

the world, at Abadan in the oil-rich Khuzistan region. The nation also has its own automobile manufacturing plant, and is increasing the manufacture of small appliances, to broaden its base of non-oil exports.

Combined government expenditures for the development of oil, gas, and mining this year accounts for \$4 billion, or about 12 percent of the total budget. It is expected that next year's allocation will climb to \$5.5 billion.

The continued development and economic stability of Iran has significance beyond the domestic implications. Iran is the crucial economic bridge between the developing Arab nations of the Persian Gulf and the Mideast, and the Indian subcontinent. The present government is highly aware of this fact, and the Shah has played a moderating role in attempting, for example, to ease tensions and possible conflicts between India and Pakistan.

Moreover, a severe economic crisis in Iran could cause a break in the critical moderate bloc of countries within the Organization of Petroleum Exporting Countries (OPEC), led by Saudi Arabia. Since 1976, Iran has forsaken its more "hardline" stance on oil prices, and formed a powerful alliance with the Saudis which has helped to sustain the oil price freeze.

Yet, despite the importance of Iranian development for both that nation and the world — or perhaps

because of it — the Shah faces some formidable obstacles to his industrial goals.

Domestically, Iran must solve the problem posed by what foreign observers term its unique "parallel economy." While the government presses ahead with its modernization and industrialization goals, there exists inside Iran another, primitive economy based on money-lending, bazaars, a layer of "nouveau riche" businessmen and speculators — many with ties in England and other foreign capitals — who place their "jet set" lifestyles above their nation's development goals, and leading families of Iran's feudal oligarchy. These families, though in many cases disenfranchised of their land through the Shah's land reform programs, still wield considerable power through business and government positions. They continue to maintain traditional alliances with the powerful Shi'ite Islamic establishment and with money lenders and changers in the antiquated bazaars, where the central government exercises virtually no control over their activities.

Connected with these, and sharing their opposition to Iran's industrial development goals, is British Petroleum, which, as heir to the notorious British Anglo-Persian and Anglo-Iranian oil monopolies, heads the consortium of 14 oil companies with the contract to produce and market Iran's oil. As BP's most recent behavior in negotiations for a new contract be-

TASS: 'retort to Turner's lie'

The Soviet news agency TASS issued a sharp response to CIA Director Stansfield Turner's charges last week of Soviet involvement in domestic Iranian events:

When the CIA Director sets up interviews, the questions asked him, by a strange coincidence, serve as a kind of supplement to his answers. That was the case with Mr. Turner's recent interview on CBS. The correspondent turned to the director of the U.S. espionage agency with the following words: my first question is whether the CIA has detected any Soviet participation in the recent events in Iran?

To this Turner, not batting an eye, answered, "I am sure that to one degree or another there is a certain Soviet influence there."

Why, one might ask, is the CIA director putting out a conscious lie, and at the very moment that the massive antigovernment demonstrations in Iran are going on? On the one hand, Washington would like to whitewash U.S. policy towards Iran, and on the other, to slander the Soviet Union, to drive a wedge into the good-neighbor relations between the two states.

So American propaganda is putting out slanders about the mythical "hand of Moscow" being behind the events.

Mr. Turner knows very well of course, that relations between the USSR and Iran are based on the principles of respect and non-interference in each others' affairs....

In order to uncover the reasons for the present disturbances in Iran, the CIA director would have to look particularly at the policy of his own country. It is precisely the American monopolies that for many years have been looting Iran, paying for oil with depreciated dollars....

The U.S. has sent Iran military specialists, "advisors" and "consultants," whose subversive activities were recently led by Helms, one of Turner's predecessors at the CIA.

Is it any wonder that among delegations of the developing countries at the UN General Assembly, Turner's statement is considered as a propagandistic coverup for the American secret services in Teheran, who are actively trying to place candidates favorable to Washington in Iran's leading posts?