

A Carter Administration source this week commented that while Bani-Sadr and Khomeini are "still committed to a rural based economy, they have met with unexpected resistance within the population." In the first six months following the revolution, he noted, "Khomeini tried to enact this ruralization plan but he backed off when he saw that he was not politically strong enough at that time to overcome his opposition." The problem facing the revolutionary government is that as it endeavored to "eliminate opposition" it continued to delay on its agricultural plan. As a result there has been a massive influx of rural peasants into the cities.

Now, observed a Middle East analyst, the hostage crisis has further complicated the situation, since the revolutionary government is looking for revenues from oil production and assistance from certain Western interests to aid in its ruralization plan. Neither are at present available. It is estimated that this year Iran's oil export earnings plus remaining foreign exchange will just cover the growing import bill for vital commodities. After that? A State Department source conjectured, maybe "the people will just have to be starved out of the cities."

Destroying the labor force

Like the Pol Pot regime, Khomeini has made his first political target the elimination of the most advanced layers of Iran's intelligentsia and labor force through political persecution and outright execution. These are the individuals who were educated and cultivated to become what one Iranian source termed the "mind of Iran." A manifestation of Khomeini's political terror campaign has been a massive exodus of Iran's urban elite. According to a U.S. Department of Commerce source, as many as 6 million may have fled Iran since the revolution. The source characterized the exodus as a "disaster for Iran in which the guts of the country are being ripped out." Exiled Iranian sources dispute the Commerce Department estimate, putting the number of emigrants at somewhere between 2 to 3 million. The remaining educated strata are in any case increasingly excluded from what is left of business and government functioning and decision-making.

A Georgetown University professor with close ties to the Khomeini regime detailed this month a plan favored by Bani-Sadr to completely purge the Iranian government bureaucracy, which still contains remnants of staffing from the former regime as well as middle-class opponents of the Khomeini dictatorship, and install young radicalized college students. The source stated that Khomeini intends to force the "early retirement" of anyone employed by the government over 40 years old.

In line with this scheme, it was recently announced that beginning in September all of Iran's universities

will be closed, ostensibly to undercut growing restiveness against Khomeini. But the real story behind the closing has to do with utilizing the students as the shock troops of the "back to the land" deurbanization plan Bani-Sadr envisions. The Georgetown professor added that students will soon be conscripted into a new National Volunteer Service. The prime functioning of the NVS will be "to lead the march out of the cities," he stated, adding that "the regime is insisting that urban-born Iranians comprise the leadership of this movement."

Since his bid for the presidency earlier this year, Bani-Sadr has been the only political personality with a "program" for Iran's economy. This contingent of students pegged for the NVS has been subjected to years of brainwashing on Iranian and foreign campuses

The shutdown of Iran's oilfields

It could take up to five years to repair the damage done to Iran's oilwells since the February 1979 revolution. This is the conclusion of both Western oil industry sources with knowledge of Iran's high-technology oil extracting system and of Iranians who worked for the National Iranian Oil Company (NIOC) before the revolution. At present Iran is selling daily a meager 200,000 barrels of oil compared with the 5 to 6 million barrels per day marketed internationally before the revolution.

The reasons for the precipitous decline in Iran's oil sales are both technical and economic. Lack of skilled management and labor to maintain and operate the fields means that at present Iran can sustain barely over 1.5 million barrels per day. Prior to the revolution, the NIOC had begun to install complex gas injection systems in the older wells to keep the pressure high enough to permit continued pumping. This procedure requires some of the most advanced technology in the oil industry, not to mention qualified technicians. Following the revolution, wells with this technology were abandoned. The pressure in those wells has decreased to the point where they may now be worthless.

Iranian sources indicate that many of the wells are silting up for lack of maintenance and new wells may have to be dug in order to resume production. Furthermore, Iran's entire oil industry was regulated by one of the most advanced computer systems in the world. This system has fallen into disrepair.

around a zero-growth anti-Western ideology coherent with Bani-Sadr's stated purpose of "creating a classless 20th century Islamic society."

Fifty percent of Iran's population is under the age of 19. It is the youth of Iran plus millions of illiterate Iranian slum-dwellers and peasants that make up the return-to-the-land movement. A recent article in *Ette-laat Javanan* noted one means by which the urban Iranian population could be "induced" to leave the cities. It recalls that during the medieval Abbasid caliphate, Iranian farmers who came into the cities for seed had their hands tattooed, and could then "be forcibly expelled by the authorities." According to Iranian sources, the Iranian press has now increased its propaganda campaign around deurbanization.

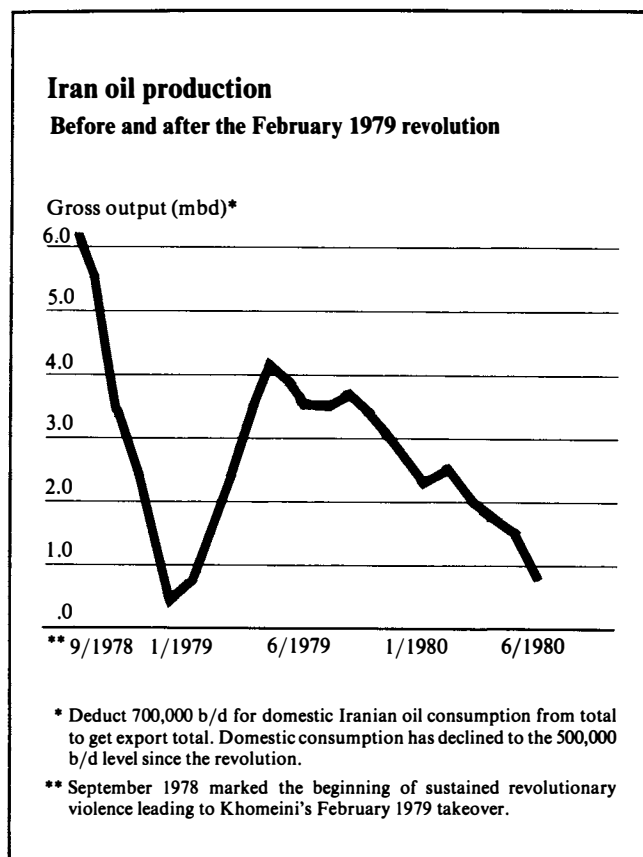
Conservative estimates put unemployment at well over 4 million. Educated city-dwellers and skilled laborers have turned to an increasing consumption of opium. This has occurred in part because the Islamic regime has banned alcohol, and because farmers are turning to cultivation of the poppy, which brings a high profit on both foreign and domestic markets. The *Washington Post* reported recently that there are at least 2 million opium addicts in Iran, with a major increase in addiction since the revolution. Law enforcement sources indicate that heroin addiction has grown as well in Iran. According to an Iranian recently returned from Iran, "the remaining literate and sensible Iranians feel trapped. Their own expectations are dimming and they are left with no alternatives but drug themselves. There was

The current low level of Iranian sales is also the result of exorbitant prices the Revolutionary Government has asked of its few remaining customers. Following a bid of \$35 a barrel this spring, Japan, one of Iran's top customers, walked out on contract negotiations. Royal Dutch Shell and British Petroleum followed suit. Another last-ditch customer, Rumania, stunned the NIOC earlier this month by cancelling a 66,000 barrel-a-day contract because Iran's price was considered too high.

Industry sources say that as a result of the sales falloff, Iran is quietly lowering its prices. This was confirmed last week when a number of OPEC oil producers began to raise their price commensurate with agreements reached at the last price-setting meeting. But Iran made no gesture toward a further price hike. Iran has increasingly become dependent upon oil sales to Third World and East bloc countries, transacted through bartering for needed vital commodities and foodstuffs.

According to a Washington source, Iran's controversial Oil Minister Ali Moinfar is "only a figurehead" for the real power that runs the remainder of the NIOC, Ayatollah Eshraghi, Khomeini's son-in-law. Eshraghi engineered the purge of former Oil Minister Nazih, who was responsible for the initial upturn in Iran's oil output beginning in March 1979. Nazih's ouster in October 1979 marked the high point in post-revolutionary oil output. Since then repeated purges of the NIOC staff have occurred. This week the Revolutionary Council purged another 500 workers and managers from the company.

The situation in Iran's oilfields has been further complicated by the increased violence in the oil-produc-



ing Khuzestan district. There have been countless instances of sabotage of pipelines. Moreover, spare parts urgently needed for the Abadan refinery are now in short supply, making questionable the future availability of needed petroleum products for Iran's own domestic consumption.