



## Intelligence and Terrorism Information Center



### Highlights of the week

- ✓ Increasing concern over impact of escalating sanctions against Iran
- ✓ Slip of the tongue or figment of the imagination? President's office chief comments on possibility of enriching uranium to 100 percent
- ✓ Iranian press warns about "Western-Zionist scheme" against Hezbollah following meeting of Syrian, Lebanese, and Saudi Arab leaders in Beirut
- ✓ Controversy ensues as Guardians Council chairman accuses opposition of receiving funds from US
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### Increasing concern over impact of escalating sanctions against Iran

The European Union's decision last week to approve a new package of severe sanctions against Iran's commerce, finance, energy, and transportation sectors has been extensively covered on Iranian media this week. Commenting on the EU's decision, most senior officials and media in Iran stressed that the new sanctions are not enough to cause damage to Iran's economy, going as far as to discuss the sanctions' inherent advantages.

This week, the Iranian president referred to the escalation of sanctions against Iran as a "political game". Speaking at a weekly government meeting, Ahmadinejad said that Iran's

enemies are opposed to the development of the country, attempting to portray it as being weak in order to persuade the Iranian people to surrender. He stressed that Iran has no intention of backing down from its position, further adding that the Iranian people must turn the threats they are facing into opportunities (various news agencies, August 1).

Minister of Commerce Mehdi Ghazanfari has also addressed the escalation of sanctions against Iran, saying that they would have no impact whatsoever on Iran's economy or its commercial activities. He noted that Iran currently exports its products to more than 160 countries worldwide, and that it is business as usual as far as Iran's commerce and banking relations are concerned. Speaking about the possibility of an embargo on gasoline exports to Iran, the minister said that Iran has no problem of being self-sustaining in terms of its own energy needs, and that sanctions on gasoline exports would only turn Iran into an exporter of gasoline itself (ISNA, August 2).

The chairman of the Majles Industry and Mines Committee also played down the significance of the sanctions. In an interview to the conservative news agency Fars, Hossein Hashemi said that over the past thirty years the Iranian people have demonstrated their ability to successfully deal with economic sanctions. If managed correctly, he said, the sanctions may even boost domestic production and self-reliance. He specified the possible ways of dealing with the escalating sanctions, including: increasing reliance on domestic industry by imposing restrictions on import of products from countries cooperating with the West, strengthening the private sector, raising funds from local companies and expanding their involvement in local projects, and reducing government bureaucracy so as to make it easier for local companies to widen their economic activities (Fars, August 2).

In contrast, reformist Majles member Mohammad Mehdi Shahriari said this week that the sanctions have negative consequences for civilians and for Iran's status. In an interview granted to a newspaper in North Khorasan Province, Shahriari said that the idea that the sanctions encourage local production is no longer relevant in view of the fact that the progress of countries now depends on international economic and cultural cooperation. According to Shahriari, the impact on the activity of international companies in Iran's energy sector is leading to a significant increase in unemployment and a decrease in state revenues (Mardomak, August 2).

The two reformist opposition leaders Mir-Hossein Mousavi and Mehdi Karoubi have also expressed concerns this week over the escalating sanctions. During a meeting between the two, Mousavi stated that the sanctions are likely to have a severe impact on the Iranian

people, mainly on laborers, farmers, and the weaker sectors of society, and to exacerbate the already severe economic problems currently plaguing the country (Jaras, August 2).

The Iranian press has provided extensive coverage of the escalation of sanctions against Iran. An editorial published by the conservative daily Tehran Emrooz discusses the positive consequences of the sanctions, claiming they make it possible to bring the hidden talents of the Iranian people to the forefront and make better use of the capabilities found in Iran. Thanks to the sanctions, Iran may achieve significant technological, industrial, economic, and even financial progress in the near future. According to the daily, the increase of industrial production capability, the scientific progress, and even the Tehran stock exchange gains are all signs of the beneficial effects of the sanctions. They have required Iran to cut down or even terminate its technological and economic dependence on Western countries, and may become an opportunity for growth for Iranian society, as well as economic and technological progress for the entire global Islamic front (Tehran Emrooz, August 2).

An article by top reformist economist and activist Sa'id Laylaz, published this week in the daily Sharq and cited on the website Asr-e Iran (August 2), also says that the sanctions are useless and that they will have no effect on Iran's economy or its nuclear program. According to Laylaz, there are no historic precedents of a country collapsing or giving in due to severe sanctions, the best example of that being Cuba. He added that Iran has been facing tough sanctions for years. Nevertheless, it has extensive official and non-official trade relations with other countries, which it is able to maintain through its long sea and land borders, the majority of which cannot be monitored. Laylaz added that the escalating sanctions may lead to increases in the prices of imported goods, thus contributing to the increase of Iran's local industrial production, similarly to the situation during the Iran-Iraq War. Laylaz further stated that the sanctions may have long-term effects; however, since the Iranian nuclear program is designed for the short term (or mid term at best), the use of sanctions to curb it is inappropriate and ineffective.

Meanwhile, the Committee for Lessening the Economic Effects of the Sanctions on Production and Commerce convened for the first time in the Esfahan Trade Chamber this week. Committee chairman Reza Khayamian said that the different aspects of the sanctions must be considered on the national and the provincial levels in order to reduce their negative impact on Iran. The committee discussed various ways that may alleviate the sanctions' effects on the commercial sector, including: lowering interest rates, increasing government support of local companies, and providing benefits and tax advantages to exporters (Mehr, August 2).

## **Slip of the tongue or figment of the imagination? President's office chief comments on possibility of enriching uranium to 100 percent**

At a lecture to young Education Ministry advisors held last Saturday, President Ahmadinejad's office chief Esfandiar Rahim Masha'i spoke about a visit held by the president on February 7, 2010 at the Iranian laser technology achievements exhibition. According to Masha'i, during the visit the president discussed the possibility of enriching uranium to 100 percent, the level needed to produce a nuclear bomb. Masha'i noted that the president had said that sentence to put the West to a test and see how concerned they are (i.e., the West) about the possibility of Iran manufacturing a bomb. According to Masha'i, the president's statement stirred no strong reaction on any Western media, indicating that the West was not really concerned about Iran manufacturing nuclear weapons. Masha'i further stated that laser activity may help enrich uranium for manufacturing a nuclear bomb, but is economically unfeasible. He also said that some personalities in Iran call for Iran's nuclear activity to be carried out covertly, and that Ahmadinejad will reveal their names in the future (Mehr, July 31).



In their reports about Masha'i's lecture, most news agencies, including the official news agency IRNA and the semi-government news agency Fars, left out his statement on what Ahmadinejad supposedly said during his visit to the laser technology achievements exhibition.

Media reports published in Iran after the president's visit to the exhibition in February 2010 contained no confirmation of Masha'i's statement on Ahmadinejad's supposed mention of the possibility of enriching uranium to 100 percent. The president's official website does not address that issue either. The report published on the website about the president's speech to the exhibition goes only noted that the president had instructed the head of the Atomic Energy Organization to start enriching uranium to 20 percent, saying that Iran had no intention of using laser technology to enrich uranium, even though such a possibility existed ([www.president.ir](http://www.president.ir), February 7, 2010).

Farda, a website affiliated with Ahmadinejad's political opponent, Mayor of Tehran Mohammad Baqer Qalibaf, was the only one to comment on Masha'i's statement this week. The website strongly criticized the president's office chief, claiming he had exposed information contradicting the regime's official stance on Iran's nuclear activity. The website expressed confusion over the statement, mentioning that it was only three years ago that the president had referred to elements inside Iran transferring to the West secret information on the nuclear program and called on the Ministry of Intelligence to expose those elements. Farda advised Masha'i to limit his statements to issues that concern his responsibilities as the president's office chief, and even questioned whether he was qualified enough for that position (Farda, August 1).

Masha'i is a controversial personality in Iran. After the last presidential election, the president was forced to reconsider his intention to appoint Masha'i as his deputy following a direct instruction from the Supreme Leader and due to strong resistance sparked by the appointment in the political system. The resistance was motivated, among other things, by Masha'i's statement last year that Iran is a friend of all the nations in the world, including the nation of Israel.

### **Iranian press warns about "Western-Zionist scheme" against Hezbollah following meeting of Syrian, Lebanese, and Saudi Arab leaders in Beirut**

The meeting held last week in Beirut and attended by the leaders of Syria, Lebanon, and Saudi Arabia, was convened to discuss the coming publication of the report on the murder of former Lebanese PM Rafiq Hariri, drawing a great deal of interest from the Iranian press.

The conservative daily Keyhan summarized the visit of King Abdallah of Saudi Arabia to Damascus and Beirut as a failure for the policy of the US, Israel, and Saudi Arabia, designed to hit Hezbollah. In a commentary article published by the daily earlier this week, Keyhan claimed that all evidence indicates that the king has failed in his attempt to persuade the leaders of Syria and Lebanon to exert pressure on Hezbollah and strengthen the position of the March 14 Coalition in view of the soon-to-be-published report on the murder of Hariri. According to the daily, Bashar Assad's statement on his continuing commitment to Hezbollah reflects the failure of the "Zionists", who hoped that Saudi Arabia would be able to achieve its objectives in Lebanon and allow them to carry out their scheme of weakening Hezbollah and destabilizing Lebanon, taking advantage of the coming international report (Keyhan, August 1).



The conservative daily Jomhuri-ye Eslami also took a critical approach towards Saudi Arabia, accusing it of cooperation with the US and Israel, which proceed with their scheme of exploiting Hariri's murder to hit and disarm Hezbollah. After Israel's defeat in the second Lebanon war, it once again attempts to take advantage of the coming report on the murder of Hariri to achieve its objectives in Lebanon. Instead of opposing that scheme, Arab leaders act like traitors and collaborate with the Zionists in the perpetration of their plan. The daily also wondered about Syria's participation in the Beirut talks, attended by the Saudi king, claiming those talks were a threat for Lebanon. The assessment of Jomhuri-ye Eslami, however, was that the Lebanese resistance would ultimately prevail and that the Zionists and their supporters on the international scene and in the Middle East would be defeated once again (Jomhuri-ye Eslami, August 1).

The daily Tehran Emrooz also warned about King Abdallah's visit to Syria and Lebanon, arguing that it aimed to disband the "anti-Zionist" coalition between Syria, Iran, and Hezbollah. The daily claimed that the king had delivered a message from the president of the US to the president of Syria designed to persuade him to terminate political and economic cooperation with Iran in exchange for economic assistance (Tehran Emrooz, July 31).

The reformist daily Mardom Salari, however, commended the three leaders' meetings in Beirut, assessing that they were aimed at preventing the outbreak of a new political crisis in Lebanon. According to the daily, the Lebanese government's agreement to cooperate with the report of the international inquiry into the murder of Hariri and to take action against Hezbollah may reawaken Lebanon's internal conflict; the visit of the leaders of Syria and Saudi Arabia to Beirut was designed to prevent such a possibility in view of concerns in the Middle East over a Western plot to implicate Hezbollah in Hariri's murder, which may lead to yet another crisis in Lebanon and in the entire Middle East (Mardom Salari, July 31).

## **Controversy ensues as Guardians Council chairman accuses opposition of receiving funds from US**

Guardians Council chairman Ayatollah Ahmad Jannati provoked a controversy last week after accusing the reformist opposition leaders of receiving one billion dollars from the US to push forward the plan of toppling the Iranian regime.

Speaking at a religious ceremony in the city of Qom marking the birthday of the Vanished Imam, Jannati claimed that a document he had received showed that the Americans had transferred the funds to the opposition leaders through the Saudis, saying they acted in the capacity of US agents in the region. The top cleric also claimed that Saudi Arabia promised to pay the opposition leaders another 50 billion dollars if they succeed in toppling the regime (ILNA, July 27).

Jannati's statements provoked angry reactions from the reformist opposition. In a strong-worded letter sent by Mehdi Karoubi to Jannati, the opposition leader accused the Guardians Council chairman of exploiting his power to spread incitement and make baseless allegations. Karoubi also blamed Jannati for forging the presidential election results and brutally suppressing the public protest which followed. In his letter, Karoubi says that if the opposition leaders are the "heads of incitement", as alleged by Jannati, then Jannati himself has had a hand in silencing the voice of the Iranian people and supporting those responsible for their violent suppression. Karoubi notes that he intends to file a complaint against Jannati to the judiciary for spreading lies and false claims. He calls on Jannati to present the evidence allegedly confirming his statements; otherwise he will use all means available to expose his lies in public. Karoubi concludes his letter by calling on Jannati to learn the lesson from Iranian history, mentioning that after Khomeini's botched uprising attempt in 1963, the Shah's regime spread lies against him, claiming that he had received a large sum of money from the then Egyptian president Gamal Abdol Nasser through one of his agents. Jannati must beg God for forgiveness and the Iranian people for mercy (Jaras, July 29).

The reformist Islamic Participation Front also released a harsh response to the statement made by the Guardians Council chairman. In a special memorandum of opinion, the front accused Jannati of spreading lies, demanding that the judiciary investigate his allegations and announce the punishment awaiting him if it turned out they were false. According to the front, Jannati would not have dared making such claims had he not been protected by the "ironclad immunity" (Jaras, July 30).

Asr-e Iran, a website affiliated with the pragmatic conservative camp, also criticized Jannati's statements. If the claims are true, the website says, then it is an act of betrayal against the

country and the nation, and the judiciary must investigate the issue. If those are false allegations, however, then it is a serious issue which creates unnecessary tension in the country and requires that legal action be taken against him (Asr-e Iran, July 29). It came as no surprise, however, that the conservative daily Keyhan came to Jannati's defense, accusing the opposition leaders of collaboration with foreign intelligence services and receiving financial assistance from the West in order to act against the regime (Keyhan, July 31).

### **Bikers anger Iran's conservatives**

Ali Zangi Abadi, the chairman of the Iranian Cycling Federation, has announced this week that two members of the Iranian cycling delegation, which recently took part in an international competition in China, have been summoned to a disciplinary committee. The announcement was given after the conservative website Reja News published photographs showing the delegation members opening a bottle of champagne in front of reporters after winning the competition.



The website said that the cyclists' behavior was "unreasonable and anti-Islamic", claiming that members of the Cycling Federation were unable to provide convincing explanations to justify the delegation's behavior. The website noted that it was only after several complaints that the heads of the Cycling Federation announced that the delegation members were summoned to a disciplinary committee, and that they only did so to escape responsibility. The website issued a call to take strong measures against the federation directors to avoid offending moral and religious values in sports (Reja News, July 29).

An announcement released by the Cycling Federation chairman following the publication on the website says that, prior to the competition in China, the delegation members had been explicitly told to act in accordance with the values of Islam; unfortunately, however, they did not heed the warnings and the federation therefore intends to investigate the issue (IRNA, July 31).



Meanwhile, Seyyed Ahmad 'Alam al-Hoda, conservative cleric and Friday prayer leader in the city of Mashhad, voiced strong criticism over the participation of women in cycling competitions. He stressed that Islamic religious law categorically prohibits women from taking part in that kind of sport, and that broadcasting women's cycling competitions on television offends the values of the Iranian society, which, as he put it, must serve as a shining example of Islamic society (ISNA, July 30).

For years, the participation of women in cycling competitions has been the subject of debate in Iran. In the '90s, it was Faizeh Hashemi, the daughter of former president Ali-Akbar Hashemi Rafsanjani, who encouraged women to ride bicycles during her time as chief of the Iranian Olympic Committee for Women. Even then, her views on the issue drew strong resistance from conservative circles and clerics in Iran. In 2007, Iranian media announced the development of a special "Islamic bicycle" for women. The bicycle was specially designed to allow women cyclists to conceal their legs using a special compartment.

### Pictures of the week: posters encouraging Islamic dress code



From the Iranian website [www.hijab-poster.ir](http://www.hijab-poster.ir)