

The Nation.

EDITORIAL

RELIEF FOR THE GREEDY

The current tax-cut craze is something between a fad and a mania. Perhaps it is a bit of both, a kind of pathological Hula-Hoopism, jogging on skateboards. The Republican brass is dashing around the country in a chartered plane trying to sell the public on the notion that the GOP has the patent on the 33 percent cut in individual income-tax rates expressed in the Kemp-Roth bill. The Democrats are hanging onto that flying carpet for dear life, their own pockets bulging with similar schemes to avoid paying "the price of civilization," Holmes's famous description of taxes. Only in the lowest whispers do the tax cutters talk of cutting expenditures—i.e., public services—in order to avoid the surge of inflation that would inevitably go with cut taxes and uncut spending.

Meanwhile, over in the White House, the author of the campaign line about the U.S. tax system—"a disgrace to the human race"—watches warily but silently as Senator Long and his cohorts carve out a tax "reform" so tilted toward the rich and the special interests that he may simply have to veto it.

The headline in *The Wall Street Journal* of September 26 reads "Congress Moves to End Tax Reforms of 1976 Tax Act. . . Votes Delay Heir Tax Boost, Cut Capital Gains Levy, Restore Overseas Breaks." So much for the "reforms" of just two years ago, blown away by the new fiscal realism.

The focus on capital-gains tax "relief" (as if that were a cure for this country's inflation ills) is somewhat novel, especially when it comes on the heels of the President's eleventh-hour appeal for a help-the-needy tax amendment. Senator Long's Finance Committee voted to exempt 70 percent of capital gains from the

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LINDA HEIDEN

His Imperial Majesty Mohammed Reza Pahlavi, Shah of Shahs, Shadow of God, Light of the Aryans, and Iranian head of state, has undergone, it would seem, a remarkable transformation over the last several years. In 1974, *Harper's* found him ranting, "Freedom of thought, freedom of thought! Democracy, democracy! . . . It's all yours, you can keep it, don't you see? Your wonderful democracy. You'll see in a few years what your democracy leads to." The logical application of this attitude resulted in what John Thorne, human rights investigator for the National Lawyers Guild, described as "a police state that does not have the slightest respect for the most basic human rights."

Today, articles in many Western papers suggest, at a quick glance, that all that has changed: the Shah has become a progressive, worldly leader doing his best to steer a backward nation into the 20th century. Recent wire service reports emphasize "Shah Mohammed Reza Pahlavi's attempt to encourage the creation of a Western-style democracy in Iran," while an article in *The Christian Science Monitor* focuses on the Shah's "unwavering determination to turn his oil-rich but still partly illiterate country into the most powerful, modern industrial state in the Middle East." When rising protests resulted in army troops opening fire on thousands of demonstrators, *Time* described the monarch as a man "deeply wounded by events spawned from his own dream for Iran," and "searching for ways to calm his troubled people."

But Iran's 35 million people have re-

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argument ("I'm not an informer, I'm a journalist"), Rees has a second line of defense, developed with the help of Congressman McDonald. Rees has sworn in deposition that he donated all of his IPS-related notes and documents to McDonald's office in 1975, and that those files are now a matter of Congressional privilege. McDonald also provides the bulk of the Reeses' income by employing Louise as a \$16,000 a year research assistant. The youngest member on the National Council of the John Birch Society and sponsor of a bill to re-establish the House Internal Security Committee (which has the support of 177 other members), McDonald has been friendly with John Rees ever since the Englishman first moved into America's right-wing politics.

Movement members, familiar with the Reeses and their connections to Congress, law-enforcement agencies and the hard-core right wing, see their activities as further evidence of a malevolent network in government bent on curtailing left-wing politics. But a matter for equal concern is the extent to which the Reeses acted as independent intelligence entrepreneurs. Government has only begun to regulate the investigating techniques of its own employees and has yet to tackle the problem of private-sector intelligence. This disregard for the civilian side of surveillance is most evident in the final New York State Assembly report on the state police files. Although a significant amount of the material in those files was attributed to *Information Digest*, the report never attempts to describe the people behind *ID* or the nature of its contents. The New York State police may have had no part in initiating John Rees's actions, but their data bank is chock full of his special brand of information. They accepted *ID* as reliable, and confidential, source material, and by so doing unquestionably encouraged Rees in his exploits of espionage.

Regulating the Reeses' type of journalism poses a much greater dilemma. In writing *Information Digest*, they intruded unnecessarily on the privacy and the right to political activity of others, and surely their reporting tactics explored the margins of the law and professional ethics. If John Rees does manage to convince the court that his newsletter was truly a journalistic enterprise, the precedent for similar forays into "investigative journalism" would be hard for other right-wing moles to resist. □

Peacock Throne

(Continued from Front Cover)

mained unconvinced of the Shah's newly adopted humanitarian concerns. The small, spontaneous demonstrations that broke out in isolated spots around the country a year ago have coalesced into a massive resistance movement encompassing virtually every sector of the society. Full-scale uprisings, often evincing considerable planning and coordina-

tion, have taken place in every major city as well as in the small towns and villages.

Government officials described the August 11th uprising in Isfahan as most serious up to that date. Armed brigades merged with large groups of demonstrators, returning the fire of police and army units sent into the city to quell the protests. *Kayhan International*, a Tehran daily, reported that 200 military vehicles were set afire, and a military spokesman interviewed on Iranian radio justified the police and army intervention by claiming that the crowds "might have destroyed the whole city" if the troops had not stopped them. For the first time since 1953, the regime formally imposed martial law on the city, as well as on ten other towns hit by serious protests. A government team sent in to investigate the Isfahan uprising reported that "most of [the city's 700,000] people" had participated in the unprecedented revolt.

The August 19th Abadan theatre massacre, in which more than 400 people were burned alive inside a flaming, gasoline-soaked movie house, followed release of the team's findings by less than a week. Headlines around the world blamed the atrocity on "fanatical Islamic traditionalists opposed to government reforms," but domestic papers hesitated to assign guilt for the blaze in the wake of immediate, widespread accusations that the government itself had arranged the massacre to provide a pretext for a crackdown on the growing opposition. When it was learned that the theatre was featuring a Parsi film, famous for its thinly veiled criticism of the Pahlavi regime, that the police on the scene had prevented passers-by from going to the aid of the victims, and that fire crews stationed just five blocks away and considered among the best in the Middle East had arrived late, improperly equipped, and with insufficient water supplies, the regime was forced to call out its tanks and troops to put down yet another series of massive demonstrations and riots.

This time, however, the protests could not be stopped, even temporarily, by the use of force. As disorder spread across the country, the regime realized for the first time that it faced a serious challenge and hastily announced a list of "concessions." Jamshid Amouzegar, the aggressive, Western-oriented Prime Minister, was replaced by Sharif Emmami, a lackluster member of the "old guard" with close ties to the conservative wing of the religious establishment. Emmami promptly legalized the formation of "loyal" opposition parties, banned gambling, and reinstituted the traditional Shiite calendar which had been changed by royal edict just two years ago to coincide with the founding of the Persian Empire.

The reforms, symbolic moves that changed nothing of substance, only further enraged the resistance movement. In desperation, the regime declared martial law in at least twelve cities, banned all "unauthorized demonstrations," and ordered its troops to open fire on protesters who refused to obey the restrictions. Iranian officials say eighty-six

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people died on September 8 in bloody confrontations with soldiers throughout Iran, but witnesses and hospital workers say the toll exceeded 2,000 in the capital city alone. Similar casualties were expected in protests elsewhere around the country.

Despite the Shah's many promises of "liberalization" and "freedom of expression," Iran has never been a country particularly hospitable to opposition rallies. Such protests, particularly when they are large, violent, and prolonged over many months, bode ill for a regime dependent upon heavy foreign investment and long-term technical aid. Iran's oil wealth is expected to dry up within the next twenty-five years, and while the country's enormous copper, natural gas and coal deposits may help to offset that loss, the ruling oligarchy must have something of substance to show for the multibillion-dollar oil trade. The Shah has promised a modern industrial economy on a par with Western Europe before the turn of the century—not an easy goal for a country that just fifteen years ago was dominated by semi-feudal economic and social relations. To reach it, Pahlavi must provide the secure political environment and stable, literate labor force required by the multinational corporate giants he hopes to attract.

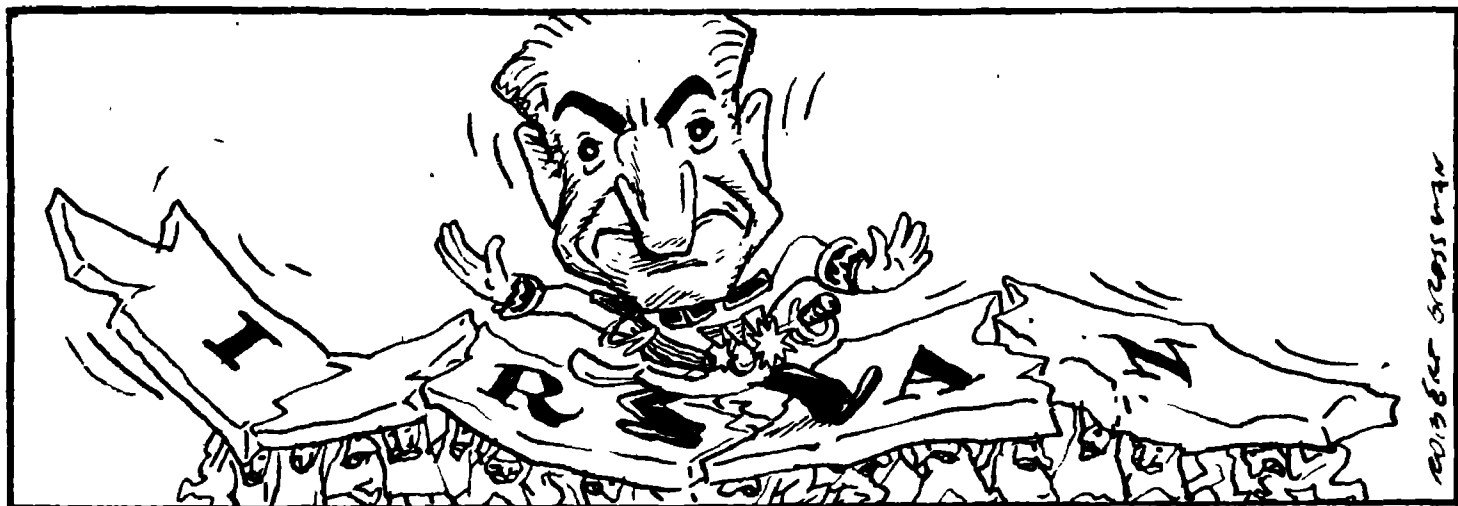
But even the most severe repression has been unable to restore the stifling docility of years past. One does not have to dig very deeply to find the roots of the dissent. The Shah's economic development programs, designed and executed with considerable U.S. Government and corporate assistance, have been disastrous for Iran's workers and peasants. Land reform implemented through the Shah's "White Revolution" has forced millions of peasants into the cities, pushing pay scales for unskilled labor below subsistence levels. Meanwhile, the most fertile land has been increasingly turned over to capital-intensive agribusiness concerns owned or controlled by such multinational corporate interests as the Chase Manhattan Bank, Dow Chemical and John Deere Corporation. The production of primary goods and foodstuffs for domestic markets has given way to cash crops raised for sale on international commodity exchanges, with the result that more food is

imported and the prices for it have skyrocketed. *The Middle East and African Economist* reports that some food imports are expected to rise again by more than 10 percent during the current fiscal year.

The fundamental problem, however, involves the structure of the economy itself, which has turned more and more to the purchase and upkeep of military supplies. A study last year by the U.S. House Committee on International Relations found that the Iranian defense budget has shot up by more than 800 percent since 1970, with more than 35 percent of the country's GNP being spent on identifiable defense and "internal security" procurements. Additional large sums are eaten up by luxury imports and by investments abroad (the exact figures are unknown since there are no regulations on the country's private cash outflow).

This economic pattern contributes handsomely to the profits of certain sectors of the Western economies, but it neither strengthens Iran's productive capacity nor relieves its pressing social ills. Even the massive industrialization envisioned by the regime depends heavily on foreign technology, investments and skilled labor. Furthermore, these projects are affected by international price structures and markets for their successful operation and thus inflict the burdens of foreign inflation rates, market fluctuations and monetary crises upon the Iranian economy. By the time the Shah's costly nuclear energy program, highly sophisticated communications network and labyrinthine, corrupt bureaucracy have been funded, there is little left to alleviate the social ills that are now pushing his unwilling subjects to revolt.

Who are the demonstrators and what are their aims? The Western media's characterizations of the opposition as "Moslem religious extremists" (UPI), "Islamic Marxists" (A.P.), or a combination of conservative Moslems and urban liberals have obscured the nature and object of the dissidents by placing primary emphasis on their supposed reactionary religious motivation. The central question at issue among dissident forces, however, is whether to settle for implementation of selected reforms, or to demand the total removal of the Pahlavi dynasty and its SAVAK (secret police) attendants.



Seen through the eyes of the U.S. press, organizations like the Union of National Front Forces (remnants of former Prime Minister Mossadegh's pre-coup government), splinter groups that have broken away from the Shah's Rastakhiz Party, and even the Soviet-backed Tudeh Party emerge as the most respectable opposition forces. Confining themselves to calls for free elections and an end to the government's most extreme policies of repression, they have taken special care to denounce "violent protest" and have fallen far short of advocating the Shah's overthrow. Their actions have lent an air of credibility to the regime's "liberalization" rhetoric without posing a significant threat to the status quo. Yet when martial law was declared in Tehran on September 7, even these mild fellows were rounded up and jailed—graphic evidence of how deeply the regime is committed to democratic ideals. It is, after all, the supposed "unholy alliance of black reaction and Red terror" that produces royal headaches.

The Shiite Islamic opposition, characterized by the Shah as the "black reaction," consists of two sectors. Ayatollah Ruhollah Khomeini, exiled in 1963 for his outspoken opposition to the regime, leads an ostensibly progressive group from across the western border with Iraq; his replacement, Ayatollah Ghassem Shariat-Madari, heads a more conservative faction. These two men and the mullahs under their leadership are important as relatively exempt-from-attack rallying points for the whole resistance movement. Certainly no other group in Iran can hope to call thousands of its compatriots to public meetings, rail against the regime for hours, and live to finish its tirades. Yet that is what has been happening in mosques throughout the country.

Khomeini and his followers ascribe the country's ills to the regime's dependence on Western political and economic interests. "We have to fight against the leaders of blasphemy. . . Carter and those people who are fed by him and poison the society," says Ayatollah Rezvani in a tape smuggled out of Qom. Following Khomeini's lead, Rezvani calls for "armed insurgents against the dominant system" and the establishment of a nonmonarchist "Islamic state" based on a vaguely defined nationalist, small-scale capitalist or utopian socialist economy. That the stands taken by this dominant wing of the religious opposition on land reform, the role of women, etc. have little in common with current media distortions was made evident in an interview with Khomeini published in *Le Monde* on May 6.

Shariat-Madari and his followers seem "more interested in encouraging the Shah to move to the Right than in overthrowing him," says *U.S. News & World Report*. After paratroopers invaded his home on May 10, Iranians came to Shariat-Madari for "the order to make a revolution." He told them bluntly to go home and remain quiet. Although he had been careful to criticize the regime on occasion, thus maintaining a respectable air of opposition, the rapid leftward movement of the anti-regime resistance finally forced the Ayatollah to denounce further street demonstrations and call instead for a three-month grace period to give the new govern-

ment "a chance to prove itself." How little influence he now holds over the insurgent mass of Iranians can be judged from the escalating demonstrations and riots since he made that announcement.

Khomeini, on the other hand, has openly ridiculed a well-publicized invitation from the Shah to return to Iran. Far from accepting the regime's unusually respectful offer, he seized the opportunity to issue yet another call for *jihad*—holy war—against the Shah and his cohorts.

The degree to which these elements of the "black reaction" have formed an alliance with the "Red terror" is open to serious question. Shariat-Madari has discredited himself far too conclusively to expect that any radical force will associate with him. And Khomeini told *Le Monde* in May that he "will not collaborate with the Marxists, even in order to overthrow the Shah!"

But since it lacks other opportunities for mass gatherings, the explicitly leftist sector of the resistance is supporting and using the religious assemblies and protests called by Islamic leaders. Eyewitnesses to demonstrations in at least four cities have told how the explosive tensions within these crowds have been directed into militant demonstrations, despite the pleas for "struggle through silence" made by religious leaders on the scene. It is by their growing abilities to agitate, provide leadership for and organize popular discontent into armed cells and underground resistance networks that the small, overtly revolutionary organizations may present the most serious long-term danger to the regime. Their clandestine and well-trained cadres have found it possible to operate successfully under the most severely repressive conditions. They have kept the resistance movement active and visible at times when other groups were forced into silence.

Among these groups, the Organization of Iranian People's Fedayeen Guerrillas (OIPFG) has emerged as the strongest and best organized. It was the first group to take up arms against the Shah's regime in a stunning 1971 attack against a small garrison at Siakhal. Because it destroyed the myth of the regime's invincibility, their raid is considered by the left wings of both the Moslem and secular opposition to be a turning point in the movement as a whole. Over the past year, OIPFG has taken credit for attacks against numerous targets that are generally recognized as representative of the regime's oppressive policies and dependent ties to foreign interests. It has also built an impressive network of clandestine support groups around the country.

Little is known about the other guerrilla organizations. Some appear to be radical leftist collectives; others are Moslem-based groups that demand an end to the present regime and its foreign ties. Both Marxist and radical Islamic organizations find broad support in dozens of student and intellectual circles which occupy themselves chiefly with printing and distributing leaflets and planning and implementing demonstration tactics in support of the revolutionary movement. Pamphlets issued by

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proponents of both ideologies call for unity in the struggle.

As of late September, the demonstrations continued despite the presence of tanks and troops in the streets of the nation's cities and villages, and it is impossible to predict the immediate outcome of the current resistance. But the ability of these protests to persist until now has raised doubts about the country's long-term political and economic future, and has sharpened factional conflicts within the ruling elite. Since the protests began, almost the entire bureaucracy, including the repressive apparatus of the army and the secret police, has been shaken by dismissals and resignations of its highest ranking members. Bankers speak quietly of a substantial increase in private funds sent abroad. Meanwhile, the regime's continued inability to check the disorder has greatly increased the opposition's confidence and political experience, and has provided an almost ideal atmosphere for its gradual consolidation and growth.

At hazard, of course, is far more than the personalities now controlling Iran's convoluted bureaucracy, or even the interests of the Iranian oligarchy as a whole. The Shah owes his present position to a CIA-instigated coup, which restored him to power in 1953. Since then, Iran has become the cornerstone of U.S. military and economic interests and policy in the Middle East and the Indian Ocean. Despite the Shah's posture of increasing independence, the economic development and the military buildup upon which he depends are still absolutely dependent upon Western technology and experience. In return, the Shah has obligingly played the role of U.S. surrogate, channeling arms, economic aid and trade—and in the case of Oman, outright military intervention—to Washington's friends in South Africa, Israel, Morocco, Pakistan and India. In addition, the Shah pays out nearly twice as much as he receives in trade with the United States; last year the difference amounted to \$2.5 billion. The intimate U.S./Iran relationship was underscored last winter by the visits between Washington and Tehran made by Pahlavi and Carter. This exchange was followed by the granting to Iran of "most-favored-nation" status in nuclear technology and a well-publicized phone call from Carter, who took time out from the talks at Camp David on September 10, to express his continued support for the Shah.

Less than four years after the defeat of U.S. imperialism in Indochina, the same military-industrial interests which were at work there are taking far higher risks in the Middle East than they ever dreamed of taking in Vietnam and Cambodia. "Industrialists should take advantage of the atmosphere of peace and tranquility prevailing in Iran," urged former Prime Minister Jamshid Amouzegar in his budget address in early February. "One simply cannot overstate the value of the economic and political stability." Or, he might have added, the dangers of ignoring a growing mass opposition movement which the government seems barely able to contain. □

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