

HOUSE OF LORDS
MINUTES OF EVIDENCE
TAKEN BEFORE
THE SELECT COMMITTEE ON THE EUROPEAN UNION
(SUB-COMMITTEE C)

**EU STRATEGY ON NON-PROLIFERATION OF WEAPONS OF MASS
DESTRUCTION**

WEDNESDAY 9 FEBRUARY 2005

DR DENIS MACSHANE MP and MISS SARAH PRICE

Evidence heard in Public

Questions 205 - 234

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WEDNESDAY 9 FEBRUARY 2005

Present

Bowness, L (Chairman)
Dykes, L
Inge, L
Lea of Crondall, L
MacLennan of Rogart, L

Examination of Witnesses

Witnesses: **Dr Denis MacShane**, a Member of the House of Commons, Minister for Europe, and **Miss Sarah Price**, Foreign and Commonwealth Office, examined.

Q205 Chairman: Good morning. Dr MacShane, as you know, we are conducting this inquiry into the European Strategy on non-proliferation of weapons of mass destruction. Clearly we would like to hear from you the Government's view on a number of questions. Do you want to make an opening statement or do you want to go straight to the questions?

Dr MacShane: I would rather go straight to the questions.

Q206 Chairman: Thank you very much. We heard when we went to Brussels some evidence in certain quarters which suggested that perhaps the Strategy is running in to more difficulties than it need because of tensions between the Council and the Commission. In the light of that, how satisfied are you that the institutions are not only organised but resourced to manage this strategy? I think we have pointed out to you in questions that the special unit, the WMD Centre, still does not exist and the progress reports keep reporting that it still does not exist. Where is the blockage on that, for example?

Dr MacShane: I think this goes to the heart of one of the Parliamentary questions about the development of the European Union's common foreign security policy. It may be one of the

issues debated in another place this afternoon. Our view clearly is that this is the responsibility of the Member States organised through the Council and through the Higher Representative Mr Solana and we welcome the fact that the CFSP budget money to be spent on non-proliferation projects has gone up by fifty per cent in 2004 from €9.3 million to €15.5 million and that people accept that in the next financial perspective there should be a stability instrument which will increase the resources. We also welcome the fact that Mr Solana's personal representative for WMD issues, Signora Giannella, now has a role to help maintain the momentum on WMD Strategy, but I confess quite openly to the Committee that under the existing institutional structure getting the kind of coherent cross-Pillar policies in place does require a fresh approach to key issues and a new way of working for Member States and the EU institutions. We need coordination between the Commission, the Council Secretariat and with Member States, which is why the Government – and, as I say, I am cross-referring to the debate later today – does welcome the provisions under the Treaty for much greater coherence in the Union's external policies with the post of an EU Foreign Minister and the supporting European external action service, which we think can then pull together and create exactly what we want, which is a clear and coherent position from the European Union on WMD, but I am not prepared to say to the Committee that I think everything in the garden on this issue is rosy, and perhaps in later questions we can explore some of the reasons why this is so.

Q207 Lord Inge: Minister, this is, I think, related to this. Iran clearly is a top priority, but what do you see in terms of the capabilities of weapons of mass destruction (and separating the three, nuclear, biological and chemical) and countries? Where do you see the main priorities for action?

Dr MacShane: Well, it is really across the board and I do not think we want to revisit Iraq. We can discuss Iran if you want, my Lord, but we maintain that the problems of weapons of mass destruction now constitute a serious international threat which needs to be tackled in

terms of prevention, exposure, stopping proliferation, and all the partners in the democratic rule of law community of nations (if I can describe them as that) need to act together. We have worked very hard to highlight it within the European Union as an issue. We have got decisions and embryonic instruments to take this forward. It will continue to be a top priority for the United Kingdom and our presidency and generally in our discussion with partners.

Q208 Lord Inge: So you are not separating any priority and saying, “We’ve really got to start on this one before that one,” or, “Biological is more worrying than chemical”?

Dr MacShane: I can turn to Miss Price for expert comment, but I do genuinely and modestly think it is not really my job as Europe Minister to, as it were, do a triage on which of the three key areas of weapons of mass destruction should have the explicit priority now. We are having the whole discussion about how we can control containers, for example. There are huge and difficult areas of international law at stake here. I remain concerned, as we all do, about what is happening in Iran. There is North Korea. We have got the Nuclear Non-Proliferation Treaty Review Conference in May, at which these issues will be discussed. We simply want to maintain high on people’s consciousness that what happened on 9/11, what happened almost exactly a year ago in Atocha in Madrid are not one-offs and that there are organisations and people working and planning, alas in some cases we believe with links to states to use weapons of mass destruction to pursue their ideological and political aims.

Q209 Chairman: Can we just pursue the question of the resources, Minister, because I am afraid – and it may be I am alone – I do not wholly understand what is going on here. Dr Giannella, who is Mr Solana’s representative and in the Council, says that her allocation for this current year has slipped from €15 million to €6 million. Now, that is coming out of the CFSP budget. Who is making that allocation? Who is responsible for making that drop? If

we want the Council to do it, surely we would be funding somebody who is working within the Council?

Dr MacShane: Well, my Lord, you there enter into the delights of running the European Union, which is that the Council may propose but the Commission controls the purse strings. We have got the CFSP budget of €62 million for 2005. Getting ten per cent of this on one strand of policy seems to me not unreasonable, although Dr Giannella is putting together proposals for further joint actions which will increase the amount spent on CFSP to closer to €15 million. We are also, of course, spending under various programmes a further €40 million to do with dealing with proliferation issues, particularly concerning nuclear safety projects in the former Soviet Union under the TACIS programme and I cannot rustle up more money for the EU generally. We are, as a government, pretty tough as budget disciplinarians and allocating the different resources within the EU's overall budget is, of course, the subject of a great deal of political sensitivity and discussion.

Q210 Lord Maclennan of Rogart: Reverting to the Chairman's initial question about the institutional arrangements, and I think understanding what you say about the importance of the double-hatted role, the putative role of the high representative/foreign minister, is it your view that nothing can be done unless and until the Constitution is ratified and effective to get more steam behind this? It does seem extraordinary that although the proposed centre for reviewing the progress of the Strategy is agreed, Thessaloniki, it still is not in place. It does not seem that that should require a ratification of the Treaty. Does not the Council have the power to require this to be done?

Dr MacShane: My Lord, I have found in three and a half years of dealing as a Minister with Europe that we advance rather at Robin Knox-Johnston's pace than Ellen MacArthur's. That may not necessarily be a bad thing because we have to bring a lot of nation states with us and we have to bring a lot of institutions and different points of view within our own countries

along with us. So the European Union is not, I am afraid, an action state type of organisation. We do not require the ratification of the Treaty to advance in this area. CFSP is there since the Maastricht Treaty. The WMD strategy, as you rightly say, was agreed at Thessaloniki and what I can assure you is that with the United Kingdom by chance having the Presidency in the second half of this year WMD proliferation is a Government top priority and so it will quite naturally be a priority for the United Kingdom Presidency and we will want to take forward a comprehensive review of the WMD Strategy and ensure the groundwork is laid to secure adequate financial resources in the next financial perspective (that, in effect, is the budget for the EU 2007 to 2013) and conduct an effective outreach programme, but we should not ignore what we are doing. We are sponsoring with the Commission a programme to take stock of Member States in the EU's counter-proliferation programmes. We actually need to identify where the EU can make the most impact. We will be having a conference in November to discuss the initial results of this scoping study. We want to involve European Parliament Members and of course national parliaments as well. A lot of the meetings which the EU has with Third countries, so-called Troika meetings, will take place under our Presidency, no fewer than fourteen. Those are with countries like the former Soviet Union republics, India, Pakistan and other countries in which we will seek to raise these issues and of course, as always, the EU is present as a block in some of the wider UN international meetings. So we will be urging the Council Secretariat to put WMD issues into the agenda of these meetings. It is a kind of string work (if I can call it that) of just constantly raising it, constantly trying to take colleagues in other countries forward with us, and I actually think that compared with just three or four years ago when WMD and the EU simply would not have been in the same sentence we have come a long way and we will continue to insist that all of our partners and fellow Member States in the EU have got to take this issue very seriously.

Q211 Lord MacLennan of Rogart: I am afraid I find it difficult to understand just how seriously the Government takes this programme. Four years back the situation was surely very different from today. We have had threats of the use of armed force in the Middle East rising from concerns about the proliferation of weapons of mass destruction in the direction of Iran. Can we wait another four years for the European Union or anyone to take effective action in this sphere? I put it to you, Minister, that the Commission which is required to provide the sinews for this Strategy has one and a half people involved in the supervision of the programme. We know that there are programmes, for example in Russia where there is scrutiny of dismantling of weapons, which are coming under other heads, but if this is going to be a dynamic implementation of strategy candidly with the kind of resources that we have heard are involved in it, it is pretty much a fantasy.

Dr MacShane: I do not think that is fair, my Lord. It is not perhaps for me to say that the Commission has got to reorientate of the roughly €100 billion it spends a year huge chunks away from the Common Agricultural Policy or regional funds to the question of weapons of mass destruction. I think that Britain has taken a lead in putting it into the collective thinking of the EU. We actually would like one line of authority. What we do not want is to have a bureaucratic turf war, as it were, between the Commission on the one hand and Mr Solana and the Council Secretariat on the other. The work can carry on irrespective of the ratification or not of the Treaty. My point is that if the Treaty comes into play, I think there we have got the kind of clarity that certainly we do not have at the moment. In the first period, if we take this back to 9/11, Europe was very much obsessed on what response to take towards Iraq. We do not need to revisit all of that, but believe me sitting in the Foreign Office that was a ten tonne elephant rampaging through every part of that building to try and get a satisfactory solution, the whole of Europe together. Good, we are past that period now and Miss Rice made a very important speech on that yesterday which has been warmly welcomed across Europe, but let

us look at what we are doing on Iran, which again has been an absolute priority for the Foreign Secretary. He has visited Tehran more than any other capital city, other than a couple of capital cities in Europe and perhaps Washington. I always hate the phrase “to take the lead” because I think that language sometimes assumes that other countries sort of sit around waiting for us to tell them what to do, but we have worked very, very strongly and intimately with French and German partners, and with Mr Solana, on Iran. The approach there has been endorsed, I can actually say positively endorsed by the President of the United States and Vice-President Cheney, none of whom I think are particularly soft on the Iranian question. So we are actually putting the Iran issue into the thinking of every European government. It is discussed regularly at every meeting of foreign ministers I attend in intimate detail with very, very clear, tough lines. So in as much as Iran, I suppose, is our near neighbour, that is where a very great deal of European resources are going. I think it is right it is led with three big countries with Mr Solana. I would not want to duplicate that by suggesting the Commission sets up its own WMD or Iran unit. Europe is a mixture, is it not, all the time of what the Commission does, what Member States do, what the Council does, what high representatives, or what, in the case of Mr Solana, also the Secretary-General of the Council does? What I am happy with is that European public opinion and the policy-makers are fully seized of the WMD issue in a way that certainly was not the case just four years ago.

Chairman: May we come back to Iran in a moment because that is another question? Just before I call Lord Lea, who did catch my eye, can I ask Lord Dykes to follow on with this question of resources. I trespassed somewhat on the question he was going to ask, but whilst we are talking about money I will ask Lord Dykes to pursue his points.

Q212 Lord Dykes: I acknowledge that of course, as you said, Minister, it is early days and these new policies, the security strategy and the WMD Strategy, are still really starting and it does take time with all the consultations in an enlarged community background to get

everything organised. One appreciates that, but there does seem to be a lot of confusion. There is first of all the general attitude of the United Kingdom and the EU five or six, I suppose, who, for very justifiable reasons, want the budget to be limited to one per cent. Then there is the 1.14 per cent brigade and the 1.27 per cent brigade. The unfolding of these twin strategies together is going to cost a substantial amount of money just on administration organisation to start with and then on the actual policy on the ground, the inputs on the ground. It is going to be a lot of money. If you take the relevant summit in 2002, €1 billion was allocated for ten years to develop these policies. I admit that Signora Giannella's allocation of just €6 million for 2005 is only a small part of that, but this is not really getting going because there has not been any imposition of that required rate of spending annually. Where is the confusion and what is causing it? Is it the arguments between Member States about these things? Is it a major row between the Council and the Commission? Should the Deffrennes Unit in the Commission then be put into Signora Giannella's unit in the Council instead, because the allocation is miniscule for the work that she is supposed to be doing? So there is a lot of confusion about it and a lot of feeling that there is a tremendous amount of tension underneath between the institutions and with Member governments, maybe our own, actually exploiting that as well.

Dr MacShane: We are not exploiting it. We would rather have, I think, a clear line of command and control on foreign policy, principally through Member States and the Council and, as I say, I think that is what there will be under the new Treaty. The debate on how much the European Union spends and what its total budget should be for the next financial perspective, frankly, is rather more for the Chancellor or other colleagues than myself. I am quite happy with Britain being a budget disciplinarian. My view, and I have said this on many occasions in many different countries in many different languages, is that one per cent is adequate for the needs of Brussels. It is how it is spent that needs serious work doing and

of course it is one per cent of a European gross national income which is growing. If the Lisbon Strategy is put into real effect, the European Union will be growing at say three per cent a year, year after year, for ten years and one per cent of that is a lot more than one per cent of an almost no growth or low growth European Union. So I think the money can be found. Yes, there will be permanent tension, just as there are only, I think, Britain and France spending significantly more than two per cent of GNP on defence (I exclude Greece for obvious reasons) and it is our constant plea to some of our other partners in Europe to spend more on defence so that Europe can not just have a voice in the world but some force to give effect to that voice should it be necessary, and this is part of that debate. I do not have a solution to offer the Committee now. I cannot make pledges on how the financial perspective will end. It is a discussion which will continue between the Council and the Commission over the next period, but at least we have got Mr Solana focused on it, we have got formal Council decisions on it and at least we have got some Commission money spent. €6 million may not be a lot in this field, but I would not mind some of it for some of the work I have to do in the Foreign Office.

Chairman: Lord Lea, did you want to come in on this?

Lord Lea of Crondall: I think I will wait until questions four and five.

Q213 Lord Inge: I was beginning to think, Minister, from what you were saying that actually perhaps there were some funds because you were talking about Iran quite a lot, for example. But you are saying it is still a general issue, is it, and you do not believe there are real priorities for action in dealing with this WMD issue in the round?

Dr MacShane: I am not qualified to say that we should focus more on nuclear, more on chemical, or more on biological. I think everybody is worried about all of the issues simultaneously. Iran, of course, is clearly a focus on the nuclear question. From my work in Latin America the biggest proliferation problem is that of small arms. Cocaine went north;

small arms came south. Small arms, I am afraid, in many parts of the world, still do a lot more killing than WMD, but I think we have got accurate intelligence and there are revelations about proliferation from state institutions in some of these areas that require international attention which the EU cannot opt out of. I welcome the fact that the EU is accepting its responsibility to be a global thinker, analyst and policy-maker in this area, even if Members of the Committee (and I might share their views) feel that there is not yet enough resources or sufficient tightness of focus evident from Brussels.

Q214 Chairman: Dr MacShane, I think I should perhaps explain, and I think I can speak for the Committee, when we keep pressing on priorities it is not on this one alone. We get so many things within the area of CFSP before this Sub-Committee which I think around the table we are supportive of. The difficulty we see is that they encompass absolutely everything from A to Z and nobody seems to have any idea as to what the priorities are, or indeed any intention to go out and set a list of priorities. Our fear is that, yes, we are supportive but the thing runs the risk of falling into a certain amount of disrepute because everybody knows that you cannot do everything. That is why we press on priorities.

Dr MacShane: I strongly support that view that every time now there is an international development the EU has to meet it. I was rushed away, quite properly, to go to an emergency meeting of foreign ministers on the tsunami disaster. I sort of thought to myself, “Well, do we need another meeting in Brussels? Can we not just get on with the job?” The EU actually did a fair bit of useful coordination, but I then talked to Austrian colleagues and one or two other colleagues from smaller Member States and they were at their wits’ end because they just did not have any diplomatic representation or consular representation in some of these regions and they and their citizens immediately looked to the EU for a helping hand. You cannot say that is development and consular work which needs to be undertaken. It is not really an EU thing. The EU has to respond to public opinion and international development.

Finding the right priorities I fully accept is going to be difficult and ensuring that there is not duplication between the different EU institutions is going to be difficult, but all systems of governments from Rotherham Municipal Council to Whitehall have to go through these painful decisions. It is very right that your Committee is raising these questions. Believe me, they are questions I raised myself and questions we raised ourselves. Dr Giannella has produced a kind of priority list in conjunction with Member States which the Committee has. I think it is right that everybody examines that and it is right that she tries to focus our minds on it.

Chairman: Thank you.

Q215 Lord Lea of Crondall: Minister, we have been fortuitously addressing these questions at a time when the Non-Proliferation Treaty Review Conference is looming large and there are obviously more and more stories in the press about the difficulties of it. I think the first paper is being written in Brussels as we speak now, but could I link what are questions four and five in our list here and ask you as follows: if it is the case that many countries in the world going to this conference will not really have any thoughts of their own, could it be that the European Union paper will be not too difficult to agree as plan A but when you get to the conference you will need plan B, by which I mean if many of the other countries in the world put their weight behind the default position, what the UN Panel has put forward (which is a very interesting and challenging series of recommendations), do you not need a plan B then to see how far Europe can persuade our American friends that they have got to really look at some of the issues in the UN Panel Report if only because there will be a contention that otherwise the way in which the Treaty is running at the moment means one law for the nuclear weapons states plus India, Pakistan and Israel, and another law for everybody else?

Dr MacShane: Well, I agree that we might as well bring the two subjects together. The NPT Review Conference is taking up most of the month of May and the Secretary-General's High-Level Report, which is a very constructive document, and as you know, the Prime Minister and the Foreign Secretary will be participating with Kofi Annan in discussion on this tomorrow in London and steering and finding our way through this is important. The EU certainly has been working to try and find a common policy but I cannot hide from you that there are one or two neutral Member States which have always rejected any notion of having nuclear weapons, states which have never wanted to join the Western Alliance in defence of democracy which take a rather more rigorous position. I am not sure we will be able to blend all of these into one single EU voice because those states will continue to maintain their positions possibly (I do not know, I cannot speak for them) either at the NPT Review Conference or in the context of some of the High-Level Panel Report recommendations. But the High-Level Panel Report is not contradictory to current EU policy on the Nuclear Non-Proliferation Treaty, rather it complements it, and we will keep working, discussing, being very open but also defending positions which we think make sense for the United Kingdom. France, similarly, I think shares with us views certainly on not throwing away nuclear weapons, as one or two people might argue. That is a European position. It is not Britain in one place, America in another and the rest of Europe in a third. We are part of the European Union, we are working with partners on this and we will seek to find as much of a common position as possible, both at the NPT Conference and for a response to the High-Level Panel Report.

Q216 Lord Lea of Crondall: I think it is fair to say that the High-Level Panel is a bit more challenging than you have just implied there in terms that HMG do not have too much difficulty with it. It is fairly robust in its criticism of the nuclear weapon states, for example, not feeling that they have any obligations on that path towards disarmament and this is one of

the reasons, the rationale, for people (including Iran perhaps) saying, “Well, we are not going to live with the position where certain states are allowed to have this facility and others are not.” So the gentleman’s agreement (to use an old-fashioned phrase), which goes back to 1967 when the Treaty was signed, namely that there are equal obligations on the nuclear weapon states and on everybody else, is falling apart and is not being observed. Therefore, either we press more heavily on the nuclear weapon states, which is perhaps implausible, or we look at some of the recommendations in the High-Level Panel Report such as – I do not know whether you have it there but I will just pick out a couple for convenience – one is that the nuclear weapon states must honour their commitments under Article 6. This is one of the bold recommendations based on their previous commitments not to use nuclear weapons against non-nuclear weapon states, and there is a new one written in that it would be valuable if the Security Council explicitly pledged to take collective action in response to a nuclear attack or the threat of such an attack on a non-nuclear weapon state. I could see that if that was promulgated it would be a very reasonable reassurance to the non-nuclear weapon states that they could maintain the status quo in a so-called balance within the architecture of the Treaty.

Dr MacShane: These are policy and political arguments, my Lord, which in a sense have been around, I suppose, since nuclear weapons first became part of the arsenal of certain Member States. Am I convinced that Britain unilaterally surrendering possession of nuclear weapons would persuade North Korea and one or two other countries to give up their ambitions in that domain? I must be honest and tell the Committee my answer would be a robust no. I think that we work towards the goal of global nuclear disarmament through the agreed nuclear Non-Proliferation Treaty process, including the outcomes of the 1995 and 2000 Review Conferences. We actually have reduced the readiness of our nuclear forces. We only have one submarine on patrol at any one time and the missiles are de-targeted. This is

all in my official brief, so I hope my Lords will not think I am revealing any secrets. I think that is a good way forward. We worked very, very heavily, did we not, as I say, the West as a whole with the Soviet Union after the 1980s to build down nuclear weapons on both sides. So I think it is an unfair argument. It will be discussed either at the NPT Conference or in response to the High-Level Panel's recommendations, but I think we should maintain our focus where it has sensibly been on stopping proliferation rather than doing a quantum leap forward and saying, "Well, if only Britain got rid of all its nuclear weapons we would all live in a peaceful happy world in which nobody else would consider possession of them."

Q217 Lord Lea of Crondall: Just one further thing on this point and then I will leave it. I do not think it is somebody trying to, as it were, drag into the debate something other than non-proliferation because although the Treaty is called Non-Proliferation it is shorthand for non-proliferation and disarmament, as indeed many of the documents make absolutely clear. Indeed, it would of course be very nice if the debate was only about stopping proliferation. The very question which is going to come up in the Review Treaty is should states not at present having these facilities be told that they must not get them without the other people committed to the Treaty seeing that they are carrying out their side of the bargain? If plan B (my way of describing it) does get a lot of support in the Review Conference – it is just my hunch that there will be a lot of support amongst other nations, if only because there is a coherent document on the table and they might as well get behind it – and it has got this quasi-unanimous support from around the world of very, very senior people including our noble friend Lord Hannay on this Committee, and so on, they have all signed something and it will be on the agenda and I think this may be a role for the United Kingdom in the European arena to say, "Well, we'd better find a couple of things in this," even though you cannot say this morning what they are, to show that you are operating within the spirit of the High-Level

Panel, which I have to say is a bit different from the tone of what you just said in answer to my previous question.

Dr MacShane: The High-Level Panel Report – I have it here and it is a hundred page, single space document –

Q218 Lord Lea of Crondall: Chapter 5 is not a hundred pages long, is it?

Dr MacShane: No, but it is a bit longer than the EU Constitutional Treaty.

Q219 Lord Lea of Crondall: The Chapter is very short.

Dr MacShane: The Chapter is very short. The key bits of the EU Constitutional Treaty are even shorter, my Lord! I have the entire Charter of Fundamental Rights in a postage stamp little booklet that you can flick through in one minute, but you would not believe that listening to some of the comments on the radio. I digress. I would like to see the response to the High-Level Panel recommendations focus on what can be achieved. If I have to start from saying Britain should take a unilateral disarmament course, I just think that would destabilise the ----

Q220 Lord Lea of Crondall: I hope you never thought I was saying that.

Dr MacShane: Our colleagues in Europe – I do not think France would be part of that at all. But there is, for example, very important recommendations on the proliferation of light weapons. Obviously weapons of mass destruction conflict is a present threat which worries us greatly, but I repeat, by far the largest number of deaths because of ideological, political or terrorist violence has been as a result of small arms. The EU has got a lot of good thinking on how one might prevent trafficking, the illegal brokering of light weapons and to mark and trace light weapons. So we accept the need for a responsible weapons trade, but there is a lot we can start moving on already. I think our country, Europe and other partners can be

commended for the fact that in recent years, whether it is on chemical weapons, biological or toxic weaponry, we have made serious Treaty progress. We are establishing an area of international law within a UN framework which takes some of these issues forward. We have had the whole Ottawa Convention on land mines. So forgive me if I think we should focus on where we can all move forward. I like the notion of the UN offering guarantees in theory, but it certainly was not able to offer a guarantee when there was the question of taking action to get rid of the terrorist and mass-murderer Saddam Hussein and it required action by a number of European states, the United States, Japan and Australia to deal with that problem. So I hope we see a much more robust UN holding up the international rule of law and ensuring that its own resolutions (which I suppose are forms of international law) are put into effect rather than fleeing from its responsibilities and certain Member States exercising vetoes. So let us take the High-Level Report. Let us not assume that every recommendation in it can be implemented. Let us not start a rather fruitless argument within European Union Member States, or possibly between some European Union Member States and other NATO partners on who is right and who is wrong on the possession of nuclear weapons. Let us focus on what we agree are real problems of proliferation, let us focus on Iran, let us focus on Korea and then also focus, as I say, on areas where we really could make real progress. How exciting if we could get common agreement that no Kalashnikov, I do not know the names of all these guns, could be made without it having a chip in it so that anywhere it went in the world it could be traced. That is not, I think, beyond the bounds of present-day technology and I can tell you from all my work in Colombia and other parts of Latin America that it would be a very wonderful thing if that could be put into effect.

Q221 Lord Dykes: I think that is a disappointing answer because I think you misunderstood what Lord Lea was getting at, unless I misinterpret Lord Lea, and he can speak for himself. I think if you slightly augment the arguments around his central arguments, the UN has to

speak for the whole world, whereas what you are doing is repeating the old denunciations on behalf of the old Security Council structure of the existing nuclear power in the United States. The notion that there are not some countries in the world that would regard the United States as maybe a threat to them, bearing in mind what happened with the illegal war in Iraq, which you describe as a justified war, as we know, all those things have to be taken into consideration as well. It has to be a balance between the non-nuclear and the nuclear powers and all you are doing is arguing the old stories and theories on behalf of the existing nuclear powers. That is disappointing, I think, and I think one has to think in a modern idiom now of a strengthened UN with everybody committed to it. The idea that the United States can lecture France about threatening to impose a veto on Iraq when they themselves have exercised thirty-five vetoes to allow Israel to carry on occupying the Occupied Territories, and whether that was right or wrong for Israel security can be argued. This has to be seen in the round, does the Minister not agree?

Dr MacShane: The Minister agrees this is a very interesting debate and I look forward to the discussions arising from the High-Level Panel's Report and I look forward to tomorrow's discussions with Kofi Annan, and the Foreign Office is keen to contribute. All I am saying is, and I am sorry if you think this is just the old song, if you invite me to make my point of departure Britain renouncing ---

Q222 Lord Dykes: No, he did not say that.

Dr MacShane: I do not want to debate across in front of the Chair, but I would quite like to know then what the Committee's recommendations or suggestions are. We have got one nuclear submarine. Should we dry-dock it?

Chairman: Well, I think you have your difficulties this afternoon. My difficulty is to keep the EU focus on this particular subject that we are inquiring into!

Q223 Lord Maclennan of Rogart: I wonder, Minister, if I might go back to the issue of Iran, which you alluded to earlier? Less than a week ago the Iranian negotiator, Mr Moussavian, was reported as having expressed growing dissatisfaction with the European Union's negotiations over the suspension of nuclear enrichment and seemed to indicate concern that the EU's position (that is to say the three countries which had been negotiating with Iran) may be simply acting in concert with the United States and not showing good faith in progressing discussions on technological, economic and other interests of Iran. Is there a *quid pro quo* being discussed with the Iranians for their agreement to halt nuclear enrichment?

Dr MacShane: Oh, very much so. At the November European Council we decided that talks should resume on a draft EU/Iran trade and cooperation agreement once the full suspension has been verified and there is nothing that we, HMG, and I believe most other EU Member States want more than to see normal trade, tourism, investment, commercial activities, the exchange of students, intellectual activity, NGO activity, British Council activity to be stepped up. Iran is an extraordinary centre of world culture. The contribution of the Persian traditions to world culture are enormous. It is a very great commercial centre. It has enormous oil and other reserves. I can only speak for myself, but I am at a loss to understand why the Iranians have not seized this opportunity and sent the chit into Vienna, to Dr El Baradei and said, "We're in full compliance. You can inspect everything and we guarantee that we will meet every single one of our international obligations," and then we can get on with it. Alas, that evidence is not, as yet, forthcoming. Europe is acting completely good faith and wants nothing more than to bring Iran – with Turkey approaching EU Membership potentially even an EU neighbour state, who knows, in the next couple of decades – back into the family of normal developing nations.

Q224 Lord Maclennan of Rogart: In calling for a permanent halt to enrichment it is not part of the purpose of the three countries, is it, to deny Iran a civil nuclear programme?

Dr MacShane: No, not at all. That is accepted and we are slightly at a loss to understand why it is necessary, since Iran has enormous energy reserves. But leaving that argument to one side, we accept, as does the IAEA, that a wholly civilian-orientated nuclear programme has to be allowed and full compliance with the IAEA is the key to unlock this door. I remain myself, not a huge expert on the area, puzzled as to why the Iranians are not seizing it.

Q225 Lord MacLennan of Rogart: Could you describe the extent to which the Council generally is seized of this issue? Is the whole of the Union throwing its weight behind the efforts of the three?

Dr MacShane: Very much so, to the point that some would like to make it four or five, or six. Let me for the record pay a tribute to my boss, the Foreign Secretary, who really in the midst of a pretty difficult agenda in the last few years with Iraq, the European Constitution, Zimbabwe development problems, difficulties between India and Pakistan, and supremely the Middle East, has really made the Foreign Office focus very, very hard on Iran and, as I have said, has gone to Tehran I think now five times, initiated the cooperation with Mr Villepin and Mr Fischer (Mr Villepin now replaced, of course, by Mr Barnier) and has found that we were saying very much similar things. We have had strong statements from the Russian President, Mr Putin, on Iran not becoming a nuclear power and so we have gone at a time when, frankly, there have been voices elsewhere in the world (indeed in this country) saying, “No, no, all this diplomatic role is a waste of time.” There were offensive remarks about the Foreign Secretary by right-wing commentators in Washington describing him as “Jack of Tehran”, which I just found unworthy of serious commentary. I think Britain should be very proud of the immense personal energy he has put into this and the absolute determination that a diplomatic solution can be found, and that has been endorsed by the President, the Vice-President and the Secretary of State in the United States. But be very clear that this is a British/European lead on foreign policy. There has not been a single discordant voice, to my

knowledge, from any European Member State and people are very proud of the fact that Straw/Barnier/Fischer, and Solana now, are working so hard on this dossier on behalf of everybody in Europe as they are.

Q226 Lord Maclennan of Rogart: I was not attempting to suggest that the Foreign Secretary was not wholly committed to what he is doing.

Dr MacShane: I thought I would put it in for the record. It is always good to be knighted!

Q227 Lord Maclennan of Rogart: What I was endeavouring to discover was the extent to which what he is doing with Mr Barnier and Mr Fischer is now perceived to be European Union policy and enjoying the support of the twenty-five Member countries.

Dr MacShane: I have sat at the lunches when the Foreign Secretary has not been there when this has been discussed and Mr Barnier and Mr Fischer were reporting and I think it is hugely appreciated.

Q228 Lord Lea of Crondall: Does your last response to Lord Maclennan not illustrate something else which is quite important and directly relevant to this inquiry we are conducting, going back to the first question, that one cannot have a neat and tidy necessarily puerile piece of architecture about what is the Council of Ministers, what is the Commission, what is Mr Solana, what is Britain, what is Britain, France and Germany and what is Britain, France, Germany and the United States, horses for courses to some extent? You have got to have architecture. You have also got to retain the common sense principle of horses for courses and the enormously important initiative which Jack Straw and Dominique de Villepin took over Iran, which to many of us shows the great benefits of the structure of the European Union. You can have three countries, and I would not necessarily advocate the use of the tabloid “Big Three”, but what would Italy and other people say about it? But let us recognise

that if you have three major Member States that then have to report back and have the support of Mr Solana and the footprint back into the Council of Ministers and even the Council of Ministers in some dotted lines to the Commission and the European Parliament. On a major world question this arguably is the way in which we can have our cake and eat it in the way in which the European Union does operate and I think that the question which arises is, let us not make a fetish of clarity in the architecture if we can see this pattern of relationships is one which is doing a tremendously important job on this question at the present time.

Dr MacShane: I very much agree with you. I think what Europe wants to see is delivery. My own view is that we should under-promise and try and over-deliver rather than the reverse. I think that the Britain/France/Germany initiative on Iran was a good way of showing how Europe can cooperate in an international policy. I think it was right that the three foreign ministries cooperated, took the initiative to go to Iran and did it. It then set in motion a series of consequences which perhaps would not have arisen if one had tried to do all of this with twenty-five, or tried to get both the Commission and the Council lined up semi-publicly on a position. There will be other examples. I hope there are. I will be in Madrid next week for very informal talks with Spanish colleagues, looking at Mediterranean policy in the Magreb. Spain has a huge interest there. We have an interest with the United Kingdom Presidency coming up. I am not announcing or suggesting any particular initiatives, but it is right that there is a strong Madrid/London relationship in that area. Yesterday and today I was talking with colleagues in Berlin and Paris about Western Balkan problems because the French, German and European Ministers will be visiting this region. I just wanted them to have an up to date a position of where we are so that they can factor that into what they say down there. I think this is how Europe works. It is what I call network Europe. It is not a single entity Europe, but it is a lot better than clusters of states or twenty-five individual states all pursuing their own foreign policy with its nuances, with different

perspectives, whether it is on Iran or the Western Balkans, or on the Magreb. It is hard work but it is very worthwhile work and it allows the European Union to grow with its Member States being the main contributor to what it does in the field of foreign affairs.

Q229 Lord Inge: Minister, as someone who strongly supports the initiative taken by the Foreign Secretary to try and move Iran forward, I am now left with the sense that I am only an outsider looking in but that the initiative has rather hit the buffers. Do you think there is anything now that can be done to change the Iranian position?

Dr MacShane: I think we continue to explain clearly and unequivocally to the Iranians their responsibilities under existing international law and that the IAEA is where these discussions should take place, but I accept that it will only work as long as Iran fully implements the agreement. They have got a very powerful offer on the table from us as the European Union. I think the rest of the world will be waiting to see how they respond. A normalisation of relationships with the European Union, I would tentatively suggest, might lead to a normalisation of relationships elsewhere in the world. That is the offer on the table to Iran. I hope they take it.

Q230 Lord Inge: You say “elsewhere in the world”. I am thinking particularly of America. Surely America has got to think it wants regime change as well?

Dr MacShane: The United States, like all of us, wants to see the rule of law and democracy as the norm in any part of the world. The question is how you get from where we are today to that happy end. I notice that it took about twenty-five years from Mao Tse-tung announcing the Communist revolution in China, in Tiananmen Square, a period of twenty-five years when we were all taught that China was beyond the pale, was exporting terrorism and Communism and was a filthy and horrible place and then, blow me down, President Nixon turned up and said, “It’s all over,” and the subsequent twenty-five years have been good for China and good

for the rest of the world. It is not for me to tell any other country what to do, but Iran might want to look at whether its own future, its religion, the happiness and prosperity of its citizens will be better served by making clear it does not want to become a nuclear arms state and developing normal trade and other relations with the European Union in the first instance. What Europe does today, who knows what other countries might do tomorrow?

Q231 Lord Lea of Crondall: Can I just ask one supplementary to that, because I know we may be drifting but on the other hand now that it is somehow the EU's responsibility this, to state the obvious, has got something to do with an overall settlement in the Middle East. It is not just Israel and Palestine, the range of nuclear weapons all around is relevant to what is very desirable, that this can be seen in the context of guaranteeing a security umbrella for the whole of the Middle East (and I include Iran in the Middle East) and it goes back to the High-Level Panel's recommendation that the Security Council should be placed to take collective action in response to a nuclear attack or the threat of such an attack on a non-nuclear weapons state. I think that guarantee is directly relevant to the job that we are doing here, but also the dilemma that has just been identified that there has to be some sort of guarantee of security across the region.

Dr MacShane: I accept the general thrust of what you say. Whether that can be achieved by a UN resolution, which I am afraid, whether it is in the Middle East or Iraq, we have seen flouted over decades, surely it is through solving the security concerns of the Middle East, and that has to include Israel, which has faced onslaughts, armed invasions and terrorist attacks over so many years. If we can solve those security concerns, the two states solution, secure frontiers and the rest of it, that removes the need for any country to have WMD. Latin America is WMD-free. We would be very happy to see a nuclear-free Middle East. I would say that rather than have missiles parading through the streets of Tehran with slogans across them –

Q232 Lord Lea of Crondall: Or Tel Aviv?

Dr MacShane: -- with, you know, “Death to Israel”, Iran and other countries might open diplomatic relations and just normalise relations with Israel. Britain is in the forefront of promoting the new peace effort. The Foreign Secretary I heard on the radio rightly saying we have seen too many false dawns not to do anything other than keep our fingers crossed, but we have got the important meeting on 1 March. We had the Secretary of State’s visit, we had the Sharm El Sheikh handshake between Abu Mazen and Ariel Sharon, and that, it seems to me, is the best way forward. Give us security and peace in the Middle East and who needs to have nuclear weapons down there?

Chairman: I am conscious of the time, but perhaps Lord Inge could just deal with one last question.

Q233 Lord Inge: It seems to me sometimes that we rather put the BW in what I call the “too difficult tray” and I just wonder whether you think the EU can do anything to raise the profile of it and what action it might take or what steps it might take?

Dr MacShane: Well, I accept that, but it seems to me that what you have to do is break it down into manageable chunks. You also have to make sure it is on the agenda. It is not just an immediate response, say, to what happened after 9/11 but in the context of Iran, North Korea, nuclear proliferation generally we are collectively diplomatically seized of it so that it is not just high politics with one or two big powers. In that sense the EU should be making a positive contribution and I think we need – give it a long term – over the next century to develop EU instruments and positions that do promote security, peace, democracy, rule of law, open market economies across the world. I am not ashamed of that. It is ambitious. It is very difficult at the moment because there is not an easy and obvious solution, but it is right that we keep talking and nagging at it. I think the British contribution over many years from the Atmospheric Test Ban Treaty initiatives going back more than forty years is important.

Churchill famously said that jaw-jaw was better than war-war. I think we are going a stage further in saying that we are developing law-law, which is certainly better than war-war but better also than just jaw-jaw for the sake of hearing ourselves speak. I think that is a huge contribution Britain can make and if we can multiply that by getting another twenty-four countries cooperating with us, not accepting just what we say but convincing them and persuading them – it is jolly hard work but we are knocking at a lot more open doors than ten or twenty years ago – then I think that contributes generally to peace and stability and a better life for all the people on the planet.

Q234 Lord Inge: So you think BW does get the priority it deserves?

Dr MacShane: I think that this is firmly on the agenda. I think your Committee – and I am not saying that, you know, “He would say that because he was in front of them” – is important. I think the coincidence of the High-Level Panel Report and the anniversary of the regular NPT Treaty helps. The fact that we have got the United Kingdom Presidency helps. The fact that we have been through a very difficult international time over Iraq helps. The fact that we are working very constructively on Iran helps. If I can put it this way, it is on the international foreign policy agenda and the United Kingdom and the EU foreign policy agenda in a way that certainly has not been the case for at least a couple of decades, since the great initiatives of the seventies and eighties.

Lord Inge: Thank you.

Chairman: Dr MacShane, thank you very much indeed. I am conscious that we have probably kept you rather a long time and you have got a very busy day, but thank you for coming.