

CCI
CIA, May Files,
Job 79T00832A
Box #9

Folder #46
Folder Centers of Power
in ~~Iran~~ Iran No. 2035-72

~~Secret~~
~~No Foreign Dissem~~



DIRECTORATE OF
INTELLIGENCE

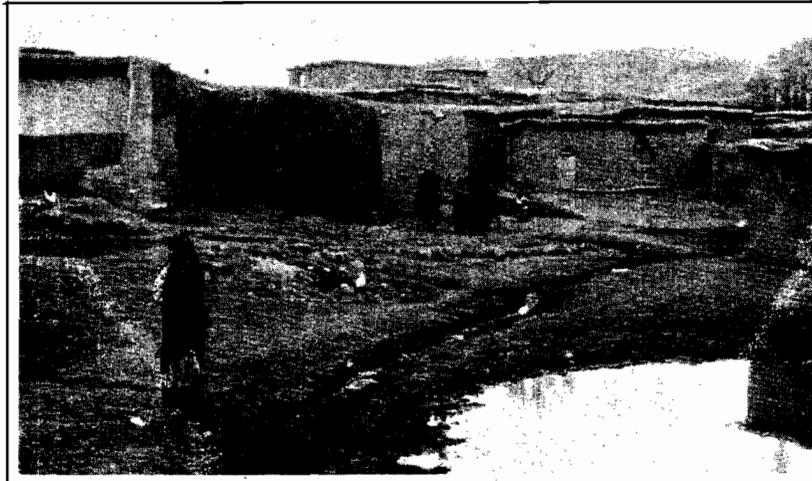
Intelligence Report

Centers of Power in Iran

~~Secret~~

21

May 1972
No. 2035/72



A Mountain Village, Typical of Most of Iran



A Modern Housing Development, Still Limited to a Few Urban Areas

~~SECRET~~
~~No. F. 10~~

CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
May 1972

INTELLIGENCE REPORT

Centers of Power in Iran

The study of politics is the study of influence and the influential.... The influential are those who get the most of what there is to get. Those who get the most are the elite; the rest are mass.

(Harold Lasswell)

Summary

One of the most dramatic efforts at modernization among the less developed countries is taking place in Iran. This modernization follows no bloody coup or overturn of the social order, but is an attempt by a long-established political and social system to adapt itself and its institutions to new needs.

Power in Iran remains, as it has been, in the hands of a small segment of society which enjoys the available rewards of money, status, and political influence. Heading the list of the privileged few is the Shah, followed by the royal family, and courtiers, followed by politicians, influential businessmen, entrepreneurs, and educators. A new class of professional bureaucratic intelligentsia is beginning to emerge; if this group is not absorbed by the elite, it may play an increasingly important independent role. In the privileged group, but playing an essentially negative role at present, are those members of the educated professional class—some even from establishment families—who refuse to cooperate with the ruling elite, and the clergy, whose strength lies in the emotions of the Iranian masses and whose opposition to the Shah's government is nearly total.

Note: This report was prepared by the Office of Current Intelligence and coordinated within CIA.

~~SECRET~~

~~SECRET~~
~~NO FOREIGN DISSEM~~

The Iranian social-political structure under the Pahlavi dynasty today is in broad outline much as it developed during the Qajar dynasty (1792-1925) that preceded it. In the 50 years of the Pahlavis, secularization of government and massive Western influence have modified, but not yet transformed, Iranian society. Current trends, however, suggest that the pace of change may speed up sharply.

~~SECRET~~

~~SECRET~~

The Traditional Iranian System

We have decided that a National Consultative Assembly shall be formed and constituted in Tehran with deputies to be elected by the following classes of people: The Princes, the clergy, the Qajar family, nobles and notables, land-owners, merchants and tradesmen

(Proclamation of Mozaffar ed-Din Shah establishing the first national assembly, 5 August 1906)

Iran has had from the earliest times a clearly defined class structure, explicitly recognized by all participants. The major class categories have occupied almost the same relative positions through the centuries; first, the ruling family; then tribal leaders and warriors, bureaucrats, religious leaders, businessmen; and finally the peasants and laborers. Even major historical events have had little effect on this structure. Thus, when the Arabs conquered Iran in the 6th century AD and imposed Islam, the Persian ruling class quickly went over to the Arabs, converted to Islam, and preserved their own position and social structure. In the process, however, they put a unique Persian stamp on the governmental institutions that evolved from the Arab conquest. New Moslem religious leaders, for example, fitted neatly into the slots vacated by the Zoroastrian priestly class, and the masses became Islamized without serious resistance. Again, when the Qajar dynasty was dethroned by Reza Shah in 1925, most of the nobles and notables went over to the Pahlavi dynasty, thus preserving their wealth and status, although in this case sharing power with new faces brought in by Reza Shah.

This adaptability of the elite has helped today's Shah in his efforts to reshape and modernize Iran, but ensuing changes have fostered a new class of professional bureaucratic intelligentsia that the traditional system may not be able to absorb. Moreover, the Shah's unprecedented attention to the lowest classes, if it results in giving them real political power, would over a longer term drastically alter a stable, centuries-old system.

In point of fact, however, and despite the apparent permanence of the classes, upward social mobility has always been possible in Iran and is becoming increasingly so. Each class possesses to some extent a checking influence that can be brought to bear upon other groups and classes. Lower and lower - middle class individuals have occasionally been able to move into the political elite to become prime ministers, even shahs, as typified by Reza Shah who came from a peasant family. Gardeners, water carriers, stable boys, and cobblers have sometimes climbed to positions of power. Channels for this upward mobility have been few and scattered, but there are enough examples to provide credibility.

- 3 -

~~SECRET~~

DECLASSIFIED
PA/HO Department of State
E.O. 12958, as amended
June 21, 2006

~~SECRET~~

Normally, entry into the ruling class has been controlled by the political elite themselves through sponsorship of selected individuals. Wealth, at least until recently, has usually been a necessity, and land ownership has in the past been the major source of wealth. Nonetheless, the ever-present possibility of advancement has served to deflect demands for structural changes and has helped maintain the system by allowing an occasional success story. By this means, the Shah today obtains the technical skills and modern expertise he needs to carry on his reform program. Whether the new arrivals in the elite will become part of the traditional establishment or become the nucleus of reformers capable of altering the status quo remains an open question.

Two key elements in the functioning of the Iranian political system are the *dowreh*, or circle of associates, and family connections. Informal contacts thus provide the real motion in Iranian political life. These contacts and connections often are made by virtue of membership in one or more *dowrehs*. These meet periodically to promote mutual interests, and while the basic reason for the formation of a *dowreh* may be professional, family, religious, or intellectual, the circle's most important function is the building of a network of personal ties to assist the members in their political and economic endeavors. If, for example, one member is appointed to a ministerial position, other members of the *dowreh* can expect to move forward politically. Most active politicians belong to several *dowrehs*. Moreover, the *dowrehs* frequently cut across class lines, thus serving to relieve inter-class pressures and animosities. In this function, the *dowreh* also serves as a mechanism for the non-elite to move into the elite status.

One of the oldest *dowrehs*, the "French-doctorate group," met weekly for 25 years. In one three-year period its 11 members included a prime minister, three cabinet ministers, two senators, three ambassadors, the director of the National Oil Company, and the president of the Tehran Chamber of Commerce. Another prominent *dowreh*, in this case a poker club, includes General Fardust, deputy chief of SAVAK; General Khatami, chief of the air force, and Taqi Alavi-Kia, brother of a retired SAVAK general, who is a builder with lucrative contracts for air force housing. This *dowreh* has direct contact with the Shah through Fardust and Khatami, and with Princess Ashraf—the Shah's twin sister—through Fardust. Alavi-Kia provides a channel to the business and commercial worlds through his own contacts and those of his brother, who is engaged in the agro-business industry.

Along with the *dowrehs*, family relationships retain major importance. Below the monarchy, Iranian society is dominated by a relatively small

~~SECRET~~

group of elite families, which wield power and influence not only in politics but also in business, commerce, and the professions. Members of these families move from government to political jobs to private pursuits and back again with facility, and indeed their political influence may be nearly as great when they are in private life as in public office.

The principal criterion for membership in the elite in Qajar times was wealth to buy land, office, and political power. At the end of the 19th century the principal offices, whether for local tax collector or cabinet minister were, in effect, auctioned off at the annual New Year's ceremony. Low birth or social status was no obstacle to high position. In actual practice, most of the peasant population was cut off from the means of attaining wealth and hence political power. Once obtained, however, either by personal ability or, more likely, by sponsorship of an already influential person, social acceptance and political power followed almost automatically.

Although new faces often did enter the elite, as time passed much of the political power tended to be passed around within the same group of families. The change of dynasty in 1925 produced a new crop of elite personalities, but these quickly became indistinguishable from the bulk of the influentials who easily transferred their allegiance from the Qajars to the Pahlavis.

The core of the elite establishment is perhaps 12 families. An additional 30 families cluster around the core and some 150 more are influential. Perhaps 20 percent of the families, including most of the top 40, were prominent under the Qajars. The immediate family of the Qajars lived in political obscurity under Reza Shah, although maintaining a sort of shadow court among themselves, and a few served the Pahlavis in minor capacities.

The Monarchy

"The Shah is confused, frustrated, suspicious, proud, and stubborn, a young man who lives in the shadow of his father. His fears, questionings, and indecisiveness are permanent instabilities of character. Yet, he has great personal courage, many Western ideals, and a sincere, though often wavering, desire to raise and preserve his country."

(US Embassy, Tehran 1951)

"He (the Shah) is completely self-assured and is confident that he is leading the country in the right direction. He is also well-informed, and his ability to keep abreast of developments around the world is remarkable. He has an agile mind, sees the point quickly, and gets right to the heart of the issue."

(US Embassy, Tehran 1970)

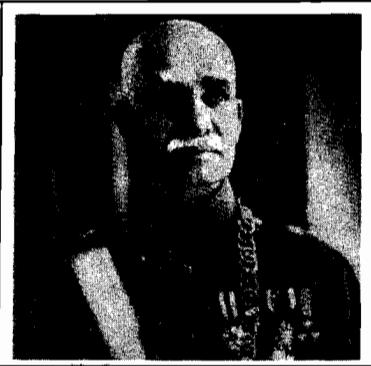
~~SECRET~~



Nasr ed-Din Shah Qajar
Ruled 48 years, assassinated



Ahmad Shah Qajar
Ruled 16 years, deposed



Reza Shah Pahlavi
Ruled 16 years, exiled



Mohammad Reza Shah Pahlavi
Has so far ruled 32 years - ?

~~SECRET~~

~~SECRET~~

The monarchy, as the apex of the social-political pyramid, has been a constant feature of Iranian life and has been a major factor in maintaining a national identity. Individual monarchs, however, have been treated with less respect than the institution. From 1795, when the first of the Qajar Shahs took power, to the present time, only two out of nine shahs died in office of natural causes. Four were deposed, two assassinated, and there was one complete change of dynasty. Two attempts have been made to assassinate the present Shah.

This great potential power of the shah's office has frequently been watered down by personal weaknesses that left real authority to courtiers, by poor communication and the long distances between the capital and the provinces that have allowed provincial governors virtual autonomy and, until recently, by lack of regular military forces under the control of the central government. Between 1921 and 1941, Reza Shah began to bring provincial administration under central control. The present Shah has continued this process; today he is the major locus of power in Iran and probably possesses more effective power over more of the country than any ruler has for a millennium.

The Shah's father, General Reza Khan, was proclaimed Shah by parliament in 1925. He gained the throne at a time of national confusion and on the strength of his military exploits. Although barely literate, his forceful character and ruthless drive made him feared by all, hated by some, and loved by few.

Mohammad Reza Pahlavi assumed the throne in 1941—at the age of 22—when his father was forced to abdicate after the Russian-British invasion of Iran. He immediately faced problems that would have taxed even a more experienced leader—foreign occupation, with the Russians apparently determined to annex permanently most of northern Iran, a depressed economy, and runaway inflation. Politicians, released after 20 years from Reza Shah's iron control, again began maneuvering for personal advantage and position. The qualities that had made Reza Shah great were not all transmitted to his son. One observer remarked that Mohammad Reza's eldest sister, Shams, inherited Reza Shah's common sense; Ali, the younger brother, now dead, his brute physical strength; and Ashraf, Mohammad Reza's twin sister, his merciless determination; while Mohammad Reza inherited his father's dream of national progress. In his early days as Shah, Mohammad Reza was not esteemed by his own family. The Queen Mother appeared to hold her eldest son in contempt. She was frequently reported to be intriguing against him

- 7 -

~~SECRET~~

DECLASSIFIED
PA/HO Department of State
E.O. 12958, as amended
June 21, 2006



The Shah's Parents

~~SECRET~~

and promoting Ali as a more worthy successor, and on one occasion she remarked that it was a pity Ashraf was not the Shah.

The present Shah grew up in isolation from the Iranian political scene. Reza Shah's autocratic style gave his Crown Prince little chance to develop any independent following, and he had virtually no direct contact with government operations. In addition, Mohammad Reza's four years of schooling in Switzerland provided an exposure to Western concepts of democracy quite alien to his father's methods. The Shah also saw that his father, with all his power, could be overthrown with hardly a hand raised in his behalf. Even the army on which Reza Shah had built his reputation failed to make more than a token resistance. Finally, the Shah was sensitive to the corruption that had overtaken Reza Shah in the latter years of his rule.

Another factor probably played a role in Mohammed Reza's personal and political development—circumstances of the birth of his heir. First married in 1939, it was 21 years and two marriages later before a Crown Prince, another Reza, was born. A first marriage to Fawzieh, King Farouk's sister, was primarily a political move. The only issue of this marriage, which ended in divorce after 11 years, was a daughter. In 1950 the Shah married Soraya Esfandiari, who produced no children and was divorced in 1959. His marriage in 1959 to Farah Diba, a Parisian-educated member of an old but somewhat impecunious family, was followed at last by the birth of two sons as well as two daughters. The rapidity with which the Shah pushed his reform program after 1960 probably had some relationship to the fact that he felt he had assured the continuation of the Pahlavi dynasty.

In the first decade of his rule, the Shah's influence was basically negative. He could veto an action or policy of his government, but his ability to initiate policies was limited by political opposition and bureaucratic lethargy. In addition, in this period the Shah remained isolated from real politics, surrounded by a coterie of often venal court sycophants and generally diverted by fun and games. In private conversations with foreign representatives, however, the Shah frequently appeared to be trying to define his role. When in the course of a conversation with the US ambassador, the latter expressed the opinion that the Shah should remain aloof from politics and become a symbol of unity, the Shah commented wryly, "My sister Ashraf asked me yesterday whether I was a man or a mouse," and then added seriously "Do you mean that I should stay in my palace at Saadabad, selfishly enjoy my pleasant gardens, dogs, and horses, and do nothing about the tragic situation of my country?"

~~SECRET~~

There is some indication that on occasion the Shah at least condoned forceful action. In 1956, the then minister of court in a conversation with a US Embassy officer "clearly implied" that former prime minister Razmara had been murdered "with the full knowledge of the Shah, if not on his direct order." The minister of court also stated that he had acted as intermediary between "the court" and the murderers of Mossadeq's police chief, General Afshartus. In general, however, the Shah continued in a passive position, apparently attempting the role of a constitutional monarch, reigning but not ruling.

The watershed in the Shah's development toward his present style of rule was the premiership of Mohammad Mossadeq 1951 to 1953. Mossadeq, an aged and inveterate oppositionist, had retired from politics in the late 1920s but returned to political life after the abdication of Reza Shah. Resuming a long-standing feud with the Pahlavis—both Mossadeq and his wife had close family connections with the deposed Qajar dynasty—Mossadeq soon found a popular issue in his opposition to British control of the Iranian oil industry and was able to win the support of nationalists, Communists, intelligentsia, and religious leaders. When it became apparent that Mossadeq, using the oil issue, was determined to reduce the monarchy to a figurehead, the Shah finally took a stand. Even so, he was certainly pushed by other members of the royal family and the court—notably his sister Ashraf and his mother—who feared loss of their own positions and power.

The ensuing confrontation, with important army elements supporting the monarch, resulted in a clear-cut victory for the Shah. From this point on, he became increasingly assertive, and in the last decade he has become the final authority in determining both domestic and foreign policy, in initiating programs, and in making key appointments. His domestic opposition has been silenced, by imprisoning or neutralizing some and coopting others. Today, the government of Iran is the Shah.

The Pahlavi Ideology

"The Monarchy ensures the stability of the country. None of the Parties can head the country toward destruction because their activities take place within the monarchy. By uttering the magic word 'Shah' everything can be brought under control."

(Comment by the Shah in an interview for Jeune Afrique 7 July 1971)

The Shah sees himself in the role of a latter-day Cyrus the Great who will restore to Iran at least a portion of its old glory as a power to be

plain fact is that all that our people...had been clamoring for through the ages has been granted them under the 12-point Program of the Revolution."

The Shah approves party candidates for parliament before they are permitted to stand for election. In some cases he may specify who will win. By this means he is not only assured of a parliament that will be responsive to his programs, but he can provide wider participation of some groups, e.g., women who would otherwise not be elected.

The Shah takes a hard line in negotiations with outsiders, although he is amenable to compromise to reach an agreement that favors Iran. The periodic negotiations with the oil consortium are the best examples of this. Starting with extreme demands, coupled with hints of what could happen to consortium interests, a firm position is held until the last minute possible when a quick Iranian concession leads to a settlement. Iran ends up with a healthy increase in oil revenues and the oil companies are usually relieved to have gotten off with less than Iran's maximum demands.

Short of assassination or a sudden illness, the Shah will probably continue his present style of ruling for perhaps as much as two decades. The Crown Prince will not reach his majority for another ten years, and while some responsibilities may be delegated to him as he grows older, the Shah will remain the overshadowing personality as was his own father.

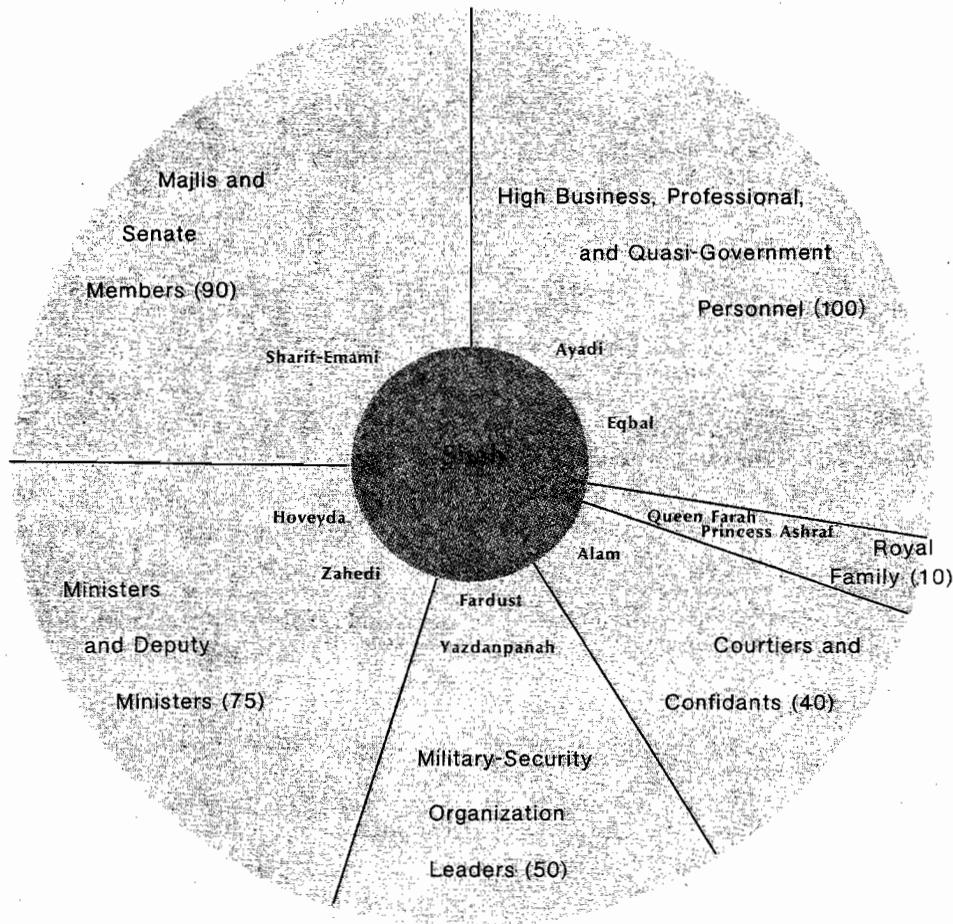
The Court

The court was considered at one time to be the center of licentiousness and depravity, of corruption and influence peddling, but the Shah has in recent years tightened his control, and the court's role has diminished. For example, the Queen Mother—once an inveterate intriguer—is seldom heard from, and the Shah's half-brothers, reported in the past to be potential contenders for the throne, now appear in public only to open sports events, present trophies, or officiate at ceremonies too inconsequential for the Shah's personal attention.

Access to court personalities is still considered important, however, to ensure success in business and political activities. The Shah, on his side, relies on some ten people to provide him direct access to major interest groups. These advisers include Queen Farah; Princess Ashraf; Manuchehr Eqbal, chairman of the National Iranian Oil Company; General Ayadi, the Shah's personal physician; Sharif-Emami, a senator and old-time politician; Prime Minister Hoveyda; Ardeshir Zahedi, former foreign minister; Generals

The Political Elite of Iran, 1972

The Shah's 10 closest advisers and the elite groups with whom they provide contact.



Note: The numbers in parentheses refer to the estimated membership in each group.

553081 5-72

Fardust and Yazdanpanah; and Minister of Court Alam. They do not work as a team; several, in fact, are rivals, a situation that the Shah probably encourages.

Queen Farah has been by all accounts an influence for good, and, of all the court personalities, she probably has the most influence on the Shah. She is intelligent and cosmopolitan in outlook and appears to take her position seriously. She has been active and effective in promoting social issues and, unlike many others connected with the court, she has never been touched by scandal.

Princess Ashraf, the Shah's twin sister, was for years the central figure in nearly all the scandal connected with the court. Her intervention on behalf of her paramours was notorious, and it was widely rumored that she herself was involved in drug-smuggling. She has become more discreet, however, and is even undertaking semi-diplomatic missions for her brother. Ashraf has also energetically promoted women's rights, both in the UN and at home, and has participated in other social causes. Despite her improving image, however, she retains many of her old characteristics. Ashraf's representations on behalf of contractors or consultants are still decisive in the award of government contracts, although she apparently no longer gets a kickback for this service.

Over the years Ashraf has helped several men up the bureaucratic ladder. The current favorite of the 52-year-old Princess appears to be 36-year-old Parviz Raji, assistant to Prime Minister Hoveyda. Raji, who has family connections with two of the core families, is rated as one of the more promising young men in the government. Educated at Oxford and with considerable experience in the Ministry of Foreign Affairs, he has been given the personal rank of ambassador. This kind of relationship probably has mutual advantages, aside from the purely personal. It gives Ashraf a valuable pipeline into the Prime Minister's office, while Raji is assured of a powerful influence in his subsequent career, providing they part amicably. Ashraf's enmity can also be powerful. A feud between Ashraf and former foreign minister Ardeshir Zahedi was at least partly responsible for Zahedi's removal from office in 1971.

Generals Morteza Yazdanpanah and Hossein Fardust owe their positions to long-standing friendship with the Shah. General Yazdanpanah was a friend of Reza Shah before the latter took the throne in 1925, serving him faithfully in a variety of military and cabinet posts, although he later fell from favor. He was the present Shah's military tutor and has maintained a close relationship for 40 years.

Major General Hossein Fardust is a contemporary and was a childhood friend of the Shah. He first met the Crown Prince in elementary school and accompanied him to school in Switzerland and military college in Iran.



The Shah (foreground) and Major General Hossein Fardust (r): Childhood Friends

Except for a brief period, Fardust has always held important positions and had great authority even though his military promotions have been at a near normal rate. Fardust has been chief of the Shah's Special Intelligence Group and deputy chief of the National Intelligence and Security Organization. He is quiet, unassuming, and meticulous in carrying out his duties. Fardust is well off financially but is considered personally honest. In his own words, "whatever I have, I have through the grace of the Palace."

Jaafar Sharif-Emami, 62-year-old president of the Senate, is another veteran government official and politician, with some reputation for venality. He was a long-time civil servant in the railway administration, at one time a key element in Reza Shah's modernization, and has held a variety of subcabinet and cabinet-level jobs. Sharif-Emami is generally considered

~~SECRET~~
~~No For...~~

responsible for leading the Soviets in 1958 to believe that Iran would be receptive to a non-aggression pact. It is possible that he was acting at the Shah's behest in an effort to persuade the US to increase economic and military aid. At any rate, although the Shah was said to have been embarrassed by the unexpected arrival of a high-level Soviet delegation prepared to negotiate a pact, the incident did not hurt Sharif-Emami's career; he was subsequently chosen by the Shah to be prime minister.

Ardeshir Zahedi, a former foreign minister, owes his present influence to his personal devotion to the Shah, although he comes from an old provincial land-holding family. He is the son of an army general, who helped the Shah oust Mossadeq in 1953, and was married for several years to the Shah's oldest daughter Shahnez; he held no responsible government posts until his marriage. He showed no outstanding ability in any post but apparently responded well to the Shah's directions. Zahedi was probably removed as foreign minister for several reasons—one of them, allegedly, his failure to turn out more heads of state for the 2,500 anniversary celebration at Persepolis. He still appears to enjoy the personal confidence of the Shah, however, and will probably retain his position close to the Monarch. Eventually, he likely will be appointed again to some official position, perhaps to the Senate.

Prime Minister Amir Abbas Hoveyda earns his role as a close adviser to the Shah by virtue of his office. However, not all prime ministers have had the confidence of the Shah, and Hoveyda has successfully transformed his official position into one of influence. Hoveyda, nonetheless, has made it clear that he acts only by the authority of and under the direction of the Shah.

Dr. Abdol Karim Ayadi, the Shah's personal physician, appears to be the major channel through which the Shah dabbles in commercial business. His close association with the Shah seems to date from a term as chief medical officer of the Imperial Guard Division; he does not come from an elite family. Described as a "financial wizard," Ayadi has been reported as fronting for the Shah in the Southern Iran Fishing Company, an enterprise described by knowledgeable observers as a mass of inefficiency and corruption whose board of directors is filled with retired generals.

Dr. Manuchehr Eqbal, a physician, is from one of the top 40 families that traditionally has been powerful in the province of Khorassan. He was a protege of Ahmad Qavam, the most powerful politician of the late 1940s, who apparently became acquainted with the Eqbal family in the early 1920s

~~SECRET~~

~~SECRET~~

~~Foreign Policy~~

when Qavam was governor-general of Khorassan. Eqbal has been prime minister, minister of court, and has held at least six different cabinet posts. He has been a parliamentary deputy, a senator, an ambassador, a civil adjutant to the Shah, and chancellor of the University of Tehran. He is at present chairman of the board of the National Iranian Oil Company. Eqbal is a competent administrator but has been described as a "consummate demagogue." When he became prime minister in 1957, he disappointed many of his supporters by being a complete yes-man for the Shah. From a personal point of view, however, this was a wise decision; his subsequent career has been notably successful.

The most prestigious post in this charmed circle is that of minister of court, who serves as director of the Shah's executive office. Typically, he is an "elder statesman" type, from an established family, and with long experience in government. More important, he must have the complete confidence of the Shah, who may use him for unofficial or unattributable activities. The incumbent, Amir Assadollah Alam, at 53 is one of the youngest to have served in this post. The Alam family was once the biggest landlord in the country and is one of the dozen most important families. Alam's father and Reza Shah were friends, and Assadollah and the Shah have been close since boyhood. Alam has served the Shah effectively in a wide variety of important posts and once was prime minister.

The Politicians

"I consider the Shah more wise and more discerning and more knowledgeable in the details of affairs than all other beings. The alteration, transfer, adaptation, and ordering of affairs and officials has always been reserved to His Majesty alone and is still reserved to the dictates of the Exalted Will. If you find the present situation good, keep things as they are. If you find it bad, change them."

(The reply of Nasr de-Din, Shah's minister of finance, to a request from the Shah that the cabinet try to bring order out of the bureaucratic chaos in 1881.)

In Iran, about 300 persons hold or have held in the immediate past significant political power; most of these come from the top families or have close connections with them. The extent to which political power has become concentrated in a few hands is illustrated by the fact that from the Constitutional Revolution in 1906 to the present, there have been 120 different cabinets but only 39 prime ministers. Two men each were appointed prime minister 11 different times. Cabinet posts were similarly concentrated. In one decade, some 400 cabinet posts were filled by only 144

- 17 -

~~SECRET~~

DECLASSIFIED
PA/HO Department of State
E.O. 12958, as amended
June 21, 2006

persons. In the last 20 years, nine men have served as prime minister, all these born or married into one of the top 40 families.

Prime Minister Hoveyda is a good example of a politician whose family per se did not entitle him to high-level office but whose contacts enabled him to go to the top of the executive ladder. Hoveyda, born in 1919, is the son of a former ambassador. He was educated in Damascus and Beirut, where his father was posted, and later at the London School of Economics and the University of Brussels. He entered the diplomatic service in 1944 and was stationed in Germany. There he served with Hassan Ali Mansur, a member of one of the top 40 families, and with Abdollah Entezam, a member of a prominent Qajar family who later became an influential politician.

Throughout his subsequent career, Hoveyda maintained close relations with both men. In 1958 he became special assistant to Entezam, at that time chairman of the National Iranian Oil Company. Two years later Hoveyda was appointed to the Board of Directors. When his old friend Hassan Ali Mansur formed a political party at the Shah's behest, Hoveyda joined the party, and when Mansur became prime minister in 1964 he personally picked Hoveyda as minister of finance. Hoveyda and Mansur married sisters, daughters of a prominent Tehran financier from a traditionally important family in Azerbaijan. The net of family influence thus spread: the sisters are also related to a former Qajar prime minister, and through him to the Qavam family, of which Ahmad Qavam, 11 times prime minister, was the most prominent. After Mansur's assassination in 1965, the Shah chose Hoveyda as his successor.

Cabinet members belong to the political elite by definition. However, the make-up of the cabinet has changed markedly in recent years. The traditional cabinet represented a balance of political forces as well as judicious juggling of the limited number of qualified people available; a cabinet therefore might contain two or three men who had already served as prime minister and many who had been in other cabinet posts or important government jobs. When the Shah assumed undisputed control of the cabinet, he favored a "technocrat" type of cabinet minister—a person with specialized experience, education, and ability and, more importantly, with no independent political ambitions.

The present cabinet reflects this shift. The average age is 48, the youngest being 41 and the oldest 58. Nineteen of the 23 ministers were educated abroad, nine in the US, six in France, two each in Belgium and the UK, and one in Pakistan. Only four were educated exclusively in Iran. Eight

ministers were trained as engineers and four in law. The cabinet has three representatives of establishment families: Abbas Ali Khalatbari, Minister of Foreign Affairs; Minister of State Hadi Hedayati; and Manuchehr Kalali, also minister of state. In contrast, the 20-man cabinet of mid-1964 had nine members of establishment families.

Parliament

Since its first meeting in 1906, parliament has been an arena for the exercise of influence that often has opposed the monarchy. From the outset, the members drew together to protect their own positions, initially against the excesses of a reactionary and corrupt court and in later years by alternately offering their services to the Shah or obstructing his programs. The present Shah as well as his father found it necessary to bring parliament under tight control when the members wished to force through their own measures.

The 40 major families have always been represented in parliament. From 1906 to 1967, 400 out of some 3,000 seats in the Majlis (lower house) were held by members of these families. Many of the other seats were held by other members of elite families, mostly provincially based, or by their hangers-on. In the Senate, the nationally prominent families were even more heavily represented.

Moreover, Parliament was landlord-dominated from the beginning. In the first 20 sessions (1906-63), 52 percent of the deputies were landlords. Even in the 21st session (1963-67)—after major reforms—35 percent were landlords. This situation made it impossible to get any effective land reform legislation passed until the oppositionist spirit of parliament had been drastically curbed.

The Shah took advantage of widespread charges of rigging in the 1961 elections to dissolve the senate and the house. Although the constitution required that new elections be held within a month, it was more than two years before they were actually held. In the interim the Shah, by royal decree, had put in effect his own land reform program and had begun actual distribution of land. He had also managed a popular referendum on his reform program.

After land reform was enforced, parliaments have had a different look, and the Shah, through his political parties, has carefully chosen the deputies to be elected, and no deputy is now identified as a landlord or a representative of landlord interests, although a large number of provincial

~~SECRET~~

constituencies are represented by the same people as pre-reform parliaments. It appears that the Shah's major criterion for his deputies is that they not overtly oppose his reform program. That they personally belong to the traditional power structure is irrelevant.

As an example, in eastern Iran, an area as large as Austria, the family of Court Minister Assadollah Alam has been dominant for nearly two centuries, and the same four constituencies have always been controlled by the family. One has been represented since 1957 by a cousin and brother-in-law of Assadollah; before then another cousin of Assadollah held the seat. A second has been represented by an Alam protege for at least 12 years, while the third seat is held by a long-time protege, a Baluchi tribal chief; and the fourth is held by another cousin of Assadollah. Still another constituency in the area is represented by a member of a prominent family who is a cousin of Assadollah and a brother-in-law of a present deputy from the area.

One innovation of the Shah's has been to see to it that women are elected to the Majlis. However, in view of the fact that female higher education has, until recent years, been confined to the wealthier families, it is not surprising that the women deputies come from this class. One of them, Mehrangiz Dowlatshahi, from Kermanshah in western Iran, descends from the Qajars and belongs to a major landowning family. Since at least 1947, the Dowlatshahis—male and female—have been the Shah's choice for one of the seats from Kermanshah.

Despite the persistence of family influence, the base for political power is changing in parliament and the influential deputies clearly intend to make the most of the change. Some of the new faces who are not well connected may be in the process of building their personal power, a prerequisite for eventual elite status. A considerable number have served two or three terms in the post-reform parliament. If they use their position to improve their finances and do favors for the right people, they may well be on their way up. In addition, some may be able to build a reputation in their home constituencies and thus improve their chances of being chosen for election in the future. Another change is the increase in the well-educated group. In the 1906 parliament, 54 percent of the deputies had a traditional religious-based education. The remainder had a secular education: 23 percent had gone through grammar school, four percent held doctorates, and 19 percent had varying degrees of secondary education. In the 20th Majlis (1963-67), the last period for which such information is available, 89 percent of the deputies were educated in the secular system; 28 percent of these held doctorates. With the Shah's emphasis on younger, better-trained deputies, this proportion has probably since increased.

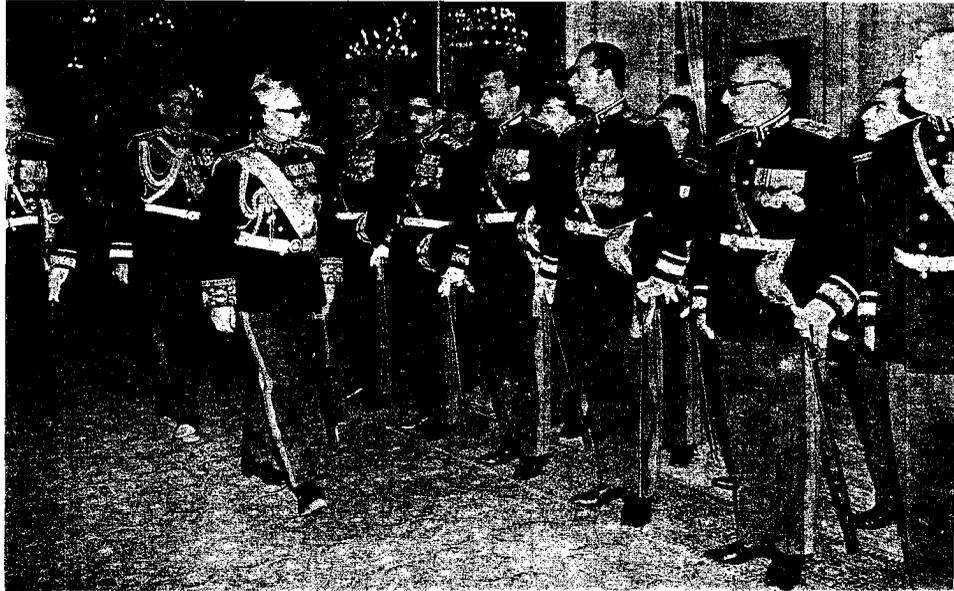
- 20 -

~~SECRET~~

DECLASSIFIED
PA/HO Department of State
E.O. 12958, as amended
June 21, 2006

The Military

The highest-ranking military officers show many of the hallmarks of the elite. In a sample of 37 general officers, more than 60 percent were born in Tehran, i.e., close to the court, and 30 percent bear elite names; others are found to have married into elite families. Most generals speak both French



“The Shah Reviews his Officers”

and English and have had military training in the US, France, or the UK. There appears to be less tendency now for sons to follow their fathers into the military service, probably because non-military careers are now more easily available and are alternate routes to influence.

A military career is, however, an opportunity for a lower- or middle-class man to raise his status. Attendance at a free military high school and the military academy is one channel. A number of general officers have followed this route, although at the time today's generals were in secondary school—the early and middle 1930s—the military high school was a typical choice for members of the elite as well as for lower-level individuals considering a military career. In the future, officers coming up through the military high school are more likely to be from the middle and lower classes. A civilian high school graduate can be admitted directly to the military

academy, but the expenses of a civilian high school education suggest that the free military high school may be increasingly attractive to the low income groups. Whether many of these will attain high rank without other requirements of the traditional elite—patronage, wealth, and proper marriage—is still a question.

An outstanding example of a traditional military family is the Jahanbanis. General Amanollah Jahanbani, now retired, was born about 1890. He is the great grandson of Fath Ali Shah, who died in 1834. The Jahanbanis are thus related to the Farmanfarmayan—one of the very top families, which also derives from Fath Ali Shah. Amanollah's father was a governor-general of Azerbaijan and was killed by Russian occupation troops there in the early 1900s. Apparently as compensation, Amanollah was appointed to the Nicolayevski Cadet Corps at St. Petersburg in 1907. After graduation, he attended a Russian artillery school and the War Academy. He returned to Iran imbued with Russian ideas, remained close to the Russians even after the Bolshevik revolution, and has been a prominent member of the Iran-Soviet cultural society. Although he was aide-de-camp to Ahmad Shah, Jahanbani supported Reza Shah's coup against his Qajar cousin in 1921 and rose rapidly in the military hierarchy. One of Jahanbani's marriages—to a daughter of Mozaffar ed-Din Shah (1853-1907) also linked him with the fabulous Farmanfarmayans. (He also has two other wives, one of whom is a Russian; in 1947 she was reported as a channel used to pay Soviet agents.)

Of Amanollah's 11 or so children, three sons are generals. One is deputy commander of the Air Training Center, another is commander of the Armored Center, and the third is commander of an armored brigade. A fourth son is a high-ranking official in the Ministry of Foreign Affairs, while one of his nieces has married a half-brother of the Shah. And so the influential network is elaborated in another generation.

Air Force Chief Mohammad Khatami, the military man with perhaps the most influence on the Shah, provides a good illustration of other routes to elite status. Khatami, unlike the majority of general officers, was a provincial—from Resht on the Caspian. His father owned a tea house, a humble enough occupation but one which could produce a modest degree of wealth. The father apparently began to deal in real estate—land speculation in Iran has long been a way to quick wealth—and was able to send his son to the American High School in Tehran. Entrance was probably facilitated by the fact that Mohammad's mother was a relative of the Iman Jomeh, a prestigious religious figure in Tehran who is related to Nasr ed-Din Shah

~~SECRET~~

Qajar (assassinated in 1896). Khatami attended the military high school and the air force branch of the military college; he was commissioned in 1941. After training in the UK he became the Shah's personal pilot, a duty which he apparently continued as he moved into command jobs in the air force. He piloted the plane in which the Shah fled from Iran in August 1953 as a result of his dispute with Mossadeq. Khatami was promoted over contemporaries and some senior officers to commander of the air force in 1958 holding this post longer than any other force commander.

Khatami began to build a family network by marrying about 1950 a cousin who was also related to the Iman Jomeh. This wife was killed accidentally in 1957 during a firing demonstration, but two years later Khatami married the Shah's half-sister, Princess Fatimeh. He has prospered greatly since. He is now chairman of the board of the Iranian National Airlines, chief of the council of the Civil Aviation Department, and reputedly co-owner of a construction company which has obtained lucrative government contracts. He is a member of the poker-playing *dowreh* that includes General Fardust and a prominent contractor who may front for him in construction deals.

The Religious Leaders

Religion and religious leaders have played important political roles in Iran from the earliest times. In the pre-Islamic era the Magi, a priestly class, had charge of all justice. Justice, morality, and religion were in fact inseparably connected. Doctrinally, it was held that the top ranking clergy had the authority to judge a king accused of criminal acts and that the head of the church had the right to choose the successor to the throne from a list of close male relatives of a deceased monarch. While the Moslem conquest of Iran changed religious practices, basic relations between government and religion remained much the same.

The Shiah* clergy—the *ulama*—play an important, but probably declining, political role. Before World War I, the *ulama* collectively formed the most self-conscious center of power outside the government. With the spread of secular education and under direct and indirect assaults from the government, the clergy have lost much of their political power. Nevertheless, they maintain significant influence among the masses and have a demonstrated capacity for troublemaking. Ever since Shiah Islam was established as the state religion in the 16th century, the *ulama* have continuously opposed each

**Shi'ism, a heterodox form of Islam, is the dominant sect and, in effect, the "orthodoxy" of Iran.*

~~Foreign Discern~~

succeeding monarch. Their opposition has a theological basis, for in essence Shiah Islam considers all temporal rulers as illegitimate and asserts that legitimate guidance in human affairs can come only from the *mojtaheds*, the religious leaders. The *mojtaheds* are the representatives on earth of the Imam—God's spokesman—who is the sole source of authority. Each Shiah is required to follow the teachings of a *mojtahed*. Applying this doctrine to the Shah and other governmental officials, the clergy's view is that the state should ultimately be no more than their executive arm.

Other factors have served to strengthen the clergy's hand. The central Shiah leadership has always been in Iraq and thus beyond the immediate reach of the government in Tehran; the clergy has had control of large sums of money, derived from a religious tithe that is not subject to government control; and until recent times, the clergy had almost exclusive control of law courts and education. The clergy, itself fiercely xenophobic, has also been prominently identified with popular anti-foreign causes. The *mojtaheds* have been held in high regard by most Iranians, if not the most influential, and have developed close ties with the guilds and bazaar merchants, groups that have also felt themselves to be victims of the political elite.

The *ulama* reached the peak of their influence in the 19th and early 20th century. They were instrumental in persuading the shah to launch the second Russo-Turkish war in 1827, and in 1872 they forced Nasr ed-Din Shah to cancel a concession to the British and dismiss the reform-minded prime minister who negotiated it. Late in the century they led a successful mass movement against another British concession, and in 1906 they formed an unlikely coalition with political radicals to force a constitution on a reluctant shah. More recently, religious leaders were prominent in agitation against the Anglo-Iranian Oil Company in 1951-53, and they have been constant and virulent critics of the Shah's reform programs on the grounds that such reforms violated religious principles.

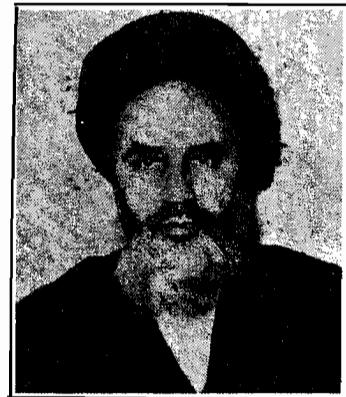
Detailed information on the clergy is not available. There are perhaps 100,000 clergymen ranging from the *mullah*, the lowest clerical post, to the *mojtahed*. There are, in addition, para-religious personnel, such as prayer writers, chanters, and Koran readers. A few years ago, annual income from property controlled by the clergy was estimated at \$30 million, and this was in addition to tithing for which no estimate is available. One prominent *mojtahed* is said to distribute about \$200,000 a month to clergymen dependent on him, to support religious students, and to provide food for the poor.

RELIGIOUS LEADERS



In 1906 Supported Reforms That Decreased Shah's Power (above)

In 1960 Opposed Reforms That Increased Shah's Power (right)



Probably no more than 10 percent of the clergy who receive government support can be counted as outright supporters of the Shah. They are probably the least influential of the clergy and are considered by many to be no better than government employees. Probably 50 percent are in outright opposition to the government and are wholly dependent on their popular following for support; this includes nearly every religious leader of any stature. The remaining 40 percent qualify as fence-sitters, maintaining a popular following but avoiding overt attacks on the government.

Every monarch has had to come to terms with the religious leaders. Until the Pahlavi period, the clergy generally were able to exert great pressure on government. Reza Shah, in his drive to centralize power and modernize Iran, could brook no opposition and moved directly and forcefully to eliminate the political power of the *mojtaheds*. Mohammed Reza Shah, of necessity, has followed much the same course.

Unlike his father, however, the present Shah appears to admit at least the latent power of the clergy. He makes a public show of piety and on appropriate occasions visits religious shrines and contributes to religious causes. He even claims divine protection, pointing to the two unsuccessful assassination attempts as proof. Rather than indiscriminate suppression, he has attempted to win to his point of view those religious leaders who he thinks are open to persuasion.

The Shah acts forcefully, however, against those clergymen who openly take a strong position against him. Ayatollah Khomeini, whose arrest touched off serious riots in 1963, was forced into exile in Turkey and later into Iraq. Others have been held under house arrest, and at least one is reported to have died in prison. As in other cases, the Shah holds out the promise of rewards for cooperation together with the near certainty of harsh punishment for opposition. On the whole, the clergy seem to have bent less than other elements of Iranian society.

The Soviet Embassy for several years has been maintaining discreet contacts with various members of the clergy, but the Soviet intention appears to be primarily to gain access to the masses for pro-Soviet, anti-Western propaganda.

Professional Bureaucratic Intelligentsia

The spread of education in Iran is providing the trained manpower the Shah needs to draw up and run his industrialization programs, staff his

~~SECRET~~

bureaucracy, and man his armed forces. Through education many persons of middle- or lower-class origins are moving into positions of power and influence. The system in which they must operate, however, continues to be the traditional one based on family, wealth, influence, ability to maneuver, and tight control by the few.

The major question, which may remain unresolved for as much as a generation, is whether the traditional system will be able to adjust and absorb the professional bureaucratic intelligentsia* into the elite or whether this intelligentsia will force a really revolutionary change in the way Iran has been ruled for centuries.

The present Shah, utilizing the flexibility of the system, has been able to coopt many of today's technocrats and set them to work constructively within the system. By making available to them the rewards of class, status, and power, he has persuaded many that the only alternative to using their skills to benefit their country is protracted and fruitless opposition or permanent exile abroad. The Shah well realizes the strength of this sort of appeal. In a conversation with a foreigner, the Shah—asked if he knew that members of the Literacy Corps were subverting their pupils—replied “Don't worry, we know just who those young men are and will be offering them high-level jobs as appropriate.”

The influx of the professional-bureaucratic intelligentsia into the elite and near elite positions has aroused some resentment on the part of the traditional families. One member of a family so old that he considers both the Qajars and the Pahlavis to be upstarts has described many rising army officers as “hamami,” bath house attendants, because their social origins are so low.

The two political parties approved and supported by the Shah draw much of their membership from the new intelligentsia. The limited political participation provided by these parties may satisfy to some extent the desire of the intelligentsia for such activity. In general, however, those intelligentsia who work in the system realize that genuine political activity is foreclosed for them, and for many this must reinforce the cynicism which is such a marked feature of all levels of the Iranian elite.

**This group is defined as those who have a modern education, are highly skilled in a particular area or field, and are engaged in bureaucratic, i.e., non-entrepreneurial jobs. Until 1900 only a handful of Iranians had received a modern education or studied abroad; these few were absorbed into the system. In 1922 there were 91 students in institutions of higher learning in Iran, in 1953-54 there were nearly 10,000, and in 1970 there were nearly 70,000. Most of the current student group is of middle- or lower- class origin.*

- 27 -

~~SECRET~~

DECLASSIFIED
PA/HO Department of State
E.O. 12958, as amended
June 21, 2006