

STATEMENT
OF THE "IRAN" PARTY REGARDING THE BILL TO RECEIVE A LOAN FROM
FOREIGN COUNTRIES

On Thursday the 11th of Azar (2 December 1954 - [Soviet] translator) the Zahedi government, which from the time it came to power and up to the present time has held to and is holding to a capitulatory tactic with respect to foreigners and is pursuing an unwise policy from the point of view of the dignity and national sovereignty of Iran, submitted a shameful bill to the Majles defining the anti-national nature of this government.

The above bill is associated with the receipt of a loan from the British and American governments: from the first, 10 million pounds sterling; from the second, \$150 million.

One (of these loans - [Soviet] translator) is for five years, but the other, for 25 years, makes the government and Iranian people debtors to governments which pursue no other goal in this country but the exploitation of our people and our natural resources, and the infringement on [our] independence, dignity, and existence of our lives.

The introduction of the bill about receiving a loan from the British and American governments again is reminiscent of the bitter and shameful days when, on the one hand, the Tsarist government of Russia and the British government, on the other, in order to consolidate political positions and seize economic concessions (SIC - [Soviet] translator) in Iran, offering loans to the unworthy monarchs and dominant cliques of the time in eager competition with one another, gave millions of pounds sterling or Russian rubles and thereby paved themselves the way to political and economic dominance in our country. At that time, just as right now, the pounds sterling and rubles were made contingent on the fulfillment of plans by other governments for the provision of amenities, the exploitation of natural resources, and raising the living standard of the people. However, the Iranian people in fact saw that it did not get one dinar of profit from these pounds sterling and rubles. It has been found in practice that lenders and borrowers do not concern themselves about providing amenities, general tranquility, or raising the people's standard of living. The introduction of the bill about receiving loans from Britain and America reminds the Iranian people of 1907, a time when after a long struggle in the political arena in Iran, in the face of a threat from their strong enemies like Germany and imperial Austria, two strong partners (northern and southern) were forced to put competition and hostile acts against one another aside and to seat Iran at a roundtable with polite smiles and conclude the unfortunate 1907 treaty, a result of which was the division of Iran between them into two zones of influence.

As always, the offer of loans by strong countries to weak peoples involves interference in the internal affairs and serves as a reason to realize colonial ends.

The fifth article of this treaty (the 1907 treaty - [Soviet] translator), indicating the payment of the loan itself which was received by Iranian governments from the British Shahinshah Bank on the one hand, and from the Russian Lending and Discount Bank, on the other, and its interest rates, explains that if "disorder appears" in the payment of these loans and their interest the British and Russian governments have the right to establish supervision of the sources of income which are the guarantee of these loans, but "a friendly exchange of opinions" should "be held in advance" with this purpose.

On that day when the British and American governments decided to overthrow the national government of Doctor Mossadegh and when an end was put to its national economic plans based on the lack of need by the Iranian people for foreign aid and on handing over to the Iranian people the business of strengthening the Iranian economy and the use of natural resources, and when the devil Zahedi and the group of people unprincipled and uninterested in the affairs of governments and the people showed their strength and power it became clear that these two policies (the British and the American - [Soviet] translator) decided to halt competition and hostile acts and, having sat down at a round table about oil, on the one hand, and about the other natural and economic sources of Iran, on the other, they hindered the development of the natural capabilities of the Iranian people, who needed complete freedom and economic and political independence for this.

The events of 1907 were repeated in the middle of 1953, but in another form (literally: "in other clothes" - [Soviet] translator). As we know, the first bitter result of this agreement is the same treaty about an oil concession and the same bill about obtaining a loan from Britain and America.

The traitorous minister, Doctor Amini, having put Iranian oil at the disposition of world oil trusts and cartels for nothing and concluded a deal for an absurd price (this means 25 million pounds sterling - [Soviet] translator), barred the way to the undisputed claims of the Iranian people which exceed hundreds of millions of pounds sterling, and continued a path toward the influence and domination of the oil companies in Iran, and thereby destroyed the law about the nationalization of the oil industry and soon violated the political and economic independence of Iran.

These people did not pay attention to the fact that the goal of the drafters of the bill about oil was to reinstate the colonizing policy of Britain in Iran, divide the natural resources of Iran between the large foreign capitalists, and the bar the way to the realization of programs to provide amenities on the basis of a "healthy national economy", for the very realization of these programs threatens the interests of the large international capitalists and helps the peoples of the Middle East break the chains of slavery.

The economic situation of Iran since the 28th of Mordad 1332 (19 August 1953) to the present time is not only not satisfactory, in spite of the fact that the government has received more than \$100 million from the US gratis, but in connection with the fact that the basis of this situation is the anti-national policy directed at defending the interests of

foreigners and groups of people, particularly from the ruling clique, it is going backward and is increasingly subjecting the Iranian people to the miseries of life.

A glance at the economic situation of Iran before and after the 28th of Mordad confirms our words and reveals the entire collapse of the current apparatus perfectly.

According to statistical information published by the Main Directorate of Customs, 1331 (1952), that is, the year the former usurping oil company performed no activity in Iran after 15 years (of management in it - [Soviet] translator), but the roots of foreign influence on the politics and economy of Iran were destroyed by the strong hand of the Iranian people and its bravest son, that is, Doctor Mohammed Mossadegh, and the foundations were laid in Iran for a policy of a "national economy"; this year is considered unprecedented and in a class by itself, from the point of view of trade and economics. That year our economy not only did not have a shortage of hard currency but the exports from the country exceeded the imports by 168 million rials. As is well-known, this fact was published in all the economic journals of the world and in a UN publication, and it caused, on the one hand, general surprise, and on the other, gave rise to fears in mercenary capitalists having their own colonial interests in Asia.

Since that year government policy relied on the support of the active forces of the Iranian people and were based on the use of domestic capital and prohibited the import of hard currency with the purpose of importing unnecessary goods, Iran could increase its exports both from the point of view of the weight of the goods as well as from the point of view of their value, and create a surprising balance in its foreign trade.

The figures below, taken from the journal of the Main Directorate of Customs, are the best evidence of the correctness of the economic policy of Doctor Mossadegh.

For comparison we cite data for 1318 (1939) which, as they say, was the best year in Iran's economy.

Numerical table of exports
from the country (besides oil and fish) for some recent years

Year	Weight (in millions of kilograms)	Value (in millions of rials)
1318 (1939)	159	804
1321 (1942)	47	558
1329 (1950)	189	3494
1330 (1951)	283	4319
1331 (1952)	351	5750

Numerical table of imports
from the country for some recent years

Year	Weight (in millions of kilograms)	Value (in millions of rials)
1329 (1950)	503	6243
1330 (1951)	354	7011
1331 (1952)	232	5031

Since in contrast to this policy of the current government the policy of the government of Mossadegh with respect to foreign hard currency was based on a defense of the interests of exporters, that is, the producers in the country, the volume of exports increased, and as a result, both the Iranian peasant and merchant exporting goods could begin more vigorous activity and get higher incomes; the policy of the current government is based exclusively on the defense of the interests of the importers, that is, of the foreign producers, and therefore every day this government speaks of reducing the cost of hard currency and, disappointing exporters and creating a deficit in the country's foreign trade, increasingly pushes the Iranian people to the edge of indigence and poverty!

According to statistical data published by the Main Directorate of Custom sin 1352 (1953), that is, in the ill-fated year of the dominance of foreign policy over Iran, the hard currency deficit in our foreign trade exceeded 7,124,000 rials. It is clear that as soon as income from oil lands in the government treasury a considerable part of it will be spend on supporting the general budget or other things unconnected with production such as paving roads, building ports, piers, and airfields, and the rest of the income will go into the pocket of a small group of swindlers and scoundrels, the value of the hard currency will drop even further, and as a result of this the volume of Iranian exports will shrink appallingly. One might think about what this government is not thinking about is about strengthening the productive power of the state and assuring the well-being of the unfortunate and oppressed Iranian people!

It is surprising that this government, not taking into account the mistaken economic policy of other governments, under that excuse that the official hard currency exchange rate has no more importance in Iranian foreign trade, intends to change this rate, which should constitute the basis of calculations for supporting paper money in the process of converting foreign capital to rials, and first of all the basis of the sale of hard currency to importers of consumer goods and industrial and agricultural equipment, and by submitting another bill on this issue to establish a higher rate and again repeat the traitorous act of Doctor Moshref Nafisi! There is no doubt that that the first consequence of this act will be the inflation of paper money, and the value of the Iranian monetary unit will be seriously damaged, which will allow this government to further increase the amount of paper money in circulation.

The "Iran" Party thinks that this act is not only treasonous but also insane, and that at a time when the government should establish a higher payment for receiving licenses to

export hard currency for a long time it should not make the slightest change in the official hard currency exchange rate, and in this case all the influential bodies and people in the state should fight this act with all [their] strength. On the other hand, the "Iran" Party will briefly state its point of view with respect to the mistaken economic policy of the government on other issues.

On Tuesday, the 18th of Aban (1333 - [Soviet] translator) (9 November 1954 - [Soviet] translator) Prime Minister Corps General Zahedi held a press conference at which Iranian and foreign correspondents were present. During a discussion of economic issues at this press conference the Prime Minister cited a whole series of childish arguments, the uselessness of which is understood by even the most ordinary person in the country. On that day Zahedi said:

"The issue which has often been discussed is the terrific rise of living expenses. This is not just peculiar to Iran. High prices exist in the whole world, and the reason for them is that the population has increased. The state of trade requires that goods become more expensive. For example, in France, whereas previously one might have been able to make some article for 20 francs, now they make this article for 1500 francs. In Britain until recently there existed a ration card system for meat and food. In response to the provocation and propaganda of a group of interested people we should say that in the country neighboring us to the north one pair of shoes costs 400 tumans in our money; however they don't have this!!"

The author of these suggestions, which are without logic from the economic point of view, is the same person whom the newspaper "Ettelat", this mouthpiece of colonization, calls in an editorial of its 23rd of Azar (14 December 1954) edition an important economist, but "Keyhan" considers him a proper Prime Minister!

Besides the unfounded arguments of Mr. Prime Minister (!) with respect to the increase of the world's population and tying this increase with the increase of the level of prices in the world in general, and in Iran in particular, another circumstance should draw attention to itself, that is, that this government is trying to justify the increase of the level of prices and living expenses in Iran which makes its presence known daily one way or another and increases the difficult burden of life's misfortunes.

As the statistical data published by the National Bank of Iran shows, the index of living expenses in the month of Mordad 1332 (July-August 1953), that is, the month that the national government of Doctor Mossadegh fell, shows the figure 960, in the month of Esfand of the same year (February-March 1954) is 1070, but in Mordad of the current year (July-August 1954), that is, a year later, it reached 1121!

In other words, living expenses of an office worker (!) (us - [Soviet] translator) in Iran during the one year in power of the government increased by 16% at a time when the level of overall income fell; the economic activity of the people contracted, and a striking imbalance was created in the country's foreign trade! As economic scholars admit, the

increase of living expenses in any country can be the consequence of one of three important reason below, one of which we will examine with relation to Iran.

First, the increase of the hard currency exchange rate influences imported goods, as a result of which prices rise. In this regard everyone knows that during the year and four months of the Zahedi government the hard currency exchange rate not only rose, but it was also so undermined that it held back the merchant exporters even more, but also as a result it [held back] domestic producers from the production and export of goods; on the other hand, it encouraged the merchant importers to import goods even more.

Customs statistics show that the size of imported goods which were only 5,031 million rials in 1331 (1952-1953 - [Soviet] translator), that it grew in 1332 (1953-1954 - [Soviet] translator), and was 15,830 million rials, that is, approximately three times more than 1331 (1952-1953 - [Soviet] translator). Thus we see that in the past year and four months these factors not only did not influence the increase of prices in Iran, but on the contrary, the level of prices rose even more with the increase of the hard currency exchange rate.

Second, the increase of the cost of living and wholesale prices is in those countries whose goods are being manufactured for consumption in Iran and sent to our country.

in order to reply to Mr. Zahedi's empty statement on this issue and also show that in no event do these factors fail to influence the increase in the level of prices in Iran, we will tell in detail and cite some statistical data taken from a recent UN publication.

According to statistical data published by the Main Directorate of Customs America has 17% in the foreign trade of Iran, Britain - 16%, the Soviet Union - 15%, West Germany - 14%, France - 3%, and Japan - 2%.

We cite in particular the figures which relate to aforementioned countries, and inasmuch as the coup d'etat of the 28th of Mordad coincided with August 1953, then we will take this month as a basis and direct readers' attention to the months before and after August.

Price index
of wholesale trade in various countries of the world (1948 = 100%)

Year	America	Britain	West Germany	France	Japan	Iran
1952	107	149	114	145	273	94
1953	105	150	111	138	277	108
August 1953	106	149	110	137	277	108
January 1954	106	149	110	138	288	126
February	106	149	110	138	287	126

1954						
March 1954	106	150	109	136	284	128
April 1954	106	150	109	137	280	130
May 1954	106	151	109	139	277	132
June 1954	105	152	109	130	278	132
July 1954	106	152	109	134	275	137
August 1954	106	150	109	136	-	137
September 1954	105	150	-	135	-	-

Pay attention to the data for France (to which the Prime Minister referred), and what was the wholesale price index here beginning with Mordad 1332 (July-August 1953). This index fell from 137 to 135.

Cost of Living Index
in various countries of the world (1948 = 100%)

Month	Year	America	Britain	West Germany	France	Iran
	1952	110	126	110	145	100
	1953	111	130	108	144	107
August	1953	112	130	108	143	107
January	1954	112	130	108	143	117
February	1954	112	130	108	144	117
March	1954	112	131	108	144	119
April	1954	112	132	108	142	129
May	1954	112	131	108	144	130
June	1954	112	132	108	144	128
July	1954	112	135	108	142	126
August	1954	112	134	108	142	125
September	1954	112	133	108	143	-

We took this statistical data of the wholesale prices and the cost of living in Iran from a UN economic publication for September 1954. At the same time we cited data about countries which influence Iran's economy in order that the Iranian people could better judge the groundlessness of the claims of senior people who have no other goal other than distorting the truth and deceiving the Iranian people, and in order that the Iranian people do not yield their fates to an even greater degree into the hands of people who are indifferent to the people's interests and are only called upon to carry out the will of foreigners.

Third, the reason which usually influences an increase in the cost of living is incorrect economic and financial policy of governments, the lack of senior officials' interest in increasing and improving production, corruption of the government apparatus, the

spread of graft and theft in administrative bodies which, taking into account the events in the country in the last year and four months, it needs to be admitted that they have occurred in our oppressed country, and are also the main factor which worsens life and gives rise to poverty with every day.

The Zahedi government, instead of using the \$100 million in gratis American aid to, on the one hand, implement production programs, and on the other, as an effective tool to reduce indirect taxes and, thus, reduce prices for consumer goods, including for sugar, tea, cigarettes, kerosene, gasoline, and, the main thing, grain, and also to follow the policy of the development of countries which produce consumer goods, that is, goods playing an important role in the daily lives of the people, and to offer so-called subsidies; on the contrary, facilitates an increase of prices and an increase of indigence and poverty with every day.

In the bill which was submitted (to the Majles - [Soviet] translator) about receiving a loan from America and Britain the Zahedi government falsely declares that it intends to use the pounds sterling and dollars received to carry out a program concerning amenities and, thus, raise the level of production in the country.

The "Iran" Party hereby declares that this government, since it does not come from the people, and its organizers do not concern themselves with the public interest and welfare of the people, is a government which put \$100 million of gratis American aid into its own pockets and the pockets of rootless charlatans; a government in which there is a lack of decency and order in the management of the country shows that corruption and graft are increasing in the entire civilian and military apparatus, people are being arrested for criticism and complaints; this government will never be able to carry out this promise. And although 10 million British pounds sterling will come to Iran, on the one hand, and \$150 million American dollars, on the other, looting will begin again, prices will rise, and what will be left for the Iranian people is the burden of paying this sum and, of course, from the income from the oil.

We expect from those who today sit on the chairs of the Majles and Senate who will approve or reject this bill that they will pay attention to the past of Iran, to the real condition of the country, to its economic, financial, and administrative situation, in particular to the entire 16-month activity of the Zahedi government, and will not act so that in the future the Iranian people will hold them responsible for the corruption of the present government apparatus and for increasing the impoverishment of the public.

May Iran live forever!

The Central Committee of the "Iran" Party

1.X.1333 (22 December 1954)

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