Fifth Report

of the

Foreign Affairs Committee

Session 2007-08

Global Security: Iran

Response of the Secretary of State for Foreign and Commonwealth Affairs

Presented to Parliament

By the Secretary of State for Foreign and Commonwealth Affairs

By Command of Her Majesty

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1. The Government welcomes the scrutiny by the Committee of its policy on Iran and global security. The Committee’s report adds much value to the debate on how to maintain a balanced, effective and credible policy on this crucially important issue for the international community.

2. Iran is one of the UK’s key foreign policy priorities and is vital to global security, energy security and international peace. Our relationship with Iran is not always easy, particularly on the nuclear issue and human rights, but we will continue to work to address international concerns about these issues and to offset the destabilising activities of Iran in the region. The core of our approach is simply stated: we want Iran to be a full and respected member of the international community; we are ready to play our part in overcoming the historical legacy of mistrust; but we will work closely with the rest of the international community to ensure that there are clear costs to Iran if it acts as a force for instability.

3. We welcome the Committee’s findings, which are very much in line with Foreign & Commonwealth Office and HM Government thinking on the broad range of Iran-related issues.

4. This Command Paper sets out the Government’s response to the Committee’s report. The Committee’s recommendations are set out in bold. Unless otherwise indicated, references are to paragraphs in the Foreign Affairs Committee’s Report (HC 142).

1. We conclude that, whilst Iran’s suspension of an active nuclear weapons programme since 2003 is welcome, its continued enrichment activities and questions over its previous conduct mean its potential to develop such a programme remains. We further conclude that although technological constraints are likely to prevent Iran from developing a nuclear weapon, if that is its intention, in the near future, there is nevertheless a strong possibility that it could establish a ‘breakout’ nuclear weapons capability by 2015. (Paragraph 23)
5. The Government agrees with the Committee’s conclusion that Iran’s continued enrichment activities and questions over its previous conduct mean the potential to develop an active nuclear weapons programme remains. That is why we will continue to insist that Iran suspends its proliferation sensitive activities, while also supporting the International Atomic Energy Agency (IAEA) in its efforts to establish a complete picture of Iran’s past activities. We will also continue to emphasise that Iran does not need to conduct its own enrichment programme in order to benefit from the peaceful use of nuclear energy for power production through, for example, the Bushehr Nuclear Power Plant. Iran’s efforts to develop long-range ballistic missiles only add to our concerns.

6. The Government notes the Committee’s further conclusion that technological constraints are likely to prevent Iran from developing a nuclear weapon in the near future, but that Iran could establish a ‘breakout’ capability by 2015. The Government agrees that these are within the range of plausible estimates. But the timeframe for an Iranian ‘breakout’ capability is uncertain, not least because the IAEA cannot give firm assurances that there are no undeclared nuclear activities in Iran. That is why it is so important that Iran fully abide by its Comprehensive Safeguards Agreement and provisionally implements its Additional Protocol as soon as possible before bringing it into force permanently.

2. We conclude that the E3/EU was too slow to build on Iran’s suspension of enrichment activities. By failing to present a compelling offer to Tehran before the ascendancy of President Ahmadinejad, the E3/EU made reaching an agreement a much more challenging task. (Paragraph 31)

7. The Government notes the Committee’s conclusion that the E3/EU was too slow to build on Iran’s suspension of its enrichment programme by presenting a compelling offer. The history of the negotiations between the two sides, however, shows that our efforts to move to negotiations on a long-term agreement were hampered for over a year by Iranian efforts to resile from the scope of the suspensions they had agreed to in November 2003 and later in February 2004. As a result, it was not until the Paris Agreement of November 2004 that we were able to secure a definition of suspension that was satisfactory enough to enable the negotiations on a long-term agreement to begin. The negotiations began immediately in December 2004, and continued even when the Iranians threatened to resume an activity that they had agreed to suspend. Finally, despite the fact that the Iranians had by then actually begun taking steps to resume a suspended activity, the E3 went ahead and made their comprehensive offer in August 2005. Iran rejected this offer out of hand. These actions predated the election of President Ahmadinejad.

8. We have since improved this offer, endorsed by the E3+3. Although the Iranians have failed to take it up, it remains on the table.
3. We conclude that Iran has a legal obligation established by a number of Security Council resolutions to halt its enrichment activities. We also welcome the offers of enriched uranium to Iran by Russia, deliveries of which have already commenced, and the international community. These offers are significant. We further conclude that Iran must not be allowed to develop a nuclear weapon. (Paragraph 39)

9. The Government agrees with the Committee’s conclusion that Iran has a legal obligation to halt its uranium enrichment programme, as now demanded by four successive Security Council resolutions. We fully agree that Iran must comply with its obligations and not be allowed to develop a nuclear weapon. This is the primary goal of UK, and E3+3, policy on Iran.

10. We welcome the Committee’s support for the delivery of enriched uranium fuel to Iran by Russia and the international community. As the Committee’s report notes, Russia’s deliveries of enriched uranium commenced on 16 December 2007. This only serves to emphasise the fact that Iran can operate a peaceful civil nuclear programme without the need for a domestic enrichment programme. The E3+3’s offer of June 2006 also makes clear that Iran will be offered full support for the development of a nuclear power programme and will be given guarantees of nuclear fuel supply if it complies with the UN Security Council resolutions and enters into negotiations. With such offers from the international community, it is clear that there is no need for Iran to pursue its own uranium enrichment programme.

4. We conclude that the E3+3’s diplomacy over Iran’s nuclear programme is currently a long way from successfully achieving all its goals. We acknowledge, however, that its establishment has been useful in maintaining some degree of international unity towards Iran, thus adding to the diplomatic pressure on the Iranian authorities. (Paragraph 57)

11. The Government has always said that this was a long and complex multilateral process and we welcome the Committee’s observation that “its establishment has been useful in maintaining international unity towards Iran.” The E3+3’s ‘twin-track’ strategy is an important tool in exercising pressure on Iran, whilst maintaining a channel of dialogue. We welcome the Committee’s acknowledgement that it has been useful in adding to the pressure on Iran.

12. It is clear from the IAEA’s latest report, dated 22 February 2008, that Iran has still not satisfactorily answered all the outstanding questions about its past nuclear activities, that it continues not to implement its Additional Protocol, and that it is still not suspending all enrichment-related activities and all heavy water-related projects as required by the UN Security Council.
13. Following this report, on 3 March the UN Security Council passed UN Security Council Resolution 1803 (UNSCR 1803), imposing further sanctions on Iran. New elements included extending the list of individuals and entities subject to travel vigilance and asset freeze, extending the list of dual-use items that Iran is banned from purchasing, introducing a (new) travel ban list, calling on states to exercise vigilance on Iranian Banks, in particular Melli and Saderat, to exercise further vigilance in export credits, and to inspect cargoes to and from Iran on Iran Air and Islamic Republic of Iran Shipping Line. The resolution was voted through by 14-0 with one abstention, demonstrating the international resolve that the E3+3 has promoted on the Iranian nuclear issue.

14. The Committee’s report states that there is currently more discussion about coercive measures against Iran than about incentives. UNSCR 1803 was accompanied by a statement from the Foreign Ministers of the E3+3 with the support of the EU’s High Representative for the Common Foreign and Security Policy which noted that “We deplore Iran’s continued failure to comply with its UN Security Council and IAEA Board requirements, in particular by expanding its enrichment-related activities” but also that “We reconfirm the proposals we presented to Iran in June 2006 and are prepared to further develop them”. The E3+3 is now taking this forward.

5. We conclude that the call by President Ahmadinejad for the destruction of the State of Israel and his provocative hosting of the Holocaust denial conference were deplorable and we condemn these actions unreservedly. (Paragraph 63)

15. The Government fully agrees with the Committee’s conclusion that the Iranian President’s comments about Israel and sponsorship of a Holocaust denial conference in Tehran were deplorable. The Government has made clear that it views these comments and activities as abhorrent, unacceptable and inflammatory and has consistently condemned them. Such comments and threats towards other states only serve to damage Iran’s international reputation and undermine international confidence that Iran is willing to act as a responsible member of the international community.

6. We strongly oppose President Ahmadinejad’s policies towards Israel and the occupied Palestinian territories and reaffirm our support for a two-state solution of an independent, democratic and viable Palestinian state peacefully co-existing with a secure Israel. We conclude that Iran is a malign influence with regard to the prospects for peace in the Middle East. (Paragraph 66)

16. The Government agrees that Iran is a malign influence with regard to the prospects for peace in the Middle East. The Committee is well aware of our efforts to support and promote a two-state solution. We call on Iran to end its activities undermining security and stability in the region.
7. We conclude that the support originating from within Iran for Iraqi insurgents has been responsible for the deaths of coalition troops and is completely unacceptable and reprehensible. We recommend that the Government continues to take a vigorous and proactive approach in intercepting this support. We further recommend that, in its Response to this Report, the Government sets out its latest analysis of the levels of training, weaponry and finance provided by elements within the Iranian regime to Iraqi militants. (Paragraph 74)

17. The Government agrees wholeheartedly with the Committee’s analysis of Iran’s activities in support of Shi’ a militias in Iraq. We have long made clear our concern that Iranian elements are providing explosives, detonators and training to groups who are engaged in operations against the security forces in Iraq. We believe that any Iranian support for armed groups outside the political process, either through the supply of weapons, training or funding, is completely unacceptable. This behaviour will only cause further instability and bloodshed in Iraq.

18. Ministers and officials have raised Iranian interference in Iraq with the Iranian authorities on many occasions and we continue to press Iran to cut its links with armed groups operating in Iraq, and to do more to improve border security and fight terrorism. We have also made our concerns known to the Iraqi Government, and encouraged them to make representations to Iranian counterparts.

19. In view of the risks that would be posed to Coalition operations by public disclosure of the analysis of such support, the Government intends to write separately to the Committee addressing the issues raised.

8. We conclude that the reports that Taliban insurgents are receiving support from Iran is a matter of very serious concern. Any such assistance is unacceptable, endangers regional stability and can only hinder efforts to establish closer relations between Iran and the international community. As with Iraq, we recommend that the Government continues to take a proactive stance in intercepting any support emanating from within Iran and that in its Response to this Report it sets out its latest analysis of the level and nature of the support being provided by the Iranian regime to Taliban insurgents. We further recommend that the Government support greater cooperation with Iran on counter-narcotics. (Paragraph 77)

20. We agree with the conclusions and recommendations on Iranian involvement in Afghanistan. Iran seems to be pursuing a twin-track policy in Afghanistan. It is a large donor and an important player in the counter-narcotics campaign. However, we also have evidence of IRGC – Qods Force involvement in negative and destabilising activity in Afghanistan, including supplying arms and funding to the Taliban. We agree with the report that this is unacceptable, as it seriously affects the reconstruction and development of Afghanistan, an aim shared by the entire international community.
21. We will continue to raise our concerns on this matter with the Iranian Government, including at senior levels. We will also continue to support ISAF and Afghan security forces operations, with a view to intercepting further arms convoys coming from Iran. As for our analysis of the level of Iranian support, we wish to minimise the risks posed to our operations by public disclosure, and the Government will write to the Committee.

22. We welcome the Committee’s recommendation that the Government continue to develop cooperation with Iran on counter-narcotics. The UK is currently supporting a number of regional cooperation projects, including the development of cross border infrastructure and liaison on the Iran / Afghan border.

23. On 13 December Dr Howells wrote to the Committee on the subject of counter-narcotics cooperation, saying that the Government was seeking to stimulate practical discussions with the Iranians on joint counter-narcotics efforts, as well as reviving regional trilateral and quadripartite talks with Afghanistan and Pakistan on the subject. At that time, Dr Howells also said that the “Iranians have recently told us that there should be no bar to resuming cooperation on Afghan counter-narcotics, and that Iran is ready to participate”.

24. Since then, we have had some productive meetings with Iranian officials in Kabul, which have discussed how to improve co-ordination, including potential mutual counter-narcotics projects. We have agreed that the UK and Afghanistan need to find ways to draw more effectively on Iran’s knowledge and experience in this sector. We look forward to progress on this portfolio, which will demonstrate the benefits of positive cooperation on our shared interests, and will continue to work with Iran on this shared goal of reducing the production and export of narcotics from Afghanistan.

9. We conclude that, should Iran acquire a nuclear weapon, it is very likely to lead to other states in the Middle East developing their own weapon programmes. This domino effect would heighten regional tensions and seriously weaken the Non-Proliferation Treaty. It would also seriously undermine any prospect of moves to a nuclear weapons free zone in the Middle East. (Paragraph 82)

25. We entirely agree that the acquisition of nuclear weapons by Iran would have a serious and negative effect on regional security, leading to other states developing their own programmes. This would indeed undermine the prospect of a nuclear weapons free Middle East, and seriously threaten international stability. We are determined to do all we can to prevent this.
10. We conclude that Iran is a complex and diverse society at present governed by a theocratic regime. Iran’s quasi-democratic political system is not fully closed and may lead to reform that will result in a more constructive approach on the nuclear issue. We recommend that the Government should be careful to avoid action that could be manipulated by the hardliners such as President Ahmadinejad to bolster their position against the more pragmatic and reformist elements ahead of his campaign for re-election in 2009. We recommend that the Government in its Response to this Report sets out fully why it has resisted the decisions of both the High Court in the UK and the European Court of Justice that the People’s Mujahideen of Iran (PMOI), also known as the Mujahedin-e-Khalq (MeK), should no longer be listed as a terrorist organisation. (Paragraph 98)

26. The Government believes that Iran’s internal political debates are for the Iranian people themselves to resolve. However, we have on many occasions said that Iran has a choice – between its current path of confrontation and continued isolation, and the opportunity of cooperation and a positive relationship with the international community. Our overall policy towards Iran aims to encourage Iran’s leaders to make the right choice.

27. The Mujahedin-e-Khalq (MeK) was proscribed in 2001 after full consideration of the facts and evidence. At that time, the group had been responsible for a range of violent attacks over a long period, leading to the deaths of many Iranian civilians. The MeK explicitly claimed responsibility for many of these acts of violence. There is no doubt that, at the time of proscription, the MeK was involved in terrorism, as set out in the Terrorism Act 2000. The Proscribed Organisations Appeal Commission (POAC) agreed with this assessment in its judgment of 30 November 2007.

28. Until 2003, the MeK also had a considerable arsenal of weapons at their base in Iraq. We do not share the assessment given by MeK supporters that the organisation voluntarily disarmed, but believe that this was a forced decision in the face of overwhelming US forces in Iraq. We also remain concerned that the MeK has not clearly and unambiguously renounced violence.

29. Since proscribing the MeK in 2001, the Home Office (as the department responsible for proscription) has been motivated by the need to ensure the rights of the law-abiding majority and the need to protect the public.

30. The Government has appealed against the POAC judgment, as we are entitled to do on a judgment with which we do not agree. At the time of writing, we await the outcome of the appeal process and cannot comment further on the detail of the case. We will, of course, abide by the final legal outcome, whatever that may be.
31. In December 2006, the European Court of First Instance (CFI) decided to annul the EU’s December 2005 decision to add the MeK to its list of terrorist organisations subject to an EU-wide asset freeze. The Court’s judgment did not address the question of whether the MeK was a terrorist organisation – it focused on EU procedures, specifically that the Council had not informed the MeK of the reasons for the listing, and that it had not given the organisation an opportunity to express its views.

32. In response, the Council wrote to the MeK on 30 January 2007, informing them that it believed that the grounds for the listing were still valid, and that it therefore intended to maintain the organisation on the list under Council Regulation 2580/2001. It supplied the MeK with a Statement of Reasons setting out the basis for maintaining the listing and invited its response. This gave the MeK an opportunity to submit information in support of its request for delisting. The MeK lawyers duly submitted observations on 27 February, which were considered by the Council. Following its review, the Council decided to retain MeK on the list of organisations subject to the EU asset freeze. This was done by Council Decision 443/2007 adopted on 28 June 2007.

33. On 20 December 2007, following its six-month review, the Council adopted a further decision (Council Decision 2007/868/EC) which maintained MeK on the asset freeze list. In taking this decision the Council took account of the POAC determination and the decision of the UK Government to appeal the POAC findings. This decision, along with the June 2007 Decision, has been challenged by the MeK in the CFI. The case was heard by the CFI in March. As of the time of writing, the judgment has not yet been handed down.

11. **We conclude that Iran’s human rights record is shocking. We recommend that the Government presses Iran to remove the death penalty, which includes hanging by strangulation, stoning, flogging and amputation from its statute books. We further recommend that the Government ensures human rights are not treated as a secondary concern to the nuclear issue, and that it underlines to Iran that its poor record in responding to human rights concerns makes it more difficult for the international community to trust its intentions in other fields. (Paragraph 103)**

34. The Government agrees with the Committee’s assessment that Iran’s human rights record is appalling and welcomes the Committee’s recommendation that the Government should continue to press Iran to abolish the death penalty and other cruel and inhuman punishments. It remains a key priority for both the UK Government and the EU to stand up for the international human rights standards to which so many Iranians aspire and to support reform in Iran.
35. The Government is deeply concerned by the progressive deterioration in the human rights situation in Iran, particularly the increase in the use of the death penalty and its continued use against juvenile offenders, the reappearance of flogging, stoning and amputation sentences, growing pressure on human rights defenders and increased censorship of print and electronic media. We are disappointed by Iran’s refusal to engage constructively with the international community to address these concerns. In the absence of any genuine commitment on the part of the Iranian Government to improve the situation we, along with our EU partners, continue to raise our concerns about these issues with them on a regular basis. In 2007, the EU raised human rights concerns with the Iranian authorities twenty-eight times in meetings and statements, and we did so bilaterally on at least eight occasions. We also encourage debate and action in UN fora, and for the last five years have supported a resolution on the human rights situation in Iran at the UN General Assembly. This resolution was adopted in December 2007 for the fifth consecutive year, highlighting the strength of international concern at the situation.

36. The Government welcomes and takes note of the Committee’s recommendation that it should ensure that human rights are not treated as a secondary concern to the nuclear issue, and recognises the concerns about this. The Government agrees that treating human rights as a secondary concern to other issues would be counter-productive. The Government remains committed to a broad policy approach towards Iran, which is designed to address a range of concerns including human rights, proliferation, support for terrorism and role in the wider region. Our policy, in respect of each of these concerns, is aimed at encouraging Iran to take its place as a responsible member of the international community that can be relied upon to respect its international obligations (including the human rights conventions that it has signed). We will continue to attach importance to human rights alongside the nuclear issue and other concerns.

37. The Iranian Government often claims that international concern about human rights in the country is an attempt to discredit and undermine the Islamic Republic, rather than a reflection of its failure to meet its freely undertaken human rights commitments. In that context the Government is grateful for the Committee’s analysis of the situation, as an independent Parliamentary body, and we greatly welcome the fact that the Committee raised its own concerns with Iranian interlocutors during the course of the members’ visit to Iran.

12. We conclude that the fundamental challenge of Iran’s nuclear programme is one of mutual political mistrust – mistrust that is not misplaced on the part of the United States and the European Union. We further conclude that a long-term solution to this crisis will need to go beyond the necessary constraints on Iran’s nuclear programme by eventually working towards a wholesale recasting of its relationship with the international community, particularly with the United States and European Union. (Paragraph 109)
38. We welcome the Committee’s acknowledgement that the political mistrust of Iran by the United States and the European Union is not misplaced. The most sensitive aspects of Iran’s nuclear programme were concealed from the IAEA for eighteen years and it continues to deny the IAEA the information and access it requires to be able to provide credible assurances about the absence of undeclared nuclear material and activities in Iran. In a broader context, as the Committee notes, Iran’s human rights record is poor and Iran’s support for militant groups within the Middle East also contributes to mistrust between Iran and other states. We have made clear to Iran that, if it complies with its international responsibilities and enters into a negotiation with the E3+3, there is the prospect of a transformed relationship with the international community, based on mutual respect and benefits for all sides. If it does not, it can expect only growing isolation.

13. We conclude that although the sanctions currently in place against Iran act as a disincentive for its nuclear programme, they are not sufficiently robust to coax it into suspending its enrichment. We are concerned that the new political dynamic following the publication of the US National Intelligence Estimate, and underlying differences within the international community, mean future UN and EU sanctions are likely to remain ineffective and may inadvertently help President Ahmadinejad by providing him with a scapegoat for his economic failings. We recommend that the Government in framing its sanctions policy does its utmost to try to preserve unity within the UN Security Council and the EU. (Paragraph 117)

39. We fully agree with the Committee that sanctions are acting as a disincentive for Iran to continue with its nuclear programme, and that a united front from the UN Security Council and the EU is extremely important in holding Iran to its obligations, as demonstrated recently with the adoption of UNSCR 1803 with a vote of 14-0, with one abstention. We judge that the sanctions introduced so far have sent a clear political signal to the Iranian regime. We will continue to work closely with our UN and EU colleagues on this issue.

40. We have always made clear that sanctions are not an end in themselves, but they are an important means for the international community to make clear that Iran’s current policies are unacceptable and will entail an increasing cost for Iran if they do not change course. Ultimately, our aim is to present Iran’s leaders with a clear choice between cooperation, and a renewed relationship with the international community, or further isolation.

41. While there is a clear risk that the sanctions regime could allow some in the regime to deflect attention from Iran’s economic problems, it is worth noting that the economic policies of the Government are the subject of regular public criticism. Even the Supreme Leader himself recently criticised the Government’s initial position on the distribution of domestic gas supplies. But the limited pre-election debate did not focus on the nuclear question.
42. The Government notes the Committee’s conclusion that the US National Intelligence Estimate has had an impact on the international debate. For our part, we have said repeatedly and clearly that it does not change the fundamental problem that we face – which is Iran’s pursuit of an enrichment programme that has no apparent civilian application, despite successive demands from the UN Security Council and the IAEA that it stop all enrichment activities until international confidence in Iran’s past activities and future intentions is restored.

14. We conclude that it seems very unlikely that Iran will accept the demand that it suspend enrichment before substantive talks can begin. It feels it got little reward for its previous suspension, and its present Government has ramped up nationalist feeling on this issue. This stalemate is in no-one’s interest but simply pressing for a resumption of Iran-US dialogue without an end to President Ahmadinejad’s defiance of UN resolutions will strengthen him and dismay and weaken reformers. We recommend therefore that the Government urges the current US Administration to change its policy and begin to engage directly with Iran on its nuclear programme, as the absence of such engagement has deprived the international community of a significant diplomatic tool. The international community has made clear that if Iran suspends dual use enrichment it can expect cooperation on civilian nuclear power and Condoleezza Rice has said she will meet the Iranians “any time, any place”. If this positive offer is accepted then it would become possible to make progress towards a solution. (Paragraph 126)

43. The Government notes the Committee’s conclusion and the observation that the US Secretary of State has already offered to meet her Iranian counterpart “any time, any place”. The E3+3 offer of 2006 made clear that the E3+3, including the US, would enter into dialogue on the nuclear issue, if Iran complied with its international obligations. The Government attaches great value to the US’s commitment to a diplomatic solution to the Iran nuclear issue but, equally, we respect the US Administration’s right to decide for itself whether or not to engage more directly with Iran, and the terms of that engagement.

15. We conclude that the Government is playing a vital role in the E3+3. The UK’s diplomatic presence in Iran and its close relationship with the United States put it in a good position to show leadership on this issue. We note the Foreign Secretary has met his Iranian counterpart on several occasions and we recommend that he continues his personal diplomacy and gives consideration to visiting Iran at an early opportunity to push the process forward. (Paragraph 130)
44. We welcome the Committee’s support for the Government’s role in the international community’s engagement with Iran on its nuclear programme. We will continue to use our position to work towards a peaceful, negotiated solution to this issue. We note the Committee’s suggestion that the Foreign Secretary visit Iran. At present, the Government is firmly focussed on making progress in the context of the E3+3 process and believes that this is not the correct time for such a bilateral visit. Nevertheless, the Foreign Secretary remains ready in principle to visit Iran, when the time is right.

16. We conclude that the publication of the US National Intelligence Estimate has made a military strike against Iran less likely. We remain of the view that such a military strike would be unlikely to succeed and could provoke an extremely violent backlash across the region. We recommend that the Government urges Washington to consider offering a credible security guarantee to Iran if the Iranian Government in turn will offer an equally credible and verifiable guarantee that it will not enter into a nuclear weapons programme and improves its cooperation with the international community in other areas. (Paragraph 140)

45. We note the Committee’s conclusions on the US National Intelligence Estimate and its effect on the prospects of a military strike. The Government would reiterate that we are committed to finding a peaceful, negotiated solution to this issue. The precise nature of that eventual solution, and whether it contains security guarantees of any sort, is a matter for negotiation and the parties concerned and we do not think it is sensible to prejudge that at this stage.