

Iran's Khatami government meets political challenge

by Muriel Mirak-Weissbach

The arrest on April 4 of Tehran Mayor Gholamhussein Karbaschi marked a dramatic turning point in the political process in the Islamic Republic of Iran. For the first time, the confrontation between the conservative wing of the clerical establishment, and the moderate forces, emerged as an open political conflict, involving a clash of institutional authority, and threatening to expand into social conflict as well. The judiciary, which had carried out the arrest, was pitted against the executive; the legislative body was factionally split; and, opposing forces among students and others, took the fight into the streets. Iran was faced with the most challenging institutional strife of its recent history. Although Karbaschi's release on April 15 temporarily calmed down the situation, the political contest is not yet resolved.

Mayor Karbaschi, who has administered the capital since 1989, is a representative of the reform or moderate faction, associated with former President Hashemi Rafsanjani and his political movement, the Servants of Reconstruction. During the Presidential elections of May 1997, Karbaschi was the leading power campaigning for Mohammad Khatami, who won an overwhelming mandate, against the conservative Speaker of the Parliament, Nateq Nouri. As mayor, Karbaschi has radically changed the face of Tehran, transforming it from an unwieldy, chaotic city, into a modern metropolis, with 18,000 hectares of land dedicated to public gardens and parks, and numerous recreation centers for the city's enormous youth population. Karbaschi has worked to clean up slum areas and transform them into modern residential areas. He also has set up department stores, which offer products at lower prices than at the bazaar.

Since the landslide victory of Khatami last May, the conservative establishment, which includes the merchants of the bazaar, has been mobilizing political opposition to the new

government. The most heated issue in the debate, has been over relations with the United States. Already during hearings last summer in the Majlis (parliament), the conservatives mounted a propaganda attack against the personalities nominated by the new President, for his cabinet. Those who were most harshly attacked, were persons who had had contact with the United States, for example, the Foreign Minister-designee Kamal Kharrazi, who had served eight years in New York as Iran's permanent representative to the UN, and the designated Minister of Culture, Atoallah Mohajerani, who had advocated a dialogue with the United States. Although the opposition mounted by the conservative parliamentarians was significant, the Speaker of the Parliament, Nouri, himself an arch-conservative, intervened in the interests of national unity, and helped bring the body to ratify the new President's cabinet members.

Later, when President Khatami made an unprecedented appearance on American television, in a CNN interview, the conservatives upped the ante, and went after the new President directly, accusing him of having sold out the revolution. The highest authority in the country, Supreme Leader of the Revolution Ayatollah Ali Khamenei, denounced the content of the TV interview, in a sermon on Jan. 16, and was seconded by Nouri and other conservatives. Khamenei had stressed that contacts with the United States would be harmful, as America still constituted the number-one enemy of Iran. He pointed to the D'Amato sanctions against economic partners of Iran, as proof of American hostility. Following his pronouncement, any move on the part of U.S. authorities which might indicate continuing opposition to Iran's economic deals with Russia, Malaysia, and France, or its pipeline agreements in Central Asia, was seized upon by the hard-liners in Iran, to argue that such overtures to

Washington were not only wrong, but fruitless.

At the same time, the conservatives argued that Iran should privilege relations with Europe, as opposed to the United States. The return to normal diplomatic relations after the Mykonos affair, and the dramatic improvement in relations with Italy, tended to bolster this view.

Response to the oil price collapse

It was around the turn of the Iranian New Year in March, that the conservative faction prepared its direct assault on the Khatami forces. Two developments combined to create circumstances propitious for such an attack: First, the rapid plunge in world oil prices, accelerated by the financial crisis in Asia, had been taking a massive toll on Iran's foreign exchange revenues since November. Despite the decision by the Organization of Petroleum Exporting Countries to cut production, prices did not rally. Second, as a result, the government was forced to revise its 1998 budget's expected oil revenues downward, and slash projected expenditures on major projects. The government also saw it necessary to raise the prices of fuel for domestic consumption, as well as other basic commodities internally. Gasoline prices were to go from 160 rials per liter, to 200; the super grade rose from 180 rials to 280; kerosene and gas oil went up to 60 rials. At the same time, the national currency, the rial, was de facto devalued. These measures, which were approved at the beginning of the new Iranian year, constituted a set-back for the government, which had been brought to power, largely on the basis of Khatami's commitment to immediate, visible improvements in the standard of living of the population. The price hikes were announced officially on April 4.

It was in this context, that the mayor of Tehran was arrested on corruption charges. In a statement on the arrest, the Attorney General's office said, "The district court of Tehran branches 26 and 33, which had taken up the case to investigate the embezzlement and misappropriation of public funds by some city council officials, concluded that the instruction for displacement of the funds was issued by the mayor of Tehran personally." It added that further evidence from interrogations had led to his detention, according to a 1987 embezzlement law, which stipulates that "if sufficient evidence exists to support that a person to have embezzled rials 100,000 [\$20], the court has the right to temporarily detain an embezzler for a period of one month without having the right to deposit a surety for the bail for his release."

What added to the shock of the arrest, was the news that the Interior Ministry had not even been informed of it. The head of the ministry's public relations office, Jahanbakhsh Khanjani, stated that the ministry had been informed by letter, only after the fact. Interior Minister Hojatoleslam Abdallah Nouri, who was at the time of the arrest on an official visit to Saudi Arabia, expressed his regret at the news, and "warned of consequences," according to an Iranian News Agency release. "Assassinating Karbaschi's personality has conse-

quences that culprits will have to take responsibility for, like it or not," he said. He added, that neither his ministry, which is responsible for appointing mayors, nor the President, nor the government, had been informed.

Political scene polarized

The news of the arrest polarized the Iranian political scene. Pro-government political figures immediately denounced it as a politically motivated move, designed to undermine the Khatami government, in an extremely delicate moment for the nation. The vice president of the Hezbollah Association of the Majlis, Hussein Marashi, spoke out that evening, dismissing the charges against Karbaschi as outrageous. He lauded Karbaschi's achievements as mayor and as a member of the Servants of Reconstruction, who, he said, "paved the way for the astonishing political developments in the country." Karbaschi, he said, "is one of the most outstanding and competent managers of the country and a source of pride for the Islamic Republic of Iran. No move can obfuscate this reality." Marashi also remarked that the arrest came at a time that the government was confronting economic difficulties caused by the plunge in oil prices. He characterized it as "a move against the general interests of the country," and intimated that it was a threat to the democratic process: "People must be vigilant and support their elected President and his colleagues," he said. "Now, like the May 23 Presidential elections, . . . the support of the people will be the force to end the injustice against the statesmen who have concentrated all their efforts on serving the nation, Islam, and Iran."

Among other authoritative politicians who rallied to Karbaschi's defense, was Majlis member Faezeh Hashemi, the daughter of former President Rafsanjani. Mrs. Hashemi told parliament that Karbaschi was being denied visitors, and charged the justice system with being suspect and arbitrary. She said the affair had "a political color to it."

In response to these accusations of manipulation of the justice system, the conservatives lashed out, charging that the Interior Minister was acting unconstitutionally, by supporting the mayor, and that it should be up to the courts to decide on guilt or innocence.

By the time Karbaschi had been in prison one week, the political climate had become so hot, that mass actions in the streets were threatened. Students in Tehran had announced a demonstration in support of the Khatami government. The government, seeking to maintain calm and avoid violence, requested that no rallies or demonstrations take place, for one or the other side. Although the students organizing the rally acquiesced, an unidentified other group demonstrated in front of the university, and, after clashes broke out, the police intervened with arrests. At an exhibition held at the Interior Ministry, at which Mrs. Hashemi spoke, a disrupter shouted slogans, like "death to embezzlers," which provoked the angry response of Karbaschi supporters. Again, the police intervened.

While tempers were rising in the streets, an institutional deadlock threatened. Supreme Leader Khamenei had to intervene personally, to convoke a gathering of the heads of the three branches of government, the judiciary, the executive, and the legislative. The meeting, which took place on April 11, and included Rafsanjani in his capacity as head of the Expediency Council, as well as Mohammadi Golpayegani, the head of the office of Khamenei, failed to come up with a solution, evidently as a result of insurmountable factional differences with the head of the judiciary, Ayatollah Yazdi. Iranian press reports said that the meeting had decided that Yazdi would work to find a legal way of revoking the arrest warrant. The following day, April 12, the government met to review the case. In reporting on the deliberations, the government regretted that "the approach adopted by the Supreme Leader to solve the problem of the Tehran Municipality case, had not been handled appropriately." The government statement expressed hope that a solution could be found, and again urged groups not to demonstrate; but there was no way out indicated.

The deadlock is broken

Again, it was through the intervention of Khamenei, that the deadlock was broken. According to Iranian press accounts, former President Rafsanjani engaged in lengthy discussions with Khamenei, urging an authoritative act, to secure

Karbaschi's release. President Khatami then officially requested that Khamenei issue orders for his release. On April 15, Khamenei "issued a decree to the judiciary head, instructing that branch of government to release the mayor on basis of surety for the bail," according to IRNA. The communiqué announcing his release said, "The Leader of the Islamic Revolution has instructed that the case be pursued in an atmosphere free from any tension and according to the laws governing the nation." Karbaschi was freed the same day.

The release, on orders of the highest authority, constitutes an important victory for the moderate faction of Rafsanjani, Khatami, and Karbaschi, and was celebrated as such by crowds of cheering citizens greeting the mayor. It is clear, that despite his well-known factional differences with the Khatami government, Ayatollah Khamenei would not be willing to risk the outbreak of social conflict, given the relationship of mass forces, which are overwhelmingly in favor of Khatami.

This does not mean that Ayatollah Khamenei has been divested of his position of authority; in fact, it was his intervention which untied the knot. But it does mean that he has acknowledged the intricate nature of the constellation of political factions, and has chosen to act in such a way as to calm tensions, rather than exacerbate them.

The importance of maintaining unity

In a speech delivered on April 16 before the heads of the three branches of government and high-ranking military and civilian officials, Khamenei hammered away at the importance of maintaining unity in the country. Khamenei hinted at hostile forces from outside the country, which were attempting to create tensions, and called for vigilance. Regarding the immediate crisis situation, he reasserted the validity of the Iranian system of "*velayat-e motlaqeh faqih*" (the absolute rule of the theologian), in which he is "*vali-e faqih*," the theological protector. Khamenei said that "*velayat*" in essence meant "unity and solidarity," and focussed on the need for unity. He said, "All are duty-bound to support the administration which is shouldering the heavy task of running the affairs of the country." And he added, "They all are also obliged to back the judiciary so that it can fulfill the heavy task it shoulders. If there is no judiciary branch, justice will have no foundation." Khamenei also remarked, that small problems should not be magnified, nor flaws blown out of proportion.

The immediate crisis has, for the time being, been overcome, and the danger of factional conflict spilling into the streets, averted. The question which remains is, how the political confrontation which still does exist between a reform-minded government backed by 70% of the population, and an entrenched minority conservative establishment, can be resolved, in such a way, not only to preserve a facade of unity and public order, but to consolidate a programmatic unity around the new course Iran has been following for the last decade.

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