

PETRODOLLARS, PIETY AND ECONOMIC PILLAGE

IRAN'S Muslims piously conform to the Koranic laws which ban usury. But when it comes to exploiting land for profit, there is no similar restraint.

Some of the detail is documented in Robert Graham's *Iran - The illusion of power*¹ - the book cited as evidence by Ayatollah Khomeini's Washington lawyers who have begun court proceedings to recover \$56.6 billion from the ex-Shah.

People who had a stake in land cashed-in on the oil price explosion in 1973/4, much to the disadvantage of the landless labourers (the *khushneshin*), who constituted a quarter of the workforce. Many of them were forced to migrate to the towns, but the capital-intensive oil industry failed to meet their aspirations.

Indeed, employment prospects and living standards deteriorated as the country became awash with petrodollars. Graham has chronicled the events in the land market, which played a crucial part in arousing discontent with the Shah:

"Once money began to circulate, property values were the first to rise, attracting the Iranian entrepreneur. Land values changed, not even by the month, but by the week. The rises were most dramatic in Tehran; but it was a country-wide phenomenon. An industrialist wishing to buy land in Tabriz in 1974 had to pay Rs45,000 per square metre (\$660) - land which could have been bought in 1971 for Rs5,000 per square metre. With the development of mining in Kerman, land in the centre of the town rose from Rs2,000 per square metre in 1959 to Rs15,000 in 1974. In Rasht on the Caspian, where industry began to be located after restrictions on expansion round Tehran, land prices rose from a mere Rs20 per square metre in 1969 to Rs2,000 by 1974."

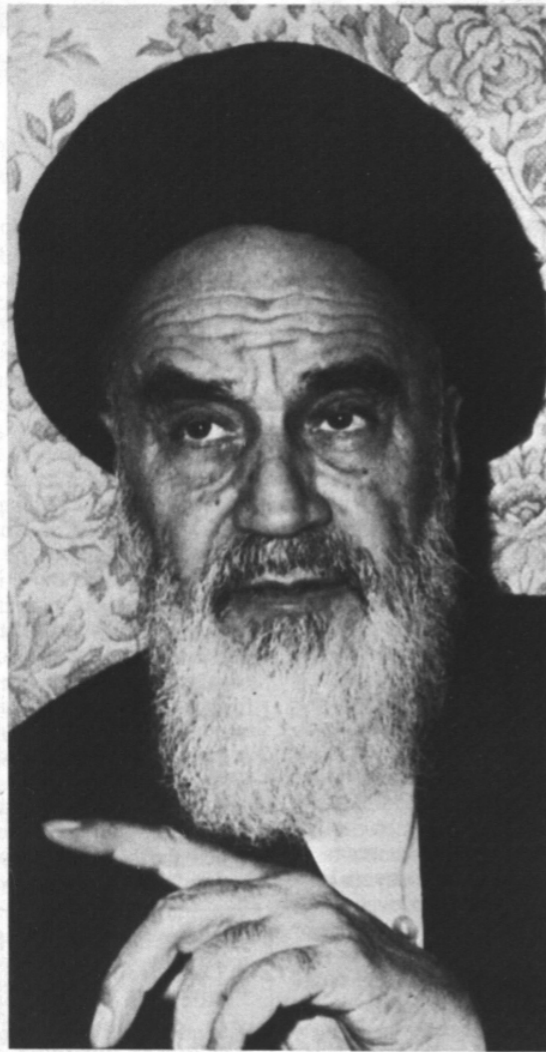
REPORT BY PAUL KNIGHT

Private consumption and living standards were squeezed. As much as 47% of the cost of housing was absorbed in land costs. Rental payments took up to 60% of pay packets, and this resulted in the demand for higher wages and industrial conflict - germinating the urban discontent which found expression in riots against the Peacock throne.

Building the essential commercial port near Bandar Abbas was delayed by 17 months because of haggling over the price of a tract of land which had previously been worthless, Graham discovered.

Had the Shah implemented a rational land reform, the Pahlavi dynasty would still exist today.

OIL: IRAN



● Ayatollah Khomeini

UNFORTUNATELY, however, the economic importance of land tenure and its social consequences are still not recognised by those who are attempting to analyse the Islamic revival which is sweeping the Middle East.

Neither, significantly, does Khomeini have any coherent plan for land reform:² which is why he was pleased that domestic discontent was turned outwards against the US by students who took over the American Embassy.

But unless Khomeini does something quickly about the land question, now that he has had his theocratic constitution endorsed by the people, he will run out of foreign hostages - and the wrath of the people will turn against him.

REFERENCES

1. R. Graham: *Iran: The illusion of power*, London: Croon Helm, revised edn., 1978, p. 88.
2. F. Harrison, "Dictatorship and the rise of Islam", *Land & Liberty*, Sept.-Oct. 1979.

CROWN MOVING INTO LAND PROPERTIES

THE Crown Estate has been taking steps to increase the revenue of Britain's oil and gas. Ownership of state-owned land in the North Sea has enabled the Crown to increase the revenue by £2.2m. ended March 31.

Capital was raised by their grant of oil and gas. The Crown Estate has been taking steps to increase the revenue of Britain's oil and gas. Ownership of state-owned land in the North Sea has enabled the Crown to increase the revenue by £2.2m. ended March 31.

The Commission on the eye on the economy (rent) being paid for the North Sea. The Commission has reminded that their control of the foreshore, "within territorial waters assumed a much importance in the with a great number of both commercial and activities."

Which is why successful legal control the landings on Britain's and seabed. But the yachtsmen, "It is our policy to make it impossible for extortionate to take them."

The Estate increased revenues to £6.6m. compared with £5.8m. previous year. The revenue (£51.2m) from leases and the foreshore.

The capital raised from dealings in the industry has been used to buy property. This, said the Commission, enabled them to undertake important operations. The Crown Estate has the absence of property."

*The Crown Estate HMSO, 1979.