they do not harm the principles of freedom, sovereignty, national unity, Islamic standards, and the foundation of the Islamic Republic.”

The military is charged by the constitution with defending Iran's borders and maintaining internal security. The Revolutionary Guard is charged with acting as the “guardian of the revolution.”

The Islamic Consultative Assembly (Majles)

The constitution of the Iranian Islamic Republic established the single-chamber, 270-member Majles as the legislative branch of the new government. Members are elected for four-year terms by direct and secret ballot, though conditions affecting the

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eligibility of both voters and candidates are determined by a separate law. The executive and judicial branches are charged with implementing the directives of this branch. The constitution gives the Majles the power to:

- Initiate "resolutions" and introduce legislation on the initiative of 15 members.
- Enact laws and ratify treaties, contracts, and accords negotiated by the executive.
- Approve the appointments of the prime minister and the cabinet.
- Censure and remove the prime minister, government, or a single minister through a vote of no confidence—apparently supported by a simple majority.
- Establish investigatory bodies to monitor any aspect of national affairs.
- Approve employment of foreign nationals (presumably by the government and major industries) which is "prohibited unless deemed necessary."

The Majles cannot enact any law that contradicts Islamic or constitutional principles. A Council of Guardians, composed of six clerical jurists named by Khomeini and six secular legal experts chosen by the Majles, was established by the constitution to review all legislation and nullify whatever it deems unacceptable. A majority of the Council's six religious members is required for passage of most legislation. The Majles may require the president, the prime minister, or any minister to attend a session to answer questions and may allow them to make statements in support of their positions.

The Majles is not allowed to impose formal martial law. In wartime it can "approve" government regulations establishing "temporary restrictions" lasting a maximum of 30 days. The Majles must approve any extension of such restrictions. Members cannot transfer their individual responsibilities, and the assembly as a whole cannot delegate its power to make laws. The Majles cannot debate an "urgent project or bill"—the implementation of which cannot be delayed for the Council of Guardians' customary 10-day review period—unless the Council is present during the debate and presents its views on the acceptability of the text under consideration.

Clerical and secular supporters of Khomeini who are either members of the Islamic Republic Party or are sympathetic to it dominate the assembly. Political rivalries and insecurities are often so intense that the Majles cannot either address substantive issues on their merits or make decisions on controversial matters without explicit guidance from Khomeini or behind-the-scenes direction from parliamentary leaders. Most members are inexperienced and feel compelled to play to what they believe are Khomeini's desires, to underscore their own revolutionary credentials, and to discredit political rivals. Debate has been heated; individual members have occasionally come to blows. Speaker of the Majles Hashemi-Rafsanjani controls the course of debate and has prevented some representatives from raising local problems that would highlight the regime's shortcomings.

The Judiciary

The constitution provides for the establishment of a judicial system "based on Islamic rules and standards." The highest judicial body is the "High Council of the Judiciary," consisting of the head of the Supreme Court, the Prosecutor General, and three "religious and just judges chosen by the judges of the country." The head of the Supreme Court and the Prosecutor General must be religious jurists (mujtahids) whose piety and knowledge of Islamic law authorizes them to make interpretations of the law which in turn have the force of law.

The High Council of the Judiciary is charged with establishing necessary organizations within the Ministry of Justice, drafting laws on the procedures for selecting the members of the Supreme Court, preparing other bills having to do with the judiciary, and appointing and dismissing judges. The term of office for the Council is five years, but members can be reelected. Procedures for the election of members are not specified in the constitution.

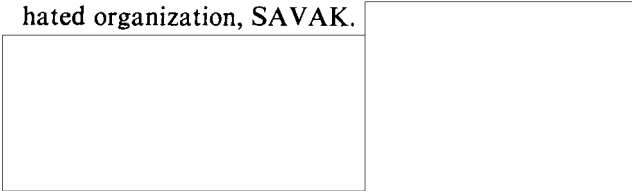
Internal Security

Iran's internal security forces consist of the National Police, the National Gendarmerie, and a main intelligence organization still in the formative stages. The National Police and the Gendarmerie are dealt with in the Armed Forces section under Paramilitary Organizations.

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In August 1980 a new intelligence organization, SAVAMA, was established to replace the Shah's hated organization, SAVAK.



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In early 1982 the government proposed legislation authorizing a Ministry of Information and Security to focus on leftist activity in Iran and coordinate the intelligence activities of the Revolutionary Guard, komitehs, and other government offices.



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Opposition

Opposition

Ethnic Groups

The Iranian constitution of 1979 revealed that the new regime would have little sympathy for regional autonomy aspirations. Nonetheless, government control over the Iranian periphery has weakened, and the tribal groups have moved to assert more local control. The range of their political concerns will remain limited by parochial goals. Left to their own devices, the ethnic minorities will tend to exploit rather than instigate political change (see Geography: Human Resources—Ethnic Groups).

The *Kurds* in the northwest have been in revolt against the Khomeini regime since it assumed power in February 1979. With as many as 20,000 armed combatants, the various Kurdish groups control much of the countryside and some towns. While many of the leaders have had longstanding contacts with the USSR (the Kurdish Republic of Mahabad was established by the Soviets in 1945-46 in Iran's Kordestan Province), some also fear the Soviets and occasionally cooperate with moderate opposition groups claiming to sympathize with their desire for local autonomy. The largest group, the Kurdish Democratic Party, has been cooperating with the Mujahedin and with Iraq, which has provided some material aid.

The *Azarbayjanis* of north central Iran are the largest minority. They are integrated into society and have few armed bands. But opposition groups operating in their homelands have staged the largest antigovernment incidents since mid-1981. Some Iranian exiles who fled Iran after the collapse of the Soviet-sponsored Azarbayjan Democratic Republic in 1946 have returned and may become a source of instability. Most look to their spiritual leader, Ayatollah Shariat-Madari, for guidance, but the regime seems to be succeeding in discrediting him. Shariat-Madari has consistently opposed the Khomeini regime and is under house arrest in Qom. Until recently he had been in contact with exiles, moderates still in Iran, and members of Turkic minorities in the military and

the bureaucracy. In early 1982 the Speaker of the Majles characterized much of the Azarbayjani-populated northwest as a "Communist stronghold."

The *Qashqais*, who inhabit the central southwest, have the most Western-oriented leadership of any Iranian minority. Unlike other ethnic chiefs, the Qashqai leaders hope to gain influence in national politics. They are anticlerical, activist, have sought ties with some of the exiles, and are close to Ayatollah Shariat-Madari. The Qashqais have an estimated 20,000 fighters, but lack of adequate weaponry and insufficient training prevent their being a major threat to the regime as they were under the Shah when they revolted in the 1960s.

The *Turkomans*, who live along the Caspian coast, are reportedly left-leaning, but we have little information on their current attitudes. Following clashes with the government in 1979, the Turkomans may have worked out an arrangement that allows them some autonomy. They probably have fewer than 5,000 men under arms.

The *Baluchis*, in the southeast, control most of their area except for the largest towns. The Baluchis are divided, but most tribal elders are pro-West and have sought aid against the Khomeini regime. They could muster fewer than 5,000 lightly armed men. There are low-level contacts between the Iranian Baluchis and those in Pakistan, but there is no evidence of significant involvement in each other's affairs.

Arab and other ethnic dissidence in Khuzestan largely ended in mid-1979 when Arab dissidents were crushed under the administration of now exiled provincial Governor General Madani. Most of the subsequent terrorist incidents in their homeland probably were carried out by Iraqi agents or radical Iranian

leftists. There has been no significant Iranian Arab cooperation with the Iraqi invasion forces despite Baghdad's claim to support local Arab autonomy.

Non-Communist Leftist Groups

Mujahedin. The Islamic leftist Mujahedin-e Khalq (People's Crusaders) emerged in mid-1981 as the leading opponent of the Khomeini regime. Many Iranians apparently appreciated their courage and persistence in resisting the regime, but that did not translate into lasting political allegiance, because many of these Iranians mistrusted the Mujahedin's youth and its leftist ideology. The group has been at least temporarily thwarted by the regime's strong repression. One leader, Masud Rajavi, fled into exile in France in mid-1981 with former President Bani-Sadr, and a number of the group's other leaders, still in Iran, have been killed or arrested by the regime.

The Mujahedin was founded in 1963 by disaffected young members of the Liberation Movement of Iran and began terrorist operations in Iran in mid-1971 with efforts to disrupt the Shah's celebration of the 2,500th anniversary of the Persian monarchy. Although the Mujahedin played an important role in the upheaval that brought Khomeini to power, the clerics consistently excluded them from a political role after the revolution. In mid-1980 Mujahedin leaders responded by gradually increasing pressure against the Khomeini regime and in May 1981 launched a major terrorist campaign.

At the height of its strength in the spring of 1981, the Mujahedin included approximately 10,000 well-armed and highly disciplined cadre and showed it could bring out crowds of over 100,000 people for demonstrations in Tehran. Its blend of reformist Islam and new-left concepts strikes a sympathetic emotional chord among politicized Iranian youth. Groups advocating a similar ideology are likely to be prominent on the Iranian political scene regardless of the fate of the Mujahedin.

A Marxist faction—mainly in Tehran—broke away in 1975 and murdered several leaders of the Islamic faction. After the revolution the Marxist faction adopted the name Sazeman-e Paykar Bara-ye Azadi-e

Tabaqeh-e Kargar (Fighting Organization for Liberating the Working Class), or commonly, Paykar, and declared itself at odds ideologically with the Mujahedin.

The Mujahedin are not openly pro-Soviet but rarely criticize the USSR. The group's leaders may originally have sympathized with most Soviet positions, but Rajavi now emphasizes nationalist themes. On some issues, however, the Mujahedin seem more inclined toward a stubborn independence directed against all industrialized nations. The Palestine Liberation Organization has provided training, supplies, and information since the early 1960s.

Fedayeen. The Fedayeen was formed in 1970 from three separate radical leftist student groups; by late 1975, it had divided into two factions. Since the revolution it has split several times. The majority factions have followed the Tudeh line giving qualified support to Ayatollah Khomeini's regime. The minority, however, has called for a full worker-peasant socialist revolution and is in armed opposition to the regime.

Communist Tudeh Party

Since the fall of the Shah, Iran's pro-Soviet Tudeh Party has sought to establish itself as a junior partner of the clerics by publicly backing Ayatollah Khomeini while slowly building its strength and attempting to infiltrate the regime. Tudeh's support for Khomeini is consistent with the party's longstanding policy of calling for a national front of all popular forces. The Tudeh recognizes its weakness and has never tried to seize power for itself, but it has sought to form alliances that it hopes, in time, to dominate.

The Islamic regime has tolerated the Tudeh more than other leftist groups. The regime, however, has not allowed it a full political role, and it has no seats in the Majles or any known voice in formulating policy. In general Khomeini has been sharply anti-leftist and has often ordered crackdowns on leftist activity. The Tudeh has generally—but not always—been spared in these crackdowns. The Tudeh's newspaper, *Mardom*, is officially banned, but other Tudeh

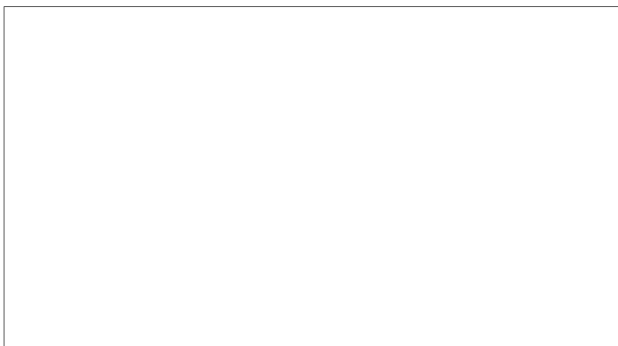
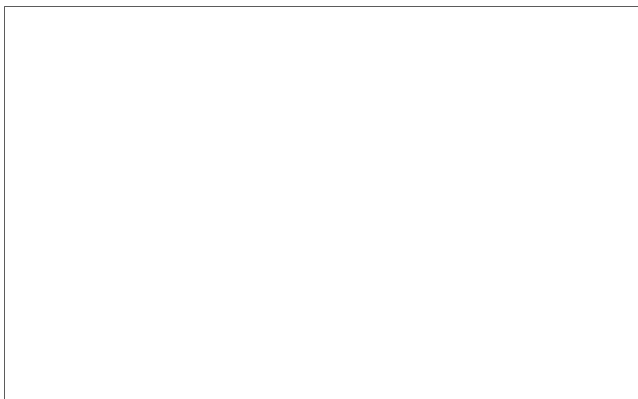
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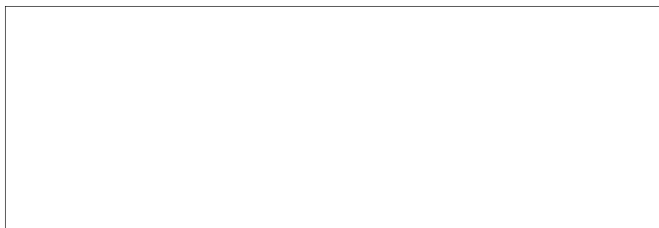
publications are still published. Tudeh offices have been ransacked or occupied by fundamentalist mobs, and some members have been purged from schools and the bureaucracy, arrested, or executed.

The Tudeh has traditionally been the best organized political group in Iran, emphasizing tight discipline and clandestine organization. The party has numerous front organizations, including one for women, another for students, and several workers' associations. In 1980 the party had an estimated 5,000 hardcore members.



Prospects. The Tudeh's greatest weakness will continue to be its lack of popular backing because of its ties to Moscow and its atheist image in a deeply Islamic society. Without support from other leftists like the Mujahedin or the minorities, the party could probably only seize power through a military coup during a period of extreme confusion and political unrest in Tehran. Even then, the Tudeh would require significant outside assistance from the Soviets to hold on to power.

Activities Among Minorities. The Tudeh has long tried to develop a base among Iran's numerous ethnic minority groups. The party's support for Khomeini has hurt its efforts to build links to the minorities, but the party continues to try to curry favor.



Exiles

Leading Iranian exiles have been ineffective and unwilling to unite. Virtually all have pegged their return to Tehran on the hope that popular support for Khomeini will wane as chaos in Iran grows. They are attempting to convince a number of Arab and Western governments to support them. Their inability to agree on a single leader or to cooperate in even the most general way has prevented the formation of a viable opposition movement abroad.

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Clerical Opposition

Many in the clerical community are alienated by the political activism of the clerics who support Ayatollah Khomeini. Several young clerics have been executed for opposing the regime, and some of the teachings of others have been banned. Nonetheless, clerical opposition activities generally are low key and restrained, despite the belief that many of the government's actions are not compatible with Islam.

Relations With Foreign Communists. The Tudeh's only significant foreign supporters since its creation in 1941 have been the Soviet Union and its allies. The party looks to Moscow for guidance, and the Soviet-controlled National Voice of Iran radio based in Baku enunciates policies close to the Tudeh line, although it does not often mention the Tudeh by name.

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Table 5**Prominent Iranian Exiles**

| Name | Former Position | Former Base of Support ^a |
|-----------------------------|---|--|
| Shapur Bakhtiar | Last Prime Minister under Shah | Officer corps; middle class |
| Qolam Ali Oveisi | Ground Forces Commander under Shah | Military |
| Ahmad Madani | Defense Minister under Khomeini | Military; anticlerical elements |
| Ali Amini | Prime Minister under Shah | Middle class |
| Fereydun Jam | Chief of Staff under Shah | Military |
| Hasan Nazih | Head of National Iranian Oil Company | Azarbayjanis |
| Ahmad Bani-Ahmad | Azarbayjani political leader associated with Muslim People's Republic Party in Azarbayjan | Azarbayjanis |
| Bahram Ariana | Chief of Staff under Shah | Military, some wealthy exiles |
| Rahmatollah Moqadam-Maraqei | Aide to Ayatollah Shariat-Madari, official of the Muslim People's Republic Party | Azarbayjanis |
| Abol Hasan Bani-Sadr | President of the Islamic Republic | Military, educated, those disenchanted with clerical control |
| Masud Rajavi | Continues as head of Mujahedin | Radicalized students, sympathy (if not support) of those opposed to clerical control |

^a By 1982, three years after the revolution, none of these exiles retain significant support inside Iran. For further details on those exiles, see Personalities.

The half dozen most senior Shia clerics in Iran have remained outside the political structure under Khomeini. They are Ayatollahs Golpayegani, Khonsari, Marashi-Najafi, Ruhani, Shariat-Madari, and Shirazi. They do not accept Khomeini as the Shia leader and oppose clerical activism in politics. Some, whom the regime is trying to discredit, are under house arrest. A minority cooperate somewhat with Khomeini's supporters, but—like other top ayatollahs—they are using their considerable influence to help lesser clerics' efforts to resist and modify some of the regime's proposals (see Political Situation: Clerical Factionalism).

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Armed Forces

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Armed Forces

The clerical leadership has organized the armed forces and redefined their missions. The regular forces still consist of the Army, Navy, and Air Force, but paramilitary forces—especially the Revolutionary Guard—have acquired major roles in defending the country against ground attack and maintaining order. The Gendarmerie and the National Police have been considerably weakened since the revolution, and information on their current situation is sketchy. The Iranian constitution directs the military to become an “Islamic Army.” The missions of Iranian men under arms are to defend Iran’s border, conduct “holy war in the way of God,” and “expand the rule of God in the world.”

Ayatollah Khomeini, as armed forces Commander in Chief, in April 1982 gave the Chief of the Joint Staff authority over the Army, Navy, Air Force, and Revolutionary Guard (Pasdaran). At the same time, the Interior Minister was given command of the Gendarmerie, police, and forces associated with the “Islamic revolutionary committees” (komitehs). The regime maintains control over the military through extensive purges and by the establishment, at all major levels of command, of cleric-led komitehs, which review orders of the commanders prior to implementation.

Once one of the largest and most powerful conventional forces in the world, the Iranian regular armed forces were devastated by the Khomeini revolution in 1979, but they probably have been saved from complete collapse by the war with Iraq. Before the war the Army had been reduced by half, many experienced commanders had been executed, exiled, or purged, and all combat elements were under strength and suffered critical shortages of trained technicians. The new regime had placed a stigma on service in the conventional military forces, reducing their ability to recruit and retain capable personnel. Fearing the potential political role of the military, the clerics have emphasized the role of the “politically reliable” Revolutionary Guard and increased the Guard’s capabilities at the expense of the regular armed forces.

Operations against Iraq and the Kurds engage the bulk of Iran’s regular and irregular forces and have revealed both strengths and weaknesses. After initial setbacks in the war with Iraq, the Iranians have brought equipment to operational status, reestablished command structures, and coordinated activities of regular and irregular forces. Effective planning, Iranian superiority in artillery and infantry, and tactical flexibility have resulted in some major successes. A key factor has been the tenacity—motivated by fanatical religious fervor—and aggressiveness of the Iranian soldiers and their willingness to become martyrs for the Shiite cause. Iran’s success also is a result of Iraq’s weaknesses in command and control and artillery and its unwillingness or inability to stage major offensives over wide areas of the front.

Army

The Iranian Islamic ground forces, the largest of the three military services, had a prewar strength of approximately 150,000 but probably has been expanded to about 200,000 as a result of the war with Iraq. It is composed mostly of conscripts. In addition to defending Iran against aggression, the Army is charged with assisting the Gendarmerie and the National Police in maintaining internal security.

The major combat maneuver elements of the Iranian ground forces are four armored divisions and four infantry divisions. Major nondivisional tactical units include an independent armored brigade, five field artillery groups, a special forces brigade, an airborne infantry brigade, and an army aviation command. Iran’s ground force equipment was acquired primarily from Western sources—the United States, the United Kingdom, and West Germany—but includes some major items from the USSR.

The Army maintained some of its operational capability following the revolution despite purges, poor leadership, manpower shortages, and logistical and equipment problems. Iranian troops have operated well against Iraq.

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Air Force

Besides defending Iranian airspace, the Iranian Islamic Air Force is charged with tactical support of ground forces, reconnaissance, and rescue operations. The revolution and war with Iraq have drastically reduced the Air Force's ability to perform its mission. Because of its relatively large inventory of sophisticated equipment, it has been hurt by the revolution more than the other services. Lack of a source of spare parts has required cannibalization of some aircraft to keep others flying, but logistical problems, slipshod maintenance, and combat losses left fewer than 100 aircraft operational in early 1981. Even if Iran gained access to sufficient supplies of spare parts and brought all remaining aircraft to full operational status, years will be required to replace pilot losses.

Prior to the revolution, Iran had about 350 fully qualified fighter pilots. Purges of officers during the initial stages of the revolution probably reduced the number of pilots by at least 100, and combat losses probably have been around 160. Although the Air Force has been training fighter pilots since the middle of 1981, efforts have been limited to upgrading previously trained pilots.

The Air Force's ability to conduct sustained offensive and defensive operations has been severely circumscribed. It can still conduct limited strikes against strategic targets throughout the Gulf. Its fighter fleet consists of US-built F-5s, F-4s, and F-14s.

Navy

The Iranian Islamic Navy emerged from the chaos of the revolution with a changed mission and a battered self-image. Mainly because of policy decisions by government authorities, but also because its capabilities have diminished, the Navy is now limited to defending coastal areas and support tasks. It remains the most powerful naval force in the Persian Gulf despite purges of nearly all flag officers, a high desertion rate, a disproportionate number of uneducated personnel, serious maintenance and equipment problems, and shortages of technicians. The Navy can still inflict damage to port or offshore facilities and remains a threat to the Gulf states. During the war it has prevented ships from using Iraqi ports and denied the Gulf to Iraqi ships.

Table 6**Inventory of Selected Military Equipment**

| | Sep 1980 | Feb 1982 ^a (Estimates) |
|--|----------|--------------------------------------|
| Army | | |
| Tanks (M-60, Chieftain, M-47) | 1,765 | 1,000 |
| APCs and ARVs (M-113, BMP, BTR-60, BTR-50, Scorpion) | 3,195 | 2,900 |
| Artillery (M-109, M-107, M-110, M-46, BM-21) | 1,375 | 1,000 |
| ATGM ground launch systems (TOW, Dragon, Sagger) | 2,883 | Unknown |
| Navy | | |
| Destroyer (Sumner, battle-class) | 3 | 3 |
| Frigates (Mark IV) | 4 | 4 |
| Missile boats (La Combattante) | 9 | 11 |
| Other patrol craft/combatants | 48 | 41-45 |
| Minesweepers | 5 | 5 |
| Hovercraft | 14 | 14 |
| Air Force | | |
| Fighter/fighter-bomber (F-4, F-5, F-14) (including reconnaissance and combat-capable jet trainers) | 450 | 260-280 |
| Transports | 94 | 91 |
| Tankers | 14 | 14 |
| Attack helicopters (Cobra/TOW) | 132 | Unknown |
| Transport and utility helicopters (including Army and Navy versions) | 845 | Unknown |

^a These estimates of equipment remaining in the inventory in early 1982 are tentative because little firm data on combat losses are available. Even so, shortages of spare parts and lack of maintenance may mean that 40 to 60 percent of some categories of equipment is not operational.

Iran has 20 major naval combatants including guided-missile destroyers and frigates, corvettes, and missile attack boats. The missile attack boats—the units most frequently deployed in the Persian Gulf—have maintained a higher level of readiness than most other ships and are the main fighting force of the Iranian

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Navy. The operational effectiveness of its patrol and gun boats, its five minesweepers, and the Hovercraft fleet have been greatly diminished by frequent mechanical breakdowns, the disruption of maintenance, and the lack of spare parts. The Navy also has a helicopter fleet and a P-3F Orion long-range patrol aircraft which suffer from the same problems as the rest of the service.

Paramilitary Organizations

The Revolutionary Guard: The Islamic Revolutionary Guard Corps (Sepah-e Pasdaran-e Engelab-e Islami) was hastily pulled together from trusted anti-Shah groups, local clerics' militias, and ex-servicemen in May 1979 under the auspices of the then governing Revolutionary Council. Its mission was to restore and maintain order.

The Guard is a loosely knit collection of units and private armies gathered around various mullahs and administrators. It probably consists of a disciplined core of about 30,000 and counts at least 200,000 to 250,000 members, most of whom have joined since the war with Iraq began.

The role of the Guard as one of Iran's main fighting forces in the war with Iraq has forced it to expand and to accept members who are less committed to the revolutionary ideology of the regime than the original members.

Moreover, the Guard includes large numbers of apparently self-appointed participants not controlled by any formal structure.

As the Guard has expanded, it has assumed the brunt of the fighting against dissident Kurdish and Baluchi minorities and leftist opposition groups. During the summer of 1981, for example, the Guard was mainly responsible for the suppression of the antiregime activities of the Mujahedin.

In addition to its many other functions, the Guard is charged with exporting the revolution. Its members have distributed literature on Shia Islam and the revolution to pilgrims on the Haj in Saudi Arabia. The Guard also has attempted to form "revolutionary" groups to mobilize Shia communities throughout the Gulf.

Although the Guard has helped sustain the government by intimidating most political opposition groups, its zeal has brought it into conflict with government officials, clerics, and other security forces. The Guard has been accused of torturing prisoners in jails, brutality in the streets, and confiscation of property—the same accusations that were made against the Shah's intelligence organization SAVAK. Repeated efforts to purge elements of the Guard, however, have failed.

Friction between the Guard and the Army has not abated as the Guard has expanded and become more involved in the war. The Guard and the Army have separate commanders, control procedures, communications networks, and weapons. The regime originally intended to replace the Army with the Revolutionary Guard but instead was forced by the war to expand the Army.

"Islamization" of the Army remains an important goal of the regime.⁵ Purges have replaced key commanders loyal to the Shah with those who have at least not been identified as opposing the Khomeini regime. the government is succeeding in creating a Revolutionary Guard "mentality" in the lower ranks and that some Revolutionary Guards have been assigned to regular Army units. The Guard probably also has representatives that perform liaison and political monitoring of Army staffs in brigades and divisions. The overall progress of Islamization, however, is not clear.

The Guard remains equipped predominantly for guerrilla and light infantry operations, but some units have been trained in the use of heavy artillery and tanks. The number of units equipped with heavy weapons and armor is unknown, but one Guard tank battalion with Soviet T-54/55 tanks reportedly participated in the capture of Bostan in December 1981. The pace at which the Guard receives major military equipment relative to the regular Army may indicate the extent to which the regime views the Guard as a conventional force.

⁵ Islamization refers to the process of integrating clerics and Pasdaran into the regular armed forces to create a military establishment loyal to the regime.

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Little is known of how the Guard and Army coordinate wartime operations, but it is clear that little integration of command and control exists at battalion, brigade, and division levels. We believe, however, that important operations require coordination of combat objectives at the headquarters level and at least minimal contact between commanders of adjacent tactical Army and Guard units tasked with the same objective. Battlefield successes in the last half of 1981 suggest better coordination than earlier in the war.

The National Gendarmerie. The National Gendarmerie is divided into 15 districts, each of which has battalion and regimental level units. These, in turn, control company headquarters and posts. The Gendarmerie also has a coast guard unit responsible for surveillance of the Persian Gulf and the Gulf of Oman and navigable rivers in southern Iran.

The new mission of the Gendarmerie remains undefined, but it is being used for border control, safety on intercity roads, and some anti-insurgent operations.

Some 2,230 Gendarmerie posts throughout the country maintain daily contact with village and tribal people in the remote areas of Iran and are usually the sole governmental representatives in these rural areas.

The National Police. The National Police force collapsed after the revolution. Police stations and weapons were seized by revolutionary committees (komi-tehs), and many police were killed or arrested. In April 1980 an amnesty decree was issued and attempts were made to rebuild the force, but purges of the once 40,000-man force continue. Relations with the community and clerics remain poor, and police effectiveness is low.

Police have been responsible for handling guard duties, traffic accidents where injuries occur, and minor crimes. Each police station reportedly has a komi-teh—headed by a cleric—which controls all major criminal investigations and limits police involvement in them.



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Foreign
Relations

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Foreign Relations

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Iran's strategic location and in more recent times its rich oil deposits have caused it to be the subject of rivalry between the great powers since the early 19th century. Iran's overwhelming foreign policy preoccupation has been with Russia, whether Czarist or Soviet, on the one hand, and Britain—and then the United States—on the other. Tehran's early political and economic weakness precluded strong initiatives, and intrigue rather than diplomacy was the common practice.

The Islamic revolution of 1979 changed Iran's pro-Western foreign policy to one of nonalignment. Internal security and domestic political problems, however, have circumscribed Iran's ability to project its policy views. Even bilateral relations are often confused and contradictory. Iran's goals are dominated by the desire to eliminate great power influence, to encourage Islamization of governments in the Persian Gulf region, especially where substantial Shiite communities exist, and to export its revolution.

The War With Iraq

The Iran-Iraq war is only the most recent manifestation of a historical enmity and competition for regional dominance between the two countries. When the war ends, it will be followed by a fragile peace which probably will leave one of the parties bitter and intent on reversing the outcome at the first opportunity.

Nonetheless, Baghdad and Tehran have enjoyed periods of relative calm and accommodation in their relations. Such a period began in 1975 with the signing of the Algiers Accord, which effectively ended the latest round of Kurdish rebellion. The calm was broken with the revolution in Iran, which rekindled efforts by each side to undermine the other. Iraq began its anti-Iranian efforts not long after Khomeini came to power. It began aiding Iranian exiles and dissidents in their activities against the Khomeini regime.

Iraq invaded Iran in September 1980 in the hope of precipitating the overthrow of the Khomeini regime. It publicly declared three less ambitious goals: Iranian recognition of Iraqi claims to disputed border territories and the Shatt al Arab waterway, an Iranian pledge to refrain from interfering in Arab affairs, and the return to Arab control of three Gulf islands that the Shah had occupied in 1971. The initial Iraqi ground campaign was moderately successful, but Iran has slowly been pushing the Iraqi forces back.

Relations With the West

Iran's revolution was not just a change of elite groups, but a genuinely popular upheaval that included an emotional revulsion against the West. This continues to set important limits on relations with the West, particularly with the United States. The United States is the "Great Satan" and is blamed for almost all antiregime activity (see US Interests).

Western countries in general are suspect because of their ties to the United States. Nonetheless, Iran is attempting to establish correct relations with some of them to reduce its diplomatic isolation and reestablish economic ties. This effort will be constrained, however, by Iran's attempts to export its revolution and its continuing anti-US attitude.

Despite cool relations 65 percent of Iranian trade remains with the West because of mutual need and habit. The West is Iran's main food supplier, and Iran needs Western help to expand its oil industry. Iran is a major source of oil for Europe and Japan. West Germany and Japan continue to be strong economic partners with Iran, and Iran is seeking military assistance from the United Kingdom. Sweden's and

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Switzerland's less visible ties with the United States have encouraged Tehran to increase economic agreements with them. Iran also sees Italy as a relatively neutral Western state and has continued its traditionally extensive economic and military supply agreements. Relations with France are strained as a result of French ties with Iraq and Iranian exile activity in France.

Relations With Communist Countries

Iran's need for economic assistance and military equipment has led it to expand its contacts with Communist countries, despite Khomeini's strong opposition to Communism. The major contacts are with the USSR, North Korea, East Germany, Hungary, and Romania.

The Soviets consider Iran a major geopolitical prize, and they view the ouster of the United States as a major strategic gain. Since the fall of the Shah, the Soviets have curried favor with the Khomeini regime. They have established a bilateral relationship with the government that they hope will pave the way for broader Soviet influence in Iran, even after Khomeini. They also have expanded their trade relationship with Iran to deter any move by Tehran toward the West and at the same time tried to prevent that relationship from jeopardizing ties with Iraq. They have tried to maintain the appearance of evenhandedness in the Iran-Iraq conflict. Moscow has been frustrated in part by Tehran's continued xenophobia and its wary attitude toward the USSR.

Iran recently has increased contacts with the USSR despite a variety of bilateral problems, including the flow of Soviet arms to Iraq, the Soviet invasion of Afghanistan, and Tehran's concern about Soviet interference in Iran's internal affairs. For Iran the Soviet Union is a "lesser" satan than the United States and one with which relations are possible. Apart from economic necessity, Tehran's increasing receptivity to improved relations may stem from the influence of new leaders who have taken office since the wave of assassinations in the summer of 1981. There are now some 2,000 Soviet advisers in Iran engaged in a wide variety of economic and technical projects. This is about the same number as under the Shah but a substantial increase over the number present in the early days of the revolution. Soviet

arms supply to Iran has been expanded; and economic, technical, scientific, and cultural contacts have increased.

Non-Arab Islamic Neighbors

Turkey has adopted a cautious approach toward the Khomeini regime and encourages its allies to do likewise. The Turks want to maintain a businesslike relationship with whatever regime is in power in Tehran. They fear Iranian export of Islamic militancy and believe an isolated Iran is more susceptible to Soviet exploitation. Iran and Turkey collaborate to prevent cross-border operations aimed at either government and have concluded some substantial trade agreements. Ankara hopes these ties will help reduce Iran's isolation from the West and reduce Iran's need for Soviet economic agreements.

Pakistan and Iran have sought to improve their technically correct but cool relations. Khomeini's influence in Pakistan is considerable, and Pakistan hopes closer ties will discourage Iranian interference in Pakistani affairs. Pakistan also believes that the potential for Soviet meddling and a Communist takeover is greater as long as Iran remains isolated from moderate and Western states. Both countries are traditional allies and have economic objectives that can be furthered by closer bilateral ties. Iran is a potential market for Pakistani goods that are not selling well in world markets, and Pakistan provides a potentially expanding market for Iranian oil.

The Iranians have consistently denounced the Soviet invasion of Afghanistan and have rebuffed all Soviet efforts to have Tehran deal with the Babrak regime. Tehran is unlikely to participate in any scheme or conference which implies de facto recognition of the present Kabul government and which does not require as a precondition the withdrawal of Soviet troops.

Arab States

Iran has pursued an almost schizophrenic policy toward the Persian Gulf states. Statements expressing a desire for good relations have been followed by derogatory and menacing comments. The Iran-Iraq war intensified this tendency.

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Iran's revolution is seen as a major source of regional destabilization by the other countries of the Persian Gulf. The revolution has opened regional regimes to some of the same charges that the Iranian clergy used so effectively against the Shah—corruption and the failure to adhere to Islamic principles. All Gulf states must cope with problems of social and economic dislocations associated with modernization and oil wealth that undermined the Shah's regime. Most of these countries have Shia communities and large expatriate populations open to outside manipulation. The Iranian-backed coup attempt in Bahrain in December 1981 illustrated the danger to Gulf regimes. Nevertheless, the various regimes have been slow in developing strategies to deal with these problems or with the new regime in Tehran.

Tehran has sought practical alliances with some radical Arabs. Ties between Syria—Iraq's traditional ideological rival—and Iran were cordial even before the war with Iraq. Syria has provided Iran with small arms and ammunition and has served as a transshipment point for supplies from East European countries to Iran. Tehran's relations with Libya improved, at least temporarily, as a result of the war. Libyan leader

Qadhafi has long expressed support for Iran's Islamic revolution, and Libya has provided arms and economic assistance to Iran.

The war with Iraq has complicated Iranian ties with the Palestine Liberation Organization because the PLO must also preserve its ties with Arab Baghdad. PLO leader Arafat initially hoped to mediate the differences between the two sides and traveled to both capitals in the early days of the war, but his mission failed and led to further strains with both countries.

Other States

Since the revolution Iran has unilaterally abrogated its agreements with the United States and the Central Treaty Organization (CENTO) and joined the non-aligned movement. Third World countries, however, especially those in Asia with large Muslim populations, tend to be cool in their relations with Iran. India, Bangladesh, and Nepal are privately critical of Khomeini but are silent in public. China is viewed along with the United States and the USSR as a "satan," but the Iranians have sought to obtain arms from Beijing.

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US Interests

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US Interests

The United States' relationship with Iran has disintegrated since the 1979 revolution. Iranian attitudes toward the United States and the West show little sign of changing appreciably. Although the pro-Western Iran of the last generation is gone, the country remains important to US strategic and economic interests in the area because of its location and its oil resources.

Iran's common border with the Soviet Union and increasing Soviet economic activity in Iran make it susceptible to Soviet blandishments. The presence of substantial Soviet military forces on Iran's northern border also gives the USSR a major lever for exerting pressure on Tehran, influencing US policy options, and, as a last resort, for intervening in Iran. Despite widespread suspicion of the USSR, Iran's need for manufactured goods and particularly military equipment has forced it to turn to Moscow and its allies. Tehran's continuing economic and political turmoil has enhanced the power of those most opposed to the West in general and the United States specifically. Moreover, a shortage of oil revenues has forced Iran to increase its use of barter in trade relations, and such arrangements have been received more favorably in the East than in the West.

Iran already has the military and economic power to resume playing a dominant role in the Gulf. If Tehran were to become pro-Soviet, Iran would be even more threatening to moderate governments in the Gulf and to Gulf shipping. Iran is capable of threatening oil shipments through the Strait of Hormuz as well as production facilities on the Gulf littoral. These capabilities would probably be reinforced in a pro-Soviet and possibly more strident Iran. Half of Europe's and most of Japan's petroleum requirements come from the Gulf area.

The revolution in Iran and its war with Iraq have advanced some US interests notwithstanding the serious security problems facing the Arab Gulf states. The increase in concern for the security of the Gulf area and growing appreciation of its strategic importance have raised the possibility that other nearby states—principally Egypt—would contribute to the defense of the region. Iraqi dependence on moderate Arab states—including Egypt—has been established, reinforcing a trend toward a more cooperative attitude in Baghdad on regional issues. Internal political maneuvering and the war with Iraq have deflected—but not eliminated—Iran's efforts to export its Islamic revolution to neighboring countries. The belief has been heightened among the moderate Arab Gulf regimes that their security ultimately lies both with strengthening ties among themselves and with the West. These states have attempted to formalize their ties by establishing the Gulf Cooperation Council, which excludes both Iran and Iraq, something long desired but always avoided for fear of angering either country.

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Personalities



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Amini, Ali

An opposition politician in exile in Paris, Amini was Prime Minister during 1961-62. A power broker, he is trying to unify exile groups. He undoubtedly would like a high position in a government after the Islamic Republic is overthrown, but his considerable wealth, his service under the Shah, and his lack of a real power base seem to preclude it. He is about 74.



Ariana, Bahram

Chief of the Supreme Commander's Staff under the Shah, Ariana now lives in exile, mostly in Turkey. He heads an organization of fellow officers dedicated to the overthrow of the current regime. At his advanced age (over 75), however, he seems unlikely to play an active role in a counterrevolution.



Wide World ©

Bakhtiar, Shapur

The last Prime Minister under the Shah and now in exile in France, Bakhtiar heads the National Movement of the Iranian Resistance, a loose collection of organizations dedicated to the overthrow of the Khomeini regime. His appeal has generally been limited to the middle and upper classes.

He is about 68.

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Bani-Ahmad, Ahmad

Head of the Union for Freedom Movement since at least November 1978, Bani-Ahmad was a vocal opponent of the Shah in the Majles. Arrested by the revolutionary government in early 1979, he fled to Paris on his release. From exile in southern France he has called for the formation of a patriotic front of all groups opposing the regime. His leftist/socialist organization, regarded as elitist in nature, has failed to attract much support. Bani-Ahmad is 62.



Syigma ©

Bani-Sadr, Abol Hasan

The first President of the Islamic Republic, Bani-Sadr fled to Paris in 1981 and formed the National Resistance Council. He contends that he is legally still the President of Iran by virtue of his election to a four-year term in January 1980. While President in Iran, he established his image as deeply religious and hostile to the United States. Whether that image reflects current reality is uncertain. He is 48.



Wide World ©

Hashemi-Rafsanjani, Ali Akbar

Speaker of the Majles since its establishment in 1980, Hashemi-Rafsanjani is one of the most militant leaders of the regime. He is also a member of the Central Committee of the ruling Islamic Republic Party and a leading Islamic scholar. He is about 48.

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Jam, Fereydun

Chief of the Supreme Commander's Staff under the Shah, Jam had a reputation for ability, honesty, and integrity. He now lives in London and is only a background figure in the exile opposition. Many exiled aspirants for leadership in Iran would like to see him accept the top military post in their prospective regimes. He is 67.



Khamenei, Ali

Elected President of Iran in October 1981, Khamenei is the first cleric to hold that position. One of the founders of the ruling Islamic Republic Party, he became its secretary general in August 1981. A hardline fundamentalist, he is an implacable enemy of government critics and virulently anti-American. In an assassination attempt in June 1981, he suffered throat injuries and lost the use of his right arm. Khamenei seems generally recovered but suffers considerable pain in his arm. He returned to his post as Tehran's Friday Imam once in March 1982.



Khomeini, Ruhollah

Khomeini is the leader of the revolution and founder of the Islamic Republic of Iran. In February 1979 the charismatic and intransigent symbol of opposition to the Shah returned from 15 years of exile in Turkey, Iraq, and France. He is Iran's most exalted spiritual guide and its final temporal authority. Beset by physical infirmities associated with mild coronary heart disease and somewhat diminished in appeal since the revolution, he nonetheless remains the dominant force in Iran today. Khomeini is about 81.

Wide World ©

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Liaison ©

Kianuri, Nur-ed-Din

Kianuri was elected first secretary of the Tudeh (Communist) Party of Iran in 1979 with strong Soviet backing after returning from 30 years of living abroad, mostly in East Germany. He has consistently expressed his support for the Islamic Republic and claimed an identity of interests with the regime. He holds a Ph. D. in architecture from the University of Berlin. He is about 66 and speaks fluent Russian.



Sygma ©

Madani, Ahmad

Madani served at various times as Commander of the Navy, Minister of Defense, and Governor General of Khuzestan. Madani fled to West Germany in 1980. Intensely ambitious, he sees himself as a soldier-statesman to whom Iranians will turn in disaffection with theocratic rule. His source of support is largely confined to middle and upper class elements; his naval background diminishes his appeal to dissidents in the Army and Air Force. He is 53.



Sygma ©

Montazeri, Hosein

A senior ayatollah, he is fundamentalist in his religious outlook and a hardliner in politics. In April 1982 Khomeini's son said that Montazeri should be Khomeini's successor. This is the strongest indication to date that Khomeini and other senior clerics have given their blessing to him as heir apparent. Montazeri's health is poor, and he has been unimpressive in addressing crowds and on television. He is about 60.

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Musavi-Khamenei, Mir Hosein

Musavi-Khamenei has served as Prime Minister since October 1981. Musavi-Khamenei had little professional experience to recommend him for his present post. He is, however, a "dedicated Muslim" with impeccable revolutionary credentials. A member of the Central Committee of the ruling Islamic Republican Party, he has a longstanding anti-American bias. He believes that the United States is moving toward a confrontation with the Islamic world from which Islam will emerge triumphant. He is about 40.



Oveisi, Qolam Ali

A former commander of the Army and Martial Law Administrator under the Shah, Oveisi had a reputation as a competent soldier. Now in Paris, he is a leader among the many exile groups working to overthrow the regime in Iran. His close association with the former monarchy and his sanctioning of the repressive actions of his troops during the last months of the former regime weigh heavily against him in the eyes of many Iranians. He is 63.



Pahlavi, Reza Kurosh

Reza Pahlavi is the eldest son of the Shah. In exile in Cairo, he proclaimed himself Shah in 1980 and took the name Reza II. No country acknowledges his claim. Reza is backed by many Iranian monarchists. He is 20. He is now resident in Rabat.

Pictorial Parade ©

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Qasemlu, Abdol Rahman

Qasemlu has served as Secretary General of the Kurdish Democratic Party since 1971. In this position Qasemlu heads the oldest and most important Kurdish organization in Iran. A socialist with pro-Soviet sympathies, he spearheads the struggle to create a democratic state in which Iranian Kurds would enjoy political and cultural autonomy. He opposes the present Iranian regime largely because of its refusal to loosen central control of minorities and has allied his party with the Mujahedin. He is 51.



Rajavi, Masud

Rajavi has been head of the Mujahedin, the strongest opposition force in Iran. He fled to Paris in mid-1981 just as his group's campaign of terror against Iranian Government leaders began. He claims still to direct Mujahedin activities but may be losing his influence. Rajavi is also head of the National Resistance Council, described by him as a transitional government. Together with former President Abol Hasan Bani-Sadr, he has continued to work to overthrow the regime, but their future cooperation is problematic. Rajavi is about 34.

Liaison ©



Shariat-Madari, Kazem

The senior ayatollah, a symbol of moderate domestic opposition to the Khomeini regime, and regarded by many Iranians as more learned and spiritual than Khomeini, Shariat-Madari believes that the present pervasive clerical control of the Iranian Government and society will eventually lessen the high regard that many Iranians have for religion. He has differed with Khomeini on many issues but has been unwilling to challenge him directly. The regime has apparently successfully reduced his influence by implicating him in recent coup plotting and stripping him of his religious authority. He is about 80.

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Chronology

- 550-330 B.C. The first Persian empire, founded by Cyrus the Great of the Achaemenid dynasty, eventually extends from what is now Afghanistan to the Mediterranean and Aegean Seas.
- 330 B.C. Alexander the Great is crowned King of Persia.
- 250 B.C. Revolt against Greek rule leads to establishment of Parthian dynasty.
- 226-651 A.D. The Sassanian rulers restore the Persian empire to greatness.
- 651 All Sassanian domains come under Arab Muslim control, marking an almost 900-year period of political decline, disunity, and disorder under the Arabs, Turks, and Mongols.
- 1502-1736 Under the Safavid dynasty, internal order and unity are restored, and Shia Islam is established as the state religion.
- 1795 Turkic Qajar dynasty begins.
- 1797 Treaty of Gulistan cedes Georgia to Russia; intense rivalry begins between Russia and Great Britain for Iranian interests.
- 1857 Afghanistan severed from Iran by Great Britain.
- 1906 Fundamental laws (national constitution) adopted by Majles under Qajar dynasty monarch.
- 1907 Iran divided into spheres of influence by Russia and Great Britain.
- 1914-17 Iran declares itself neutral in World War I and is occupied by Russia and Great Britain.
- 1921 Successful coup led against Qajar monarchy by Reza Khan, leader of an Iranian Army Cossack brigade. Treaty of Friendship signed with the USSR.
- 1925 Coronation of Reza Khan, henceforth known as Reza Shah Pahlavi.
- 1941 Great Britain and the USSR invade Iran to counter threat of expanding German influence. Reza Shah abdicates in favor of his son, Muhammad Reza Shah.
- 1946 USSR withdraws its troops from Iran after Iran complains to the UN Security Council. Soviet-supported Kurdish Democratic Republic and Azarbayjan Democratic Republic collapse.

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- 1949 Tudeh Party, the Communist party in Iran, outlawed for alleged involvement in an attempt to assassinate the Shah.
- 1951 British-owned oil industry nationalized; oil production ceases; anti-British street demonstrations threaten national security. Muhammad Mossadeq becomes Prime Minister.
- 1953 Mossadeq ousted by coup, and the Shah, who had fled to Europe after an abortive attempt against Mossadeq a few days earlier, returns to Iran.
- 1955 Iran joins Baghdad Pact, which in 1959 became the Central Treaty Organization (CENTO).
- 1959 Bilateral defense agreement signed with the United States.
- 1961 Ali Amini appointed Prime Minister, initiates widespread political, economic, and social reforms at Shah's behest.
- 1962 Unilateral declaration by Iran, for the benefit of the USSR, that Iranian soil will not be used by foreign powers for missile bases.
- 1963 Khomeini exiled to Iraq. Shah represses opposition.
- 1964 Iran, Pakistan, and Turkey establish Regional Cooperation for Development (RCD).
- 1965 Prime Minister Hasan-Ali Mansur assassinated by member of a fanatical Muslim group. Attempt on Shah's life by a conscript member of Imperial Guard.
- 1967 Constituent assembly amends constitution to provide for succession to Shah; Empress named Regent. Coronation of Muhammad Reza Shah. US economic aid to Iran officially ends.
- 1968 British announce they will pull forces out of Persian Gulf at end of 1971.
- 1969 Iran abrogates 1937 agreement with Iraq over border in the Shatt al Arab because of alleged Iraqi violations.
- 1971 Celebration of 2,500th anniversary of Persian monarchy. Iranian forces occupy Persian Gulf islands of Abu Musa and the Tunbs.
- 1973 Up to 3,000 Iranian troops support Oman's armed forces against rebels.
- 1974 Border clashes with Iraq.
- 1975 Iran-Iraq border treaty signed.
- 1978 Anti-Shah movement gains strength; Khomeini leaves Iraq for France; martial law declared in Iran.

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- 1979 January: Shah leaves Iran.
 February: Bakhtiar regime collapses; Khomeini returns to Iran; US Embassy seized.
 November: US Embassy seized a second time; hostages taken.
 December: New constitution approved.
- 1980 January: Bani-Sadr elected President.
 March-May: Fundamentalists dominate two-round Majles elections.
 April: Unsuccessful US effort to rescue hostages.
 July: Shah dies in exile in Egypt.
 August: Mohammad Ali Rajai named Prime Minister.
 September: Iraq invades Iran.
- 1981 January: US hostages released after 444 days.
 April: Mujahedin stage largest demonstration in Tehran in almost a year.
 May: Leftist paramilitary groups open terrorist campaign against the regime.
 June: Khomeini dismisses Bani-Sadr.
 July: Bani-Sadr and Mujahedin leader Rajavi flee Iran.
 August: President Rajai and Prime Minister Bahonar killed.
 October: Leftist street violence abates.
 November: Ayatollah Khamenei elected President, Musavi declared Prime Minister.
- 1982 March-April: Iran defeats Iraq in biggest battle of the war and regains over 1,000 square kilometers of occupied territory; Khomeini regime radicals consolidate power and discredit leading moderate clerics.



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Statistical Summary

Land

About 1,647,000 square km:

Agricultural 14 percent
Cultivable with irrigation 16 percent
Forested 11 percent
Grazing 8 percent
Desert, waste, or urban 51 percent

Limits of territorial waters (claimed): 12 nautical miles (fishing zone, 50 nautical miles)

Coastline: 3,180 km

People

Population: about 39,100,000 (January 1981)

Average annual growth rate: 2.9 percent

Ethnic divisions: 62 percent Persians
18 percent Turkic
13 percent other Iranian
3 percent Kurds
3 percent Arab and other Semitic
1 percent other

Religion: 93 percent Shia Muslim
5 percent Sunni Muslim
2 percent Zoroastrians, Jews,
Christians, and Bahais

Language: Persian (Farsi), Turkish dialects, Kurdish, Arabic

Literacy: 37 percent of those seven years of age and older (1976 estimate)

Labor force: 12 million (shortage of skilled labor substantial)
Agriculture 33 percent
Manufacturing 21 percent

Government

Legal name: Islamic Republic of Iran

Capital: Tehran

Type: Republic.

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Political Subdivisions: 23 provinces

Legal system: Constitution codifies Islamic principles of government

Government leaders: Ayatollah Ruhollah Khomeini, President Ali Khamenei, Prime Minister Mir-Hosein Musavi-Khamenei, Speaker of Parliament Ali Akbar Hashemi-Rafsanjani.

Suffrage: Universal, age 18 and over

Political parties: Islamic Republican Party; Tudeh Party (Communist)

Member of: Colombo Plan, FAO, G-77, IAEA, IBRD, ICAC, ICAO, IDA, IFC, IHO, ILO, IMCO, IMF, IPU, ITU, NAM, OPEC, RCD, UN, UNESCO, UPU, WFTU, WHO, WMO, WSG, WTO; continued participation in some of these organizations under the Islamic constitution may be doubtful

Economy

GNP: \$81.7 billion (1979), \$2,170 per capita; 1979 real GNP growth, -24 percent

Agriculture: Wheat, barley, rice, sugar beets, cotton, dates, raisins, tea, tobacco, sheep, and goats

Major industries: Crude oil production (1,098 million b/d in 1979) and refining, textiles, cement and other building materials, food processing (particularly sugar refining and vegetable oil production), metal fabricating (steel and copper)

Electric power: 10,300-kW capacity (1979); 45,016 million kWh produced (1979), 1,180 kWh per capita

Exports: \$19.8 billion (f.o.b., 1979), 96 percent petroleum; also carpets, raw cotton, fruits and nuts, hide and leather items, ores

Imports: \$8.7 billion (f.o.b., 1979); machinery, iron and steel products, chemicals, pharmaceuticals, electrical equipment, agricultural products

Major trade partners: Exports—Japan, West Germany, Netherlands, Italy, UK, Spain, France; imports—West Germany, Japan, UK, Italy

Budget: (FY 1980/81) proposed revenue of \$33.9 billion, current expenditure \$25.8 billion, development expenditure \$14.4 billion; actual expenditures likely to total about \$32 billion

Monetary conversion rate: 70.5 rials = US \$1

Fiscal year: 21 March–20 March

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Communications

Railroads: 4,600 km total; 4,500 km standard gauge (1.435 m), 100 km 1.676 meter gauge

Highways: 81,800 km total; 36,000 km gravel and crushed stone, 15,000 km improved dirt

Inland waterways: 900 km, excluding the Caspian Sea, 100 km on the Shatt al Arab

Pipelines: Crude oil, 3,425 km; refined products, 4,120 km; natural gas, 3,280 km

Ports: Seven major, six minor

Merchant Marine: 55 ships (1,000 GRT or over) totaling 1,048, 160 GRT, 1,743,428 DWT

Civil air: 53 major transport aircraft

Airfields: 181 total, 154 usable; 71 with permanent surface runways; 13 with runways over 3,660 meters, 17 with runways 2,440 to 3,659 meters, 66 with runways 1,220 to 2,439 meters

Telecommunications: Advanced system but not properly maintained, only partly operative, further degradation expected. Tehran principal center and hub of critical relay, radio lines; 828,000 telephones (2.2 per 100 persons) troposcatter, about 35 AM, two FM, and 65 TV stations, Atlantic and Indian Ocean INTELSAT stations

Defense Forces

Personnel: Joint Staff 3,750; Ground Force 200,000; Navy 20,000; Air Force 85,000 (1,500 pilots); Gendarmerie 75,000; Revolutionary Guard 200,000 to 250,000

Military manpower: Males 15 to 49, 8,621,000; 5,131,000 fit for military service

Military equipment: See table 6

Supply: Mostly from United States, some equipment also from UK, France, Italy, and USSR

Intelligence and Security

Islamic Revolutionary Guard, Iranian National Security and Intelligence Organization (SAVAMA), National Police, National Gendarmerie

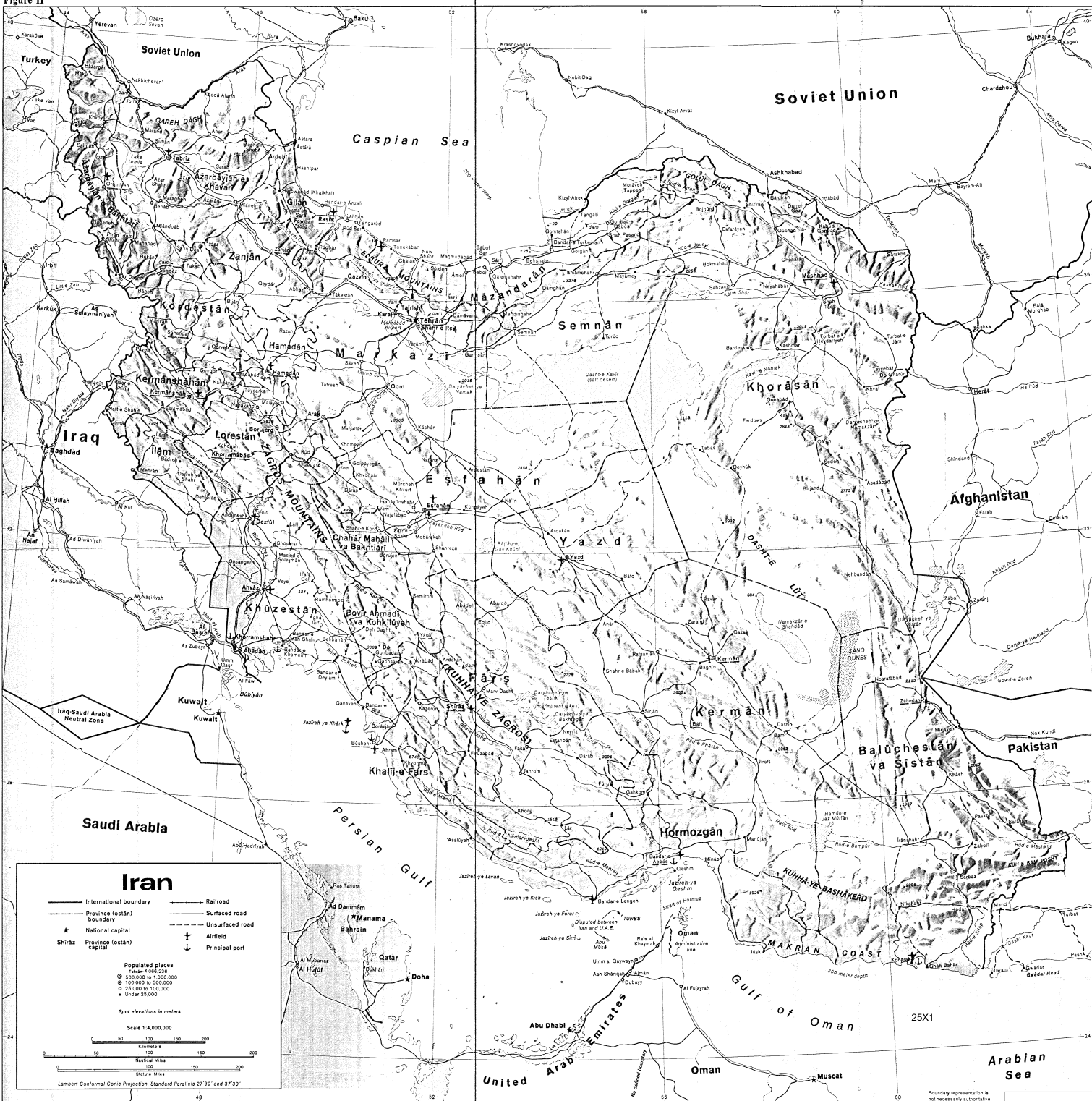


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Figure II



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