

Iranian president faces mounting internal opposition

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As the US administration intensifies pressure on Iran, President Mahmoud Ahmadinejad is facing growing criticism at home from sections of the country's ruling elite over his uncompromising statements on Iran's nuclear programs as well as over his populist economic measures.

The US pushed a resolution through the UN Security Council on December 23 condemning Tehran for failing to shut down its uranium enrichment facilities and imposed sanctions on the sale of nuclear and ballistic missile technology to Iran. Since then, Washington has stepped up its own campaign to bully countries, banks and oil corporations into cutting financial ties and investment in Iran.

In his speech on January 10 announcing a US military escalation in Iraq, President Bush accused Tehran of assisting anti-US insurgents and declared that American troops would "seek out and destroy" networks providing arms and training. He also announced the dispatch of a second aircraft carrier group to the Persian Gulf as well as the stationing of Patriot anti-missile batteries in allied Gulf States. These menacing US moves are clearly directed against Iran.

Ahmadinejad has dismissed the US threats and declared that his government will proceed with plans to install 3,000 gas centrifuges at the Natanz enrichment facility. However, senior figures within the Iran's theocratic regime, including those formerly allied to the president, have urged him to tone down his rhetoric and to negotiate a deal to end the confrontation over Iran's nuclear programs.

Significantly, *Jomhouri Islami*, a newspaper owned by Iran's supreme leader Ayatollah Ali Khamenei, accused Ahmadinejad of hijacking the nuclear issue to disguise his government's economic failings. "Turning the nuclear issue into a propaganda issue gives the impression that you, to cover up flaws in the government, are exaggerating its importance," the newspaper declared, warning that the president would undermine public support.

The newspaper also suggested that the president "speak about the nuclear issue only during important national occasions, stop provoking aggressive powers like the United States and concentrate on the daily needs of the people, those who voted for you on your promises." While Khamenei has not publicly criticised Ahmadinejad, the article was obviously a warning. As

supreme leader, Khamenei has ultimate say over Iran's foreign and military policy as well as the power to sack the president.

The conservative *Hamshari* also weighed in, declaring: "At the very moment when the nuclear issue was about to move away from the UN Security Council, the fiery speeches of the president have resulted in the adoption of two resolutions [against Iran]". The newspaper's director Hossein Entezami is a member of Iran's nuclear negotiating team.

Criticism has also come from the so-called reformist faction of the ruling elite—those that want a deal with the West, the implementation of market reforms and an easing of the cultural and religious strictures of the Islamic state.

Etemad Melli attacked Ahmadinejad's visit to Latin America where he met with the Venezuelan, Ecuadorian and Nicaraguan presidents and announced \$1 billion for a joint Iranian-Venezuelan fund to help countries "free themselves from the yoke of American imperialism". The newspaper declared that such "left-wing friends, [are] good for coffee shop discussions but not for setting our security, political and economic priorities".

Ahmadinejad's anti-imperialist posturing is aimed at bolstering his flagging support at home. In June 2005, he shocked the Iranian establishment by defeating the favoured candidate Ayatollah Ali Akbar Hashemi Rafsanjani in the presidential election. Criticising Rafsanjani for corruption, Ahmadinejad promoted himself as a man of the people and appealed to the poor by promising to put Iran's oil money "on people's tables".

Ahmadinejad's limited handouts over the past 18 months have failed to end the country's rampant social crisis and have led to sharp criticism in ruling circles of his handling of the economy. As popular discontent has grown over unemployment, rising prices and chronic housing problems, the president has increasingly resorted to nationalism and stirring up anti-Semitism. His reactionary rhetoric has played directly into the hands of the Bush administration which seized on his statements on wiping out Israel to justify the menacing US build-up against Iran.

Just prior to local elections on December 15, the Ahmadinejad government sponsored a conference in Tehran that provided a stage for the intellectual charlatans and outright

fascists that deny or minimise the Nazi Holocaust. The ploy appears to have had little effect. The local elections for 113,000 council seats in cities, towns and villages proved to be a devastating reversal. Ahmadinejad's supporters won just 3 out of the 15 council seats in Tehran and an estimated 20 percent of posts across the country. Rival Rafsanjani topped the poll for the powerful Assembly of Experts, which was held simultaneously.

In the wake of the election, public attacks on Ahmadinejad have continued to mount. Conservative politician Mohammad Khoshchehreh, who campaigned for Ahmadinejad in 2005, told Associated Press: "The government has painted idealistic goals like tackling housing problems and unemployment... but no solution has been offered. ... [the government] has been strong on populist slogans but weak on achievement."

On January 14, 150 legislators sent an open letter to Ahmadinejad, criticising him for failing to present a budget on time and blaming him for rising inflation and high unemployment. The signatories, many of whom are former allies of the president, are obviously reacting to rising social discontent. Officially inflation stands at 11 percent and joblessness at 10 percent, but unofficial estimates put both figures as high as 30 percent.

The price of basic food items has risen sharply. According to some estimates, rents and house prices in Tehran have risen 50 percent in six months. Tehran housewife Maryam Hatamkhani told Associated Press that she had given up buying potatoes and tomatoes because prices have trebled and quadrupled in the past month. "People are really under pressure. We are unhappy. Instead of bringing welfare, this government has given us hardship," she said.

In their letter, the parliamentarians demanded that Ahmadinejad rein in government spending and reduce its dependence on the country's oil reserve fund. Such measures will only exacerbate the economic problems facing ordinary working people and compound political tensions. The government has already moved and to impose petrol rationing and to gradually reduce energy subsidies, which are currently estimated to be \$US20-30 billion a year.

Ahmadinejad appeared in the parliament on Sunday to present his budget. He made gestures in the direction of economic restraint, basing the budget on a lower projection for oil prices (the main source of government income) and cutting the budget deficit. But he remained aggressively defiant on the UN resolution, declaring it was "born dead". "Even if they issue 10 more such resolutions, it will not affect Iran's economy and politics," he said.

Such empty bluster, however, is precisely what is raising concerns in Iranian ruling circles. While the UN sanctions only apply directly to a limited number of Iranian companies and individuals, the Bush administration is exploiting the opportunity to push for tougher international financial restrictions. Iran has large reserves of oil and natural gas but

desperately needs foreign investment to update existing fields and open up new ones. Moreover, the country is short of refining capacity and currently imports 40 percent of its petroleum products, for which domestic demand is rapidly expanding.

Washington has been deliberately targeting these economic weaknesses, pressing governments and corporations to axe investment in Iran's oil industry. According to a recent article in the *Los Angeles Times*: "The efforts by the United States and its allies over the last few months to persuade international banks and oil companies to pull out of Iran threaten dozens of projects, including development of Iran's two massive new oil fields that could expand output by 800,000 barrels a day over the next four years."

Mohammed Hadi Nejad-Hosseini, deputy oil minister for international affairs, told the *Los Angeles Times*: "If the government does not control the consumption of oil products in Iran... and at the same time, if the projects for increasing the capacity of the oil and protection of the oil wells will not happen, within 10 years, there will not be any oil for export."

An Iranian parliamentary report, written in September but leaked recently to *Le Monde*, warned of the danger of a serious political crisis if an international trade embargo on oil were imposed. Iranians officials told the parliamentary commission that "any worsening of the economic situation could cause social troubles that could lead to a deterioration and a weakening of internal stability." The report appealed to the government to make "all political efforts to prevent the imposition of sanctions, while preserving the interests of the country and national honour."

The signs are growing that the regime in Tehran is preparing to make such a shift by quietly sidelining Ahmadinejad and opening up talks with the European powers for a deal to defuse the nuclear issue and establish closer economic relations. This is the last thing that the Bush administration wants. Iran's nuclear programs are a convenient pretext for the White House to pursue its aim of "regime change" in Tehran as the means of extending US dominance in the Middle East. Neither Ahmadinejad nor any faction of the Iranian ruling elite has any answer to this threat of US aggression.



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