



Intelligence and Terrorism Information Center

Spotlight on Iran

September 2009—Shahrivar 1388
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The Supreme Leader once again threatens to suppress the regime's opponents

Supreme Leader Ayatollah Ali Khamenei took advantage of the Friday sermon in Tehran University, where he served as prayer leader last Friday, to issue yet another threat to the regime's opponents.

In his sermon, Khamenei said that disagreements within the establishment were perfectly natural and that there was nothing wrong with voicing criticism against the regime as long as it was done within the system. An opposition which operates as part of the regime does no harm and may even prove beneficial, and the regime will not take any measures against it. The regime, however, will not tolerate an opposition which violates the principles of the revolution, just as the founder of the Islamic revolution, Ayatollah Khomeini, considered some opposition figures who had lost sight of the true path as enemies. According to Khamenei, the regime will take a tolerant approach towards those whose beliefs are different from those of the regime, but will fight those who fight against the country. Criticism is tolerable, said the Supreme Leader, but attempts to topple the regime are not. The Iranian authorities will not take any measures against those who operate within the confines of the system and do not resort to violence and illegal actions, such as spreading lies and rumors, and do not disrupt the order of the society. However, the authorities will stand against those who stand against the principles of the regime and the security of the people. The country has a right to defend itself against those who accuse it of lies and false accusations, Khamenei noted.



He further added that the Iranian people have not lost faith in the regime, and that the next elections in the coming years will prove that the people still believe in the government. There are some who would rather put Khomeini's thought in the museum, but the slogans of the Islamic revolution are still valid and timeless.

Referring to the Jerusalem Day (last weekend of Ramadan) demonstrations scheduled for last weekend, the Supreme Leader warned against attempts to turn them from shows of support

for the Palestinian people into demonstrations for purposes of division and creation of internal disagreements. It should be noted that in recent weeks, the reformist opposition leaders called on the Iranian public to use the Jerusalem Day demonstrations to express their political protest of the elections (various news agencies, September 11).

Last Friday marked the second sermon led by Khamenei since the publication of the elections' results and the riots that broke out after that.

The Iranian authorities have meanwhile increased their pressure on the two reformist leaders Mir Hossein Mousavi and Mehdi Karoubi. The offices of Karoubi and his party, E'temad-e Melli, were closed down last Tuesday (September 8) on orders from the authorities, and equipment held inside was confiscated. Also arrested were three of Mousavi's close associates: Dr. Seyyed Alireza Beheshti, Morteza Alviri, and Mohammad Ozlati-Moghaddam. Dr. Beheshti, who was released this week, is the son of senior cleric Ayatollah Mohammad Beheshti, one of the leaders of the Islamic revolution of 1979 who died in a terrorist attack perpetrated at the offices of the Islamic Republic Party in June 1981 by the Mojahedin-e Khalq opposition organization. More than 70 people died in the attack, including several top officials. Morteza Alviri was the mayor of Tehran in 1999-2002, and Ozlati-Moghaddam is a former Revolutionary Guards commander who was the head of the Iran-Iraq War veterans' headquarters in Mousavi's presidential campaign.

In recent days, the government supporters have stepped up their demands to arrest Mehdi Karoubi and put him to trial for spreading lies and false accusations. This follows on the heels of a ruling issued by a three-member committee established by the judiciary chief saying that there is no truth to Karoubi's claims about acts of rape allegedly perpetrated against young men and women arrested during the riots which followed the presidential elections, and that the documents he presented with regard to that matter were false.

Senior cleric Ayatollah Montazeri calls on Shi'ite clerics to break their silence over the happenings in Iran

In a public letter published on his website on September 13, senior cleric Ayatollah Hossein Ali Montazeri called on senior Shi'ite clerics to break their silence over the political happenings in Iran.

Considered one of the Iranian regime's major opponents, the senior cleric warned that the incidents which took place in Iran in recent years were a warning sign to Shi'ite clerics and "sources of emulation", requiring them to break their silence.

In his letter, addressed to Shi'ite clerics in the Iranian cities of Qom, Mashhad, Tehran, Esfahan, Tabriz, and Shiraz and in the Iraqi city of Najaf, Montazeri wrote that the senior clerics should use their position and influence, as they have throughout history, to fight for the people and their rights, and to pull Iran out of its profound crisis. The senior clerics must live up to their responsibility and purge the religion by undoing the harm done by the regime in the name of religion—harm that runs contrary to the original objectives of the Islamic revolution. The regime is trying to exploit the silence of the senior clerics to promote its actions. If they remain silent over important developments which have to do with the honor of Islam, the realization of the people's rights, and maintaining the religious beliefs of Iran's youth, it will put the people under the impression that the senior clerics agree with the grave acts done by the regime.

The senior cleric noted that he was addressed by numerous Iranian citizens who had taken part in the Islamic revolution, who wondered whether the current Iranian regime was the same religious regime promised during the revolution. According to Montazeri, the present regime is not a "guardianship of the jurispudent" but rather a military rule.

The people expect the senior clerics to live up to their historical responsibility, to preserve the sanctity of Islam, to defend citizens' rights, to promote religious principles in view of the anti-religious acts carried out on behalf of the regime, and to publicly declare their opposition to such acts.

Montazeri expressed his disgust with the oppression and the human rights violations perpetrated in recent months in the name of the religion with the approval of a small part of the regime's clerics and their associates. He also strongly criticized the wave of arrests and the show trials held in recent weeks against those detained in the riots, saying they were against the law and Islamic jurisprudence.

Montazeri concluded the letter by addressing the leaders of Iran, calling them to acknowledge the errors they had made and show respect to the people (www.amontazeri.com, September 13). Shortly after his letter was published, several Iranian websites associated with opposition elements reported that the cleric's three grandchildren had been arrested by the authorities in the city of Qom (Roos Online, September 15).



From Ayatollah Montazeri's official website, www.amontazeri.com

Ayatollah Montazeri, 87, is one of the most highly regarded Shi'ite clerics currently residing in Iran. In the 1980s he was looked upon as the potential successor of Ayatollah Ruhollah Khomeini, the leader of the Islamic revolution, but the latter deposed him in 1988 for criticizing the regime's policy and even questioning the concept of "guardianship of the jurispudent" (*Velayat-e Faqih*). In 1997 Montazeri was put under house arrest and was subsequently released in January 2003 due to a medical condition. In recent years he has once again expressed strong criticism of the Iranian authorities and the way Iranian affairs are handled.

Last July Montazeri issued a religious ruling stating that a government which acts contrary to justice and is based on using force or forgery is illegitimate. That ruling was perceived as Montazeri's denying the legitimacy of the present Iranian regime, headed by Ali Khamenei.

Editorial published on a conservative website: Iran must consider withdrawing from the NPT in case the sanctions are toughened

Last weekend, Asr-e Iran, a website associated with the pragmatic conservative faction, published an editorial written by political commentator Esmail Saltanatpour, titled: "Suspending the NPT: Iran's Possible Reaction to Toughening the Sanctions".

According to the author of the article, Iran is currently facing the possibility that the sanctions against it are going to be toughened. This has to do, among other things, with the increasing hostility of the governments of Germany and France towards Iran. Iran also cannot count on the support of Russia and China, since they have proven over the years that their policy is based on interests and they even use Iran as a bargaining chip in their dealings with Western powers.

In recent years Iran has not missed a single chance to engage in a dialogue with the West, the article says, and sometimes it even appeared that Iran's need of those talks was greater

than that of the West. This may have been true in the first years after the exposure of its nuclear program, but at present there is no longer any justification for that. There is currently no evidence to suggest that Iran's nuclear program is meant for military purposes, and the world public opinion no longer views Iran as guilty with regard to its nuclear program. IAEA reports have also indicated time and again that there is no indication that Iran's nuclear program is meant for military purposes.

Nevertheless, over the past several years the UN Security Council has passed three decisions imposing sanctions on Iran. According to the author of the article, the question is not the impact of the sanctions, which is limited, but rather the policy implemented by the international community towards Iran, which has signed the NPT and, according to that treaty, has the right to pursue a nuclear program and even receive the IAEA's assistance in its promotion.

Unlike such countries as India, Pakistan, and Israel, which conceal their nuclear activities and have not signed the NPT, Iran did join the treaty. It is that very fact, however, that is used by the West to exert pressure and make threats against Iran regarding the nuclear issue. Even North Korea, which has made nuclear experiments, does not face the threats and sanctions faced by Iran.

It is possible, according to the article, that up to several years ago a withdrawal from the NPT would have been viewed as an attempt by Iran to conceal its nuclear program. However, it is time that Iran learned the lesson from the fate that befell Iraq and took into consideration Western policy towards Iran following its attempts to build trust with the West, as well as the repeated Security Council resolutions against it. Iran must also limit monitoring activities on its nuclear facilities and, in case the sanctions against it are toughened, to withdraw from the NPT and expel the IAEA inspectors from its territory.

There is no reason for Iran to remain a member of the treaty. Not only will it not be able to use its membership benefits to secure the IAEA's cooperation to promote its nuclear program, its membership will also be used to step up the sanctions, restrictions, and threats against it. It is necessary to wait and see what will happen in late September, when the ultimatum given to Iran by the West expires, the author of the article concludes, and what will be Iran's response to the expected developments (Asr-e Iran, September 12).

Fighting inflation: Iran to take three zeros off the local currency

This week, the governor of the Central Bank of Iran Mahmoud Bahmani announced the bank's final decision to take three zeros off the local currency (Rial). He noted that the special committee established to investigate the matter reached a final decision and came to the conclusion that it was a beneficial idea. He noted, however, that no date has been set for the decision's implementation (ISNA, September 12).

The plan to lop three zeros off its currency was conceived about two years ago as part of the efforts to battle the Iranian inflation crisis, which strongly devalued Iran's currency in recent years. Last year, the deputy governor of Iran's Central Bank assessed that a 10,000 Rial bill (about one dollar) was equal to 25 Rials thirty years ago in terms of its buying power. In view of the significant increase in Iran's inflation rate (over 20 percent), the Bank of Iran was forced to issue bills for higher sums than in the past. Bills worth 50,000 Rials were first issued in early 2008.



In August 2008, the government established a special committee to look into the consequences of a monetary reform in which three or four zeros would be dropped off the currency. The appointed committee members included over 50 economists, academia members, and directors.

The plan's supporters claimed that dropping the zeros would have a beneficial effect on curbing inflation, similarly to other countries which had taken a similar measure, such as Turkey. The opponents of the plan, however, claimed that if the government's economic policy remained unchanged, the reform would have no influence on the inflation, and that Turkey only made a reform in its currency after it had inflation under control.

There has been a slight drop in Iran's inflation rate in recent months; however, economists claim that the trend has to do with the influence of the global financial crisis on Iran's economy rather than with the success of the government's policy to curb inflation. Last month, the inflation rate reached an annualized 20.2 percent. In a meeting held last week

between the Supreme Leader and President Ahmadinejad and his new cabinet ministers, Khamenei once again stressed the need for finding a solution to the inflation problem.

Public offering of shares of Iran Telecommunication Company, the biggest transaction ever in the history of the Iranian stock market, postponed once again

The public offering of Iran Telecommunication Company on Tehran's stock market has been postponed this week for the second time in a row. The offering of 50 percent of the company's shares plus one share, which was postponed from September 8 to 16, was supposed to be the biggest transaction in the history of the Iranian stock exchange.

The company's shares were supposed to be offered to private investors at a total cost of 7.9 billion dollars (about 35 cents per share). The postponement of the offering was announced on Tuesday (September 15) by the deputy director of Iran Privatization Organization. No new date has been set for the offering (various news agencies, September 15).

The offering of Iran Telecommunication Company shares is part of the company's privatization process, which started selling five percent of its shares to stock exchange investors last summer. An additional five percent of its shares were sold to the company's employees, with another 20 percent sold as "justice shares" (shares offered by government companies slated for privatization at discount prices for low-income individuals). When the privatization is complete, only twenty percent of the company's shares will remain in the government's possession (Mehr, September 13).

The privatization of Iranian government companies was accelerated over the past years in accordance with an amendment of Clause 44 in Iran's constitution, which allows the privatization of government-held assets.



Tehran's stock exchange

In the past several weeks, various reports have appeared about the potential buyers of Iran Telecommunication Company shares. According to some of the reports, some of the

companies that have expressed interest in purchasing the company's shares are associated with the Revolutionary Guards.

The economic daily Donya-ye Eqtesad reported last week (September 9) that the potential buyers of Iran Telecommunication Company shares include the two corporations Pishgaman Kavir Yazd and Toseye-ye Etemad Mobin. The latter is a consortium made up of two investment companies: Toseye-ye Etemad and Shaharyar Mahestan, as well as a communications and electronics company called Iran Mobin. According to the daily, the two investment companies operating within the framework of the consortium are associated with the Revolutionary Guards' Cooperation Fund, made up of dozens of economic and trade companies involved in various spheres of Iran's economy.

Pishgaman Kavir Yazd, a cooperation involved in various projects on Iran's communications market, consists of 12 cooperatives and 3 investment companies. The economic daily also reported that Mehr Eqtesad Iranian, a company also associated with the Revolutionary Guards, was interested in purchasing the shares as well.

If the company's shares are indeed purchased by Revolutionary Guards-controlled companies, it is going to be yet another significant step in the increasing involvement of the Revolutionary Guards in Iran's economy. In recent years, a series of franchises for developing oil and gas fields in Iran have been given to Khatam ol-Anbiya, a company owned by the Revolutionary Guards. Also, several companies owned by the Revolutionary Guards have won tenders for numerous projects in the spheres of infrastructure, development, transportation, and construction.

Picture of the week: Simon Gass, Britain's new ambassador in Tehran, presents his credentials to President Ahmadinejad



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