

IRAN

The Illusion of Power

ROBERT GRAHAM

Revised Edition



CROOM HELM LONDON

CONTENTS

© 1978 Robert Graham
Croom Helm Ltd, 2-10 St John's Road, London SW11
Revised edition 1979

British Library Cataloguing in Publication Data

Graham, Robert
Iran, the illusion of power.
1. Iran - Economic conditions - 1945 -
I. Title
330.9'55'05 HC475
ISBN 0-7099-0201-8
ISBN 0-7099-0187-9 Pbk

Acknowledgements

Introduction to Revised Edition 11

Part I: The Creation of Modern Iran

1. The Coming of the Boom 15
2. The Growth of Urban Iran 22
3. Oil and the Iranian Economy 32
4. Monarchy and the Pahlavi Dynasty 53

Part II: Cycle of the Boom

5. The Big Opportunity 77
6. Limits to Oil Wealth 93
7. Successes and Failures 105

Part III: The System of Power

8. Use and Abuse of Power 131
9. Control Through Money 154
10. Influence of the Military 170
11. Problems of Culture 192
12. Opposition and Revolution 208
13. Conclusion 245

Appendices 255

Index 268

culprit of higher prices. Among those arrested were two of Iran's more successful businessmen, Habib Elghanian and Mohammed Wahabzadeh. Elghanian had built up a large plastics business with extensive retail outlets; while Wahabzadeh was mainly concerned with cars, being sole agent for BMW. A summons was also served *in absentia* on Habib Sabet.

High profits were being made and some unscrupulous merchants were taking advantage. Yet profiteering was a symptom, not a cause. The cause lay in the inability of production, or imports, to meet demand. The campaign was also highly selective, and it was significant that the most vigorous action was taken in those areas where the aspiring middle class had been most affected – for instance the rising costs of buying and maintaining a car. Wahabzadeh was accused of selling BMW cars for Rs1.08 million instead of Rs800,000.¹²

Imposing draconian price controls in a severely overheated economy was inevitably disruptive and ultimately counter-productive. Matters were not helped by the bands of ill-informed inspectors, frequently students, sent out to check prices and decide sometimes with complete arbitrariness the correct price for a product. The price war was the first political test of the newly formed single party, Rastakhiz; and on at least one occasion youths in the name of the party and the municipality sacked a Tehran supermarket, said to be overcharging, in a manner reminiscent of the Red Guards during the Cultural Revolution in China. The party subsequently admitted that its involvement in the prices campaign was a mistake – or rather that it would not be repeated.

As a whole the price campaign was a failure. Official indices went down for six months but black-market prices for essential commodities rose sharply. The shortages were not relieved, and if anything became more pronounced. Importers decided in many instances that if controls were to be placed on profit margins of products it was more economic not to import at all: the same applied to local manufacture. Elghanian's plastics operation, arguably the most efficient in Iran and marketing the most sophisticated range of products, closed down, never to reopen. Sabet, aged 72, stayed in Paris, refusing to return to run his empire and sought to put his capital elsewhere.

The anti-profiteering campaign and price controls also had a damaging effect on the ports. Because goods had been 'under-invoiced' the government fixed the price and profit margin on the price declared. This meant that importers were being made to sell at below cost price. Although a clever ruse by the government to encourage the importers to be more honest, it backfired. Rather than declare the real price or

accept the fixed price, many importers preferred to just leave their goods unclaimed. As much as 40 per cent of all goods lying on the quays at Khorramshahr was unclaimed in 1975. By the time the customs came to auction them the goods were frequently too badly damaged to be worth buying, so continuing to clutter the port.¹³

More importantly, an important opportunity to overhaul the country's distribution network was wasted. Reducing the middle man's profits did not solve the key question of getting goods quickly and efficiently into the market. The technocrats in the Ministry of Commerce would have liked to have seen this happen but the political will was lacking.

The obstructive tactics of the merchants, mainly the traditional merchants of the Bazaar, proved too strong; and the Shah was neither ready nor willing to risk a confrontation. Indeed to mollify the merchants, Commerce Minister Fereidoun Mahdavi was removed on 7 February 1976. He had been the main champion of reorganising distribution – including the creation of a model market like London's Covent Garden (a scheme which was shelved with his demise).¹⁴ Some considered it significant that the bigger names prosecuted in the anti-profiteering or prices campaigns were often outsiders – members of the Bahai sect, like Sabet, or Jews, like Elghanian – who were resented by the Bazaaris.

Oil as a Variable

The dampener on the boom came not from inside Iran but outside. Oil sales failed to meet expectation and revenues fell. By December 1975 oil production was running 20 per cent below the same period the previous year. For the year as a whole the average daily production was almost 12 per cent down.¹⁵

Throughout the summer sales had been slack. A surge of buying just prior to the biannual OPEC meeting in Vienna in September 1975 proved a temporary phenomenon. Continued world recession and a mild European winter kept international demand sluggish. Iran was especially affected because of the nature of its crude oil: a 'light' crude of high quality with a low sulphur content; and a 'heavy' crude with a higher sulphur content suitable for fuel oil.¹⁶ The heavy crude was most similar to that of Kuwait, while the light competed with the high-volume crude of Saudi Arabia. Normally Iran exported a ratio of 52/48 light/heavy. However, the mild winter severely affected demand for fuel oil, and through the complex OPEC pricing system that differentiated various types of crude, Iranian heavy oil became uncompetitive, especially when both Kuwait and Saudi Arabia reduced the price of their

had been prominent religious figures, while his elder brother became an ayatollah (see Appendix C). He first studied under the latter, then moved to Isfahan, then to Arak before settling in the holy city of Qom. Here he quickly earned a reputation so that even before he was 30 his philosophical teachings attracted a keen following among seminary students. He refused to see Islam in a narrow religious context but regarded it as an all-embracing moral force. In 1941 he wrote a book strongly attacking Reza Shah – the beginning of a sustained attack on the monarchy and Pahlavis. His writings appeared to be strongly influenced by nationalistic and moral considerations. Seeing Iran increasingly dominated by Britain and Russia and witnessing the changes wrought on society during the Second World War, he determined to free Iran from all foreign influence. His views have been remarkably consistent, his sole solution for Iran being an Islamic republic.³⁷

Like several other of the clergy, suspicious of Mossadegh's ties with the Tudeh Party, Khomeini took his distance from the National Front during the 1953 oil nationalisation. The overthrow of Mossadegh left Khomeini as one of the leading opposition figures and by 1962 he had established himself as a formidable presence, as well as one of Iran's leading ayatollahs. He opposed the Shah's proposals for land reform and the emancipation of women – the two pillars of the White Revolution – at two levels (see Chapter 4). At one level he contested the legality of the Pahlavi dynasty and its prerogative to introduce such far reaching reforms. At another he was challenging the régime which he felt was using populist reform to weaken the traditional power and authority of the clergy. The other clergy did not really share his personalised crusade against the Pahlavis and the monarchy, but they supported his concern that traditional areas of authority were being eroded as the modern state assumed responsibility for education, birth control, marriage and family laws.

This was why the Ayatollah's arrest in June 1963 provoked such riots. The clergy were fully behind him. Yet once Khomeini had taken up his forced residence in Najaf, Iraq in late 1964, the more moderate clergy were relieved that such an uncompromising figure should be out of the way. Khomeini retained, however, a following in Iran, especially at Qom where seminary students continued to commemorate the riots. From his Iraqi exile he refused to drop his crusade, denouncing the lavish Persepolis celebrations organised by the Shah in 1971 and calling for a boycott of the Rastakhiz Party when it was established in 1975. But it was not until 1977 that the same forces that helped form a broadly united front of religious protest in 1963 began to coalesce again.

Grievances of the Clergy

Inside Iran the basic bone of contention with the régime of the moderate clergy led by Ayatollah Shariat-Maderi was the increasingly ambivalent role of religion. The Shah exploited religion when it suited him and ignored it when it contradicted development needs. To this were added a host of major and minor irritants. The loss of land owned by the mosques as a result of Land Reform remained a nagging sore – though not as great as some would contend since compensation had been paid and important religious endowments at Meshed and Qom had been retained. A greater complaint was the Shah's scheme to redevelop the Holy Shrine at Meshed which involved the destruction of large segments of the old city. It was a classic instance of something being imposed from on high, wholly unaware of local opinion. The scheme, and the Shah's close identification with it, was so unpopular that bulldozers and construction equipment was frequently bombed or sabotaged.³⁸ A more significant, and gratuitous, affront to the religious community was the imposition of the monarchy calendar in 1976. This helped convince some of the moderate clergy that the Shah was bent on destroying the Islamic roots of Iran.

There was also a groundswell of discontent over the Shah's efforts to cow the clergy. Dissident voices inside Iran like Ayatollah Taleghani and Ayatollah Rouhani were jailed for alleged subversive activities which amounted to no more than challenging the Shah's use of torture and political repression (see Chapter 8). The imprisonment of well-known figures like Ayatollah Taleghani alienated ordinary people far more than tough police handling of the former politicians or the guerillas. Attempts to brand religious persons as political subversives rarely succeeded, even if official propaganda tried to insinuate that these persons were being manipulated by Marxists.³⁹

At least three other factors were a source of friction with the clergy. (1) *Corruption*. This has already been mentioned but it should be stressed that corruption even extended to the management of religious affairs. For instance the chief officials concerned with organising the pilgrimage to Mecca were found guilty in 1976 of taking bribes from pilgrims.⁴⁰ (2) *The uncertain nature of state financial support*. The clergy were constantly concerned that the authorities would use state support for endowments and religious institutions as a means of control. Increased financial costs as a result of the inflation since 1973 had weakened their financial independence.⁴¹ (3) *The rise of Bahaiism*. Bahaiism is not officially recognised in Iran as it is considered an heretical Moslem sect whose founder was executed in Tabriz in 1851. This

doctrine was based on the idea that certain holy men could be used as a means of communication between the people and the awaited, but hidden, Twelfth Imam.⁴² Despite tremendous persecution Bahaiism prospered, earning itself the reputation of a freemasonry that in turn produced much slanderous gossip about Bahai ritual. The traditional clergy feared the growing presence of such 'heretics' in positions of power — whether close to the Shah (like his personal physician) or in business, like the banking magnate, Hozbar Yazdani. It was also held against Hoveida that his father was a Bahai. (One explanation for Khomeini's strong anti-Israeli feeling has been the presence of the Bahai international headquarters in Haifa.)

The Power of the Mosque

All these elements combined to make the religious community inside Iran deeply concerned when they too detected that the Shah's Great Civilisation was fading into the distance and being replaced by popular discontent with no apparent change in the system of government. However, first they were neither militant nor organised, and indeed seemed to have little sense of their own potential power.

Since 1976 when the first group of Iranian pilgrims was allowed to visit Shiia shrines in Iraq, Ayatollah Khomeini had been able to keep in closer touch with his supporters inside Iran.⁴³ Tapes of his sermons attacking the régime were smuggled in with increasing frequency and he was well able to exploit the régime's more tolerant attitude towards mosque pronouncements in mid-1977. His tough rhetoric from outside raised the pitch of religious protest. By the autumn of 1977 the tenor of sermons had changed and in many instances was becoming openly hostile to the Shah, while others called for observance of the Constitution.⁴⁴ With Khomeini once again in the public eye, the tempo of protest quickened. The Ayatollah's own determination was hardened by the mysterious death of his son, Mostafa, in Iraq on 23 October, apparently the work of SAVAK.⁴⁵ Whether or not this belief was true the authorities certainly began to blame Khomeini for the emerging religious unrest. On 7 January 1978 the leading Persian language daily, *Eteelaat*, published an article attacking and slandering Khomeini.⁴⁶ It quickly filtered through that the article had been ordered by the Information Minister, Darioush Homayoun, an ambitious apparatchik who had gained the post for his zealous activities in Rastakhiz. The next day in Qom theological students staged a sit-in. This was broken up by security forces, an action which quickly provoked violence with the security forces shooting at the demonstrators. In two days of

disturbances at least 70 persons were killed — the bloodiest incident since 1963.

The spontaneous response to this anti-Khomeini smear campaign, and the government's heavy-handed reaction, transformed the situation. The secular constitutional protest movement lost the initiative to the religious inspired opposition, and the moderate clergy, still in the majority, found themselves being outmanoeuvred by the more radical pro-Khomeini supporters. It is also probably correct to trace the beginnings of the clergy's awareness of their power to this incident at Qom. Moreover that it should come from Qom itself was no accident. This city had refused to allow the attributes of modern Iran to permeate: there are no bars, cinemas, alcohol stores or luxury shops. It is a city whose life revolves round the mosques and the seminaries so that it could claim to have been 'unpolluted' by the Iran of the Pahlavis.

The clergy had a genuine constituency — the conservative mass of the population who were puzzled, confused and bitter about the contradictory policies and broken promises of the Shah. These were people who did not read newspapers and inherently mistrusted government and who saw the mullah and the mosque as the repository of traditional values. At first the clergy's power was used to organise protest funeral processions for those killed in clashes with the security forces. These drew on the Iranian tradition of large, highly emotional mourning processions. At 40-day intervals these continued from January until August 1978. In the meantime, Khomeini, still in Iraq, was transformed into a mythical symbol of the hidden Imam, who one day would return to the Shiia faithful.⁴⁷ But if the growing surge of protest to the Shah's régime took an increasingly religious aspect, it was not entirely attributable to the power of the clergy. The Bazaar and the rootless urban proletariat played an important role.

The Bazaar

The Bazaar is the hub of urban life in Iran. It serves not merely as a commercial centre but also as a unique type of community centre. It includes one, or several, mosques, public baths, the old religious schools and numerous tea houses. With so much activity condensed in a relatively small area, communication within the Bazaar is quick and easy, and as a result the Bazaar has traditionally been the main source of political mobilisation. This was true of the constitutional movement at the turn of the century and it was true of the pro-Shah counter demonstrations that ensured his return in 1953.

The independent financial strength of the Bazaar has been a vital

element in its power. Despite the modernisation of the economy, the Bazaar still controls over two-thirds of domestic wholesale trade and accounts for at least 30 per cent of all imports.⁴⁴ At the same time through its control of the carpet trade and other export items like nuts and dried fruits, the Bazaar has access to foreign exchange which has not been channelled through the official system. Likewise its traditional money lending and money changing have continued. One unofficial estimate put Bazaari lending in 1976 at 15 per cent of private sector credit.⁴⁹

Precisely because the Bazaar possessed such political power, the Shah sought over the years to diminish it. This was done firstly by building new state schools, new housing and new shopping centres outside the Bazaar, while within the Bazaar streets were 'widened' — a euphemism for imposing a modern grid-iron pattern of roads on the old narrow alleyways (which also made security easier to enforce). Secondly it was done by the modernisation of the banking system and the entry of the state into the distribution system. State corporations were set up to import and distribute basic foodstuffs like wheat, sugar and meat, or to import essential raw materials like cement or steel. These corporations appeared in the wake of the 1973 boom when the subsidies on foodstuffs were increased and the need to manage raw material supplies was paramount. To cut out the Bazaari middlemen in 1976 the government sought to improve the nationwide distribution of foodstuffs, and conceived of building a new market in Tehran, based on London's new Convent Garden.⁵⁰ A third move to break the Bazaaris' hold was the price freeze and anti-profiteering campaign initiated in August 1976 (see Chapter 6).

In one sense these moves were an essential part of modernising the economy. For instance the Bazaar merchants had a ruthless stranglehold on the distribution of foodstuffs which was mercilessly exploited at the expense of the poor farmers. However, the Bazaaris interpreted these actions as a calculated attack on the Bazaar as an institution; an impression which the government did nothing to alter. At another level there was no urban renewal in the Bazaar area and no effort to preserve what was valid in Bazaar life — or for that matter to provide an acceptable substitute other than moving into the ranks of the middle class. In many instances the cost of new housing for those anxious to move outside the Bazaar became prohibitive in the wake of the 1973 boom.

The net effect was to establish a fairly clear-cut division between those who could afford to leave and those who were obliged to stay in the Bazaar area. A link, however, was maintained by the older genera-

tion whose new wealth permitted them to buy property outside the Bazaar area yet whose tradition made them work in, and continue to identify with, the Bazaar. The merchants themselves were resentful of the government's challenge to their privileges. The more so when they saw business taken from them in the name of the state now being conducted for the benefit of friends and associates of the Royal Family.⁵¹ An indication of the residual Bazaari attitude towards the Royal Family was the virtual absence of royal portraits in the Bazaar area.⁵² Yet such resentment was insufficient to turn the Bazaar merchants into the organisers and financiers of the nationwide anti-Shah protests that emerged in 1978.

Politically, the Bazaar has had to be opportunist to survive. However, the bulk of Bazaaris could be classified as conservative, devout Moslems and providers of important funds to subsidise religious activity. When, therefore, the mosque sermons became more anti-Shah and open criticism was voiced of the tremendous waste of national assets and the corruption of national character by foreigners, the Bazaar and its leaders were an audience that needed little conversion.

The first concrete indication of a new militant link between the mosque and the merchants was a curious struggle to prevent the Bank Saderat — known as the Bazaaris' friend — falling under the control of a Bahai. At the end of 1977, Hozbar Yazdani, the Bahai and self-made millionaire, had acquired a 51 per cent stake in the medium sized Iranians Bank. He was manoeuvring to take over Shahriar Bank (in which several wealthy Iranian families were important shareholders) and had just raised his stake in Saderat, Iran's largest private commercial bank, to 26 per cent. On the orders from the Shiia clergy, the Bazaar merchants organised a campaign of sustained withdrawals. The campaign was so effective that the central bank, Bank Markazi, was obliged to intervene and Yazdani — reportedly on the Shah's orders — sold out his interest in Saderat.⁵³

Once demonstrators began getting killed by the armed forces, the Bazaar offered financial support to the victims' families. More important, the Bazaar was willing to finance strikes. At first in May 1978 it was the university students and teachers. Then in the autumn, from September onwards, they helped support large sections of the striking workforce, whether civil servants or oil-workers. There was no precise point when this support transformed from protest into backing for revolutionary change and the overthrow of the Pahlavi dynasty. The most important Bazaar, that of Tehran, was occupied for the first time by tanks on 11 May 1978, but as early as January there had been

shutdown protests. Certainly this was the beginning of increasingly frequent shutdown protest strikes. These protests were made in a different frame of mind from the constitutionalists' and intellectuals'. Theirs was more a gut grievance and openly Islamic, despite the fact that the leading merchants had family with university education that were also part of the constitutionalist movement.

The Tehran Bazaar leadership was provided by a five man Bazaar Merchants Association which existed in defiance of attempts to impose officially sponsored guilds controlled through the Rastakhiz Party. These five men operated through a network of assistants who in turn had their own subgroupings and lesser heads that permeated throughout the Bazaar in a pyramidal structure. This system enabled them to control quickly large groups of persons through a mixture of personal contact and money. It was not difficult to mount a demonstration with hired help.⁵⁴ The régime itself had been doing this for years.

Part of the crowd in the early demonstrations was probably paid to participate by the Bazaaris. The boom had created a fertile source of rabble. The thousands of persons who had flocked to the towns from poor conservative backgrounds in the hope of jobs were that section of the urban proletariat that least benefitted from the boom. Often they were single males whose families remained in country villages. They were confronted with an alien culture, often forced to live on building sites or at great expense in slum conditions. Their earnings, which at first seemed high, were frequently illusory, eroded by inflation. From mid-1977 the economic slowdown, combined with efforts to peg rents and house prices, provoked a sharp fall off in construction activity. This meant that quite suddenly the main area of employment open to these unskilled persons began to contract. Many became unemployed, and this unemployment further coincided with a bad year for the agricultural sector. Production of staple products like wheat, barley and rice declined on average 13 per cent in 1977/8 pushing more men to the towns in the hope of higher income. It was this confused, bitter new urban proletariat which imbibed quickest the protest messages coming from the mosques. They had nothing to lose and everything to gain.

The phenomenon of these 'rootless' males, mostly youths, was first evident in Tabriz in February 1978 – the first place where serious anti-Shah riots occurred. The Tabriz riot began as a demonstration of sympathy and solidarity to commemorate those killed in Qom the previous month. However, it rapidly turned into a vehement protest against the Shah. The local Azarbaijani police refused to intervene and troops were called in who responded violently and with their weapons.

With passions running high this transformed the demonstration into a riot, spearheaded by such youths, attacking the symbols of Iran's new wealth (the banks), its political bankruptcy (the headquarters of the Rastakhiz Party), its cultural corruption (the cinemas) and its moral decadence (liquor stores). Mixed in with this was some unashamed looting and a strong element of Azarbaijani resentment at being neglected by the central government. (Since 1946 the Shah had visited Tabriz only once.) Radical students from Tabriz University had also played a part in transforming this demonstration. The toll was some 100 killed and over 600 arrested.⁵⁵ This pattern of protest turned riot was to repeat itself throughout Iran's major cities from now on.

The Role of Women

In the first major outburst of anti-Shah feeling, at Tabriz, women do not seem to have played a prominent role. However, one of the remarkable features of the ensuing demonstrations was the large scale participation of women. The chador, the traditional cloth with which women cover themselves, came to symbolise a form of protest: an identity with Islamic values and a rejection of the modernising process instituted by the Pahlavis.

The chador was first used as a form of political protest inside the universities in 1977. Students began to wear the chador on campus. But the presence of women in the demonstrations probably owed little to the example in the universities. The bulk of the women taking part in the demonstrations were working class and this was an important dynamic in the revolutionary process.⁵⁶ Women first appeared in large numbers in the mourning processions for those killed. Because the mourning processions were transformed into political protests, the women became part of this protest. Previously mourning processions had been the sole occasion on which women from conservative backgrounds had been permitted to demonstrate their feelings in public. Therefore the political involvement of women was a natural evolution. Their presence was not discouraged. On the contrary, the demonstrators realised that this unexpected female presence tended to unnerve riot police and the army, making demonstrations more difficult to challenge. It is also possible that the presence of women gave the men greater courage to stand up to the police and army.

This raises an important psychological question in the evolution of the opposition movement. The Shah's system of government depended for its survival on two basic factors: a generalised acceptance of the *status quo* and a deeply inculcated fear of sanctions. The small incidence

well as being beaten up.

11. See Index Vol. 7 No. 1 'Iranian Protests' pp. 15-24.
12. The Tudeh Party was formed in 1941 under the umbrella of the evolving Russian presence in Iran as a result of the Anglo-Russian occupation during the Second World War.
13. *Plan and Budget Organisation (PBO). Iran's Fifth Development Plan 1973-78*, revised version, p. 401.
14. *Iran Almanac. Echo of Iran*, Tehran, 1977, p. 411.
15. *Ibid.*, p. 403.
16. There were no official figures for students studying abroad but the unofficial number was thought to be above 40,000.
17. The most radical institution in Iran was the Arayamehr Technical Institute, Tehran.
18. *Iran Almanac*, 1977, p. 122.
19. See Fred Halliday, *Iran, Dictatorship and Development* (London, Pelican Books, 1979), pp. 227-35.
20. *Tehran Journal*, 22 January 1977.
21. *Kayhan International*, 21, 22, 23 January 1977. These were a series of articles on the opposition with clear official inspiration and seeming to be based on SAVAK interrogations of some important recently captured underground figures.
22. These shorthand terms have stuck and became current during their re-emergence in the 9-12 February 1979 convulsion.
23. Halliday, *Iran, Dictatorship and Development*, provides the most detailed analysis of their ideologies but is unable to pin down the philosophy of the Mojahidin (see p. 236).
24. In 1975 a bomb was exploded in the Shah Abbas Hotel, Isfahan, the country's best known tourist hotel. In July 1975 bombs exploded at the British Council and American Information Centre in Meshed.
25. See Halliday, *Iran, Dictatorship and Development*, p. 237.
26. *Kayhan International*, 23 January 1977.
27. This was the view of Western embassies in Tehran.
28. For a digest of the incidents reported in the Iranian press in 1976 see *Iran Almanac*, 1977, p. 122.
29. The number of incidents reported in 1977 dropped. This probably reflected a decline in guerilla activity.
30. Ahmad Farougy, *L'Iran contre le Chah* (Paris, Editions Jean-Claude Simeon, 1979), p. 164.
31. From June 1975 to November 1976 the author recorded 158 such instances.
32. While the author was in Iran from 1975-7 there was only one instance of a foreign news organisation being contacted by the underground opposition. This was Agence France Presse in July 1976.
33. The religious community also shunned the international press. The first serious effort by the clergy to contact the foreign press was in January 1978.
34. *Financial Times*, 12 December 1978.
35. Denis Wright, *The English among the Persians* (London, Heineman, 1977), p. 107.
36. The 1907 supplement to the Constitution talks of a committee of at least five persons chosen from the 'ulemas'.
37. This information is largely based on research carried out by Paul Balta of *Le Monde*. For Khomeini's birth date see Farougy, *L'Iran contre le Chah*, p. 160.
38. Information supplied to the author by an expatriate living in Meshed in 1976.

39. *Rastakhiz*, 11 June 1975.

40. *Tehran Journal*, 25 November 1976. The administration also made it deliberately expensive to visit Mecca. The officially sponsored month long trip cost \$2,000 per head. Some said this was also designed to prevent pilgrims journeying to Iraq.

41. *International Herald Tribune*, 15 January 1979.

42. See Roger Stevens, *Land of the Grand Sophy* (London, Methuen, 1971), pp. 46-8.

43. The March 1975 Irano-Iraq border treaty committed both sides to ease border crossing restrictions. The Iraqis eventually conceded an annual quota of 130,000 pilgrims. Pressure by Shiia pilgrims to visit the Iraqi shrines was said to have been an element behind the Shah accepting to negotiate a border peace with Iraq.

44. This was especially noted in Tehran and Qom.

45. See Farougy, *L'Iran contre le Chah*, p. 176.

46. The author has not seen the original and translations vary. According to one version, the text insinuates Khomeini to have been a homosexual in the pay of the British.

47. See Stevens, *Land of the Great Sophy*, pp. 41-5 for a precise account of this aspect of Shiism.

48. *Financial Times*, 12 September 1978.

49. Estimate given to the author by a Bank Markazi official in September 1976.

50. The scheme was drawn up with the aid of Britain's National Freight Corporation.

51. The Bazaar campaign against Commerce Minister Mahdavi in 1975 was due to this belief.

52. The Bazaar area was the sole public place where the Royal Portrait was not visible.

53. *Financial Times*, 12 September 1978.

54. *International Herald Tribune*, 15 January 1979.

55. Based on information supplied to the author by an expatriate Persian scholar who visited Tabriz as the riots ended.

56. See *Iran Almanac*, 1977, pp. 422-3.

57. Comment to the author by Dr Bakhtiar, 3 July 1977.

58. See Stevens, *Land of the Great Sophy*, p. 42. Many Iranians emphasise, as a national trait, the tradition of martyrdom.

59. *Sunday Times*, supplement 19 November 1978. Roger Cooper counted eight rows of full graves with 14 to 17 plots each and over 20 rows dug and waiting at the main Tehran cemetery.

60. *Financial Times*, 14 December 1978.

61. *Financial Times*, 19 December 1978.

62. *International Herald Tribune*, 17 January 1978.

63. The Regency Council was approved under Article 42.

64. The Shah maintained up until before the 31 March 1979 referendum that he had not abdicated.

65. Comment to the author by a prominent figure in frequent contact with the Shah during this period.

66. *Financial Times*, 12 September 1978.

67. *Financial Times*, 8 November 1978.

68. *International Herald Tribune*, 25 November 1978. On this occasion 267 political prisoners were released.

69. *International Herald Tribune*, 28 August 1978.

70. *International Herald Tribune*, 10 January 1979.