

Tudeh News

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Season's Greetings To All

Communist And Workers Parties

Across The Globe And All The People

Struggling For Peace, Progress and Socialism

Onwards Our March For World Peace,

And Fight Back Against Globalization.



**International Department Of The
Central Committee of The Tudeh Party Of Iran**

Recommendations or Demands?

A Look at Some of the Aftereffects from Complying With IMF Dictates

(From the editorial in "Nameh Mardom", Central Organ of the Tudeh Party of Iran No. 701, 7th December 2004)

Early November of last year, the media reported that the International Monetary Fund in its yearly meeting – jointly held with the World Bank – produced a report on the conditions of the member states of both organizations. In this report, the IMF has

In this issue:

- *Recommendations or Demands? A Look At Some Of The Aftereffects From Complying To IMF Dictates*
- *Necessity of the Times Demands a Unity of All Progressive and Freedom Seeking Forces*

made some recommendations – deemed them necessary – to the authorities of the Islamic Republic, especially in the economic arena.

On November 14, ISNA news agency reported on this latest document from the IMF: “the recommendations of the IMF for the economic growth of Iran... reduction of interest rates, adjustment of subsidies (read: elimination of subsidies), improvement of the tax system, combating money laundering, and the independence of the Central Bank, the

economic growth during the past 4 years has been very satisfactory and Iran must proceed with more speed towards privatization....” It then added “the factors responsible for the economic growth of the Islamic Republic include fundamental repairs from the beginning of the third economic plan and good conditions in the oil market.”

In another part of the same report it goes on to say: “the unemployment rate in Iran has decreased and the amount of foreign debt (short-term commitments without calculating interest) is still low. These positive changes, along with economic stability have led to an increased activity in the private sector and also an increase in direct foreign investments.” In this report, the directors of the IMF and the World Bank have welcomed the decision by the authorities in the regime to reduce the high amount estimated expenses (meaning the reduction and cancellation of spending related to health care and education) in next year's budget and declared it an important step in joining the global economy.

IMF also expressly recommends (read: orders) the tax collection system be revised and special exemptions be given to multi-national corporations and the private sector.

On November 22 of this year in a report regarding the kind of relationship between the IMF, World Bank, and the IRI (the Islamic Republic of Iran), Shargh newspaper reminds the readers “in their latest report, the IMF has praised the Islamic Republic for reducing the loans given to industrial proposals, because such loans are incompatible with Iran's needs to reduce the inflation of currency!!!”

Thus, once again the two powerful organizations of global capitalism have applauded and praised the Islamic regime for the detailed implementation of their demands. The reality is that despite the reports of the IMF and the World Bank, Iran is still struggling in the grip of an economic crisis and the economic conditions of the society continue to worsen each passing day. One of the repercussions of complying with these

demands of these two organizations by the regime is the exponential inflation of currency. This enormous cash belongs to a small but financially powerful group and layer in today's Iranian society. In the same report by the IMF it is clearly stated: “the increase in loans granted to commercial banks by the Central Bank ... and the average rate of loans which have remained unchanged, along with the high monetary ratio and high value credits given to the private sector all caused a 30% increase in cash value in the 1382 solar calendar year (2003).”

On this subject again, according to the report by the Iranian Labour News Agency, ILNA, the head of the parliamentary commission on the economy admits – under pressure from the ruling despots – that currently over 570 thousand billion Rials in cash are in the hands of a certain group.

It is interesting that the seventh parliament and known faces of the despots, such as Haddad-e-Adel, Bahonar, and Tavakoli, who claim to be defending the rights of the oppressed and chant slogans of justice, are the most dedicated advocates of the demands given by the IMF and World Bank. On September 19, Donya-ye-Eqtasad newspaper reported “a new plan was prepared in the seventh parliament that the subsidies will be canceled, especially those for essential goods such as bread, wheat, and also gasoline. This is exactly what the IMF has clearly demanded from the regime and in their last report they praised the regime for that same reason. Donya-ye-Eqtasad quoted the members of parliament: “this plan will create widespread changes in the economic structure and is among the effective efforts of the current (seventh) parliament.” Another very important point that must be pointed out is the issue of foreign debts. Unlike the IMF report and despite considerable increases in the oil revenue of Iran, our country is still in debt. The department of Planning and Budgeting in its latest estimate which was published in early November declared “the total foreign commitments of the country were 5.33 billion dollars. The definite foreign commitments of

the country at the end of the 1382 solar calendar year were 12.1 billion dollars of which 2.85 billion was an increase compared to the previous year.” In another part of this estimate it is emphasized “by considering the projected, definite, and possible commitments and without considering the interests (consider that without the back-breaking interests) the total debts of Iran, medium-term and short-term debts are 5.33 billion dollars. These numbers show in spite of an increase in oil revenues, Iran's debts have increased by 2.850 billion dollars in less than one year. In addition to the debts that are a huge burden on our country, the social repercussions of the orders of the IMF have been disastrous – in the true sense of the word – in Iran. As we previously pointed out, the IMF has praised the regime for its cut-backs on health care and education spending. Let’s see what this praise means for the Iranian people, especially the toilers. A member of the parliamentary health and prevention commission admitted that in Iran the per-capita spending on health care is less than 260 dollars a year, while in the developed world this is over 2000 dollars. The comparison of the two numbers shows what dire situation Iran is in.

On December 29, ISNA news agency reported that in Iran less than 50 percent of the population is covered by retirement insurance. The reduction of expenditure on health and education has a very tightly knit relationship with the spread of poverty in the country. In a report on the same date, ISNA quoted an expert and university professor “the class gap in Iran is widening with great speed, for the first time we will be faced with social frustration ... this fact is because we were never faced with a bread revolution.” The workers and toilers are among the first victims of this disaster. The closures of industrial units and continuous layoffs have created a long line of unemployed and poor in the society. The deputy minister of Industry and Mining declares – with some pride – that over 20 percent of man power – meaning workers and low-level employees – has been included in the “adjustment” of human resources according to the economic correction program

in the jurisdiction of that ministry. These unemployed are trapped in the black whirlpool of poverty; they and their families are being viciously destroyed. The head of the department of health a while ago reminded “a plan named reduction and control of social damages and reduction of poverty is in the works as part of the fourth plan.” He then added “80 percent of street children, in order to provide for their families, go into the streets after school and use panhandling as a means of supporting some of the costs of living of their families.” These words only mean that the children of workers after school – if there is a school for them – have no choice but to work in harsh conditions.

Social damages and the painful and worrisome increase in them are other results of complying with the orders of the IMF. The CEO of the Office of Prevention of Social Problems of the Ministry of Education, reminded in the beginning of November that “for every school 2 million Rials has been budgeted for the fight against drugs... today, drugs are circulating with high speeds within society and schools and their numbers have reached to 2 thousand different kinds and these substances threaten our youth like a bomb. ... The increase in addiction to drugs have been three times (notice: three times) that of the population growth in the past 20 years.

Aside from these issues, one has to pay attention to the bankruptcy of manufacturers and the increase in middleman economy. On November 13, Donya-ye-Eqtasad newspaper writes “the greatest industrial complaint was from the banking system.” According to this report, 20 thousand small businesses and manufacturers have signed and sent a petition to the House of Craftsmen. And by giving their right of attorney to this organization, have summoned the banking system to the courts on grounds of destroying national assets and ruining their own livings. Yes, 20 thousand small businesses in manufacturing, which should be protected against foreign imports, have been destroyed and bankrupted by the regime in accordance with the orders of the IMF!

Factories and local industry are among other victims of the program of economic restructuring. On November 14, ISNA wrote "certain policies, including price-fixing by foreign manufacturers and businessmen have broken the back of Iranian industry especially steel, textile, audio-visual appliances, and food industries." According to this report Iran's steel industries are on the verge of complete shutdown. One of the CEOs of Iranian steel industries has said "foreign companies, especially European Union and Japanese companies, by using price-fixing in the Iranian market in the past 5-6 years, have been able to export their raw materials and technologies at high prices and their own products at very low prices into Iran and that fact has brought the internal production capabilities of the country to a standstill.

CEO of the Office of Textile of the Ministry of Industry clearly said in an interview with ISNA "the imports of fabric, shoes, and clothing and price-fixing by foreign companies have caused the bankruptcy of Iranian producers." It is noteworthy that the IMF in their latest report has asked the regime to consider hefty exemptions for foreign companies. The socio-economic siding of the regime is exactly compatible with the dictated orders of the IMF and the World Bank and thus is in conflict with the current needs Iranian society. This anti-national and anti-people siding and its disastrous aftereffects are more than ever tangible.

Necessity of the Times Demands a Unity of All Progressive and Freedom Seeking Forces

(Abridged from the editorial in "Nameh Mardom", Central Organ of the Tudeh Party of Iran No. 702, 21st December 2004)

In the sensitive and yet dire situation ruling over our country today, the popular movement is facing many hurdles in its fight to obtain

freedom and social justice, and to reject and discard despotism. On the one hand, the critical situation in the region and the widespread military presence in the vicinity of the country's borders have serious and undeniable effects on the internal equations and make the conditions for a movement generally unfit. And on the other hand, due to the deepening of the socio-economic crisis and the increase in the tension within the ruling power structure, knowing that the element of the popular movement do not possess the necessary levels of organization and there is no unity of action among the groups and parties that defend freedom, the popular movement is not able to use the internal disparity within the state to its advantage. The outlook of the recent events put the country in an air of uncertainty. Under these circumstances we see that different parties, organizations, and personalities, according to their points of view are seeking a way out of this situation and advocate various slogans and ideas on this matter. In the recent weeks one of the slogans, which after being proposed, has found a wide echo among different movements is the slogan of "referendum" to change the state. This slogan was backed and supported by a varied layer of groups who have diverse opinions and views.

But one has to consider that among the inconsistent spectrum of proponents of this wrong slogan, which is incompatible to the objective conditions of our society, why a considerable group of directors of Daftar Tahkeem Vahdat (Bureau of Strengthening Unity – A powerful university student in Iran) and generally layers of the student movement support this slogan and were the initiators of its planning.

Student activists, in their defense of the said slogan and in response to state reformists, restate that, "if reformists judge the situation justly, do they not see that insisting on ineffective methods of reform from within is the cause of despair and hopelessness? And isn't this true that the hopelessness and lack of trust that the people have today is the result of failure of parliamentary reforms?... Mr.

Hajjarian (a proponent state reformist opposing referendum) and his peers in the Jebheh Mosharekat (Partnership Front) have mentioned the referendum method numerous times in the past year, how is it that they are opposing it in this situation?... Is it that in a logical comparison, supporting the call to referendum includes paying a fee or the invitation to vote in the presidential election or even the support of Hashemi Rafsanjani (ex-president)?”

And thus an important and pivotal point that has brought young fighters and the activists of the student movement to support this slogan is the weakness, opportunism, and the shortcomings of the state reformists that due to historic and class reasons have wasted a great opportunity. The fact is that, the judgment of the young fighters and the student activists is correct and rightful in its main lines, especially considering the appeasing policies that even to this day – despite 8 years of experience – are being implemented by state reformists.

Any slogan, if declared without considering the socio-historic framework of the given moment and without considering the long and short term goals and the fundamental duties, not only will not bring any results and will not lead to the spread and establishment of a freedom and progress front, but will also increase the strength and maneuverability of the despotism.

Determining the policies of the day and posing exact slogans compatible with the realities of the society are the most important tasks of the political forces. The slogan must be thought of so precisely and announced in such manner that it can gather the largest number of forces around it and create a gap in the opposing camp. It should improve the organization of the camps of freedom seekers and lift their spirits. The slogan of referendum to change the government will not, in our opinion, cause the growth and improvement of the movement, but instead it will lead to despair and hopelessness. This is because it is not compatible with the current needs of the

current struggle. This slogan is very theoretical and could become the puppet of the forces of repression whether inside the government or outside (the anti-national pro-monarchy movement).

The historic weakness of the state reformists should not put the fight for freedom and social justice on a wrong and hasty path. The outcome of taking policies based on haste and excitement is nothing but defeat in the end and will bring despair and passivity in the end. The experience of the past 100 years of our country is witness to this claim.

The path of the struggle is difficult, hard to tread, and is full of wonders; one has to cross it with endurance, hope, and clear and correct policies. Although we call the student movement and the youth to keep from haste and to correctly analyze the situation, we strongly oppose policies that consider the sole solution reforms from within and concentration on the partisan politics of the regime. In this regard the editorial of Sharq newspaper dated November 11 is most revealing. In the editorial it is stated, “The most serious Iranian reformists are those who – away from any guerrilla warfare and intellectualism – look at the upcoming [presidential] election and try to prevent the uniformity of governing bodies, and are in a way still flexing their political muscles.”

In our opinion, at this moment and considering all the conditions present in the internal situation and the international one, in order to remove the main obstacle in the way of progressive changes in the country – meaning fighting with the aim of eliminating the regime of supreme leader – the necessity of uniting all the true forces of freedom is presenting itself more than ever. Currently, organizing the masses who have had enough of the regime's policies is only possible in the shadow of the unity amongst the progressive and democratic forces. Thus all the resources have to be mobilized towards this goal.