



**The Meir Amit Intelligence
and Terrorism Information Center**



Highlights of the week

- ✓ President Ahmadinejad makes historic visit to Lebanon
- ✓ Supreme Leader to visit city of Qom early next week amidst reports of tensions between government, religious establishment
- ✓ Supreme Leader issues decision on conflict between Ahmadinejad and Rafsanjani over Azad University; both sides claim victory
- ✓ Countdown begins to implementation of subsidy policy reform
- ✓ Revolutionary Guards' involvement in economy: Khatam-ol Anbiya' Corporation to take part in newly-launched project to construct Iran's largest highway
- ✓ Pictures of the week: President Ahmadinejad makes historic visit to Lebanon

Supreme Leader to visit city of Qom early next week amidst reports of tensions between government, religious establishment

While top clerics affiliated with the reformist bloc increasingly challenge the Supreme Leader's leadership and religious authority, Ayatollah Ali Khamenei is to hold a several-day visit next week (October 19) to the center of the religious establishment in the city of Qom. It is Khamenei's third official visit to Qom since his appointment to Supreme Leader in 1989, and his first since 1995.

On the eve of the visit, government supporters exerted considerable efforts to have the religious establishment in Qom put on a show of support for Khamenei and his leadership. The official news agency IRNA reported last week that Qom's residents and religion students were excited and happy about the Supreme Leader's coming visit. Also according to the report, top religious officials and religion students at the city's seminaries prepare to welcome Khamenei, whose visit will include meetings with top clerics, religious seminary students, martyrs' families, and senior officials. The news agency said that hundreds of thousands of civilians from Qom and neighboring provinces will welcome the Supreme Leader (IRNA, October 6). RASA, a news agency closely associated with the religious establishment in Qom, announced this week that a special popular committee has been established in the province by the religious bodies to organize the reception for the Supreme Leader (RASA, October 10).

In recent days, top pro-government clerics have announced their support for Khamenei and his leadership. Tehran Friday prayer leader Ayatollah Ahmad Khatami expressed support for the Supreme Leader during his Friday sermon at Tehran University and issued a warning about attempts by Iran's enemies to weaken the rule of the religious jurisprudent and stir tensions between the religious establishment and the Islamic regime. He noted that the religious seminary in Qom and the city's clerics fully endorsed the regime, and that Khamenei had the religious authority of "source of emulation" (*Marja'-e Taqlid*) (Fars, October 8).

Top conservative cleric Ayatollah Hossein Nouri Hamadani also declared his unequivocal support for Khamenei. Speaking at a meeting with students in Qom, Nouri-Hamadani said that with the Vanished Imam gone, the fate of the people rests with a cleric of Khamenei's qualifications (Fars, October 7). Guardians Council Chairman Ayatollah Ahmad Jannati also had praise for Khamenei's leadership. In a speech given this week in the city of Esfahan, Jannati claimed that his leadership ensured the success of the efforts to put out "the fire of incitement" which Iran's enemies had been trying to light this past year (following the presidential election) (Fars, October 10).



Meanwhile, Jaras, a website affiliated with reformist opposition leader Mir-Hossein Mousavi, reported that Khamenei's visit to Qom will likely be marred by heightened tensions between top clerics and the authorities over the regime's attempts to strengthen its hold on the religious seminaries in Qom by placing them under the authority of a council headed by the director of Qom's religious seminaries, Ayatollah Morteza Moqtada'i, appointed by Khamenei. According to Jaras, some of the council members belong to Iran's security forces or the Revolutionary Guards. The website reported that several top clerics, including Ayatollah Lotfollah Safi-Golpayegani, Ayatollah Hossein Vahid Khorasani, and Ayatollah Abdolkarim Mousavi Ardebili have been vehemently opposed to the plan to subject the religious seminaries to a government-affiliated council, and called for their independence to be preserved. The website further reported that one of the objectives of the Supreme Leader's visit to Qom was to obtain the top clerics' recognition of Khamenei as a "source of emulation" (Jaras, October 7).

Earlier this week, several websites affiliated with the reformist opposition reported that Khamenei's visit to Qom had been postponed after several top clerics refused to welcome him and take part in a sermon he intended to deliver during his stay there.

Supreme Leader issues decision on conflict between Ahmadinejad and Rafsanjani over Azad University; both sides claim victory

In a letter published this week by the Supreme Leader, Ayatollah Ali Khamenei ruled that the decision of the Azad University board of trustees to declare the university grounds as an Islamic endowment (*waqf*) was illegal and should therefore be revoked. Khamenei thus took President Ahmadinejad's side in his bitter conflict with Ali-Akbar Hashemi Rafsanjani, the leader of the Assembly of Experts and the Expediency Discernment Council. In his letter, Khamenei stated that legal teams that looked into the religious and legal aspects of the decision made by the board of trustees found it to be legally problematic and that the board was not authorized to make it.

On the other hand, the Supreme Leader also instructed to reexamine amendments recently introduced in the Azad University regulations by the Supreme Council of the Cultural Revolution, headed by President Ahmadinejad, whose aim was to increase government involvement in the university's affairs (Mehr, October 11).



The dispute over Azad University between Ahmadinejad and Rafsanjani, who is also chairman of the university board of trustees, has been going on since Ahmadinejad's election for president in 2005. Ahmadinejad claimed that Rafsanjani and those board members closely associated with him took advantage of their position to promote political interests, going as far as to accuse them of corruption. After the last presidential election, the president accused Rafsanjani and university president Abdollah Jasbi, considered to be Rafsanjani's political ally, of using university resources to help reformist opposition leader Mir-Hossein Mousavi. According to sources close to the president, the university directors actively and publicly endorsed Mousavi's candidacy and even organized students for political activity to support him.

To restrict the government's ability to interfere with university affairs, the board of trustees announced about a year ago a decision to declare the university's property an Islamic endowment. The purpose of such a declaration was to keep the government from taking over the university and its property. After the decision was announced, the president, in his capacity as chief of the Supreme Council of the Cultural Revolution, made two amendments in the university regulations. The amendments were aimed to significantly increase the power of government representatives and the president-led council in university affairs at the expense of its board of trustees. The amendments also put a limit on the tenure of Abdollah Jasbi, the current president of the university.

By deciding to revoke the decision made by the university board of trustees to turn university property into a "waqf", the Supreme Leader took Ahmadinejad's side in his conflict with Rafsanjani. His demand to abolish the change made to the university regulations by the Supreme Council of the Cultural Revolution, however, will likely severely diminish the government's ability to meddle in university affairs in the future, and is therefore considered

to be an achievement for Rafsanjani. Once again it appears, therefore, that in the current political conflict the Supreme Leader avoided categorically taking the side of either of the two political opponents.

Following Khamenei's ruling, Rafsanjani's website published a fragment from a press interview given by Rafsanjani several months ago, in which he claimed that Ayatollah Khomeini, the founder of the Islamic revolution, had supported his initiative to establish an independent, non-government-run university (Aftab, October 12).

Countdown begins to implementation of subsidy policy reform

The chairman of the Subsidy Policy Reform Organization has announced this week that in the coming days the government will begin depositing cash benefits in the accounts of Iranian citizens as part of the reform plan. In an interview to Fars News Agency, Behrouz Moradi said that the funds will be deposited in five stages and in accordance with a regional division under which Iran's 31 provinces have been divided into five different regions. During the first stage, funds will be deposited in the accounts of Iranians residing in the nine provinces of Gilan, Elam, North Khorasan, Ardabil, Semnan, Sistan-Balouchistan, Kohgiluyeh va Buyer Ahmad, Mazandaran, and Hormozgan. The citizens of Tehran Province are part of the fifth and final stage of the program (Fars, October 11).

Welfare and Social Services Minister Sadeq Mahsouli also addressed the coming implementation of the reform plan, saying that the deposition of the funds in the bank accounts of Iranian citizens will likely take place before the increase in energy prices, which are expected to rise after the subsidies are eliminated. In an interview to Mehr News Agency, Mahsouli said that the funds will be deposited in the course of the coming month. He did not specify, however, the exact date on which Iranians can withdraw the cash benefits from their accounts (Mehr, October 11).

Mohammad Reza Farzin, the spokesman for the Headquarters of Economic Transformation, said that as of next week the government will send the public daily notifications on the media about the implementation of the reform plan. It was his assessment that an announcement on the new electricity and gas prices will be released as early as next week. According to Farzin, the government has so far avoided publicly releasing information about the new prices to maintain the stability of Iran's economy (Mehr, October 11).

Meanwhile, some of Iran's political officials have recently once again expressed reservations about the coming subsidy policy reform. Expediency Discernment Council chairman Mohsen Reza'i suggested several amendments in the reform program to adjust it to the economic

sanctions recently imposed on Iran. According to Reza'i, the program must be modified so that most of the revenues from the elimination of the subsidies go towards encouraging manufacturing and employment rather than routine consumption (Mehr, October 11).

Several Majles members have even called on the government this week to delay the implementation of the program. Majles Energy Committee member Emad Hosseini said that the implementation of the subsidy reform must be delayed until after the completion of the program for the improvement of consumption habits, currently under review by the Majles. At the same time, members of the Majles Foreign Policy and National Security Committee sent President Ahmadinejad a letter calling him to inform the public about the program in order to encourage Iranians to support its implementation. Committee deputy chairman Hossein Ebrahimi said that according to information the committee has received, foreign and domestic hostile elements are attempting to hinder the subsidy reform, which is why the government must act in a completely transparent manner with regard to its implementation (Mehr, October 10). Internal security forces chief Esmail Ahmadi-Moqaddam has recently issued a warning about the opposition's intent to foment strife and organize strikes and demonstrations as soon as the implementation of the program begins. He warned that the internal security forces intended to suppress any attempts to take advantage of the subsidy policy reform to spark riots.

The reformist daily Mardom Salari has criticized the statements made in recent weeks by top Iranian officials regarding the alleged intent on the part of hostile elements to thwart the implementation of the reform program. An editorial published by the daily claimed that the Iranian public is already concerned enough about the possible implications of the program, and that it is therefore inappropriate for the government to further increase the citizens' anxiety by spreading dubious statements. The government must avoid making statements about various elements' intents to thwart the implementation of the program, or at least to provide clear information about those intents to the judiciary to avoid jeopardizing the program's success (Mardom Salari, October 10).

Revolutionary Guards' involvement in economy: Khatam-ol Anbiya' Corporation to take part in newly-launched project to construct Iran's largest highway

A project called "Shrine to Shrine" was launched earlier this week in an inauguration ceremony attended by President Ahmadinejad. The project involves the construction of a six-lane highway with a total length of over 600 mi connecting Qom, Tehran, and Mashhad. The ceremony was also attended by representatives from the Transportation Ministry, Melli Bank, and Khatam-ol Anbiya', the Revolutionary Guards' construction corporation. According to

Iranian media reports, the Transportation Ministry will be responsible for about half of the project, while the other half will be shared by Melli Bank and Khatam-ol Anbiya'. The estimated cost of the project is 13-15 billion dollars.

In a speech given at the ceremony, Ahmadinejad praised all those involved in the project, mainly the Khatam-ol Anbiya' corporation. The president said that the country's development is the greatest mission of the Iranian people and may be an example for the rest of the world to follow. Speaking about the Revolutionary Guards' construction corporation, which is involved in the project, the president said that "the revolutionary forces of Khatam-ol Anbiya'" fulfill an admirable part in the development of the country, maintaining speed, high quality, and low costs throughout the execution of the projects (www.president.ir, October 9).



Khatam-ol Anbiya' commander Rostam Qasemi said at the ceremony that the highway between Qom and Mashhad will be the largest ever in Iran and in the whole world. He had praise for the president and his government for launching the project, saying that the Revolutionary Guards' construction corporation will continue its involvement in projects for the development of the country. According to Qasemi, the corporation under his command is currently responsible for constructing about 3500 mi of highways and over one thousand miles of railways across Iran (Fars, October 9).

Khatam-ol Anbiya' was established in 1989, following the Iran-Iraq War, to help rebuild the country. After the war, the corporation expanded into construction, transportation, industry, agriculture, gas, and petroleum. In recent years, the corporation has won billions of dollars' worth of tenders in various fields, including the construction of dams, water supply systems, highways, tunnels, and petroleum and gas pipelines, as well as the development of oil and gas fields. There are currently over 800 firms in the corporation. Last November, the corporation won a \$2.5-billion tender to construct a railroad network in the free trade zone in Chabahar (southeast Iran). Several months ago it was reported that the development of several phases in the South Fars oil field was awarded to the corporation after Turkey, the

Dutch Shell and the Spanish Repsol pulled out their investment in the expansion of the oil field. The corporation's increasing penetration into the Iranian economy has been criticized by various members of the Iranian political system, who have spoken out against the increasing involvement of the Revolutionary Guards in the economy.

Pictures of the week: President Ahmadinejad makes historic visit to Lebanon

