



House of Commons

Foreign Affairs Committee

Iran

Third Report of Session 2003–04

Report, together with Appendix, formal minutes, oral and written evidence

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The Foreign Affairs Committee

The Foreign Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Foreign and Commonwealth Office and its associated public bodies.

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Committee staff

The current staff of the Committee are Steve Priestley (Clerk), Geoffrey Farrar (Second Clerk), Ann Snow (Committee Specialist), Kit Dawnay (Committee Specialist), Kevin Candy (Committee Assistant), Chintan Makwana (Senior Office Clerk) and Julia Kalogerides (Secretary).

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Conclusions and recommendations

British-Iranian Relations

1. We conclude that the Government was right to respond to the Reddaway and Soleimanpour affairs with a mixture of firmness and tact, in the interests of not allowing short-term difficulties to jeopardise long-term improvements in the United Kingdom's relations with Iran. (Paragraph 19)
2. We conclude that the Government has been right to maintain and develop its critical dialogue with Iran, and we recommend that it continue this policy, with a view to encouraging further positive changes in Iranian political and civil society. (Paragraph 22)
3. We conclude that good cultural and educational links are especially important with Iran, a country with a strong cultural inheritance and identity of its own but with many misconceptions, even among its most educated classes, of life and society in the United Kingdom. We recommend that the Government give serious consideration to increasing the resources available for Chevening scholarships and other cultural and educational initiatives in Iran, and to ensure that those resources which are available are used to best effect. (Paragraph 27)
4. We conclude that continued co-operation between the United Kingdom and Iran in the war against drugs is important for both countries and we recommend that it remain a priority objective of the bilateral relationship. (Paragraph 28)
5. We conclude that, whatever the short-term difficulties which may afflict the United Kingdom's relations with Iran following the recent flawed elections, the prospects for longer-term improvements in the relationship remain good. We recommend that the Government continue to bear firmly in mind the benefits which good relations between Iran and the United Kingdom can bring to both countries, and that it work towards realising those benefits. (Paragraph 30)

Multilateral issues

6. We further conclude that a renunciation by Iran of violence as a means of achieving Palestinian statehood—and a cessation of all practical and moral support for such violence—could go a long way towards changing the views of those in the West who currently regard Iran as a sponsor of terrorism. (Paragraph 36)
7. We recommend that in its response to this Report the Government set out what it and its allies are doing to achieve “a further and more enhanced degree of co-operation with the Iranian Government” in the war against terrorism. (Paragraph 39)
8. We recommend that in its response to this Report the Government tell us what is the current extent of support for the terrorist organisation MEK in third countries, and what it is doing to minimise that support. (Paragraph 40)

9. We recommend that in its response to this Report the Government inform us of the steps it has taken to encourage Iran to play a positive role in political, social and economic reconstruction in Iraq, and with what results. (Paragraph 42)

10. With specific reference to Iran, we conclude that the lesson to be drawn from the success of the EU troika initiative is that, by acting together with firm resolve the international community has been able to persuade Iran to modify its nuclear policies in ways which will bring benefits to Iran, to its neighbours and to the international community. However, it is important to recall that the agreement was only necessary because Iran had been developing covertly a nuclear threat capability. It is also clear from Iran's failure to declare some aspects of its nuclear programme since the Agreement was signed that continued vigilance will have to be exercised by the IAEA, backed up wherever necessary by intrusive monitoring and effective verification measures. We recommend that in its response to this Report the Government set out what steps it is taking to ensure Iran's full compliance with the statements issued by the Iranian Government and the Foreign Ministers of Britain, France and Germany on 21 October 2003 and with the terms of the Additional Protocol to Iran's NPT safeguards agreement, signed on 18 December 2003. (Paragraph 58)

Human rights in Iran

11. We conclude that the recent elections in Iran were a significant and disappointing setback for democracy in that country and for its international relations, at least in the short term. We recommend that the Government take every opportunity through its pronouncements and through its policies to remind Iran of the benefits to its own people and to its standing in the world of upholding democratic values. (Paragraph 66)

12. We conclude that the position of women in Iranian society remains unequal, but that it has been moving in the right direction. We welcome the award of the Nobel Peace Prize to Dr Shirin Ebadi. However, we are seriously concerned that Iran has yet to repeal provisions allowing the stoning of women adulterers and we conclude that Iran cannot be fully accepted into the international community while such abhorrent practices remain permitted under its laws. (Paragraph 74)

13. We respect the pre-eminent position of Islam in Iran, but we conclude that Iran's interpretation of the tenets of Islam with regard to those who proselytise or who convert to other faiths is incompatible with its desire to enjoy normal relations with other countries. (Paragraph 80)

14. We conclude that Iran's treatment of its Bahá'í community is not consistent with its human rights obligations under international law. We recommend that the Government continue to press the Iranians to treat members of all religious minorities fairly and equally, while recognising the pre-eminent position which Islam enjoys in Iranian society. (Paragraph 84)

15. We conclude that Iran will surely complete its journey towards reform, but at its own pace and in its own way, having regard to its proud history and strong national identity. We recommend that the Government act as a good friend to Iran in that journey, criticising when necessary, but supporting where it can. (Paragraph 89)

Introduction

1. Iran is a country of major geo-strategic significance and political and economic importance. Its neighbours, from the Gulf States to the South, through the Middle East and the Caucasus to Afghanistan and Pakistan in the East, include some of the most volatile areas of the world. Its population of 70 million, with a median age of just 23, lives above the world's fourth largest reserves of oil and second largest reserves of gas.¹ Iran has a vital contribution to make to the war against terrorism; its long border with Iraq makes it a key player in the future of that country; and it occupies an immensely sensitive position on a major drugs route to the United Kingdom and Europe. These factors were among those which made a strong case for this Committee to produce a Report on relations with Iran.

Background to the Committee's Inquiry

2. The Foreign Affairs Committee first announced its intention to inquire into Iran in June 2000. At the time, it hoped to visit Iran in late October of that year. The visit had to be postponed, first—at the request of the Iranian side—to the Spring of 2001 and then—because of the United Kingdom general election in June 2001—to a date to be decided by the incoming Committee in the new Parliament, in consultation with the Iranians. A brief interim Report was issued in February 2001, in which the Committee explained this situation and with which it published the written evidence it had by then received.²

3. After the general election, the new Committee reaffirmed its intention to visit Iran and it was agreed with the Iranians that the visit should take place in March 2003. Once again, events intervened and, with war having broken out in neighbouring Iraq, the visit had to be postponed one further time, until October. Meanwhile, however, we had heard oral evidence on Iran and had sought further written evidence.³

4. The visit finally took place from 19 to 23 October 2003, and proved to be very worthwhile. A copy of the programme is appended to this Report.⁴ On 2 December, we followed up the visit by hearing oral evidence from the Foreign Secretary. We also continued to receive written evidence. On 26 December, a terrible earthquake struck southern Iraq, destroying the ancient city of Bam and killing 42,000 people. We extend our sympathy to the families of the dead, to the injured and homeless for the suffering they have endured.

5. In this Report, we set out our conclusions and recommendations on the United Kingdom's relations with Iran, on a series of multilateral issues in which Iran is centrally involved, and on Iran's human rights record, which affects its relations with this and other countries. A separate Report in our series on Foreign Policy Aspects of the War against

1 CIA "World Factbook", available at www.cia.gov

2 Foreign Affairs Committee, Second Report of Session 2000–01, *Iran: Interim Report*, HC 80

3 Foreign Affairs Committee, Tenth Report of Session 2002–03, *Foreign Policy Aspects of the War against Terrorism*, HC 405, Ev 29–49, 132–136, 142–153, 154–158. See also list of written evidence published with this Report

4 See Appendix

Terrorism, published in February 2004, also dealt with some aspects of Iran's regional and global roles, and was also informed by our visit.⁵

Acknowledgements

6. We wish to thank those who provided us with oral or written evidence during the period of this extended inquiry. The fact that our much-postponed visit to Iran was eventually able to go ahead and to succeed in achieving its aims was due largely to the assistance of our counterparts in the *Majles* (Iranian parliament), the Iranian Embassy in London and the Foreign and Commonwealth Office in London and, in particular, at the British Embassy in Tehran. We are grateful to all these for their work on our behalf.

5 Foreign Affairs Committee, Second Report of Session 2003-04, *Foreign Policy Aspects of the War against Terrorism*, HC 81

British-Iranian Relations

A brief history

7. The history of relations between the United Kingdom and Iran in the period before the overthrow of the Shah in 1979 is summarised with great clarity in a paper submitted by Dr Ali Ansari of Durham University to the original inquiry in 2000.⁶ Dr Ansari's paper shows that since the establishment of diplomatic relations in the early Seventeenth Century, the United Kingdom became increasingly involved in Iran, eventually supplanting France as the dominant European power and vying with Russia to exert influence over Iranian affairs.

8. Following the Russian revolution, Britain regarded Iran as an important bulwark against the spread of Bolshevism and helped to bring about the establishment of the Pahlavi dynasty, which lasted (with interruptions) until 1979. However, the real limitations on Iran's sovereignty were exposed during the Second World War, when British and Allied forces intervened to establish a supply route across its territory—ironically, to the old rival, the Soviet Union.

9. In events which are in the recent memory of a people and nation who trace their origins back to the beginning of recorded history, the United Kingdom, together with the United States, sponsored a coup in 1953 which overthrew the nationalist government of Dr Mohammed Mossadeq and restored the Shah to power. The original CIA account of this episode, which sheds considerable light on the roles of the Foreign Office and the Secret Intelligence Service (SIS), was published in 2000.⁷ The motivation behind the coup appears to have been twofold: anxiety about the nationalisation of Iran's huge oil and gas reserves; and concern that Iran might fall under Soviet influence.

10. Given this history, it is hardly surprising that Iranians are said to see the hand of the United Kingdom behind every suspicious development in their country. This endemic suspicion was given new force by the Islamic revolution of 1979, in which the Pahlavi dynasty was deposed. The Shah had followed a pro-western policy and under his autocratic rule Iran had become an economically and militarily significant power, as well as a major market for developed countries, including Britain. Following the assumption of power by a regime under Grand Ayatollah Khomeini, Iran became more inward-looking, its prosperity declined, and its relations with the United Kingdom and with other western countries were strained.

11. The history of relations between the United Kingdom and Iran from 1979 to 2000 is set out in the FCO memorandum appended to the interim Report.⁸ Following a lengthy period when diplomatic relations were downgraded—although trading and other links continued—there were some positive developments by 1985. In December of that year, however, elements within the Iranian leadership hostile to the United Kingdom created

6 HC (2000-01) 80, pp 28-29. Dr Ansari has since moved to Exeter University.

7 The full documentation may be viewed at the web site of the National Security Archive of the George Washington University: www.gwu.edu/~nsarchiv

8 HC (2000-01) 80, pp 1-7

new tensions in the relationship, which eventually led to the withdrawal of all diplomatic staff from Tehran in 1987. Relations were also affected by the West's political and material support for Saddam Hussein during the Iran-Iraq war.

12. Following negotiations, agreement was reached to restore full diplomatic relations in November 1988, only to be thrown completely off course by the *fatwa* issued by Ayatollah Khomeini calling for the assassination of Mr Salman Rushdie. This development caused all European Union member states to withdraw their ambassadors from Tehran and it was not until the Gulf War of 1990 that signals of a more positive attitude by Iran began to be received.

13. Iran's neutrality in the Gulf War, its assistance in gaining the release of British hostages held in the Lebanon, and its willingness to engage in dialogue were factors which helped to bring about a gradual improvement in relations during the 1990s, although there were highs and lows during the decade. A European Community-Iran dialogue was established in 1992, and moved up a gear following the election of the reformist President Khatami in 1997. In September 1998, the United Kingdom and Iran agreed to exchange Ambassadors and the relationship began to be characterised as one of 'constructive engagement'.

Developments since 2000

14. The Government's policy of constructive engagement has continued to the present day, with the full support of this Committee. In December 2001, we noted that "Iran's dual status as a member of the coalition with an active interest in a stable Afghanistan on its border, and as a state of concern with a recent history of extreme hostility towards the West, lends it a particular importance in contemporary international relations" and concluded that "the Government's and European Union's policies of constructive engagement with Iran deserve full support".⁹

15. On 29 January 2002, President Bush delivered his State of the Union Address, in which he bracketed Iran together with Iraq and North Korea as the "axis of evil". This speech articulated a difference between the foreign policies of the United Kingdom and the United States towards Iran which was already well understood: constructive engagement on the one part; and confrontation on the other. To the hardliners in the US administration, Iran as a theocratic state, with its lack of respect for human rights, its implacable opposition to a two-state solution in the Middle East, its support for terrorist groups, and its attempts to develop weapons of mass destruction, was simply incorrigible. Our view was expressed in our June 2002 Report on Foreign Policy Aspects of the War against Terrorism:

in the case of Iran [the United States'] aims are more likely to be achieved by robust dialogue and critical engagement with reformers than by sending Tehran a list of non-negotiable demands. In our judgment, to bracket Iran with Iraq was mistaken: Iraq is an unredeemed autocracy; while Iran has a number of elements of democracy and has been moving, however faltering, in the direction of reform.¹⁰

9 Foreign Affairs Committee, Second Report of Session 2001–02, *British-US Relations*, HC 327, paras 167 & 170

10 Foreign Affairs Committee, Seventh Report of Session 2001–02, *Foreign Policy Aspects of the War against Terrorism*, HC 384, para 201

16. These faltering steps were taken by the Iranian authorities following mass student demonstrations in July 1999 and a general election in February 2000, in which reformist candidates gained an overall majority in the parliament. However, as can be seen from Box 1 below, the Iranian constitution does not vest all power in the parliament. The clerical Council of Guardians wields considerable authority and as well as banning candidates from standing for election¹¹ may veto laws passed by the *Majles*. The judiciary has assumed what amount to executive functions—in April 2000, it closed down 16 reformist newspapers; and in February 2004 it closed down two more.¹² Although the re-election of President Khatami for a second term in June 2001 by a huge majority consolidated his position as Iran's leading reformer in office, it did little to shift the balance of power towards him and his allies in the parliament.

Box 1: Iran's many centres of power¹³

Under the 1979 Constitution, Iran is an Islamic Republic and the teachings of Islam are to be the basis of all political, social and economic relations. Overall authority is vested in the **Supreme Leader** (currently Ayatollah Ali Khamenei) who is chosen by the **Assembly of Experts**, an elected body of 96 religious scholars. The Supreme Leader is the Commander-in-Chief of the armed forces.

The **President** is elected by universal adult suffrage for a term of 4 years and is restricted by the Constitution to no more than 2 terms in office.

Legislative powers are held by the **Majles**, or Islamic Consultative Assembly, consisting of 290 elected members representing regional areas or religious communities for a 4-year term. The Majles also approves the members of the **Council of Ministers**, the Iranian equivalent of the British Cabinet.

The **Council of Guardians** reviews legislation passed by the Majles for constitutionality and adherence to Islamic law. It is composed of 6 theologians appointed by the Supreme Leader and 6 jurists nominated by the judiciary and approved by the Majles. The council also has the power to veto candidates in elections to parliament, local councils, the presidency and the Assembly of Experts.

The **Council for the Discernment of Expediency** was created in 1988 to resolve disputes over legislation between the Majles and the Council of Guardians. In August 1989, it became an advisory body on national policy and constitutional issues for the Supreme Leader. It includes the heads of all three branches of government and the clerical members of the Council of Guardians. The Supreme Leader appoints other members for a three-year term.

Obstacles in the road to better relations

17. In the last two years, bilateral relations between Iran and the United Kingdom have been placed under particular strain by two incidents. In February 2002, Iran rejected the

11 See para 63 below

12 The papers closed in 2004 were shut down for publishing excerpts from a letter sent by Members of the Iranian Parliament which was critical of Supreme Leader Khamenei. See, eg, http://news.bbc.co.uk/1/hi/world/middle_east/3502995.stm

13 The information in this box is based on the FCO's country profile of Iran, available on its website, www.fco.gov.uk

United Kingdom's nominee as Ambassador in Tehran, David Reddaway, who was labelled in the conservative Iranian press as "a Jew who is an MI6 agent",¹⁴ each of these designations apparently being regarded as disqualifying Mr Reddaway from the office to which he had been appointed (and both, incidentally, inaccurate). It took eight months for this impasse to be resolved, with the nomination of Richard Dalton as HM Ambassador being accepted by Iran on 24 September.

18. The second incident was the detention in the United Kingdom of former Iranian diplomat Hade Soleimanpour under a warrant for extradition served by the authorities in Argentina. Mr Soleimanpour was suspected of involvement in the murderous bombing of a Jewish community centre in Buenos Aires in 1994. Iran was indignant about Mr Soleimanpour's arrest and detention in August 2003, seeing it as politically directed and failing to understand that the Government could not interfere in a judicial process. Shots were fired at the British Embassy compound in Tehran—something which would be unlikely to occur without the compliance of the relevant authorities in Iran—and the British Government rightly lodged strong protests. At the time of our visit—when we were able to view the damage to the Embassy buildings for ourselves—Mr Soleimanpour had been freed on bail, but his case had yet to be resolved. We formed the distinct impression during our visit that Iran was imposing undeclared economic sanctions against British companies and indulging in other provocative behaviour. Shortly after our return to the United Kingdom, once the judicial process was complete, the Home Secretary was able to conclude that there was insufficient evidence on which to agree to the extradition request, and Mr Soleimanpour was released from his bail.

19. The Reddaway and Soleimanpour affairs demonstrate the potential for relations with Iran to be derailed when conservative elements in the Iranian establishment come to the fore. Further incidents of this kind cannot be ruled out, but we believe that Ministers and the diplomatic service handled them with great skill and sensitivity. **We conclude that the Government was right to respond to the Reddaway and Soleimanpour affairs with a mixture of firmness and tact, in the interests of not allowing short-term difficulties to jeopardise long-term improvements in the United Kingdom's relations with Iran.**

High-level contacts with Iran

20. British government Ministers have made several visits to Iran since 2000 and a number of Iranian Ministers have visited the United Kingdom. The Foreign Secretary has visited Tehran no fewer than five times in the last three years, most recently with his French and German counterparts in October 2003, when we were also there. Our own visit was the first by a select committee of Parliament since the 1979 revolution; it followed meetings in London between the Committee and senior Iranian figures, including Foreign Minister Kharrazi. Last month's visit by the Prince of Wales in his capacity as patron of the British Red Cross contributed to this continuing pattern of bilateral contacts.

21. All those visiting Iran in an official capacity have to ask themselves whether their visit will be beneficial. Some commentators suggest that these visits reward, or at least confer a degree of respectability on, a repressive system and fail to provide incentives for the

14 See <http://www.guardian.co.uk/iran/story/0,12858,893582,00.html>

Iranians to liberalise their society, while others believe that such contacts provide opportunities for both sides to increase their understanding and to make their views clear. Those against the policy of 'constructive' or 'critical' engagement ask what practical benefits it has brought to the Iranian people, or indeed to the United Kingdom; those in favour of the policy point to the October 2003 agreement on Iran's nuclear programme and suggest that further advances can be achieved. During our visit, we experienced no negative reactions from those Iranians we met; on the contrary, we received a warm welcome and encountered a readiness to discuss differences openly.

22. Aware as we are of the view that high-level contacts may lend unwarranted legitimacy to the undemocratic exercise of power, we believe on balance that because such contacts help to break down barriers and to increase understanding, in the case of Iran they should be encouraged. **We conclude that the Government has been right to maintain and develop its critical dialogue with Iran, and we recommend that it continue this policy, with a view to encouraging further positive changes in Iranian political and civil society.**

Cultural and educational links

23. Cultural and educational links also play an important part in the bilateral relationship. After a period of 22 years when it was not allowed to operate in Iran, the British Council returned to Tehran in 2001. The Council has described one of its major objectives in Iran as being "to establish trust and understanding of its function among the Iranian authorities whose co-operation is essential to its activities."¹⁵ Its programmes are aimed at strengthening educational co-operation, strengthening English language teaching, fostering cultural exchange, and developing scientific and technological links. We strongly support these aims, and were delighted to meet British Council staff during our visit to Tehran, which we were pleased to note coincided with that of a delegation from the Science Museum. It is disappointing, however, that the Iranian authorities regard the British Council with suspicion, requiring it to operate from a British diplomatic compound and restricting its activities. Such restrictions are one indication of the continuing power over such matters exercised by the conservative clerics, against the interests of the Iranian people.

24. On a more positive note, an exhibition of British sculpture opened in Tehran's Museum of Contemporary Art in February 2004, and has apparently proved popular. None of the exhibits, ranging from the works of Henry Moore to those of Gilbert and George, could be described as being in the tradition of Islamic Art. It is therefore encouraging, both that the exhibition has been allowed by the Iranian authorities to take place, and that it has been well-attended and well-received.¹⁶

25. Another important aspect of the cultural relationship is the system of Chevening Scholarships, under which Iranian postgraduate students are sponsored by the British Government to attend university in the United Kingdom, either for extended periods of study or, increasingly, on shorter-term vocational courses. We have long supported this

¹⁵ Ev 13

¹⁶ "Iran welcomes UK art exhibition", <http://news.bbc.co.uk/1/hi/entertainment/arts/3516087.stm>

scheme, which has seen many friends of the United Kingdom achieve positions of influence in other countries. There is an obvious place for the scheme in relation to Iran, but it is a pity that in 2003 there was sufficient funding only for 10 such scholarships to be awarded to students from Iran (out of a total of 2,300 worldwide).

26. The BBC World Service also plays an important role in Iranian life. In 2000, they told the Committee that Iranian perceptions of the BBC's Persian Service ranged from those, mostly elderly, who regarded it as "an arm of the British government's sinister and self-serving plots and policies" to a predominantly younger view of it as "a source of objective and accurate information, good music and entertainment, as well as a window into a world of greater opportunity."¹⁷ We suspect that in the years since that was written, the balance has swung towards the latter perception.

27. We conclude that good cultural and educational links are especially important with Iran, a country with a strong cultural inheritance and identity of its own but with many misconceptions, even among its most educated classes, of life and society in the United Kingdom. We recommend that the Government give serious consideration to increasing the resources available for Chevening scholarships and other cultural and educational initiatives in Iran, and to ensure that those resources which are available are used to best effect.

Co-operation in the war against drugs

28. Iran lies on a major drugs trading route from the production areas of Afghanistan to the consumers of Europe. The Iranian authorities have played an honourable and important role in seeking to stem the flow of drugs across a lengthy border which is notoriously difficult to police. There has been good co-operation between the United Kingdom and Iran on efforts to improve the success rate of the Iranian border police in their efforts to stem the flow of drugs. For example, British funds have been used for the supply of night vision equipment and other aids. The sharp end of the operation, however, has been undertaken by the Iranians themselves. We understand that the Iranian border police has suffered many casualties in its battle against the drugs traffickers. **We conclude that continued co-operation between the United Kingdom and Iran in the war against drugs is important for both countries and we recommend that it remain a priority objective of the bilateral relationship.**

Prospects for the future

29. The "flawed"¹⁸ elections of February 2004 are considered in paragraphs 61 to 66 below. They may represent a swing of the pendulum of Iranian society back from democracy and openness and towards fundamentalism and isolationism. If such is to be the context within which the United Kingdom must conduct its relations with Iran over the coming years, that relationship may be a difficult one to develop. On the other hand, in our estimation the weight of Iran's overwhelmingly youthful population is certain to push the pendulum once again towards reform—as EU Commissioner Chris Patten has put it, "demography is

17 HC (2000-01) 80, p 23

18 According to Foreign Secretary Jack Straw. See "EU ministers unite to attack 'flawed' elections", *The Times*, 24 February 2004

strongly on the side of democracy in Iran”.¹⁹ Such a movement would create circumstances in which the bilateral relationship could improve still further.

30. We conclude that, whatever the short-term difficulties which may afflict the United Kingdom’s relations with Iran following the recent flawed elections, the prospects for longer-term improvements in the relationship remain good. We recommend that the Government continue to bear firmly in mind the benefits which good relations between Iran and the United Kingdom can bring to both countries, and that it work towards realising those benefits.

¹⁹ Speech to the European Parliament, 12 February 2004

Multilateral issues

Iran as a regional power

31. Before the 1979 revolution, Iran was a developing military power which looked set to dominate its region. However, in the 1980s Iran and Iraq fought a vicious war in which many thousands of their citizens perished. Both countries were weakened, but the effects were particularly felt in Iran. The theocratic government in Tehran won few friends among more secular Arab leaders to its West and South, while to the East neither the Soviet-backed regime in Kabul nor its Taliban successors were, for different reasons, sympathetic to the Iranian view of the world. Although it remained an economically active and populous country, Iran failed to project its power throughout the 1980s and 1990s and it is interesting to note that even today, and despite evidence of recent attempts to repair relations with countries such as Egypt, Iran remains in many ways isolated in its region.²⁰

32. Given its history both of war with its neighbour and of antipathy towards the United States in particular and the West in general, Iran was ambivalent about last year's conflict in Iraq. Its concerns about US-led military action on its borders were tempered by satisfaction at seeing the removal from power of its old enemy, Saddam Hussein. Dr Ansari suggested to us that "among ordinary people [in Iran], there was considerable sympathy for the coalition."²¹ However, there was also concern that, with American armed forces operating in Afghanistan on its eastern border, and in Iraq to the West, Iran might be the next member of the 'Axis of Evil' to be the object of direct military intervention.

33. On the other hand, Iran has an interest in having stable neighbours, or at least neighbours which are preoccupied with their own problems. Whether the US-led forces succeed in achieving stability and prosperity in Iraq and Afghanistan—as we earnestly hope they will—or whether those countries end up as failed states, Iran would probably be justified in feeling it has a more secure future now than it has had for at least two decades. Meanwhile, as Dr Ansari points out,

until a political settlement can be reached in both these states, Iran will be an important 'player' for the coalition. Indeed, for all the rhetoric on either side of the international divide, politicians in both the West and Iran recognise the considerable dividends to be gained through a tacit cooperation.²²

20 Iran's nuclear research and development activities—which might have provided a means to achieve greater regional influence—are considered in paragraphs 46-58 below.

21 Ev 20

22 Ev 20

Map: Iran in its region



Iran and the war against terrorism

34. In our recent Report on *Foreign Policy Aspects of the War against Terrorism*, we noted the US State Department’s description of Iran as “the most active state sponsor of terrorism”. According to US State Department Assistant Secretary for Verification and Compliance Paula DeSutter:

Iran’s support includes funding, providing safe haven, training, and weapons to a wide variety of terrorist groups including Lebanese Hizballah, HAMAS, the Palestinian Islamic Jihad, and the Popular Liberation Front for Palestine-General Command. Its support of HAMAS and Palestinian Islamic Jihad is of particular

concern, as both groups continue their deliberate policies of attacking Israeli citizens with suicide bombings.²³

35. Iran's long-standing support for violent Palestinian rejectionist groups is a matter of record. The Head of the FCO's Middle East and North Africa Directorate, Edward Chaplin, told us in December that "they [Iran] certainly have a degree of influence through the support and training and other sorts of support they provide to Hezbollah, Hamas and perhaps Islamic Jihad." Mr Chaplin reminded us that "the EU has made very clear there will be no progress on the negotiation of a Trade and Co-operation Agreement unless Iran demonstrates progress on those issues of key concern."²⁴

36. Iran has at times appeared more hard-line on the Middle East issue than the declared policies of the Palestinian leadership. However, as we noted in our Report of last month, there have been some signs of a shift in the Iranian position. We concluded in that Report that Iran, through its links with Palestinian terrorist organisations, disrupts prospects for peace in the Middle East; and we called on the Government to encourage Iran to cut those links.²⁵ **We further conclude that a renunciation by Iran of violence as a means of achieving Palestinian statehood—and a cessation of all practical and moral support for such violence—could go a long way towards changing the views of those in the West who currently regard Iran as a sponsor of terrorism.**

37. There is, however, a further area of concern about Iran's links with terrorist groups, which is felt particularly in the United States. In her testimony before a joint US Congress/Israeli Knesset hearing last September, already quoted from above, Paula DeSutter said that

the US Government insists that Iran cease its current policy of providing a safe-haven to al-Qaida and Ansar al-Islam operatives and cooperate with international efforts to bring them to justice. The United States has been concerned for some time about the presence in Iran of al-Qaida members, including senior al-Qaida leaders. We believe that some elements within the Iranian regime have helped al-Qaida terrorists transit or find safe-haven inside Iran. Moreover, we believe senior al-Qaida terrorists inside Iran played a part in the planning of the May 12 Riyadh bombings.²⁶

38. Given the hostility of the US administration towards Iran it is hardly surprising that Iran is reluctant to co-operate with the United States on terrorism issues, although there is said to be co-operation between Iran and its neighbours in this field. And as we noted in our Report of last month, the Foreign Secretary takes a different line from that of the US. In December, he told us that

co-operation in respect of al Qaeda terrorism ... has been the subject of continuing discussions with the Iranian government. They have now I think detained fifty al

23 'Iranian WMD and Support of Terrorism', Paula A. DeSutter, Assistant Secretary for Verification and Compliance. Testimony before the U.S Congress/Israeli Knesset joint hearing, Washington DC, September 17 2003.

24 Q 10. See also para 65 below

25 HC (2003-04) 81, para 203

26 'Iranian WMD and Support of Terrorism', Paula A. DeSutter, Assistant Secretary for Verification and Compliance. Testimony before the U.S Congress/Israeli Knesset joint hearing, Washington DC, September 17 2003.

Qaeda suspects, and what we look forward to is a further and more enhanced degree of co-operation with the Iranian government.²⁷

39. In their differing descriptions of Iran's co-operation over al Qaeda and similar groups, the British and US governments appear to see a glass which is, respectively, half full or half empty. Whichever perspective is adopted, it is clear that there remain grounds for concern about Iran's willingness to make common cause with global terrorist groups. **We recommend that in its response to this Report the Government set out what it and its allies are doing to achieve "a further and more enhanced degree of co-operation with the Iranian Government" in the war against terrorism.**

40. Iran also has its own concerns about terrorism. The Mojaheddin-E-Khalq (MEK) armed group, which formerly operated from bases in Iraq, has been proscribed by the United Kingdom Government and by other EU governments as a terrorist organisation.²⁸ The Foreign Office told us last year that American forces were "systematically detaining and disarming" MEK forces.²⁹ Iran, however, remains concerned that some elements in the US have continued to support the activities of the MEK. **We recommend that in its response to this Report the Government tell us what is the current extent of support for the terrorist organisation MEK in third countries, and what it is doing to minimise that support.**

*Iran and Iraq*³⁰

41. The Foreign Secretary told us in December that "Iran has a clear interest in a restored, representative government" in Iraq.³¹ His view is that Iran is not seeking to direct Iraq's Shia community, and that the leader of that community, Ayatollah Sistani—an Iranian by birth—"makes his own decisions on the basis of, as it were, his own community and his own branch of Islam."³² Neither does he believe that Iran has any links with terrorist groups operating inside Iraq.³³ We accept that Iran has a legitimate interest in the creation of a stable, non-threatening and indeed co-operative neighbour to its West.

42. In our Report of last month on *Foreign Policy Aspects of the War against Terrorism*, we concluded that Iran has the potential to be a destabilising factor in Iraq, and that the United Kingdom can play a crucial role in helping to ensure that Iran co-operates with efforts to bring stability to that country.³⁴ **We recommend that in its response to this Report the Government inform us of the steps it has taken to encourage Iran to play a positive role in political, social and economic reconstruction in Iraq, and with what results.**

27 Q 11

28 Q 1. The MEK is also sometimes referred to as the MKO.

29 HC (2003-03) 405. Ev 163

30 For a more detailed discussion of this issue, see the Committee's recent Report on *Foreign Policy Aspects of the War against Terrorism*, HC (2003-04) 81, paras 28 to 34

31 Q 8

32 Q 4

33 Q 8

34 HC (2003-04) 81, para 34

Iran and the Middle East peace process

43. Iran has no border with Israel, or with the Palestinian territories. Under the Shah, it had close links with Israel. Since 1979, its stance on the Arab/Israeli conflict appears to have been dictated by ideology, rather than by Iran's national interest (although there are also strong concerns in Tehran about Israel's presumed possession of nuclear weapons). We have already commented above on Iran's record of support for Palestinian groups which reject the right of the state of Israel to exist, and have drawn attention to recent statements which suggest that Iran may be prepared to accept any decision by Palestinians to support a two-state solution. Our own visit to Iran confirmed the impression we had already formed, that the Iranians are indeed reluctantly willing to countenance what for them represents a momentous policy shift—recognition of the state of Israel.

44. We are encouraged by these indications of a new pragmatism on the part of Iran towards the Middle East Peace Process and the status of Israel. It will certainly not be straightforward for Iran to set aside decades of antipathy towards Israel; nor will the Israelis easily be persuaded that the country which they regard as the most hostile and dangerous in the region has changed its mind. The rewards for both of such a development would, however, be considerable.

45. Another state of concern—Libya—has recently performed an unexpected *volte-face* by first admitting to and then agreeing to discontinue its development of weapons of mass destruction. One essential test of Libya's seriousness of intent will be its future stance on the Middle East question, to which, like Iran, it has supported a single-state solution.³⁵ Iran is not Libya, but Colonel Qadhafi's decision, brought about by months of patient diplomacy by British and other negotiators, sets an intriguing precedent.

*Iran's nuclear programme*³⁶

46. The United States administration has been foremost among those alleging that Iran has been seeking to develop a nuclear weapons capability.³⁷ Former proliferation adviser to the Clinton administration Dr Gary Samore told us in February last year that Iran's nuclear activities "cannot be plausibly justified as part of a civil nuclear power programme."³⁸ On 4 June 2003, John Bolton, US State Department Under Secretary for Arms Control and International Security, told the House of Representatives International Relations Committee that

there is Iran's claim that it is building massive and expensive nuclear fuel cycle facilities to meet future electricity needs, while preserving oil and gas for export. In fact, Iran's uranium reserves are miniscule [*sic*], accounting for less than one percent of its vast oil reserves and even larger gas reserves. A glance at a chart of the energy content of Iran's oil, gas, and uranium resources shows that there is absolutely no

35 In Colonel Qadhafi's White Book', see www.algathafi.org/medialeast/INDEX-E.HTM

36 For a more detailed discussion of this issue, see the Committee's recent Report on *Foreign Policy Aspects of the War against Terrorism*, HC (2003-04) 81, paras 204 to 221

37 A nuclear weapons capability requires not just a nuclear device, but a delivery system. Iran certainly possesses ballistic missiles capable of reaching Israel, and some commentators have suggested that it may be developing an intercontinental ballistic missile capability.

38 HC (2002-03) 405, Q122

possibility for Iran's indigenous uranium to have any appreciable effect on Iran's ability to export oil and gas. Iran's gas reserves are the second largest in the world, and the industry estimates that Iran today flares enough gas to generate electricity equivalent to the output of four Bushehr reactors... The conclusion is inescapable that Iran is pursuing its 'civil' nuclear energy program not for peaceful and economic purposes but as a front for developing the capability to produce nuclear materials for nuclear weapons.³⁹

47. As Mr Bolton noted, Iran has consistently denied that it has a nuclear weapons programme. The Iranian Ambassador in London wrote to our Chairman on 14 June 2003, enclosing a document which set out an economic case for Iran's civil nuclear programme, beginning with the words "Weapons of mass destruction have no place in the defensive doctrine of the Islamic Republic of Iran."⁴⁰

48. We asked the Parliamentary Office of Science and Technology (POST) to carry out an objective study of Iran's energy sector, so that we would be better able to form an independent view of whether its nuclear programme is commensurate with its energy requirements. In his paper for us—which has been subject to peer review—Professor David Cope, Director of POST, concluded that some of John Bolton's criticisms were not supported by an analysis of the facts (for example, much of the gas flared off by Iran is not recoverable for energy use), but that Iran's decision to adopt the nuclear power option could not entirely be explained by the economics of energy production.⁴¹

49. It is clear from Professor Cope's paper that the arguments as to whether Iran has a genuine requirement for domestically-produced nuclear electricity are not all, or even predominantly, on one side. We note, however, that other energy-rich countries such as Russia use nuclear power to generate electricity and we do not believe that the United States or any other country has the right to dictate to Iran how it meets its increasing demand for electricity, subject to Iran meeting its obligations under international treaties. The problem has been that Iran has failed to provide assurance to those who doubt its intentions, by refusing to open its nuclear facilities to international inspection under the Non-Proliferation Treaty (NPT). That changed last year, when Jack Straw, Dominique de Villepin and Joschka Fischer concluded an agreement with the Government of Iran in Tehran.

The EU troika initiative of October 2003

50. The origins of October's mission by Messrs Straw, de Villepin and Fischer go back to the previous Winter. In February 2003, the Director General of the IAEA, Dr ElBaradei, visited a number of nuclear sites in Iran, and held extensive discussions. In his report to the IAEA Board the following month, Dr ElBaradei wrote that:

During my visit, I emphasized to the Iranian authorities that it is important for all States, and particularly those with sensitive nuclear fuel cycle facilities, to be fully transparent in their use of nuclear technology. In this connection I stressed the value

39 Full text available at www.house.gov

40 HC (2002-03) 405, Ev 155

41 Ev 6

of bringing an additional protocol into force as an important tool for enabling the Agency to provide comprehensive assurances. During my meetings with President Khatami and other officials, Iran affirmed its obligations under the NPT to use all nuclear technology in the country exclusively for peaceful purposes, and to follow a policy of transparency. To this end it agreed to amend the Subsidiary Arrangements of its safeguards agreement, thereby committing Iran to provide design information on all new nuclear facilities at a much earlier date. And I was assured that the conclusion of an additional protocol will be actively considered.⁴²

51. Dr ElBaradei paid a further visit to Iran in July 2003. It was becoming apparent by then that Iran had various concerns of its own which the IAEA alone could not address, and was seeking assurances which the IAEA could not give. A period of what the Foreign Secretary termed “intensive diplomatic activity” followed,⁴³ beginning on 4 August with a letter to the Iranian Government from the foreign ministers of the United Kingdom, France and Germany, and culminating in a decision by them to visit Tehran, in order to demonstrate to Iran that its agreement to an Additional Protocol⁴⁴ to the NPT would bring immediate and tangible benefits. This initiative, which was not without diplomatic and political risk, achieved its desired result.

52. On 21 October, Iran and the three foreign ministers agreed to the following statement:

The Iranian authorities reaffirmed that nuclear weapons have no place in Iran's defence doctrine and that its nuclear programme and activities have been exclusively in the peaceful domain. They reiterated Iran's commitment to the nuclear non-proliferation regime and informed the ministers that:

The Iranian Government has decided to engage in full co-operation with the IAEA to address and resolve through full transparency all requirements and outstanding issues of the Agency and clarify and correct any possible failures and deficiencies within the IAEA.

To promote confidence with a view to removing existing barriers for co-operation in the nuclear field:

having received the necessary clarifications, the Iranian Government has decided to sign the IAEA Additional Protocol and commence ratification procedures. As a confirmation of its good intentions the Iranian Government will continue to co-operate with the Agency in accordance with the Protocol in advance of its ratification.

while Iran has a right within the nuclear non-proliferation regime to develop nuclear energy for peaceful purposes it has decided voluntarily to suspend all uranium enrichment and reprocessing activities as defined by the IAEA.⁴⁵

42 www.iaea.org

43 Q 5

44 See para 55 below

45 The full text of the statement is available at www.iaea.org

53. For their part, the three foreign ministers

welcomed the decisions of the Iranian Government and informed the Iranian authorities that:

Their governments recognise the right of Iran to enjoy peaceful use of nuclear energy in accordance with the nuclear Non-Proliferation Treaty.

In their view the Additional Protocol is in no way intended to undermine the sovereignty, national dignity or national security of its State Parties.

In their view full implementation of Iran's decisions, confirmed by the IAEA's Director General, should enable the immediate situation to be resolved by the IAEA Board.

The three governments believe that this will open the way to a dialogue on a basis for longer term co-operation which will provide all parties with satisfactory assurances relating to Iran's nuclear power generation programme. Once international concerns, including those of the three governments, are fully resolved Iran could expect easier access to modern technology and supplies in a range of areas.

They will co-operate with Iran to promote security and stability in the region including the establishment of a zone free from weapons of mass destruction in the Middle East in accordance with the objectives of the United Nations.

54. According to Dr Ali Ansari,

The internationalisation of the issue was essential to ensure that hardliners in Iran were not able to present the pressure to sign the additional protocols as another exercise in American double standards and arrogance. Indeed in internationalising the demands for Iran to be more transparent, presenting a united European front and tying the agreement to better political and economic relations with Europe as well as collaboration on civil nuclear technology, Britain helped ensure that Iran was more candid about its previous non-disclosures than many had expected, and more importantly, that henceforth it would fully adhere to its obligations. From the Iranian perspective it was important that its decision was not seen as a humiliating climb down, but as a dignified compromise, and the visit of the three foreign ministers of France, Great Britain and Germany, went a long way to conveying this view.⁴⁶

55. On 18 December 2003, Iran and the Director General of the International Atomic Energy Agency (IAEA) signed an Additional Protocol to Iran's NPT safeguards agreement. Under the Protocol, the Agency will have fuller access than previously to Iran's nuclear facilities, for the purpose of verifying Iran's compliance with its obligations under the Treaty. Signature of the Protocol was regarded as an important sign of Iran's earnestness; compliance with its terms will be regarded as essential if the credibility of Iran's commitment to the terms of the agreement is to be maintained.

56. The agreement did not resolve some important questions, for example about the precise meaning and durability of Iran's commitment "voluntarily" to suspend uranium enrichment, and about Iran's failure to make a full disclosure of its nuclear activities. Iran's place in the web of nuclear trading spun by Pakistan's Dr Abdul Qadeer Khan had also yet to become clear when the agreement was signed. Some of these outstanding issues were addressed in an Iranian statement on 23 February 2004, in which it agreed to suspend—again, voluntarily—all assembly and testing of centrifuges which could be used to enrich uranium, and to place such centrifuges and related components under IAEA supervision. In his report to the IAEA Board the following day, Dr ElBaradei is reported to have concluded that Iran has been developing more sophisticated centrifuges than it had previously admitted, and that it has produced or acquired nuclear materials with very limited plausible civilian application.⁴⁷ Assuming these reports to be accurate, it is clear that Iran is guilty either of careless inefficiency or of deliberate deceit.

Prospects for the future

57. Welcome though the agreement with Iran on its nuclear activities is, there can as yet be no certainty that it will achieve its objectives. A shift in the balance of power in Iran, a perceived threat from another country in the region, or unauthorised activities by a member of Iran's nuclear elite (as may have happened in Pakistan) could yet derail the agreement. In practice, we suspect, the agreement is less likely to be derailed than to have its limits thoroughly tested by the Iranians. Scrupulous enforcement by the IAEA will be necessary, backed up by continued resolve on the part of the EU troika and other parties.

58. In our Report of January 2004 on *Foreign Policy Aspects of the War against Terrorism*, we concluded that

this episode demonstrates the potential of co-ordinated European action to address common security concerns, and that it demonstrates the continued relevance of multilateral arms control mechanisms.⁴⁸

With specific reference to Iran, we conclude that the lesson to be drawn from the success of the EU troika initiative is that, by acting together with firm resolve the international community has been able to persuade Iran to modify its nuclear policies in ways which will bring benefits to Iran, to its neighbours and to the international community. However, it is important to recall that the agreement was only necessary because Iran had been developing covertly a nuclear threat capability. It is also clear from Iran's failure to declare some aspects of its nuclear programme since the Agreement was signed that continued vigilance will have to be exercised by the IAEA, backed up wherever necessary by intrusive monitoring and effective verification measures. We recommend that in its response to this Report the Government set out what steps it is taking to ensure Iran's full compliance with the statements issued by the Iranian Government and the Foreign Ministers of Britain, France and Germany on 21 October 2003 and with the terms of the Additional Protocol to Iran's NPT safeguards agreement, signed on 18 December 2003.

47 See, eg, "Iran nuclear omissions worry UN", *BBC News*, http://news.bbc.co.uk/1/hi/world/middle_east/3517139.stm

48 HC (2003-04) 81, para 221

Human rights in Iran

59. Iran's 1979 constitution enshrines respect for human rights within the context of an Islamic state. Islamic interpretations of human rights differ in some respects from those prevalent in the West. In this section, we consider Iran's record on human rights under three headings: political, personal and religious freedoms.

Political freedoms

60. The political situation in Iran has developed considerably since our visit in October last year, when we heard from figures at the heart of government and from independent commentators alike that the pro-reform groups would find it difficult to maintain their majority in the *Majles*. The overwhelmingly youthful population of Iran (60 percent of Iranians were born after the 1979 revolution) appears to have concluded that its interests are best served by co-existing peacefully with the clerical establishment. Young people in Iran today are able to associate freely, to listen to the music of their choice, to access the world wide web and—if such be their desire—discreetly to indulge in alcohol and other drugs. But while they enjoy fast food and western music, they have no wish to lose their Iranian identity. The clerical establishment, as the guarantor of that identity, may therefore be regarded as in some ways benevolent, while the reformist politicians are seen as ineffectual, and few young Iranians see any incentive to engage in politics.

The elections of February 2004

61. Many of those whom we met in October—including, ironically perhaps, senior members of the establishment—expressed considerable concern that apathy would be the distinguishing feature of February's elections. This was despite attempts by many leading politicians—including our host for the visit, Dr Mohsen Mirdamadi⁴⁹—to radicalise Iranian voters, through their opposition to the decision of the Guardian Council to ban reformist candidates from standing for election. Dr Mirdamadi was one of those members of the *Majles* who was barred from standing for election again.

62. Iran's political affairs are a matter for Iran, but the extent to which elections in Iran are seen to be free and fair must affect its relations with other countries, not least with the United Kingdom and its European partners. The decision of many candidates to withdraw from the ballot in protest at the decision to ban reformist candidates deprived the election of democratic validity. Iranian voters were not presented with a full choice of candidates, and they responded by abstaining in large numbers. It is difficult to know how many of those who did not vote were engaging in a deliberate protest against the banning of candidates for whom they would have wished to vote, and how many were apathetic or were disillusioned with the record of the Khatami administration or with the political system generally. Equally, one cannot be certain how many of those who voted did so only in order to have their identity papers stamped. What is certain is that democracy has suffered a blow in Iran.

49 Chairman of the International Affairs and Security Committee of the *Majles*

63. The decision by the Council of Guardians to prevent more than 2,400 candidates from standing, because those candidates' Islamic credentials were, in the view of the Council, unsatisfactory, appears to us to have been a deliberate attempt to subvert the process of reform in Iran and to frustrate the will of its people. Relations between Iran and the United Kingdom, its European partners and other democracies are bound to be affected by such anti-democratic practices.

64. President Khatami continues in office for another year, but he will have to work with a legislature which is dominated by hardliners. Yet it is possible that the incoming parliament will find it easier to achieve a consensus on the changes which will be necessary for Iran to improve its relations with other countries. The example of China is often cited as demonstrating that economic liberalisation can proceed in the absence of full political freedoms. However, while such reforms might allow Iran to do more business with the rest of the world, only the adoption of fully democratic values can ensure its complete acceptance by the international community.

65. For some time, the European Union and Iran have been discussing a trade and co-operation agreement, which in return for undertakings by Iraq to respect human rights and democratic values, would grant Iran improved access to EU markets.⁵⁰ Negotiations on the agreement proceeded slowly during the first half of 2003, and have been in a state of suspension for some months. The Foreign Secretary has said that the recent elections were "flawed" and that although dialogue between the EU and Iran should continue, the election result "will obviously create a new environment for the discussions with Iran to take place [in]".⁵¹

66. We conclude that the recent elections in Iran were a significant and disappointing setback for democracy in that country and for its international relations, at least in the short term. We recommend that the Government take every opportunity through its pronouncements and through its policies to remind Iran of the benefits to its own people and to its standing in the world of upholding democratic values.

Personal freedoms

Young people, education and employment

67. In the period immediately after the 1979 revolution, and in particular during the lengthy war against Iraq, Iran's new rulers encouraged a substantial increase in the birth rate, which peaked at over 3 percent.⁵² This disproportionately large generation has had to be provided with health care and primary, then secondary, then further and higher education. All this has been provided by the Iranian state. That such a vast undertaking has been achieved successfully, with high levels of literacy and a generally good standard of health, represents a considerable accomplishment.

50 In the words of a European Commission press release of December 2002: "The EU expects that the deepening of economic and commercial relations between the EU and Iran will be matched by similar progress in the areas of political dialogue and counter-terrorism. These are interdependent, indissociable and mutually reinforcing elements of the global approach which is the basis for progress in the EU-Iran relations."

51 "EU ministers unite to attack 'flawed' elections", *The Times*, 24 February 2004

52 See, eg, http://news.bbc.co.uk/1/hi/world/middle_east/1949068.stm. The rate now stands at 1.2 percent.

68. Iran has been less successful in providing employment for its baby boomers. Its well-educated young people too often find there are insufficient jobs suited to their skills. One consequence has been a high level of emigration among the more educated classes of young people. This is not entirely bad news for Iran, as its emigrant workers send valuable foreign exchange home and, when they return, bring with them the further skills they have learnt while abroad, but it would clearly be better for Iran if it were able to make more use of the considerable talents of its people.

The position of women in Iranian society

69. Women in Iran are in many respects freer than their counterparts in some other Islamic countries. In Iran—unlike in some other countries in the region—women may vote, hold political office, work and drive a car. Almost two thirds of new university entrants are currently women. However, women in Iran still suffer unequal rights under marital law and their employment position is significantly worse than that of men.⁵³ Iran is investing in the education of large numbers of women who cannot then find appropriate employment, to the detriment of the Iranian economy and Iranian society as well as to that of the women themselves.

70. In January 2003, we received a report from our parliamentary colleague, Dr Phyllis Starkey MP, who had led a delegation of women parliamentarians to Iran. Dr Starkey told us that:

Women are disadvantaged by the current legal system, particularly in relation to divorce, and in court a woman's testimony is valued at half that of a man. Economically women are at a disadvantage compared with men.⁵⁴

She concluded that:

Overall, we retained concerns about abuses of human rights and the crab-like progress towards real democracy, because the conservative religious authorities frequently obstruct reform. However, our delegation returned convinced that Iran was moving in the right direction and that the British policy of constructive engagement was correct.

71. While in Iran, we pursued some specific aspects of gender inequality. For example, we discussed with several of those whom we met the unequal position under Iranian law of female heads of households, and of divorced women seeking custody of their children. Until recently, women were granted custody only of female children under the age of seven and males under the age of two; all other children were placed in the custody of the father. We were informed that a proposal to change this law had been passed by the parliament, but rejected by the Council of Guardians. The matter had been referred in accordance with the constitution to the Council of Expediency. After our return, we were pleased to be informed by the Iranian Embassy in London that the Expediency Council had approved the law, and that henceforth mothers will usually be granted custody of children of both sexes until the age of seven, the position thereafter to be determined by the courts, if the

53 HC (2000-01) 80, pp 12-14; HC (2002-03) 405, Ev 151-3

54 HC (2002-03) 405, Ev 146

parents cannot agree between themselves.⁵⁵ We welcome this sensible reform, which is evidence of a pragmatism in Iranian society often overlooked in the West.

72. On the other hand, the abhorrent practice of stoning women adulterers remains part of the Iranian legal corpus. Such punishments have been subject to a moratorium, but it is very disappointing that they have not yet been abolished.

73. We were privileged during our visit to Tehran to meet Nobel Prize winner Dr Shirin Ebadi. Mrs Ebadi was a judge until 1979—an unique position for a woman under the rule of the Shah—and has been a campaigning lawyer since being removed from the judiciary, taking on and winning a number of high-profile cases. Mrs Ebadi spoke to us about her desire to see Iranian society reform itself and articulated very effectively her confidence that this will be achieved. She pointed out that, 25 years after she was sacked because of her gender, there are once again women judges in Iran.

74. Like our parliamentary colleagues who visited Iran in 2002, **we conclude that the position of women in Iranian society remains unequal, but that it has been moving in the right direction. We welcome the award of the Nobel Peace Prize to Dr Shirin Ebadi. However, we are seriously concerned that Iran has yet to repeal provisions allowing the stoning of women adulterers and we conclude that Iran cannot be fully accepted into the international community while such abhorrent practices remain permitted under its laws.**

The Kazemi affair

75. The murder of Canadian-Iranian photo-journalist Zahra Kazemi in July 2003 has served to place a renewed emphasis on the lack of respect for human rights on the part of some sections of the Iranian establishment. It appears that Mrs Kazemi was beaten to death by her interrogators, having been arrested while photographing locations associated with student unrest—in particular, Evin Prison, where many of those detained for political reasons are held. The initial interrogation was carried out under the supervision of Judge Saeed Mortazavi, before Mrs Kazemi was handed over to Iran's internal security service. An inquiry by the Article 90 Committee of the *Majles*—whose Chairman we met in Tehran—established that the injuries which caused death had been administered while Mrs Kazemi was in the custody of the judiciary.⁵⁶ Despite this, the judiciary has arrested an intelligence officer and has charged him with responsibility for Mrs Kazemi's death; in return, the intelligence ministry, with the support of most of the political establishment, is defending its employee. The trial was opened and adjourned in November, with no date set for its resumption. Mrs Shirin Ebadi is representing the Kazemi family.

76. That the judiciary of any country should be found to be culpable for such an horrific abuse is deeply worrying. Those of us in the West who have supported the policy of constructive or critical engagement with Tehran must be particularly disappointed and concerned. Although we can take heart that the facts have apparently been established and

55 Ev 22

56 The Article 90 Committee (so named because it is established under Article 90 of the Iranian Constitution) fulfils an ombudsman-type role and spends much of its time investigating alleged miscarriages of justice.

made public by a committee of the Iranian parliament, it would obviously be better for Iran's international standing if these abuses were to cease altogether.

77. The Kazemi affair demonstrates one of the difficult dilemmas which face those who wish to develop a more positive relationship with Iran. Iran is a highly complex society, with competing centres of power and influence. To treat it—as one would treat most nation states—as a single entity, which is either in the 'good' camp or in the 'bad' camp, is to ignore that complexity. Dealings with all aspects of the Iranian socio-political system may be a necessary feature of critical engagement, but they must always be handled with sensitivity, and with an emphasis on encouraging the more positive elements.

Religious freedoms

78. When we visited Tehran, we met members of the *Majles* who represent Iran's officially recognised religious minorities. The Iranian constitution acknowledges the existence of the long-established Christian (mainly Armenian), Assyrian, Jewish and Zoroastrian communities and provides for each such community to elect a number of parliamentary representatives (one, in most cases) which is broadly proportionate to the officially accepted number of its believers.

79. We did not hear any criticism of the Iranian authorities from the official representatives of minority faiths, and neither did we expect to hear any. Other evidence suggests, however, that religious converts, in particular, have been persecuted. The Foreign Secretary told us that:

Under Iranian law, apostasy—conversion from Islam to Christianity or any other religion—is a crime and in theory may be punished by death. Accurate information about the actual treatment of converts or those who seek to convert others is hard to obtain and we do not have a full picture. We are not aware of cases where the death penalty has been used on Christian converts in the period since President Khatami was first elected in 1997. In 1994, a Christian convert in Mashad, a pastor, was reportedly charged with evangelising and subsequently executed. We have also heard reports of the extra-judicial killing of Christians for evangelising, most recently in 2000 in Rasht. While some converts who keep a low profile appear not to face significant harassment by the authorities, others may be subject to restrictions or punishment.⁵⁷

80. Iran is not the only Islamic country to incriminate apostates, but it is surely particularly unfortunate that the Iranian establishment apparently feels so insecure that it cannot tolerate conversion. **We respect the pre-eminent position of Islam in Iran, but we conclude that Iran's interpretation of the tenets of Islam with regard to those who proselytise or who convert to other faiths is incompatible with its desire to enjoy normal relations with other countries.**

81. We have also received criticism of Iran from the Board of Deputies of British Jews, who told us in February last year that:

While the Jewish community [in Iran] may not suffer to the extent that the Bahá'ís or Christians have, Jews nevertheless continue to live under an oppressive regime. The Jews who were falsely imprisoned on charges of espionage in 1999, have now mostly been released. However, it is believed that up to 5 men remain in prison, and according to Iranian Jewish communities abroad, a number of others have disappeared, possibly while trying to escape from the country.⁵⁸

Nevertheless, the Board concluded that “there are positive signs emerging from within Iran” and noted that increased contacts with the West are likely to add to pressure for change in Iran.⁵⁹

The Bahá'ís of Iran

82. It is notable that all three religions whose adherents are recognised as having special rights in Iran are older than Islam. However, Iran is home to many members of a younger religious community—the Bahá'ís. The Bahá'í faith originated in Iran in the 19th Century as a development of Islam and is estimated to have approximately 300,000 adherents in modern-day Iran.⁶⁰ Although Bahá'ís do not directly threaten other religions, and are not perceived as a threat outside Iran, the Iranian clerical establishment regards them as apostates and they are banned from practising their faith.

83. There appears to be little prospect of the present Iranian regime changing its constitutional position on the Bahá'í faith, and any attempt to force the issue in the way that the nuclear question was resolved would, in our estimation, be most unlikely to succeed. However, this need not be a counsel of despair. We judge that over time, Iran is likely to become a more secular state, which would in all probability develop a greater tolerance of religious minorities. Even if Iran were to remain an avowedly and constitutionally Islamic republic, the Rushdie precedent suggests that its leaders are not incapable of finding pragmatic solutions to questions of religion.⁶¹

84. We conclude that Iran's treatment of its Bahá'í community is not consistent with its human rights obligations under international law. We recommend that the Government continue to press the Iranians to treat members of all religious minorities fairly and equally, while recognising the pre-eminent position which Islam enjoys in Iranian society.

'Blood money'

85. While in Tehran, we discussed the grievance felt by non-Muslims in Iran that so-called 'blood money' was paid at differential rates, with more being paid in respect of Muslims than those of other faiths. Blood money, or *di'yeh*, can be paid under Sharia law, which allows the family or relatives of a murdered person to choose between pardoning a convicted murderer, demanding blood money or insisting on capital punishment. In

58 HC (2002-03) 405, Ev 147

59 HC (2002-03) 405, Ev 148

60 HC (2000-01) 80, p 8

61 Ayatollah Khomeini's *fatwa* against Salman Rushdie has never been (and cannot be) revoked, but it is no longer regarded as being in force.

January 2004, we were informed by the Iranian Embassy in London that the Council of Guardians had approved a bill amending the constitution to provide for equal blood money for all Iranian nationals, regardless of their religion.⁶² We welcome this change, which provides a small but important example of Iranian society moving in the right direction.

Conclusion

86. Our visit to the Islamic Republic of Iran provided us with an excellent opportunity to see and experience a country which is still half in and half out of the international community. Iran's failure to engage constructively with so much of the world has deprived it of much investment and other benefits; it has also meant that outsiders have been denied access to an astonishingly rich culture, a talented, well-educated people and a huge economic potential.

87. Iran's position at the borders of the Middle East and Central Asia lends it potentially great strategic significance in its region: militarily, politically and economically. When, as we believe they eventually will, the Iranian people put in place the reforms necessary to realise that potential, the United Kingdom will have much to gain from being in an already established relationship with Iran.

88. For the present, Iran remains very much a moving target for commentators. There is competition for dominance among different power clusters, with the clerical establishment currently in the ascendancy. In the short term, the clerics and their allies may make advances, but in the long term they will surely not be able to hold back the aspirations of the younger generation.⁶³ Young people and women are said to have formed the reformist majority in the 1997 election, and it appears that it may have been their abstention in large numbers which removed that majority in last month's elections.

89. We have previously concluded that the United Kingdom has been right to engage with Iran, even in the face of strong signals from Washington that such a policy was misguided, and even in the face of setbacks to the process of reform, such as the flawed election of February 2004. Having visited Iran, and having spoken at some length and with a degree of frankness to people of influence in that country, we stand by our earlier comments. **We conclude that Iran will surely complete its journey towards reform, but at its own pace and in its own way, having regard to its proud history and strong national identity. We recommend that the Government act as a good friend to Iran in that journey, criticising when necessary, but supporting where it can.**

63 60 percent of Iran's population is aged under 25

Appendix

Programme for the visit to Iran, 18-24 October 2003

Saturday 18th October

2300 Arrival in Tehran.

Sunday 19th October

0900 Leave Hotel

0915 Briefing in Embassy

1030 Leave Embassy

1045 Dr Mirdamadi, Chairman of Majlis National Security and Foreign Policy Committee

1145 Return to Embassy

1200 Visit to Visa Section

1300 Lunch in Residence with Western journalists

1500 Mr Ahani, Deputy Minister for Europe and the Americas

1615 Mr Akbar Alami, Chairman of the UK/Iran Parliamentary Friendship Group (Majlis)

Monday 20th October

0930 Leave hotel

1000 Mr Karroubi, Speaker of Majlis

1130 Ayatollah Marvi, Deputy Head of Judiciary for Administrative Affairs

1445 Mr Rajab-Ali Mazrouie, Secretary General of Association of Iranian Journalists

1615 Mr Ziaefar, Secretary of Islamic Human Rights Commission

2000 Dinner hosted by Dr Mirdamadi, new Majlis building

Tuesday 21st October

0900 Leave hotel

0930 Mr Abtahi, Vice President for Legal and Parliamentary Affairs

1045 Minority MPs (Majlis)

1200 Return to Embassy

- 1230 Lunch in Embassy with British Council, Commercial and Consular staff
- 1500 Mr Hossein Ansari Rad, Chairman of Article 90 Committee (Majlis)
- 1830 Leave hotel
- 1900 Buffet dinner at Embassy

Wednesday 22nd October

- 0715 Leave hotel
- 0800 Shirin Ebadi
- 0900 Museums
- 1130 Meeting with Iranian analysts in Ambassador's Residence
- 1230 Sandwich lunch with analysts (discussion continues)
- 1430 Leave for airport
- 1550 To Isfahan
- 1700 Meeting with Deputy Governor General of Isfahan

Thursday 23rd October

- 0900 Tour of cultural sites of Isfahan
- 1200 Lunch with local politicians and administrators
- 1650 Return to Tehran
- 1830 Closing meeting with Ambassador

Friday 24th October

- 0600 Leave Hotel
- 0700 Depart for UK

Formal minutes

Tuesday 9 March 2004

Members present:

Donald Anderson, in the Chair

Mr David Chidgey	Mr Bill Olnier
Mr Fabian Hamilton	Richard Ottaway
Mr Eric Illsley	Mr Greg Pope
Andrew Mackinlay	Sir John Stanley
Mr John Maples	Ms Gisela Stuart

The Committee deliberated.

Draft Report (Iran), proposed by the Chairman, brought up and read.

Ordered, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 16 read and agreed to.

Paragraph 17 read, amended and agreed to.

Paragraphs 18 to 57 read and agreed to.

Paragraph 58 read, amended and agreed to.

Paragraphs 59 to 81 read and agreed to.

Paragraph 82 read, amended and agreed to.

Paragraphs 83 to 88 read and agreed to.

Paragraph 89 read, amended and agreed to.

Resolved, That the Report be the Third Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

Ordered, That the provisions of Standing Order No.134 (Select committees (reports)) be applied to the Report.

Ordered, That the programme of the Committee's visit to Iran be appended to the Report.

Several Papers were ordered to be appended to the Minutes of Evidence.

Ordered, That the appendices to the Minutes of Evidence taken before the Committee be reported to the House.—(*The Chairman.*)

[Adjourned till Thursday 11 March at 3.00pm.]

Witnesses

Tuesday 2 December 2003

Page

Rt Hon Jack Straw MP, Secretary of State, Foreign and Commonwealth Office

Ev 1

Mr Edward Chaplin OBE, Director, Middle East and North Africa Directorate

Mr John Sawers CMG, Director-General, Political, Foreign and Commonwealth Office

Edward Oakden CMG, Director, International Security, Foreign and Commonwealth Office

List of written evidence

Memoranda submitted by the Foreign and Commonwealth Office	Ev 5, Ev 22
Note by Professor David R Cope, Director, Parliamentary Office of Science and Technology (POST)	Ev 6
Memorandum submitted by the British Council	Ev 13
Memorandum submitted by the UK Representative Office of the National Council of Resistance of Iran	Ev 15
Memorandum submitted by Dr A M Ansari	Ev 20
Memorandum submitted by the Embassy of the Islamic Republic of Iran	Ev 22

Oral evidence

Taken before the Foreign Affairs Committee

on Tuesday 2 December 2003

Members present

Donald Anderson, in the Chair

Mr David Chidgey
Mr Fabian Hamilton
Mr Eric Illsley
Mr John Maples

Mr Bill Olnier
Richard Ottaway
Sir John Stanley

Witnesses: **Rt Hon Jack Straw**, a Member of the House, Secretary of State for Foreign and Commonwealth Affairs, **Mr Edward Chaplin OBE**, Director, Middle East and North Africa Directorate, **Mr John Sawers CMG**, Director-General, Political; and **Mr Edward Oakden CMG**, Director, International Security, Foreign and Commonwealth Office, examined.

Chairman: Foreign Secretary, may I welcome you again to this meeting of the Committee. We welcome also your colleagues from left to right, Mr John Sawers, Edward Chaplin, and Mr Edward Oakden. Unusually on this occasion we are seeking to question you in relation to two reports which the Committee hopes to publish: the first in relation to bilateral relations with Iran, the second in relation to yet a further chapter of the Committee's work on the war against terrorism, which will focus on this occasion mainly on Iraq and the Middle East peace process. I would like to turn first perhaps for 20 minutes, Foreign Secretary, to Iran. As you know, the Committee were in Iran during your flying visits with your two colleagues, M. de Villepin and Mr Joschka Fisher where you emerged with this remarkable deal which we hope will stick in relation to the nuclear programme. We certainly recognise that Iran is a country of great geostrategic significance, and your visit clearly also had a certain symbolism in terms of European co-operation. Turning first to Iran, Mr Olnier?

Q1 Mr Olnier: Foreign Secretary, we all know how supportive in a way Iran has been to try and bring some lasting piece to Afghanistan. Could you tell us what role Iran is playing with Iraq? There have been reports in the papers over the weekend that there have been some incursions made by troops into chasing people into Iraq.

Mr Straw: I am on record as saying that, in general, we are grateful to the Iranian government for the co-operation we have received in respect of the Iraq situation, and when I was in Iraq itself last week on Tuesday and Wednesday there were a few complaints that I received about the position of the Iranian government, so that is the position. There is a need for a continuing dialogue with the Iranians, particularly on their side that we want to see co-operation which has been there but enhanced co-operation on the handover of terrorist suspects. The Iranians will say on the other side that they have a continuing problem with the MEK camp that is in Iraq and, although the practicalities of that are

complicated, I certainly understand their point of view because MEK is a terrorist organisation and one which I banned as Home Secretary two and a half years ago, which ban was endorsed by the House of Commons.

Q2 Mr Olnier: Does Iran have positive links with terrorist organisations in Iraq?

Mr Straw: Not to my knowledge, certainly not. The terrorism that is taking place in Iraq is coming principally from what are described by the acronyms either of FRLs or FREs—Former Regime Elements or Former Regime Loyalists, Saddamists—

Q3 Mr Olnier: Did you say “loyalists” or “lawyers”?

Mr Straw: “Loyalists”. You do not want to utter any calumnies against lawyers, Mr Olnier, I am sure! As is very well known there is only enmity between the Saddamists and the Iranian government, so there is no suggestion of that.

Q4 Chairman: Is there any evidence that Iran is seeking to influence Shiite elements within Iraq? For example, the proposed timetable, for the next political steps, the transition and the change of sovereignty in June proposed by the Americans has been opposed by Ayatollah Sistani. Is there any suggestion that he is doing so in part as a result of pressure from Iran?

Mr Straw: I see no suggestion about that and, indeed, the general view is that Ayatollah Sistani is very independent. Although I have no direct information, it is highly probable that the Iranian government are talking, as they are fully entitled to, to those in Iran who wish to talk to them. There is reasonable ease of travel; when I saw Jalal Talabani, who was until two days ago the President of the Governing Council, and his colleagues when I was in Iraq last Wednesday, he and his colleagues had just come back from a visit to Tehran and he was applauding the level of co-operation which they had received in Tehran and was very pleased about that, so of course there is a lot of discussion but our best

information is that Ayatollah Sistani is independent, he makes his own decisions on the basis of, as it were, his own community and his own branch of Islam.

Q5 Mr Illsley: Coming back to the agreement you and your European colleagues reached with Iran in October during your visit on nuclear enrichment, the Iranians accepted on 10 November that they were to suspend any further enrichment of uranium. How happy are you with that agreement, that the Iranians will stick to it and that that suspension will continue, and do you have any fears of Iran reverting back to a nuclear enrichment programme and, if so, is there any proposal between the three of you and your European counterparts if that happens?

Mr Straw: What I say on this is, "So far so good". In the resolution of the IAEA board, which was passed on 26 November, operative paragraph 3 noted the statement by the Director General of the IAEA that "Iran has taken the specific actions deemed essential and urgent and requested of it in paragraph 4 of the resolution adopted by the Board on 12 September", which was the one that laid down various requirements on Iran in respect of suspension of enrichment-related activities and also of reprocessing activities. But there are two other points in resolution: one is in paragraph 5 which says it endorses the view of the Director General that in order to achieve this, which is what is set out in paragraph 4, all necessary steps to confirm the information provided by Iran on its past and present nuclear activities is correct and complete as well as to resolve issues that remain outstanding, the resolution says in paragraph 5 that the agency must have a particularly robust verification system in place and additional protocol coupled with a policy of full transparency and openness on the part of Iran is indispensable. It then goes on in operative paragraph 8 that, should any further serious Iranian failures come to light, the board of governors will meet immediately to consider, in the light of the circumstances and of advice from the Director General, all options at its disposal in accordance with the IAEA statute and Iran's safeguards agreement. So going back to the summer, you first of all had the concerns about a lack of compliance with the safeguards agreement by Iran which led to a very tough resolution by the board on 12 September, consensus resolution; you then had a period of intensive diplomatic activity which culminated in the visit I made in the company of Dominic de Villepin and Joschka Fisher on 20 October and the agreement we reached with the Iranian government, and that then ran into the report from Dr ElBaradei which came out on 10 November when it was published leading to the resolution. As I say, so far so good, and I expect and hope that there will be full co-operation as the Iranians have promised and undertaken and as Dr ElBaradei has recorded has now happened in respect of the obligations placed on them on 12 September. If that is not forthcoming, which I do not expect but if it is not forthcoming, then obviously the full weight of paragraph 8 of that resolution would come into play.

Q6 Mr Illsley: Given that the Americans, and in particular I refer to a statement made by John Bolton, one of the Under-Secretaries in the Pentagon, have expressed some concern at what the International Atomic Energy Agency has said in the past—I think he described as "unbelievable" the original statement by the IAEA—have you reached a consensus with the United States over the resolution of 26 November? Is the United States happy with that situation, or is there still a fear within the US that perhaps the Iranians are not complying?

Mr Straw: Allow me to say that I answer for myself and the British government and I never provide a running commentary on what other people in other administrations say. There has been over the years a lot of discussion with the United States' government, as there has been obviously with European governments and others as well as the IAEA, about the text of the resolution. I have not discussed it in any detail since its passage—it was after all only a week ago—and in the intervening period I have been in Iraq and in Naples. I will ask Mr Sawers whether he has anything to add on this because he has been involved in a lot of the detail, but I was just turning up what the US Ambassador in Vienna said in terms of his comments on the resolution once it had been passed. They were couched in careful terms and the simple fact of the matter is that this resolution had a consensus behind it—the whole of the international community represented in the IAEA board voted for it, as they had on 26 September—and I and my French and German counterparts were extremely anxious that that is what we should achieve, and is one of the reasons why we embarked down this road, beginning with the letter which we sent on 4 August.

Mr Sawers: I have two points: the first is that the United States voted in favour of this resolution. It was unanimously adopted. There was an extensive discussion and negotiation over its terms but our goal was to maintain the unanimity of the board and all members of the board of Governors of the IAEA supported this particular resolution. Secondly, implicit in your question was that this is an on-going process. The verification which the Iranians have now accepted on their nuclear activities enables the IAEA to report with a greater degree of detail and a greater degree of confidence about what is happening inside Iran on nuclear issues, and that in turn gives us a great deal more confidence about the activities in question. Now, there are some on both sides of the Atlantic who are yet to be convinced that everything has been revealed that has to be. Well, we shall see, and, as the Foreign Secretary has identified in the resolution, there are provisions in that resolution in the event that more breaches or failures come to light, but we are proceeding on the basis that the Iranians have made a clean breast of their past failures and are willing to enter into wider discussions which will provide us all with the confidence on which a civil nuclear power programme can go ahead on the basis of full assurances which satisfy all the main countries involved.

2 December 2003 Rt Hon Jack Straw MP, Mr Edward Chaplin OBE, Mr John Sawers CMG and Mr Edward Oakden CMG

Q7 Sir John Stanley: Following the line of questioning that Mr Illsley has been pursuing, is it not the case, though, that the US Secretary of State has stated publicly that the resolution should have had some form of “trigger mechanism”, which was the phrase he used, that would bring some form of sanctions to bear on Iran if there continued to be breaches, and that this was resisted by yourself and your French and German opposite numbers?

Mr Straw: I am not directly aware of such a public comment. What is the case, Sir John, is that there was a process of discussion with all partners in the IAEA board, and as is normal in these situations we arrived at language which met our concerns but also met other partners’ concerns which is why we all voted for it, and the arrangements specified in paragraph 8 to which Mr Sawers has just drawn attention I think are satisfactory and make very clear what would be the consequences if it turned out that Iran was not meeting its obligations under the Safeguards Agreement and under the terms of various resolutions.

Q8 Mr Hamilton: As you know, Foreign Secretary, the US State Department has called the Islamic republic of Iran the world’s most active state sponsor of terrorism. What I wanted to ask you was whether you felt that Iran’s attitude towards terrorist organisations has shifted since 11 September 2001 and, perhaps, especially in the last 12 months? Do you think that Iran’s sponsorship or past sponsorship of terrorism continues to remain a substantial aspect of its defence and security policy?

Mr Straw: I first visited Iran just two or three weeks after September 11—I think it was 25 September 2001. Iran will say, and I am sure that the Iranian government said this to those of you who were on the FAC delegation that they have signed up to all international instruments against terrorism and they are tough on terrorism, and with one very important caveat that is true, and as I have often discussed with them their view of the MEK organisation and our view is the same. MEK is a terrorist organisation and that applies to other terrorist organisations, and I answered a question from Mr Illsley about whether there was any evidence of any association between the terrorism that is going on in Iraq at the moment and the Iranian government and the answer is “No”, and I do not expect there to be because their interests are very different and Iran has a clear interest in a restored, representative government and an Iraq which is not controlled by the Saddamists. The caveat is in respect of Iran’s support for rejectionist terrorist organisations operating in Israel and Occupied Territories.

Q9 Mr Hamilton: I was going on come on to that in a minute.

Mr Straw: What Iran says is that they do not regard those organisations whom they support principally—Hezbollah but to a degree one or two others—as terrorist organisations; these are freedom fighter organisations. My argument back to them has always been, “Well, thank you for applauding my banning of MEK when I was Home Secretary

but bear in mind that, in the same list, I also banned the military wings of Hezbollah, Hamas and Islamic Jihad. We therefore believe on the basis of objective evidence and various international instruments that these are all terrorist organisations. Also, Iran had taken the formal view of a “single state solution” to the Israel/Palestine conflict, although what I have detected is an understanding that, since the two-state solution is one which has now been endorsed by the international community, there is a greater willingness by the Iranian government to accept that as reality and to work within it.

Q10 Mr Hamilton: So can you say a little bit more about how much influence you think Iran still has in Palestinian circles?

Mr Straw: The answer is I do not know. They obviously have considerable influence. Query: How much with Hezbollah, for all sorts of historical reasons.

Mr Chaplin: It is a pretty murky area but they certainly have a degree of influence through the assistance and training and other sorts of support they provide to Hezbollah, Hamas and perhaps Islamic Jihad, and that is one of the key concerns that not just we but the other EU governments have in the political dialogue we conduct with them, and the EU has made very clear that there will be no progress on the negotiation of a Trade and Co-operation Agreement unless Iran demonstrates progress on those issues of key concern.

Q11 Mr Hamilton: Given what the Foreign Secretary has just said about Iran supporting a one-state solution, is there any evidence now that given the United Nations resolutions, given the international pressure for support for a road map for a two-state solution, Iran is now coming round to this way of thinking?

Mr Straw: In informal discussions I have detected a shift by the Iranians. They no longer are saying dogmatically that the only solution right for the Palestinians is a one-state solution. The way it has been put to me, but informally, is, “We have a one-state solution as our policy, but we are willing to recognise that if the Palestinians move from a one to two state solution”—which is indeed where they are—“we may have to accept that or will accept that as reality”. I was asked earlier about co-operation with Iran. I should just, Mr Chairman, perhaps say a word about co-operation in respect of al Qaeda terrorism which is important and geographically sited in terms of transit. That has been the subject of continuing discussions with the Iranian government. They have now I think detained 50 al Qaeda suspects, and what we look forward to is a further and more enhanced degree of co-operation with the Iranian government.

Q12 Mr Chidgey: Foreign Secretary, can I move on to our interest in human rights in Iran? You are, of course, aware that it is the EU’s policy to forge closer trade and co-operation links with Iran, links with improvements in human rights standards in Iran, but the latest report I have seen from the EU General

Affairs Council of 30 October says that there are still serious violations of human rights continuing to occur in Iran, and from our work and visits to Tehran we I think could provide a list as long as your arm on areas that were of concern to us, but I just give you a couple. For example, political representation. The ability for groups to approve their own parliamentary candidates without them being first approved by the Guardian Council; children's rights and women's rights—and we all know the work of Dr Ebadi; religious freedom—and this is a particular area of concern that the Baha'is are treated as non-citizens because of their faiths. I would like to know from you, Foreign Secretary, where the United Kingdom stands in this issue. How far up your agenda is this in our relations with Iran?

Mr Straw: It is very important in our agenda and we played a leading role—I personally played a leading role—in ensuring there is conditionality in the relationship between the European Union and Iran in respect not least of the Trade and Co-operation Agreement, so in the letter that Joschka Fisher, Dominique de Villepin and I wrote to the Iranian government, which they received on 4 August, we were able to talk about the fact we wanted to see progress made on trade and co-operation with Iran but that had to take place in the context of progress obviously on the nuclear dossier but also on these other issues, which is why we have also encouraged the human rights dialogue between the EU and Iran and we have made our own important contribution to that. The situation so far as representative government is not satisfactory, and it is well known and no doubt, Mr Chairman, you picked this up when you were there—that there has been this ongoing argument between President Khatami and the religious authorities about whether it is right for the religious authorities to be able to decide who should or should not be endorsed as a candidate in elections and other controls over what we would see as a normal operation of a normal democracy. There is a big choice before the Iranians in this respect because their current arrangements are not fully satisfactory. There are elections, as we know; they produced a reformist government in 1997, and the position was further endorsed by the electorate a couple of years ago. At the same time too much of what happens in the country is not controlled by the elected government, and faith in the democratic processes has declined so much that people are expressing that opinion more by abstention, by failing to vote, and the last turnouts in the elections were derisory, and less by positive democratic—

Q13 Mr Chidgey: Those were local elections, though, were they not?

Mr Straw: Yes, but even by British standards they were low!

Q14 Mr Chidgey: Foreign Secretary, I think you touched on this in your first answer but perhaps you could be clear for our benefit: does the European Union intend to reward Iran for its co-operation

over a nuclear issue by easing the pressures relating to human rights, or are those two issues completely unconnected? In your answer you alluded to co-operation on the EU nuclear issues and easing the pressure. I want to get very clearly in my mind what the position is.

Mr Straw: What you are talking about here is a process which is either going to go forward or back, and I cannot give you an arithmetical answer to this. We want to see progress made on the nuclear dossier particularly, for reasons which will be obvious, but also in terms of human rights, because that is part of the condition attached to the Trade and Co-operation Agreement process. Now, at any one time we have to make a judgment about whether the progress on either or both has been sufficient to warrant further action on the Trade and Co-operation Agreement and on trade and co-operation generally, and this is an iterative process and at each stage we make a judgment.

Q15 Mr Hamilton: Can I very briefly come back to some of the points that David Chidgey was making about human rights, and my question relates particularly to religious freedom. We know that in the Islamic Republic people are allowed to be members of other faiths, and that is tolerated. What I understand is not tolerated is conversion to, for example, Christianity, and I wondered if you had any information, or were able to comment, on the position of those that have converted from Islam especially to evangelising Christianity, and whether they are still treated as apostates and therefore executed?

Mr Straw: I have no personal information.

Mr Chaplin: I am not aware of a recent case. It is certainly true that they are against any activities that seem to convert Muslims to other faiths. I am not aware of any particular persecution of anyone in that position but we can check.

Mr Hamilton: If you have information I would certainly be grateful.

Q16 Chairman: Finally, on Iran, Mr Chidgey mentioned rewards to Iran from the European Union because of its co-operation on the nuclear issue. Was anything said during your discussions about provision of help on the nuclear side to Iran from the European Union if it complied with the Nuclear Agreement?

Mr Straw: The answer to that is that it has always been, as it were, in the room that, if there were co-operation by Iran in respect of outstanding questions about a nuclear programme which could lead to a development of nuclear weapons and they would fully comply with the Safeguards Agreement and with IAEA resolutions, Europeans for our part would look favourably on their access to modern technology in respect of their areas of industrial activity which were lawful and consistent within their international obligations, and that includes civil nuclear power.

Chairman: Thank you.

Written evidence

Memorandum submitted by the Foreign and Commonwealth Office

LETTER TO THE PARLIAMENTARY UNDER-SECRETARY OF STATE, FOREIGN AND COMMONWEALTH OFFICE FROM THE CHAIRMAN OF THE COMMITTEE, 1 MAY 2003

Yesterday I met Ambassador Sarmadi at his request to discuss a range of issues affecting UK-Iranian relations.

With the Ambassador's agreement, I enclose a summary note of that meeting¹. I would be grateful to receive your observations on the various points raised by the Ambassador.

In particular, I would welcome a full statement on the current status of the Mujahedin-e-Khalq (MKO), on the relationship between coalition authorities and MKO forces and members on the ground in Iraq, and whether this has changed recently. I would also hope that you will be able to expand on the remarks attributed to the Prime Minister by the Ambassador, and to comment on current and planned high-level contacts with Iran.

As you know, the Committee was disappointed to have to postpone the visit it had planned to make to Iran in March. I am pleased to report that the Ambassador confirmed that arrangements are being made for the visit to take place in October.

Chairman of the Committee

May 2002

LETTER TO THE CLERK OF THE COMMITTEE FROM THE PARLIAMENTARY RELATIONS AND DEVOLUTION DEPARTMENT, FOREIGN AND COMMONWEALTH OFFICE, 1 JULY 2003

IRAN

1. In the Chairman's letter of 1 May to Mike O'Brien about the Chairman's meeting with Ambassador Sarmadi on 30 April, he specifically asked about coalition policy towards the Mujahedin-e-Khalq Organisation (MKO). It is just not true for the Ambassador to claim that the MKO are a tool of the coalition. As you will know, both we and the US regard the MKO as a terrorist organisation; it is on the list of groups proscribed by the Home Secretary under the Terrorism Act 2000. Furthermore, we firmly believe that the MKO had been fully integrated into Saddam Hussein's security apparatus. As such, during the conflict hostile MKO operatives were targeted like other Iraqi forces. After the cessation of hostilities US forces were not able to take on such a complex organisation immediately. But I can confirm that on 8 May US forces surrounded the main body of MKO forces and gave them an ultimatum. They are now systematically detaining and disarming them. We appreciated Iran's restraint in not intervening during the conflict. In turn, the coalition has ensured that one of Iran's bitterest enemies is no longer a threat.

2. It may be that one or two US army commanders in theatre made *ad hoc* arrangements with factions of the MKO. Added to this is MKO propaganda about a secret deal between the US and MKO. And the coalition has not yet decided how to treat surrendering MKO forces. Taken together, these may help explain the Ambassador's comments, but his concerns are not warranted. We have explained the position fully in Tehran as well as to the Ambassador himself.

3. The Chairman also raised the Ambassador's question about the Prime Minister's comment on high level visits. As far as we are aware, he did not have a particular visit in mind. Rather, he expressed the wish (which we share) that we should thicken the bilateral relationship with further senior visits. The FAC visit in October is a case in point.

4. The Ambassador also mentioned the formation of a new administration. The coalition does not wish to stay in Iraq longer than is absolutely necessary. But we cannot leave until lasting stability has been achieved, and Iran has an important role in this. In setting up an interim administration in Iraq, we wish to ensure that all Iraqis have a voice in the process. We assume the Ambassador's remark about groups choosing not to be a part of the process refers to the Supreme Council for the Islamic Revolution in Iraq (SCIRI). We have done all we can to encourage SCIRI to join the process, and secured their participation at the Central Iraq (Baghdad) Conference on 28 April. Furthermore, with coalition assistance the leader of SCIRI, Ayatollah Al-Hakim, was able to return to Iraq in person on 10 May.

5. The Ambassador was concerned that media coverage of Shia religious fervour was being used to misrepresent Iranian intentions. I cannot answer for spin the media may or may not have put on events, though I think reasoned observers viewed them as nothing more than legitimate religious events involving Iraqi Shia who are Iraqi first and Shia second. But Iranian meddling in Iraq is a separate issue, and the Ambassador is well aware of our views.

¹ Not printed.

6. Finally, the Ambassador's readout on UK/Iranian relations interested me. But as seen from here, there are some significant plus points. Afghanistan is certainly one. The UK and Iran have similar views on the future of the country, and our co-operation is benefiting Afghanistan and regional stability. Bilaterally, there have been more ministerial visits in the last couple of years than at any time since the revolution. Jack Straw has visited four times. Mike O'Brien visited Iran in May and was very well received, while Foreign Minister Kharrazi visited the UK in early February and, as you know, saw the Prime Minister and Jack Straw as well as yourself. A second round of negotiations on a Trade Co-operation Agreement took place in Brussels last month, and an FCO team visited Tehran to continue negotiations on an Investment Promotion and Protection Agreement in February. Difficult issues remain in the relationship. But we have made progress since Mohamed Khatami became President.

Parliamentary Relations & Devolution Department
Foreign and Commonwealth Office

July 2003

**A note prepared for the Foreign Affairs Select Committee by Professor David R Cope, Director,
Parliamentary Office of Science and Technology (POST) (18/10/03)**

THE ROLE OF NUCLEAR IN A MIX OF ELECTRICITY GENERATION—THE CASE OF IRAN

WHAT THIS NOTE DOES AND DOES NOT COVER

It is important at the outset to state what is *not* considered in this note. With one small exception, it does not address any aspects of the “nuclear fuel cycle”—neither the supply of nuclear fuel for reactors (including the matter of whether any fuel used requires “enrichment”) nor the management of spent nuclear fuel, (which will contain amounts of plutonium that could be separated by reprocessing). It briefly touches on the provenance of fuel supplies (domestic uranium capability) but does not in any way consider spent fuel management facilities.

It further follows that there is no discussion of matters such as the role of the Nantanz uranium enrichment plant, the Isfahan uranium conversion plant and the Arak heavy water plant, or compliance with International Atomic Energy Agency (IAEA) safeguards under the Non-Proliferation Treaty.

Instead it is solely concerned with the broader issue which is encapsulated in recent journalistic coverage as “why (does) a country that float(s) over a sea of oil and gas need nuclear energy for electrical power?”²

A RECURRENT DEBATE

It is worth noting that this debate is not new. Iran began its nuclear electricity programme in the early 1970s, during the time of the Shah. A requirement of up to 23 reactors was openly discussed.³ In 1977, a US State Department official referred favourably to a programme of eight reactors sought by the Iranian government, to be supplied and built by US contractors, costing “many billions of dollars.”⁴ The debate at that time focused on several similar questions to those being raised at present:

- depletion rates of oil and gas reserves;
- whether there was a need to divert oil and gas into higher value end-uses than electricity generation, related to export earnings; and
- whether there was a requirement for building flexibility into electricity systems.

Two elements *are* new to the current discussion. The first is the environmental dimension—that diversification away from fossil fuels will reduce amounts of greenhouse gases emitted in the future, and also possibly other environmental impacts. For greenhouse gases, this would, of course, be true with diversification into any form of non-fossil generation (such as hydropower) not just nuclear electricity, and maybe for other environmental impacts. The second is consideration of the consequences of moving away from state subsidy of domestic fuel (including electricity) consumption.

THE CURRENT DEBATE

The current debate is encapsulated in three sources on which this note draws. The first is a speech made by the Iranian vice-president, HE Reza Aghazadeh, to the IAEA on 6 May 2003.⁵ A letter, dated 14 June 2003, from the Iranian ambassador in London, widely circulated in the UK, carries an attachment that essentially paraphrases this speech.

² Taken from the “Pahlavi Era” website (retensed), on web at: www.sedona.net/pahlavi

³ Stauffer, TR, Oil exporting countries need nuclear power, *Modern Power Systems*, November 1982.

⁴ Institute for International and Economic Studies, Teheran and Stanford Research Institute—symposium on “*The US and Iran, An Increasing Partnership*” Address by Sydney Sober—US State Department, 1977.

⁵ *Iran's Nuclear Policy; Peaceful, Transparent, Independent*; on web at projects.sipri.se/expcon/iran—iaea0305.htm

The second is an article dated 14 October 2003, which appeared in the *International Herald Tribune* (and was subsequently carried in several other newspapers) under the heading “Iran needs nuclear power,” written by two US and one Iranian academic. This is appended as Annex 1.

The third is the testimony of John R Bolton, Under Secretary for Arms Control and International Security at the US Department of State to the US House of Representatives International Relations Committee on 4 June 2003. This contained the following widely reported observations:

Iran claims that it has no nuclear weapons ambitions and that its nuclear programs are for civilian energy needs. Given the country’s oil and gas riches and its resistance to strengthened safeguards, there are good reasons to think otherwise.

Finally, there is Iran’s claim that it is building massive and expensive nuclear fuel cycle facilities to meet future electricity needs, while preserving oil and gas for export. In fact, Iran’s uranium reserves are minuscule, accounting for less than 1% of its vast oil reserves and even larger gas reserves. A glance at a chart of the energy content of Iran’s oil, gas, and uranium resources shows that there is absolutely no possibility for Iran’s indigenous uranium to have any appreciable effect on Iran’s ability to export oil and gas. Iran’s gas reserves are the second largest in the world, and the industry estimates that Iran today flares enough gas to generate electricity equivalent to the output of four Bushehr reactors . . .

As this briefing does not discuss indigenous uranium resources later, it should be noted now that the argument in the second paragraph above somewhat misrepresents the Iranian position. Although Iran has stated that it is seeking to “domesticate” as much of the nuclear fuel cycle as possible, the argument for new nuclear build is by no means based exclusively on this source of fuel supply. Depending on price, external sources of fuel supply could well be relied upon. Of course, it is true that this may give the external suppliers “leverage” over what happens to the fuel once it is removed from the reactor and indeed to other operational aspects.

THE CURRENT AND POTENTIAL FUTURE OF NUCLEAR ELECTRICITY GENERATION IN IRAN⁶

In the event, in 1974, Iran turned to Germany, not the USA for its first reactors. Construction began on two 1,196MWe capacity pressurised water reactors⁷ at Bushehr. After the overthrow of the Shah, work halted on both “at a fairly advanced stage of the civil work.”⁸ In 1991, inconclusive discussions began with China about smaller reactors but in 1995, a contract was signed with the Russian Federation to install into the existing building at Bushehr I a Russian VVER1000 type PWR of 915MWe capacity.⁹ There is no current activity to complete Bushehr II, although Iranian sources talk about it being “envisaged.”¹⁰ The US federal Energy Information Administration refers to discussions with Russia beginning in February of this year and there has been an unconfirmed report that the Iranian Atomic Energy Council has recently approved a 1,000MWe plant for the site. It is reported that Bushehr II was more significantly damaged in Iraqi air attacks on the site during the Iran-Iraq war (see below, regarding “nuclear vulnerability”).

The date when Bushehr I will start supplying electricity is critically associated with the delivery of the fuel for reactor operation from Russia. This is caught up in the current political debate. The original contract scheduled operation by the end of March 2004 at the latest, and until recently, December 2003 was quoted in official documents. However, a statement on 13 October 2003, by a Russian atomic energy ministry official talked about a delay until 2005.¹¹

Regarding the future, in 1997, the head of Iran’s Atomic Energy Agency referred to a goal of eventually meeting 20% of the country’s electricity demand through nuclear power. The Iranian energy ministry has also talked about adding 30GWe of *total* electricity generation capacity within 10 years (from 2001), virtually doubling existing capacity to 61MWe (UK 2002—70GWe). About 3GWe (all fossil—and not including Bushehr I) will come onstream by mid-2004, while further ahead, other existing projects will deliver about 6GWe of hydropower and 4GWe of thermal power. Taking account of these additions, and factoring in Bushehr I, results in an estimate of 7GWe additional nuclear capacity required by 2010 were the aim to meet the 20% target by then.

This is probably unrealistic—and figures are not to hand for generation capacity expectations from 2010–20. These are necessary to project the realisation of the 20% goal only by the latter date. More useful is a specific nuclear target of 7GWe by 2020 discussed by the Iranian vice-president in his 6 May 2003 presentation to the IAEA. Assuming operation of Bushehr I, this translates into plans for an additional six 1,000MWe plant by 2020. However, the speech also talks about additional aspirations to develop “specially

⁶ Data in this and subsequent sections are primarily derived from the Iran country entry in the IAEA yearbook and the April 2003 *Iran Country Analysis Brief* produced by the US federal Energy Information Administration.

⁷ 1e each with about the same capacity as Sizewell B in England.

⁸ 1e the reactor buildings and associated infrastructure, not the reactors themselves. The quotation is from the Iran country profile of the IAEA yearbook.

⁹ Necessitating considerable modification to the building structure.

¹⁰ Iran country entry in IAEA yearbook.

¹¹ Report on *Moscow Times* web site.

CANDU” reactor capacity. The latest CANDU (CANada Deuterium¹² Uranium) reactor is a 700MWe unit, although plans for 1,000MWe units are under way.¹³ There have also been press reports on Russian discussions with Iran on the supply of three to five additional reactors.

Future requirements for any nuclear plant would, of course, also depend on what happens in terms of construction of other types of generation facilities, including hydropower, as discussed below.

CURRENT AND FUTURE OVERALL ELECTRICITY DEMAND IN IRAN

There is no doubt that currently, Iran is heavily dependent on fossil hydrocarbon fuels for electricity generation—over 90% of its capacity—with hydropower making up the remainder. About 68% of capacity is gas-fired, the rest being oil fuelled.

As might be expected in a country which has a rapidly growing population (currently 65 million and expected to be 80+ million by 2010 and 100 million by 2025) and some measure of economic growth, demand for electricity has been increasing dramatically (quoted figures range from 7-10% annually). This can be expected to continue for the medium term future (although electricity industry sources worldwide tend to “talk up” demand estimates). Given continued rates of economic growth, a major driver will probably be demand for domestic and commercial air conditioning.

Although simple availability of generating capacity (and the fuel to power it) is not the only consideration in meeting demand—transmission and distribution capabilities are also important—there is little basis for questioning the realism of the quoted forecasts of demand.

An interesting question relates to Iran’s untapped capacity for large(ish) scale hydropower generation. As noted above, about 6GWe of capacity is currently under construction (or planned).¹⁴ I have no further figures on this subject, and obviously the most favourable sites (in relation to capacity and proximity to demand) will invariably be exploited first. Large-scale hydropower schemes have significant local environmental impacts and are increasingly viewed with disfavour in many countries. On the other hand, they are essentially carbon dioxide-free means of generating electricity, which can be taken as an environmental “plus.”¹⁵

GENERATION DIVERSITY

The note now turns to considering the various arguments advanced to justify Iran resorting to nuclear power to supply the stated proportions of new generation capacity.

Those familiar with recent discussion of UK electricity generation capacity, where gas-fired stations provide 30% of it, might feel that the argument for diversification in Iran, where the figure is more than double that proportion, is cast iron. The situations are not, however, very comparable. Much of the discussion in the UK has been driven by concerns about future import dependence (including in the further future possibly even from Iran) rather than on any “systemic” features of relying on gas itself (other than the climate change argument—and substitution of gas for coal and oil is desirable even here). Iran undoubtedly has enough domestic fossil fuel that, if it so chooses, it can supply current and future capacity for a considerable time (see below).

“System resilience” concerns in electricity generation tend to concentrate on the risk that design faults common to plants that make up a high percentage of total generation capacity might force unacceptable levels of emergency plant closure. Paradoxically, this argument has most frequently been advanced as applying to countries with a high reliance on nuclear generation capacity, particularly where this is of standard design (eg France). I am not aware of any discussion of design weakness related to the type of fossil-fuelled plant used in Iran—around the world many millions of operational hours have been clocked up by such systems.

System resilience weakness deriving from domestic circumstances can also occur with fossil-fired plant not because of design failures but through interruption of fuel supply. One cause can be labour unrest, as was the case with the miners’ strike in the UK. Hostile activity, domestic or international, to supply systems (in Iran, for gas and oil, overwhelmingly pipelines) is another consideration. It is obviously difficult to assess future risks of such factors, in any country. Modern gas, oil and hydro plants have low manual labour requirements. Nuclear plants on the whole require similar levels of staff with similar skills to those needed in fossil fuelled plant. A switch from fossil to nuclear does not therefore lessen any risks arising from “labour unrest.” I cannot comment on the vulnerability of the fuel supply infrastructure of Iranian fossil-fuelled plant to violent hostile activity, due to inadequate information.

¹² Paradoxically, the latest designs of CANDU reactors do not use heavy water (ie where the hydrogen is present as deuterium) as a moderator.

¹³ Atomic Energy of Canada Ltd (AECL) web site.

¹⁴ Sources to hand are rather vague on this distinction.

¹⁵ Although the decay of vegetation immediately after the reservoir is flooded may release carbon dioxide and methane gases.

The conclusion must be that there few “system resilience” factors supporting Iranian diversification into nuclear power *per se*. Absent other considerations, Iran could comfortably contemplate a situation where it operated a system virtually 100% reliant on gas (which it will not anyway need to, given existing and future hydropower capacity).

DEPLETION OF FOSSIL FUEL RESERVES AND “FUTURE GENERATIONS’ RIGHTS”

This is the basis of the first argument advanced by the Iranian vice-president in his May 2003 IAEA presentation, where he said “. . . these resources (oil and gas, DRC) are limited and belong to all subsequent generations and unrestrained use of them is not prudent.”

The word “prudent” is rather vague, but accepting it in general, the argument essentially is a philosophical one—and therefore less blatant than the economic and structural bases of other arguments advanced. Nevertheless, at first take, it certainly “chimes” with various debates such as that on “sustainable development.” However, exploring this more deeply soon reveals that several resource economists have advanced an alternative interpretation. They argue that there is no contradiction in terms of future generations’ “intergenerational rights” if a non-renewable resource is used up at rates currently dictated by the market, provided that the revenues generated are invested wisely, so that their return contributes to economic growth, the fruits of which will be enjoyed by the same future generations (ie that they are richer).

This note is not the place to explore further this rather “cerebral” consideration. The conclusion must be that, while interesting, intergenerational rights considerations offer no cast iron principles supporting diversification into nuclear generation. Some would also argue that nuclear electricity generation has long-term negatives, especially the need to manage nuclear waste and decommissioned reactors.

POSTULATED FUTURE VALUES OF OIL AND GAS AS INDUSTRY FEEDSTOCKS

This is the second argument advanced in the Iranian vice-president’s IAEA speech. It has some resonances with the “future generations” argument discussed above but introduces a hard economic dimension. Those familiar with energy policy debate in the UK will recall that similar arguments were advanced in the past against using the UK’s gas reserves for electricity generation (although the “premium” use which figured in that debate was gas for domestic heating purposes rather than as a feedstock).

This is an extremely complex aspect to unpick. Factors that need to be considered are the levels of future production of hydrocarbon resources, both within Iran (see below) and globally; trends in future demand for products made from hydrocarbon feedstocks (eg plastics) (including trends in recycling) and potential alternative future raw material sources (eg biomass). It should also be noted that the “global warming” and, to some extent, the “local circumstances” environmental arguments (see below), militate against at least some part of the “premium hydrocarbon feedstock” argument.

There is also the consideration of *where* the conversion process to feedstock products would take place—whether Iran would continue to export oil and (in future) gas for conversion elsewhere or whether it would secure the added value by developing domestic conversion capabilities.

If the argument is that Iran can position itself to capture this added value, then this, at least to some extent, gainsays arguments about the need to export as much energy end-use hydrocarbons as possible. For example, the EIA reports that in January of this year, Iran signed an agreement with Kuwait for natural gas exports by 2005—specifically for electricity generation.

Because of the uncertainties associated with future forecasts of all these considerations, it is difficult to speak to this argument with any degree of certainty. Possibly the single most important factor is the reliability of current estimates of future oil and gas production levels. If these were greater than current assumptions, then (assuming no environmental constraints) supplies could be used both for further processing *and* for electricity generation.

The tentative conclusion is that there is *some* substance to this argument but, without much greater economic analysis, it is difficult to say how much, and, given the inherent uncertainties of forecasting future circumstances, only limited confidence could be placed in any emerging analytical results.

DOMESTIC USE EATS INTO HYDROCARBON PRODUCTION THAT COULD OTHERWISE BE EXPORTED

This is the third argument advanced by the Iranian vice-president in the IAEA speech. There is no doubt that Iranian domestic consumption of oil and gas is increasing rapidly, although I have not been able to explore in detail a sectoral analysis of current and projected end-uses. This is needed to speak meaningfully about what options exist, now, and in the future, for the various means of meeting end-uses, including energy conservation, and the role of oil and gas among these means.

It is, of course, indisputable that Iran relies dramatically on oil exports for foreign exchange earnings—over 80%. Into this must be mapped whether the country could, in the future, capture premium use possibilities, but this in itself would not, of course, reduce the oil export dependency. Any government seeking longer-term security cannot ignore the question of how the Iranian economy could diversify away from this single source dependency.

I suspect that, in Iran, the overwhelming domestic use of oil, as in virtually all countries, is in the transport sector (in energy terms, Iran currently consumes about 33% of its oil output domestically). This is a very specific market, with few current realistic substitutes, certainly not electricity. Iran has *imported* refined oil products for at least the past decade. The domestic vs. export argument therefore really attaches only to gas—specifically future gas. Gas export potential is currently constrained, not by production limitations *per se* but by infrastructure capabilities—the pipelines (or LNG plants) to enable export being absent—and by political uncertainties that bedevil securing of contracts.

However, the key consideration in evaluating this assertion is, once again, the question of what future levels of oil and gas production might be—that is the accuracy of current assessments of exploitable reserves, at various market prices, along with the export diversification consideration, discussed above.

CURRENT ELECTRICITY GENERATION PROFILES ARE DISTORTED BY GOVERNMENT SUBSIDIES

This is the fourth argument put forward by the Iranian vice-president and, as noted, is not one that featured in the previous 1970-80s discussion of the entire question of “nuclear substitution.” He talks about “considerable indirect subsidies on local fuel consumption,” without detailing their nature and the fuels concerned. Thus, the extent to which electricity markets have been distorted is unclear.

Accepting, however, that various government interventions may have skewed electricity markets in the past (as in virtually all countries!), the argument comes down to what would be the preferred new-build generation option in an undistorted electricity market. At present, almost universally across the globe, this is gas-fired combined cycle¹⁶ (CCGT) electricity generation (as in the UK), even in countries which have energy dilemmas as acute as those that the Iranians assert afflict them. Intense arguments rage about the economics of nuclear generation but it is probably a reasonable generalisation that, *at present*, there are few places in the world where it is currently the cheapest option for new-build. This is implicitly recognised in Iranian discussions, where figures of \$1,000 per kW of capacity have been presented for Bushehr I, as against \$800 per kW of capacity for CCGT. I have seen no arguments for the cost of new-build nuclear in the Iranian situation, nor for the levelised costs of construction *and* operation of Iranian electricity generation plant. The Iranian arguments go on to state that the quoted costs of CCGT do not include the “environmental externalities” associated with fossil-fuel generation. These tend to be dominated by the very imprecise valuations given to global warming effects, especially with gas-firing, which is otherwise very clean in terms of emissions. Of course, it can equally be argued that cost estimates of new-build nuclear may not include all the environmental externalities associated with that option, especially end-of-life management of reactor facilities and nuclear waste. Also, it is difficult to accept that environmental externalities, however calculated, would make up the full difference in cost per kW between the quoted figure for CCGT and that for Bushehr I—\$200 per kW—a full 25% addition to the “basic” cost.

My conclusion is that, in an “unskewed” market, CCGT generation currently represents the lowest cost option for Iranian new-build. It can reasonably be accepted, however, that in future, there may be some convergence between costs of new-build CCGT and new-build nuclear.

ENVIRONMENTAL CONSIDERATIONS

The final argument advanced in the IAEA speech is “environmental issues which are now of concern to the entire international community and all countries are encouraged to observe the environmental standards to ensure the survival of the earth . . .” What these standards actually are, is not further explored, but the mention of “the entire international community” suggests an implicit reference to climate change. It is worth noting straight away that under the “Kyoto agreement” (about the actual ratification of which there are considerable doubts), Iran faces no formal obligations to constrain or reduce emissions of greenhouse gases. In this respect it is different from the UK. It can be argued, however, that *all* countries face considerable moral expectations to take steps to reduce greenhouse gas emissions. Whether this translates into a material consideration that strongly supports a nuclear build policy is a moot point.

There are also *local* environmental considerations—emissions of acidic gases, particulates, etc, risks of local water pollution from oil leaks and spills at oil-fired plant, and so on. I have not seen specific details of environmental circumstances at existing Iranian plants but am willing to accept that previous oil-fired plant, in particular, may not have observed the highest environmental standards, so that local air quality may have been compromised. Future build, however, would almost certainly be exclusively CCGT, which has the

¹⁶ Generation that uses the heat both to turn a gas turbine and to raise steam for a steam turbine, thereby achieving considerable efficiencies over single system generation.

most favourable environmental impacts of all fossil-fuelled plant, so the comparison is invalid. In fact, local environmental quality could probably be improved by hastening phase-out of oil-fired capacity and substituting with CCGT.

As hinted earlier, there is an equally compelling argument that environmental quality improvements could as easily be achieved by substitution with other, renewable, electricity generation sources, such as hydropower. Given Iran's climate, solar photo-voltaic generation may also spring to mind. However, it is indisputable that, presently and for the foreseeable future, this cannot be an economic proposition for large-scale electricity generation.

My conclusion is that the "environmental card" does not unequivocally play in favour of new-build nuclear. An authoritative analysis of this question would require a very detailed comparative environmental costing of the various options. This inevitably involves the comparison of "apples and pears"—for example, with hydropower the environmental impact of flooding a valley (habitat loss, social impact, etc), versus the waste management requirements of nuclear power. Site and country-specific considerations might dominate, so there can be no automatic translation to Iran of the few heroic general attempts to calculate such comparisons.

IRAN'S OIL AND GAS "RESERVES"

Much of the discussion above has singled this factor out as *the* key consideration. There is no doubt that Iran is, and will remain, a prodigious player. Current figures give it 9% of the world's proven oil reserves, enough for 40-50 years' production at current rates, and gas reserves second only to Russia, sufficient for 200+ years of current production.

Hydrocarbon reserve estimation is, however, a notoriously imprecise art. A general nostrum is that, the more that reserves are sought, the more are found. Current and projected future prices per barrel or cubic metre are more critical in determining estimates than vague geological notions of "amounts in place." Iran is sometimes presented as a "mature" province, meaning that most geologically-determined reserves have already been discovered, but this may be open to question.

There are certainly costs involved in providing more precise estimates of realisable reserves under different scenarios of future extraction costs and market prices but more detailed figures on the Iranian situation would help to reduce uncertainty in this key area. It would be useful to have full information on plans to address this.

FLARING OF GAS

This merits some discussion, as it was an element of John Bolton's criticism, quoted above.

Natural gas supplies are drawn from two sources—"associated" and "non-associated" gas. Associated gas arises as a by-product of oil production. Put simply, it is the gas that overlies, or is dissolved in, the oil reservoir that is the target of drilling. Such gas is something of a problem—its explosivity and inflammability making it a very real hazard—and in many situations its management is a real cost. Without an economically-realizable market for this gas, there are two options (not necessarily mutually exclusive). Either it is flared (burnt) to negate the hazard, or it is reinjected into the oil well, with the added advantage that the pressure so created can sometimes release additional amounts of oil—one example of so-called "enhanced oil recovery." There is also the possibility that, in future, the reinjected gas might be recovered for combustion use. A third, very small, use of associated gas is to power electricity generators to service the well sites. In Iran, about 10% of gas currently emerging from drill holes is flared, while 30% is re-injected. Iran is a pioneering province for gas re-injection. It is probably fair to say that all oil producers try to find an economic use for associated gas but if individual oilfields lie a long way from markets, flaring may be the only option. Note, however, that the environmental costs of flaring (principally the carbon dioxide produced) are rarely factored into economic considerations.

Non-associated gas is produced "in its own right" from fields with no oil present. Here, if there is any flaring, it is only a temporary safety strategy. Current estimates are that about 2/3rds of Iran's total gas reserves are in non-associated fields.

The conclusion must be that John Bolton's observations, while technically correct, have no current *economic* validity. There is no market for the flared associated gas. Whether markets might emerge in the future depends on the signals that the market sends to encourage gas collection for "useful" burn (and also the merits of re-injection).

NUCLEAR VULNERABILITY

There is one factor in consideration of Iran's possible nuclear electricity generation strategy that has not, to my knowledge, been a significant part of the debate. This is the potential risk, from external adversaries, and maybe from internal dissidents, of devastating attack on operational nuclear facilities. Iran and its region is the locus of the only examples to date of attacks on non-operational facilities—most "famously"

the Israeli air attack on the Iraqi Osirak reactor, under construction, in 1981. Closer to home, the Bushehr site itself suffered six attacks between 1984 and 1988 from Iraqi aircraft, during the Iran/Iraq war.

Some reports say that Iran attempted “to deter such an attack by moving reactor fuel to the site,” but this is a high-risk strategy to say the least. Of course, once the reactor is operational, the fuel is unavoidably present, both within the reactor and almost certainly, also outside in spent fuel stores. Its loss of containment would be overwhelmingly the source of any subsequent nuclear environmental contamination (dispersal of irradiated reactor components being comparatively “small beer”).

A great deal of attention has been given to this issue over the past two years, in all western countries. In the only western country with actual plans for new nuclear build—Finland—the government recognised that it would be impossible to secure a plant against a determined military attack but did require design modifications to reduce the risks from terrorism. I have seen no information on whether, and if so how, Iranian plans have sought to address this consideration. In the specific case of Bushehr I (and any completion of Bushehr II), the particular circumstances of a Russian VVER1000 contained within a structure originally designed for a German 1,200MWe reactor must merit special attention.

Questions certainly should be asked about this “new” consideration in the future of nuclear power. “New” is in quotations because the risk of “nuclear on nuclear” attacks, in the context of the Cold War, have been discussed in the USA since the early 1980s.¹⁷

Professor David R Cope
Director,
Parliamentary Office of Science and Technology
18 October 2003

Annex 1

Op-ed article from the International Herald Tribune, 14 October 2003

IRAN NEEDS NUCLEAR POWER

Los Angeles One often hears that Iran’s real purpose for pursuing nuclear technology is to develop nuclear weapons and that with its huge oil and gas reserves it has no real need for nuclear energy. Even those who should know better claim that Iran, both now and in the foreseeable future, can easily meet its energy needs without recourse to nuclear sources. We would like to demonstrate that these claims lack substance.

First, it is important to bear in mind that Iran’s nuclear history pre-dates the current Islamic government. It originated in the mid-1970s, when the Shah unveiled plans to purchase several nuclear reactors from Germany, France and the United States to generate electricity. With Washington’s blessing, the Shah’s government awarded a contract to a subsidiary of the German company Siemens to construct two 1,200-megawatt reactors at Bushehr.

At the time, the United States encouraged Iran to expand its non-oil energy base. A study by the Stanford Research Institute concluded that Iran would need, by the year 1990, an electrical capacity of about 20,000 megawatts. The first cadre of Iran’s nuclear engineers was trained at the Massachusetts Institute of Technology. In recognition of Iran’s energy needs, the final draft of the US-Iran Nuclear Energy Agreement was signed in July 1978—several months before the Islamic revolution. The agreement stipulated, among other things, American export of nuclear technology and material and help in searching for uranium deposits.

Second, Iran’s present electrical requirements are far larger than had been predicted. With an annual growth of 6% to 8% in demand for electricity and a population estimated to reach 100 million by 2025, Iran cannot possibly rely exclusively on oil and gas. The ageing oil industry, denied substantial foreign investment largely because of American sanctions, has not been able even to reach the pre-revolution production level of 5.5 million barrels per day. Of Iran’s 60 major oil fields, 57 need major repairs, upgrading and repressurising, which would require \$40 billion over 15 years. Iran’s current production level of 3.5 million barrels per day is increasingly geared toward domestic consumption, which has grown by more than 280% since 1979. If this trend continues, Iran will become a net oil importer by 2010, a catastrophe for a country that relies on oil for 80% of its foreign currency and 45% of its annual budget.

Third, opponents of Iran’s nuclear programme often argue that Iran should opt for the more economically efficient electricity from natural gas-fired power plants. Such arguments are also not valid. A recent study by two MIT professors indicated that the cost of producing electricity from gas (and oil) is comparable with what it costs to generate it using nuclear reactors—not to mention the adverse effects of carbon emissions or the need to preserve Iran’s gas reserves to position Iran in 20 or 30 years as one of the main suppliers of gas to Europe and Asia.

¹⁷ Ramberg B, *Destruction of nuclear energy facilities in war, the problems and the implications*, Lexington Books, 1980.

Fourth, why should Iran deplete its non-renewable oil and gas sources when it can, much like the energy-rich United States and Russia, resort to renewable nuclear energy? Nuclear reactors have their problems, and they will not resolve Iran's chronic shortage of electricity. Yet they represent an important first step in diversifying Iran's sources for energy.

Sadly, with their fear of an Iranian bomb, the United States and some of its Western allies have failed to acknowledge Iran's legitimate quest for nuclear energy, which is important for a meaningful dialogue with Tehran to deter it from expanding its nuclear technology to bomb making.

A small corrective step has been taken by France, England and Germany, whose foreign ministers recently dispatched a letter to Iran promising technical co-operation with Iran's civil nuclear programme in exchange for full nuclear transparency. This is wiser than the coercive approach by the United States, which seeks to dispossess Iran of nuclear know-how altogether, and is blind to Iran's energy and security worries.

The following attributions also formed part of the article (DRC).

Mohammad Sahimi is a professor of chemical and petroleum engineering at the University of Southern California in Los Angeles. Pirouz Mojtahed-Zadeh is professor of political geography and geopolitics at the Tarbiat Modares University of Tehran and chairman of the Urosevic Research Foundation in London. (This appears to be linked to the School of Oriental and African Studies, University of London. I have no further information, DRC). Kaveh L. Afrasiabi is professor of Middle East politics at Chapman University, (Orange, California, DRC).

Memorandum submitted by the British Council

THE BRITISH COUNCIL IN IRAN

THE BRITISH COUNCIL'S AIM IN IRAN

1. The British Council's aim in Iran is to win recognition in Iran for the UK's values, ideas and achievements and to nurture lasting, mutually beneficial relationships between Iran and the UK.

To do this we have a staff of 23 in Tehran and an income (in 2003-04) of £917,000. This income is from our HMG grant (£543,000) and from fees we charge for administering British Exams (£374,000).

We operate from offices in a section of the British Embassy's northern residential compound in Qolhak, north Tehran. We rent these offices from the British Institute of Persian Studies.

THE BRITISH COUNCIL'S STRATEGY IN IRAN

2. The British Council was first established in Iran during the Second World War. By the time of the 1979 Islamic Revolution, our operation in Iran was among the most extensive in the world. We closed our offices after the revolution and did not return until 2001, when the Iranian government invited the British Council back, specifying that it should operate under the aegis of the British Embassy. The Council's Director and sole UK appointed member of staff is therefore also the First Secretary, Education, at the British Embassy. We have young, innovative and well qualified staff who are new to Council work but we have invested heavily in staff training and in IT to rapidly build up our effectiveness.

3. Since its return to Iran, a major objective for the British Council has been to establish trust and understanding of its function among the Iranian authorities whose co-operation is essential to its activities. Iranian attitudes to the British Council vary widely and many in authority view with suspicion any organisation promoting "western" values. If we are to build lasting beneficial relationships, we need to be open and transparent in all our dealings and to demonstrate that our activities are designed to achieve mutual benefit to both societies.

4. The importance of cultural relations in Iran is growing. In its first two years of operations, the British Council in Iran has expanded its operations significantly and, in spite of difficulties caused by political tensions between the two countries, the scope of our work will continue to increase. The Council intends to increase resources for its operation, funding a steady expansion of activities over the next three years and we plan to move to larger premises within the next 18 months.

President Khatemi has frequently emphasised the importance of the "dialogue of civilizations" and the British Council's strategy in Iran is to actively contribute to this dialogue to the mutual benefit of Britain and Iran.

THE BRITISH COUNCIL'S PROGRAMMES IN IRAN

5. The Council's programmes are grouped under four strategic themes, designed to integrate our resources to the optimum extent to achieve our aim.

(a) *Strengthening educational co-operation between Iran and the UK*

— Education information

It is estimated there are between 1,200 and 1,500 Iranians studying in the UK. Of these, approximately 800 are funded on postgraduate programmes by the Government of Iran. When the government of Iran invited the British Council to return to Iran in 2001, it specifically mentioned the requirement for information on British education. Iran is anxious that its students and their sponsors make informed choices about their future study. Accurate and timely information provided by the British Council enables them to do this to the benefit of both British education providers and the future economic and academic development of Iran. Each month we answer over 3,500 enquiries and our bi-lingual website receives over 3,000 site visits.

— HE links

We actively facilitate nine links between British and Iranian universities. We identify UK partners and provide funds for research team leaders to exchange visits to set up and monitor joint projects which benefit both sides. Collaborative programmes have been established in a range of subjects including women's studies, tropical medicine and Iranian history.

— Distance Education

This is an area of increasing interest in Iranian higher education. Together with the University of Shiraz we are organising a seminar on distance learning, which will include experts from the UK and is designed to lead to further collaboration between the two countries in the development of distance education in Iran.

— Scholarships programmes

This year we are providing about 35 bursaries to enable Iranian PhD students to undertake short research attachments in British Universities. Such attachments often lead on to joint research programmes and continuing institutional links.

In addition, we manage the FCO's fully funded "Chevening Scholarships" scholarships for exceptional candidates identified as future leaders of their communities. This year 10 Chevening scholarships will be awarded. We also manage scholarships on behalf of BP Iran.

(b) *Strengthening English Language Teaching (ELT)*

— Secondary curriculum and materials development

The demand for English language in Iran is immense and increasing. The Ministry of Education has acknowledged the need to revise the methods and materials used to teach English to nearly six million children in state secondary schools. We are working with the senior Ministry staff on the development of English provision including assistance to the development of English language textbooks and reform of the English language curriculum.

— University ELT development

Several universities have approached us for advice and assistance on designing and organising English language tuition for their staff and students. As an initial response we arranged for an attachment by an English specialist to Urmia University to help design an English teaching curriculum and to teach students and staff.

— ELT exams

In 2001, the British Council in Iran administered 72 examinations. So far in 2003, the average has risen to 560 per month. The vast majority of these are for the international English language competency test (IELTS). In future we shall broaden the currency of British exams in Iran, particularly in English language and professional subjects.

(c) *Fostering Cultural Exchange*

— Connecting Futures

This is a new five-year initiative from the British Council which aims at building deeper mutual understanding, learning and respect between young people from different cultural backgrounds, by working in new ways and with extended communities in the UK and overseas.

In Iran, the Council has organised a reciprocal programme of visits by young artists. Six British students, aged between 15 and 17, will visit a number of Iranian cities and hold an exhibition of artwork in Tehran to illustrate their impressions of the country. This will be followed by a visit to the UK by Iranian students next year. A young Iranian film maker will make a documentary of the event. Similar reciprocal visits are

planned for young people in other areas such as music, cinema and sports. A delegation from the Iranian Youth Organization travelled to the UK to visit youth organisations and science museums. This trip was a preliminary to a visit by a group of young Iranian students to the UK to learn about science and scientific activities among young people in Britain.

— The arts

Iran has a highly developed artistic tradition and collaboration in the arts is an important and highly visible means of achieving the Council's aim in Iran.

— Drama

In January this year we organised acclaimed performances of "The Winter's Tale" by Dundee Repertory Theatre at the Fajr International Theatre Festival—the first British drama group to visit Iran for 25 years.

— Sculpture

In February next year, in collaboration with the Tehran Museum of Contemporary Art, we are organising a major British sculpture exhibition. The first exhibition of British sculpture in Iran since the 1979 revolution, it will feature 12 of Britain's leading artists, including Henry Moore, Barbara Hepworth, Eduardo Paolozzi and Damien Hirst.

— Cinema

Cinema is the most dynamic and popular art form in Iran. We have provided British films for several film festivals, including a children's film festival. British films, provided by the British Council, won the Festival Prize and the Grand Jury Prize at the recent 8th Tehran International Festival of Short Films. In January, we are organising the first ever British Film Week.

Such events have a major impact on well educated young people and opinion formers in Iran.

We are also discussing possible assistance to a planned festival of Iranian culture in London next year.

(d) *Developing Scientific and Technological Links*

Science and scientific collaboration is a major area of interest for the Iranian government and academics. Our science programmes concentrate on the areas of health, engineering, geology and the environment.

— Joint research

We have initiated a "scientific research visits" scheme under which 10 Iranian scientists will visit the UK this year to plan joint research projects with British counterparts.

— Training and study tours

We have arranged visits to the UK by delegations of senior scientists for study tours and training (eg senior staff from the Iranian Department of the Environment and the Geological Survey of Iran have been to the UK for training).

— Visits by UK scientists

We have arranged for British scientists to come to Iran to participate in seminars and workshops in subjects including environmental science, medicine and the development of science museums.

— Website development

Our bi-lingual website has been developed to provide information on all British Council programmes and provide links to a number of additional websites providing relevant information about Britain's cultural and academic resources.

The British Council

November 2003

Memorandum submitted by the UK Representative Office of the National Council of Resistance of Iran

INTRODUCTION

This summary is a short summary dealing with the Iranian regime and is divided into six sections. The sections include: (i) history and structure, (ii) human rights record, (iii) terrorism, (iv) weapons of mass destruction, (v) interference in Iraq, and (vi) is the Iranian regime capable of change.

 THE IRANIAN REGIME
1. *History and Structure*

As the Committee will no doubt be aware in 1979 the Iranian people demanded change. They spilled onto the streets of Iran demanding freedom, democracy and respect for human rights. However, through (i) lies, deceit and manipulation of the religious sentiments of the people (ii) as a result of the vacuum of opposition groups left through the arrest, torture and execution of members of such groups by the SAVAK secret police of the Shah, and (iii) the lack of the Iranian people's awareness of the true fundamentalist nature of the mullahs, brought about by the Shah's dictatorship, the mullahs were able to usurp power in Iran. They began by promising people freedoms, with Ayatollah Khomeini stating that he did not wish to be in power and instead would soon return to the mosques in order to continue with his religious teachings, leaving the country to be governed by the people. Pretty soon it became clear to the Iranian people that this was not the case. The mullahs began to violently crack down on opposition groups using their vigilantes and club wielders from Ansar-e-Hezbollah, they arrested and/or expelled all liberal minded political figures including the then President, they failed to allow the people to elect an assembly to draw up the constitution and failed to give the people free elections.

Instead they set up a theory of government called "velayat-e-faqih", literally meaning the guardianship of the religious jurist. The essence of the theory, developed and applied by Khomeini, is that one man with a thorough knowledge of Islamic law is designated as vali-e-faqi, heir to the prophet Muhammad and the Imams (Leaders). The vali wields absolute authority and sovereignty over the affairs of the entire Muslim nation. At the top of the Iranian regime's power structure is the Supreme Leader, Ali Khamenei.

The immense powers bestowed on the vali-e-faqih were very well described by Pierre Salinger, the Press Secretary to the late U.S. President John F. Kennedy. On 16 March 2000, in *The Georgetowner* publication Mr Salinger stated¹⁸.

"All along, we have seemed to underestimate the hard hold of the radical clerics on the actual power structure in that country. . . Article 110 of that constitution defines the powers and duties of Khomeini's successor Ali Khamenei—the supreme guide—to consist of the following:

- (1) Formulation of the general policies of the Islamic Republic.
- (2) Supervision of the full implementation of the above policies.
- (3) Issuing orders for holding of a public referendum.
- (4) Commander-in-Chief of the Armed Forces.
- (5) Issuance of the declaration of war and peace and mobilisation of forces.
- (6) Appointments, removals and acceptance of resignations of:
 - (a) all theologian members of the Guardians Council;
 - (b) the highest judicial authority of the land;
 - (c) the director of the Islamic Republic's radio and television;
 - (d) the joint chief of staff of the armed forces;
 - (e) Commander of the Revolutionary Guards.
- (7) Settlement of disputes and regulations of relations between the three branches of government . . .
- (8) Signing the order of the president's investiture after his election.
- (9) Removal of the President from office in the interests of the country . . .
- (10) Grant of amnesty to convicts . . ."

Therefore, it is clear that in practice the supreme leader dictates all matters of foreign and domestic security and the so-called elections held by the regime are recognised by Iranians as sham elections. The fact is that under articles 25, 27 and 29 of the Iranian Laws of Elections, the candidates for election to the Majlis have to go through various vetting processes (including by the local Basiji forces, the Revolutionary Guard, the judiciary and the Guardians Council) and express their loyalty in mind and heart to the supreme leader. There are two relevant February 2000 articles written in *The Washington Post*¹⁹ and *The Wall Street Journal Europe*²⁰.

¹⁸ *The Georgetowner*, 16 March 2000, "Changes Ahead in Iran?"

¹⁹ *The Washington Post*, 29 February 2000, "Iran election short of epochal change".

²⁰ *The Wall Street Journal Europe*, 22 February 2000, "Let's Not Throw the Mullahs a Lifeline".

2. Human Rights Record

The violation of human rights in Iran is systematic, institutionalised, widespread and legalised in the Penal Code of Iran (“the Code”). Such violations can be described as involving the removal of all forms of freedom of opinion and expression, arbitrary arrests, incarceration of prisoners of conscience, unfair trials of political prisoners, torture and other forms of cruel, inhumane and degrading treatment, and executions (often imposed and swiftly carried out following summary trials).

Such violations of human rights are undeniable, with the Iranian regime having been condemned 50 times in resolutions of the UN General Assembly/UN Commission on Human Rights, the most recent of which was on 18 November 2003. Since 1979 the Iranian regime has executed over 120,000 Iranians, the vast majority of whom were members and sympathisers of the People’s Mojahedin Organisation of Iran (“the PMOI”), 30,000 of whom were executed in a few months period at the end of 1988—no less than a crime against humanity. On 4 February 2001 *The Sunday Times* reported Ayatollah Montazeri as providing details of the “fatwa” declared by Ayatollah Khomeini stating that those prisoners in Iranian prisons who remained steadfast in their support for the PMOI had no right to life and must be immediately executed. Further details of this atrocity are contained in a book published by the NCRI entitled “A Crime Against Humanity” and photographs and personal details of thousands of the victims have been published by the PMOI.

The human rights situation in Iran has only worsened, with the level of oppression escalating as pressure has mounted on the regime from political and social protests in Iran. In May 2003, as part of a wave of executions, an Iranian was beheaded in public and three others hanged. This was reported by the AFP news agency on 13 May 2003. Various prominent human rights organisations have stated that the human rights situation in Iran has seen a marked deterioration during the course of this year, with the escalating use of arbitrary arrests, torture and other forms of cruel and inhumane treatments and executions. The arrest of over 4,000 students in the last three weeks of June whilst taking part in peaceful demonstrations in Tehran and the brutal beating to death of the Canadian-Iranian journalist, Zahra Kazemi, represented just the tip of the iceberg.

As the Committee will be aware, in 2002, under pressure from the EU as part of negotiations on an EU-Iran trade deal, the Iranian regime declared a “moratorium” on the particularly gruesome execution by stoning. However, this transpired to be yet a further piece of false propaganda by the Iranian regime, with *The Times* reporting on 12 November 2003 that four Iranian men had been sentenced to death by stoning.

The main democratic opposition to the Iranian regime, the PMOI, has played a major role in the exposure of the Iranian regime’s atrocious human rights record. By way of example, in 1984 the PMOI published “At War With Humanity”, a report of the human rights record of the Iranian regime. Further, in March 2000 the PMOI secretly smuggled out of Iran a video depicting the horrific details of the barbaric punishments meted out in Iranian jails, with prisoner’s eyes being gouged out, others having fingers chopped off and four men being stoned to death. The PMOI placed this tape at the disposal of the NCRI, a political coalition in which the PMOI is a member, to be brought to the attention of the world. A copy of a *Sunday Times* article dated 12 March 2000, in relation to this video is enclosed²¹.

3. Terrorism

The Iranian regime is recognised as “the most active state sponsor of international terrorism” (US State Department Annual Report on Trends in Terrorism of 2001). Over the past two decades, it has committed over 450 acts of terrorism worldwide, including bombings, hijackings, assassinations of Iranian dissidents and abduction of Western nationals. It also provides the finance, logistical support and diplomatic cover for those engaged in the carrying out of such terrorist attacks, often allowing such terrorists to use their embassies for cover.

In September of this year a Federal Judge in the US ruled that the Iranian regime was responsible for the 1983 bombing of the US Embassy in Beirut that killed 63 people. It was found to have provided Hezbollah with the funding, weapons and training to carry out this attack. The Judge described how this bombing was part of the Iranian regime’s campaign to remove the US presence in Lebanon. This bombing was followed six months later with the suicide bombing of a US marine barracks in Beirut that killed 241 US marines.

The Iranian regime’s other major terrorist attacks include the bombing of the Jewish Community Centre in Buenos Aires in 1994, killing over 85 civilians and injuring a further 200. When, following the issuing of arrest warrants by an Argentinean Judge, the then Iranian Ambassador to Argentina was arrested in Britain earlier this year, the Iranian regime responded by shooting at the British embassy in Tehran on no less than three occasions. This highlights the policy of intimidation and blackmail that has become the cornerstone of the mullahs’ foreign policy in pursuit of their objectives.

On 20 May 2003, in an article in *The Wall Street Journal*²² the former FBI Director Louis Freeh described how FBI investigations into the huge truck bomb at Khobar Towers in Dharhran, Saudi Arabia killing 19 US airmen, revealed that the attack was planned, funded and co-ordinated by Iran’s security services, the IRGC and the MOIS. More recently the Iranian regime has been harbouring al Qaeda operatives believed

²¹ Not printed. *The Sunday Times*, 12 March 2000, “Smuggled film exposes Iran’s barbaric justice”.

²² *The Wall Street Journal*, 20 May 2003, “American Justice for Our Khobar Heroes”.

to have played a key role in the 12 May 2003 suicide bombings in Saudi Arabia. Further, on 17 November 2003 *The Press Association* reported²³ that one of the suicide bombers involved in the attacks on the two synagogues in Istanbul resulting in 24 deaths, travelled to Iran several times for bomb training. Iran also continues to oppose and undermine the Middle East peace process through its sponsorship of terrorism.

4. *Weapons of Mass Destruction*

Through its internal sources and nationwide network in Iran, the PMOI has been able to provide vital detailed information to the international community regarding the clandestine efforts by the Iranian regime to develop and stockpile various forms of weapons of mass destruction, including biological and nuclear weapons. Since August 2002, the NCRI has been revealing the locations of gas centrifuge enrichment plants and heavy water plants in Iran, the details of which were placed at its disposal by the PMOI. Further, during the course of this year, the IAEA has found weapons grade uranium at two of the sites disclosed by the NCRI, one site in Natanz and the Kalay-e Electric company west of Tehran. A copy of some of the information and documentation disclosed by the NCRI at various press conferences is enclosed²⁴.

As a result of the disclosures by the NCRI and the pressure placed upon the Iranian regime, it was recently forced to admit that it had been systematically covering up its nuclear programme for the past two decades. In a 30-page report on 10 November 2003, the IAEA revealed that Iran had committed nine separate breaches of its Nuclear Non-Proliferation Treaty obligations by extracting weapons-grade plutonium in experiments with uranium, and recently was building a secret laser uranium enrichment facility, as well as a huge centrifuge enrichment complex. A copy of three relevant articles dated 12 November 2003 is enclosed²⁵.

However, regrettably rather than taking a tough approach towards Iran by referring it to the UN Security Council, as they were obliged to do, on 21 October 2003 the Foreign Ministers of Britain, France and Germany decided to travel to Iran to obtain from the Iranian regime their agreement to (i) suspend its uranium enrichment programme, and (ii) to sign the additional protocol to the NPT, allowing unrestricted inspection of nuclear activities.

The result of this weak approach taken by the EU towards the Iranian regime has been the emboldening the regime to continue with its policy of concealment and deceit. Not more than a few hours after the above commitments were made, president Khatami had announced that, "Iran will never give up the right to enriched uranium." As most security commentators stated at the time, Iran has not complied with the commitments that it made and has instead succeeded in its attempt to buy more time to continue with its nuclear activities and to place a wedge between the EU, the IAEA and the USA. One month after making the above commitments and the deadline for signing the additional protocol to the NPT set by the IAEA (ie 31 October) the additional protocol remains unsigned by the Iranian regime and has in fact been postponed until February 2004. Further, on 29 November 2003 (please see enclosed *Reuters* article²⁶), Hasan Rowhani, head of the powerful Supreme National Security Council of Iran stated, "Our decision to suspend uranium enrichment is voluntary and temporary. Uranium enrichment is Iran's natural right and (Iran) will reserve this right for itself. . . There has been and will be no question of a permanent suspension or halt at all. . . we want to control the whole fuel cycle." A reason for the weak approach taken by the EU in relation to this matter becomes clear when one considers Hasan Rowhani's statement that Iran would punish countries that backed US efforts to take Iran's nuclear record to the United Nations Security Council by barring them from receiving lucrative contracts for huge energy and development projects in Iran.

The Iranian regime's claim that its nuclear activities are for civil purposes is yet a further astonishing lie. The fact is that Iran has some of the richest oil and gas reserves in the world and therefore has no present need for nuclear energy (please see *The Sunday Telegraph* article²⁷). The Iranian people are all too aware that the mullahs have never been interested in their most basic needs and they therefore certainly are not concerned about the people's energy needs. Over the past two decades the mullahs have devastated a nation with a long and proud history. Before the mullahs came to power one US Dollar cost 7.5 Tomans and now it costs between 750 and 1,100 Tomans, and yet the people's income has certainly not increased 100 fold. The youth of Iran face 40% unemployment and have been forced to turn to prostitution and selling their body organs in order to make ends meet. This is also the same regime that prolonged a war with Iraq for eight years costing, according to Rafsanjani, US \$1,000 billion.

When an Islamic fundamentalist regime is prepared to fire shots at the Iranian embassy in Tehran three times in order to blackmail Britain into releasing its former Ambassador accused of terrorism, takes hostages, seizes embassies, is the most active state sponsor of international terrorism and threatens democracy and stability in the Middle East, the EU must be concerned at what this same regime would do if it had nuclear weapons. The EU should also appreciate the value of the PMOI and NCRI, and their efforts in support of peace and stability.

²³ *The Press Association*, 17 November 2003, "Synagogue Suicide Bomber Trained in Iran".

²⁴ Not printed.

²⁵ Not printed. *The Daily Telegraph*, 12 November 2003, "'18 years of lies' from Iran over its nuclear plans"; *The Guardian*, 12 November 2003, "Tehran accused of 18-year cover-up"; *The Times*, 12 November 2003, "Iran 'secretly produced plutonium'".

²⁶ Not printed. *Reuters*, 29 November 2003, "Iran says won't shelve Uranium enrichment forever".

²⁷ *The Sunday Telegraph*, 7 September 2003, "They're out of excuses, we're out of time".

5. Interference in Iraq

In the same way that the Iranian regime pursued a campaign of bombing to remove the US from Lebanon during the early 1980s, they are now pursuing a similar approach in Iraq in order to remove the Coalition. The ultimate aim of the Iranian regime is to take control of Iraq by exporting its Islamic fundamentalism and Islamic revolution to it. Ayatollah Khomeini institutionalised the “export of revolution” and creation of an Islamic rule, not only as an idea but as a specific goal and program within various parts of his constitution. Part of the foreword to the regime’s constitution reads, “The Army of the Islamic Republic and the Revolutionary Guards Corps . . . carry not only the duty of protecting the borders but also ideological duty (ie Jihad for God and struggle to spread the rule of God’s law in the world)”.

The views of the regime with regard to Iraq can be gauged from the statement of Ayatollah Ahmad Jannati, the leader of Iran’s powerful Guardian Council on 2 May 2003, when he stated, “The Iraqi people have reached the conclusion that they have no option but to launch an uprising and resort to martyrdom operations to expel the United States from Iraq . . . I urge Iraqis to make nonstop efforts to expel the enemy from Iraq’s unsoiled land.” Please see the enclosed *Los Angeles Times* article dated 3 May 2003²⁸.

The Head of the Coalition Provisional Authority, Paul Bremer, has been stating for months that Iran is meddling in the internal affairs of Iraq. In an interview with *The Daily Telegraph* on 19 September 2003²⁹, Mr Bremer stated, “Iranian agents are working to destabilise the reconstruction process.” He stated that their activities included, “support for various people, some of whom have taken violent action against both Iraqis and the Coalition.”

The PMOI have provided vast amounts of information and intelligence to Coalition forces in relation to the activities of the Iranian regime’s Revolutionary Guard in Iraq. On 28 September 2003, *The Daily Telegraph* reported that Iran had dispatched hundreds of agents posing as pilgrims and traders to Iraq to foment unrest in the holy cities of Najaf and Karbala, as well as allowing extremist fighters from Ansar al-Islam to cross back into Iraq from Iran to join the anti-American resistance³⁰.

Further, in an interview with *The Guardian* on 23 October 2003³¹, Sir Jeremy Greenstock stated that he had warned the Iranian regime to stop meddling in the reconstruction of Iraq. He stated, “There are elements in the Badr corps [an Iranian backed militia] who are malign and interested in using violence against the Coalition . . . We are making it very clear to Iran that that is unacceptable, that will be further marks against them (for) stirring it up in Iraq and we will deal with the violence on the ground accordingly . . .”

As the Committee will be aware, after the collapse of the Soviet Union, Islamic fundamentalism emerged as the new global threat. Under the guise of Islam the mullahs in Iran shaped the most horrifying terrorist network to pursue a Jihad or holy struggle against the West. Therefore, one should be in no doubt that the Iranian regime is behind more than 90% of terrorist operations carried out around the world in the name of Islam. It is the only so-called “Islamic Republic” in the region and believes itself to be the guardian of the Islamic faith, which other Muslims must follow.

6. Is the Iranian Regime Capable of Change?

The answer to this question is most likely to be a resounding “no”. Not only is the regime incapable of change, but the fact is that it has no desire to change. For the regime to grant the people of Iran the change that they demand is for the regime to grant its own dissolution. The cry of the Iranian people and in particular the students in the extensive recent public unrest are for “Democracy and Freedom” and “Death to Khamenei—Khatami resign”. As was shown in section 1 above, democracy and freedom cannot exist under the system of velayat-e-faqih.

In an article written by Arnold Beichman, a Hoover Institution Research fellow and a columnist for *The Washington Times*, on 28 May 2003³², he describes what he calls the “End of the Iran Con-Game”. “The Great Con-Game” as he describes it began with the election of Mohammad Khatami as president of Iran in 1997 and the hatching of the myth of “moderates” within the mullahs who would bring about change. It has now become clear that the myth of “moderates” was nothing but a desperate ploy by the mullahs to stay in power. This was proved by statements made by president Khatami in August of this year. In an article in *The Guardian* on 13 August 2003³³, Khatami was reported as acknowledging that his attempts to introduce democratic reform have largely failed and that his promises made to the people had not been fulfilled. In these circumstances, the level of threat to the regime has intensified, as the Iranian people are demanding an entire change of regime. This has been recognised by all officials of the Iranian regime during the past two years with Khatami stating on 1 May 2002, “Our country is on the verge of chaos” and mullah Ibrahim Amini, Deputy Speaker of the Assembly of Experts stating on 15 May 2002, “I swear to god that the country

²⁸ Not printed. *The Los Angeles Times*, 3 May 2003, “Iranian Cleric Urges Iraqis to Expel U.S.”.

²⁹ *The Daily Telegraph*, 19 September 2003, “US troops killed as Bremner accuses Iran”.

³⁰ *The Daily Telegraph*, 28 September 2003, “Iranian agents flood into Iraq posing as pilgrims and traders”.

³¹ *The Guardian*, 23 October 2003, “Blair Envoy Warns Iran on ‘Meddling’”.

³² *The Washington Times*, 28 May 2003, “End of the Iran con-game?”.

³³ *The Guardian*, 13 August 2003, “Iran’s leader admits reforms have stalled”.

is on the verge of a social explosion and people are very upset and dismayed by the state of affairs. If public discontent spreads with the same trend, which I fear is going to happen, the country and our regime will be in peril.”

It should also never be forgotten that Khatami is a mullah. From the outset he was a close adviser to Khomeini and was the Minister of Guidance between 1982 and 1992. Further, he is part of the ruling system and therefore has no desire change it. To the contrary, he supports the system of velayat-e-faqih and has pledged his allegiance to the supreme leader.

UK Representative Office of the National Council of Resistance of Iran (NCRI)

December 2003

Memorandum submitted by Dr A M Ansari

INTRODUCTION

The following comments should be read in conjunction with the oral testimony provided to the Foreign Affairs Select Committee in February 2003, and reflect the changes and developments which have occurred over the last 10 months, especially the impact of the war in Iraq and the occupation by Coalition forces. The Memorandum will be divided into four parts:

- I. Reflections on the War in Iraq.
- II. Domestic developments in Iran.
- III. The regional environment.
- IV. Britain, Iran and Non-Proliferation.

I. Reflections on the War in Iraq

As suggested in the run up to the conflict, Iran proved singularly unmoved by the prospect of a war against Saddam Hussein's Iraq, and among ordinary people, there was considerable sympathy for the Coalition. Anti-war demonstrations were a rarity, if not non-existent in the period leading to March 2003, though once the offensive was launched, a modest demonstration was organised after a Friday Prayers in Tehran, though even on this occasion the estimated 30,000 participants proved well short of what could normally be expected at Tehran rallies. While publicly, officials expressed concern at US intentions in Iraq, even at a governmental level, few expressed regret at the passing of the Ba'athist state. Popular sentiment was altogether more sympathetic to the coalition cause, as could be witnessed by the periodic complaints levelled at the State broadcaster "IRIB", for being too pro-Iraqi in its coverage of the war, and certainly among more idealistic Iranians, there was a feeling that the war marked a new beginning, not only for Iraq, but for the entire region.

Subsequent developments, and the realisation that the rapidity of the war was unlikely to lead to immediate pacification and regional peace, tempered anxieties at all levels in Iran. Those establishment figures that had become concerned at the prospect of American ire being directed against Iran, relaxed when it became apparent that both Afghanistan and Iraq represented far more profound commitments than American officials had hitherto admitted; while others anxious for rapid change, recognised (albeit reluctantly) that patience may yet be a virtue. It was quite clear that the regional environment had changed, but its implications had yet to be assessed and appreciated. What was increasingly clear, was that with the immediate threat from the United States receding, politics in Iran could begin a tentative return to normal.

II. Domestic Developments

There is little doubt that ever since President Bush's "axis of evil" speech, Iranian domestic politics has been gripped, and some would say obsessed, with the issue of the United States. Never far from the background, the problem of what to do about the new American administration, was thrust very firmly into the foreground, such that any political dispute was being increasingly reflected through the prism of a potential US attack. The immediate consequence was to encourage an uncomfortable consensus, certainly among the elites of the Islamic Republic, with those choosing to publicly continue the struggle for democracy, being characterised as "American stooges". For a country driven by an acute sense of nationalism, such an accusation, however preposterous, was political suicide, and therefore, while the hardline elements in the Judiciary exploited this environment to further clamp down on opponents, reformists organisations also reflected that this was not the time to fan the flames of rebellion. This uneasy situation was reflected in the much anticipated "student demonstrations" which were planned for June 2003 to commemorate the major uprising in 1999. It was quite apparent that the students were well organised and angry, and as their own spontaneous demonstration indicated, that tensions between state and society remained remarkably fragile. Yet at the same time, with the sound of President Bush's exhortations ringing

in their ears, there was a palpable reluctance to push things further on this particular occasion, partly as a result of their own moral doubts, but also as a result of the realisation that public American support would make their own views less receptive within Iran.

At the same time, although doubts about the US achievement in Iraq encouraged caution on the side of the agitators for democracy, it tended to embolden their rivals. Much to the shock and consternation of Iranian politicians and society alike, the hardline Judiciary continued in its blatantly oppressive approach to the administration of the law, with the murder of the Canadian-Iranian journalist Zahra Kazemi—herself having arrived in Iran to photograph the plight of the student movement. Kazemi, having been arrested for taking pictures outside Evin prison was reportedly beaten to death by her interrogators, under the watchful eye of the notorious Judge Saeed Mortazavi. The Judiciary quickly sought to blame the Intelligence services, whilst a parliamentary inquiry pointed the finger squarely at the Judiciary. The immediate consequence of these developments has been the Judiciary's arrest of an intelligence officer, who has protested his innocence and whom most people consider to be a scapegoat for the Judiciary's wanton disregard for the law. In few countries in the Middle East would an Intelligence official be generally viewed in such a generous light.

III. *The Regional Environment*

The gradual return to "politics as normal" reflects a general realisation that the threat from the United States, in the immediate term, is receding, and that in geo-political terms, Iran may prove to be the single most important regional benefactor of the invasion of Iraq. Iranian leaders were anxious that a rapid US victory would lead to the immediate establishment of a pro-US government in Baghdad along with a series of US bases on the Western border. This prospect at present, would appear to be some way off, and instead Iranian leaders face the reality of an unstable, weakened Iraq. Instability, in both Afghanistan and Iraq, are not outcomes that the Islamic Republic looks to with any enthusiasm. But weakened, demilitarised states, on its borders which would pose no military threat but instead provide markets for potential exports are to be welcomed. More immediately, it is increasingly apparent that until a political settlement can be reached in both these states, Iran will be an important "player" for the coalition. Indeed, for all the rhetoric on either side of the international divide, politicians in both the West and Iran recognise the considerable dividends to be gained through a tacit co-operation. Not only is a full military assault on Iran no longer a possibility, but it is quite clear that US hawks are being encouraged to resist the temptation of an opportunistic military strike, which would make the regional environment considerably more unstable than it already is.

IV. *Britain, Iran and Non-Proliferation*

Recent efforts to ensure full Iranian compliance with its commitments under the Nuclear Non-Proliferation Treaty (NPT) would appear to vindicate the European Union approach of critical engagement, combining as it did robust pressure along with an element of compromise and collaboration. The internationalisation of the issue was essential to ensure that hardliners in Iran were not able to present the pressure to sign the additional protocols as another exercise in American double standards and arrogance. Indeed in internationalising the demands for Iran to be more transparent, presenting a united European front and tying the agreement to better political and economic relations with Europe as well as collaboration on civil nuclear technology, Britain helped ensure that Iran was more candid about its previous non-disclosures than many had expected, and more importantly, that henceforth it would fully adhere to its obligations. From the Iranian perspective it was important that its decision was not seen as a humiliating climb down, but as a dignified compromise, and the visit of the three foreign ministers of France, Great Britain and Germany, went a long way to conveying this view. Furthermore, it was also apparent that the Europeans recognised Iran's security concerns, its distinctly nationalistic perspective on nuclear development (the ability to develop nuclear technology, civil or military, has more to do with a sense of national pride than military aggrandisement), and its objections that it was being unfairly targeted by the United States, who Iranians argued should be doing more to encourage regional nuclear disarmament. At the same time, Iran's stated intention to sign the Additional Protocol should not be taken at face value, and any engagement should be both critical and continuously monitored. Only in this way, will trust be built on both sides.

CONCLUDING REMARKS

Britain's decision to pursue a European strategy with respect to Iran was vitally important in securing the agreement, for only in acting together were the Europeans able to impress the seriousness of the situation upon the Iranians, and convince them that agreement would forestall any American action. For on this point, the Europeans and Iranians of moderate political hues are in agreement; that any limited military strike by the United States on selected sites in Iran, while possibly playing well to an American domestic audience exhausted and disenchanted by the continuing occupation in Iraq, would be disastrous for regional stability as a whole. Still worse would be a strike sanctioned by the United States but conducted by Israel. While potentially boosting President Bush's poll ratings in the run up to the 2004 election, the political ramifications in the region would be profound, especially when one accepts that Iran would most likely change its approach to both Afghanistan and Iraq. Far more effective as been the Nobel Committee's

decision to award the Nobel Peace Prize to the human rights lawyer Shireen Ebadi. With a stroke of the pen, human rights in Iran became a genuinely international concern, and indicated to a cynical Iranian public that the West was not only concerned about oil and its own security. The long-term consequences of this decision are likely to be far more profound than any amount of confrontational rhetoric from Washington.

Dr A M Ansari
University of Durham

December 2003

Memorandum submitted by the Foreign and Commonwealth Office

LETTER TO THE CHAIRMAN OF THE COMMITTEE FROM THE SECRETARY OF STATE,
FOREIGN AND COMMONWEALTH OFFICE, REGARDING PERSECUTION OF
INDIVIDUALS IN IRAN TOGETHER WITH LIST OF PEOPLE WHO WERE INJURED IN
ISTANBUL (DATED 7 JANUARY 2004)

At our evidence session on Tuesday 2 December, I undertook to write to you with further information on the persecution of individuals in Iran who had converted from Islam to other faiths (especially to Christianity) and to send you a list of people who were injured in Istanbul.

Under Iranian law, apostasy—conversion from Islam to Christianity or any other religion—is a crime and in theory may be punished by death. Accurate information about the actual treatment of converts or those who seek to convert others is hard to obtain and we do not have a full picture. We are not aware of cases where the death penalty has been used on Christian converts in the period since President Khatami was first elected in 1997. In 1994, a Christian convert in Mashad, a pastor, was reportedly charged with evangelising and subsequently executed. We have also heard reports of the extra-judicial killing of Christians for evangelising, most recently in 2000 in Rasht. While some converts who keep a low profile appear not to face significant harassment by the authorities, others may be subject to restrictions or punishment.

Persecution of people for their religious beliefs is abhorrent. We have called on Iran to protect the rights enshrined in the International Covenant on Civil and Political Rights, to which it is a State Party. These include the freedom to have or to adopt a religion or belief of one's choice. We have raised our concerns about religious persecution in Iran on many occasions, and through a variety of channels. Religious discrimination is a subject of regular discussion in the EU/Iran human rights dialogue. In November 2003, the UK co-sponsored a resolution on human rights in Iran at the United Nations General Assembly which expressed serious concern at the denial of free worship, and called on Iran to eliminate all forms of discrimination based on religious grounds.

I enclose a list of those injured in Istanbul.³⁴

Rt Hon Jack Straw MP
Secretary of State, Foreign and Commonwealth Office

7 January 2004

Memorandum from the Embassy of the Islamic Republic of Iran

LETTER TO THE CLERK FROM AMIR HOSSEIN HOSSEINI, THIRD COUNSELLOR,
EMBASSY OF THE ISLAMIC REPUBLIC OF IRAN DATED 15 JANUARY 2004

It is my pleasure to inform through you the Foreign Affairs Committee that during recent weeks two legislations have been approved in the Islamic Republic of Iran concerning equal blood-money for Muslim and non-Muslim nationals of Iran, and the granting of the right of custody of male children up to the age of seven to their mothers. In view of the sensitivity and subtleness of these two issues, the passage of these two legislations is regarded by many as important developments in the sphere of human rights in my country.

The Council of Guardian on 28 November 2003 approved the bill which will be an additional note to the Article 297 of Iran's Islamic Penal Code concerning blood-money or *di 'yeh* for religious minorities. Under the bill, the blood money for religious minorities in Iran has become equal to that of a Muslim Iranian national.

Earlier the Expediency Council also approved the bill that granted divorced Iranian mothers the right to the custody of their children up to the age of seven. Divorced mothers now have the same right over their sons as they do over their daughters. Before this change in law, divorced women were granted the custody of girls until the age of seven, but were only allowed to keep boys until the age of two. According to the new legislation, after the age of seven the court decides on the custody if there is irreconcilable dispute between the parents of the child.

³⁴ The list of those injured has not been reproduced, owing to the personal informal it contains.

It should be noted that according to the Constitution to the Islamic Republic of Iran all legislations passed by the Islamic Consultative Assembly must be sent to the Guardian Council. The Guardian Council reviews it within a maximum to ensure its compatibility with the criteria of Islam and the Constitution. If it finds the legislation incompatible, it will return it to the Assembly for review. Otherwise the legislation will be deemed enforceable.

In case the Guardian Council is unable to meet the expectation of Majlis on a particular bill or motion, the matter is then referred to the Expediency Council for arbitration. The two bills on equal blood-money for Muslims and non-Muslims and granting of child custody to mothers were among the issues that were referred to the Expediency Council. These two bills have now become law after approval by the Expediency Council.

Amir Hossein Hosseini
Third Counsellor

Session 2001–02

REPORTS

Twelfth Report	FCO Annual Report 2002	HC 826 (<i>Cm 5712</i>)
Eleventh Report	Gibraltar	HC 973 (<i>Cm 5714</i>)
Tenth Report	Zimbabwe	HC 813 (<i>Cm 5608</i>)
Ninth Report	Private Military Companies	HC 922 (<i>Cm 5642</i>)
Eighth Report	Strategic Export Controls: Annual Report for 2000, Licensing Policy and Prior Parliamentary Scrutiny (Quadripartite Committee)	HC 718 (<i>Cm 5629</i>)
Seventh Report	Foreign Policy Aspects of the War against Terrorism	HC 384 (<i>Cm 5589</i>)
Sixth Report	Turkey	HC 606 (<i>Cm 5529</i>)
Fifth Report	Human Rights Annual Report 2001	HC 589 (<i>Cm 5509</i>)
Fourth Report	Zimbabwe	HC 456
Third Report	Laeken European Council	HC 435
Second Report	British-US Relations	HC 327 (<i>Cm 5372</i>)
First Report	Gibraltar	HC 413
First Special Report	Appointment of Parliamentary Representatives to the Convention on the Future of Europe	HC 509

MINUTES OF EVIDENCE

Evidence	The Inter-Governmental Conference 2004: The Convention on the Future of Europe	HC 965–i
Evidence	The Barcelona European Council	HC 698–i

The reference to the Government response to the report is printed in brackets after the HC printing number

Reports and Evidence from the Foreign Affairs Committee since 2001

The following reports and evidence have been produced in the present Parliament.

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First Report	Foreign Affairs Committee Annual Report 2003	HC 220
Second Report	Foreign Policy Aspects of the War against Terrorism	HC 81

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Eleventh Report	Gibraltar	HC 1024 (<i>Cm 5954</i>)
Tenth Report	Foreign Policy Aspects of the War against Terrorism	HC 405 (<i>Cm 5986</i>)
Ninth Report	The Decision to go to War in Iraq	HC 813 (<i>Cm 6062</i>) and (<i>Cm 6123</i>)
Eighth Report	Zimbabwe	HC 339 (<i>Cm 5869</i>)
Seventh Report	Strategic Export Controls: Annual Report for 2001, Licensing Policy and Parliamentary Scrutiny	HC 474 (<i>Cm 5943</i>)
Sixth Report	The Government's proposals for secondary legislation under the Export Control Act	HC 620 (<i>Cm 5988</i>)
Fifth Report	The Biological Weapons Green Paper	HC 671 (<i>Cm 5857</i>)
Fourth Report	Human Rights Annual Report 2002	HC 257 (<i>Cm 5320</i>)
Third Report	Foreign Affairs Committee Annual Report 2002	HC 404
Second Report	Foreign Policy Aspects of the War against Terrorism	HC 196 (<i>Cm 5739</i>)
First Report	The Biological Weapons Green Paper	HC 150 (<i>Cm 5713</i>)
First Special Report	Evidence from Mr Andrew Gilligan to the Committee's Inquiry into the Decision to go to War in Iraq	HC 1044

MINUTES OF EVIDENCE

Evidence	The Thessaloniki European Council	HC 774-i
Evidence	Developments in the European Union	HC 607-i
Evidence	The Inter-Governmental Conference 2004: The Convention on the Future of Europe	HC 606-i
Evidence	The Copenhagen European Council	HC 176-i
Evidence	The Prague NATO Summit	HC 66-i