

## *In the name of Allah, the Compassionate, the Merciful*

### *Ladies and Gentlemen*

It gives me a great pleasure to attend this gathering organized by the Clingendael Institute, which has, for long, contributed to a better understanding amongst nations, through similar initiatives. I appreciate this opportunity to have a candid discussion on Iran's nuclear policy. In this respect, should thank Professor Jaap de Zwaan and his colleagues at the Institute for their efforts.

The ongoing debate on Iran's nuclear capability has received a major international attention. Many have spoken and written on this subject matter. While some have supported Iran's position, some others have questioned the rationale for Iran's insists on exercising its right to have access to nuclear technology, and in particular to run its own national fuel cycle program. Quite a number of people have as well provided information, insights and ideas with the view to find a solution and avoid a confrontation.

However, in my view, an important factor is overlooked. No serious study is done to understand the backdrop of the Iranian position. Therefore, I have decided, in my speech here, to elaborate, though briefly, on this aspect.

### *The Backdrop of the Iranian Position*

Our nuclear program started in 1957, with the signing of a cooperation agreement with the United States. In 1967, an American company (AMF) helped to set up the Tehran Nuclear Research Center, operating a 5 MW research reactor.

In 1970s, the US encouraged Iran to expand its non-oil energy base, suggesting that Iran needed several nuclear reactors to meet its increasing energy demand, and expressed interest in the US companies participating in Iran's nuclear energy projects. Therefore, plans were made to construct up to twenty nuclear power stations across the country. Numerous contracts were signed with various Western companies, to build nuclear power plants and train Iranian nuclear scientists.

The German firm Kraftwerk Union (a subsidiary of Siemens AG) was awarded the contract to build two nuclear reactors at Bushehr power plant in 1974. The company started its construction operation in August 1975. The same year, Iran signed a contract with a French company (Framatome) to build two 950 megawatt reactors at Darkhovin, south of the city of Ahvaz.

As for the nuclear fuel, an extendible ten year nuclear fuel contract was concluded with the US and France respectively in 1974 and 1975. Iran also purchased a 10% share in a Eurodif uranium enrichment plant with the possibility of increasing its share to 15% in the coming years.

In short, Western countries were competing with one another in bids on Iran's nuclear projects.

In 1976, Iran expressed its interest in acquiring uranium enrichment technology. South Africa agreed to supply \$700 million of yellowcake to Iran.

However, with the Islamic Revolution in 1979, by which the pro-US government of Shah was overthrown, things experienced a major twist. The US, German and French companies ceased their construction operations and abandoned their unfinished projects. Nuclear equipments and materials rightfully purchased and owned by Iran were illegally withheld. Exercise of Iran's shareholder's right in several national and multinational nuclear power corporations were obstructed. The US went that far to refuse providing nuclear fuel for Tehran's 5 MW research reactor. It subsequently resisted the demand to return \$ 2 million it had received for the reactor's fuel.

Since then, we have, all along, been urging the contractors to abide by their contractual obligations and complete the projects. Instead various restrictions and sanctions have been imposed on Iran. As a result, our every attempt to shop technology, equipments and materials for our civilian nuclear program have been either undercut, undermined or delayed by the US.

In addition to nuclear technology, Iran has found itself subject to sweeping arbitrary, selective and discriminatory restrictions in technology transfer, financing, investment and development opportunities in non-nuclear sectors. In simple terms, certain powers have desired to deprive Iran of any technological development and seek our misery and backwardness.

The question has been raised as to why Iran, having oil and gas resources, works on building a nuclear energy infrastructure.

Iran is highly dependent on oil export as the main source of foreign income. Iran's population has grown more than two times since 1979 and accordingly there has been an annual increase of about 8.37% in energy demand. This has led to a sharp decrease in our oil export capacity. Therefore, we are facing a compelling need for other sources of energy should Iran wishes to sustain the current level of its oil export. It is ironic to note that no one, specially the US and other countries in the West, asked this very question when they were suggesting that Iran needs 20 nuclear power plans or when they were signing the related contracts in 1970s.

The Islamic Republic of Iran has a high record of accession to the international non-proliferation and disarmament instruments. It is a party to Biological Weapons Convention, Nuclear Non-proliferation Treaty and Chemical Weapons Convention. It has also signed the Comprehensive Test Ban Treaty. We have reaffirmed our commitment to non-proliferation of weapons of mass destruction over and over again, because such weapons have no place in our defense doctrine.

We firmly hold that every international legal instrument includes series of rights and obligations. It is like a social contract. One would bind itself to a legal instrument in anticipation of certain benefits. In this context, Iran has joined the NPT, foregone the nuclear weapons option, in order to enjoy free and unhindered access to nuclear technology for peaceful purposes as clearly stipulated in Article IV of the NPT. We do not seek anything more than our treaty right.

Sustained nuclear fuel supply has all along been a concern for us. As noted earlier, the US, in violation of its contractual commitment, has denied us the fuel needed for our 5 MW research reactor, operating under the IAEA Comprehensive Safeguards and producing radioisotope for application in medicine, agriculture and industry. Neither international organizations, including the IAEA, nor any country took steps in redressing the situation by forcing the US to fulfill its legal obligations and provide the fuel needed for our research reactor.

In the meantime, some international developments have also influenced our decision to domestically produce nuclear fuel.

Meeting in Geneva in 1987, the UN Conference on the Promotion of International Cooperation in Peaceful Uses of Nuclear Energy (UNPICPUNE) failed to reach any agreement. In the same year, after seven years of intensive negotiations, the Committee on Assurances of Supply in the IAEA produced no agreement. Moreover, even to this very date, there exists no legally binding international instrument for assurances of nuclear fuel supply.

Having no hope in any guarantees for nuclear supply and other nations assistance in putting up a fuel cycle, Iran was and is still convinced to embark on its own technical and technological capabilities in producing at least some portion of its nuclear fuel needs. We have made considerable amount of investment in terms of money, time and efforts in fuel cycle and view its abandon as dissipation of human and financial resources.

In 2003, demonstrating our good will we decided, in all earnest, to suspend our nuclear enrichment activities. But, almost three years of negotiations with EU3, pursuant to Iran's voluntary and non-legally binding and confidence building suspension of uranium enrichment activities, brought no tangible result for Iran. And, the EU3 demanded that we would strip ourselves of the right to enrich uranium. This was and is unacceptable.

Some argue that Iran has violated its obligation to suspend enrichment activities. It is categorically wrong. We have not undertaken any legal obligation to suspend our enrichment activities. In every agreement with the EU3 the suspension was considered as a voluntary and non-legally binding measure, while negotiations on broader agreements governing long-term cooperation between Iran and the EU would be reached. This agreement was supposed to include cooperation in the field of uranium enrichment. It was the EU3 that violated the common understanding between the two parties, because in its proposal of August 2005 it demanded Iran to renounce its right to run a civil nuclear fuel cycle.

Again it is said; that Iran has concealed its enrichment program for some years therefore it has lost the confidence and trust of the others and should suspend its enrichment and reprocessing activities. But, this argument does not hold since most of restrictions applied to Iran date back to the time when Iran even did not have the enrichment capacity. Moreover, trust is a two way street. Given all our experiences with regard to violations of treaty and contractual obligations by the West, how could we trust them any longer?

You have seen the US administration so often refers to Iran's nuclear capability as a threat against regional and international peace and security. We have rather find this very sarcastic. One might respond to this allegation by saying that the US is the only country that has ever used nuclear weapons against others. It is the US that has incorporated the idea of nuclear first use in its military doctrine. It is the US that has adventured to use force and invaded, without any endorsement of the UN Security Council, another member of the United Nations, namely Iraq and to set off the most dangerous security challenge in the Middle East region. And, it is the US that has maintained an ambiguous threat of use of force against Iran.

Besides, the US itself does not enjoy any good credibility in the area of arms control. It unilaterally abrogated ABM treaty in 2001. It continues to reject CTBT. It back peddles from nuclear disarmament by qualitative developments of nuclear weapons. It has for almost a decade obstructed the work of the Conference of Disarmament. It is the US that blocked the conclusion of more than seven years of international negotiations on BWC additional protocol. And, the list goes on.

Our past experience has convinced us that some big powers perceive themselves above the law and do not honor their contractual as well as treaty obligations if their narrowly defined interests so require. As the famous saying goes: “*Mine is mine and yours is negotiable.*”

### *Seeking a Solution*

Referral of Iran’s nuclear case to the UN Security Council lacks credibility and legitimacy. The IAEA findings, after several years of the most intrusive inspections in the history of the Agency, point to the fact that no military nuclear program has been detected in the country and as stated by the Agency’s Director General Iran’s nuclear program is not an immediate threat to the international peace and security. Furthermore, the decision of the IAEA to refer the case to the Security Council runs counter to the provisions of the NPT, the Agency’s Comprehensive Safeguard Agreements and its statute. This decision was a political one initiated by a few radicals who intend to abuse the UN Security Council for their political agenda against the Islamic Republic Iran. This unhelpful trend needs to be changed and Iran’s nuclear case must be referred back to the IAEA.

Further actions by the Security Council, including a sanction resolution, would only complicate the situation and would invite inverse results. Any sanction on Iran will but strengthen our resolve to advance our independence, self sufficiency and development. It has been the case in the last 27 years and it would remain so in the future. The Government of the Islamic Republic of Iran and our nation stand behind our rights and are determined to defend our national interests and our national pride.

Nothing could be more damaging to the credibility and integrity of the international laws and norms than their discriminatory and selective application. While Iran, being a party to all international non-proliferation instruments, it has been subject to numerous restrictions and now threat of sanctions by the UN Security Council. In a sharp contrast, those who have decided to move in the opposite direction are better paid off. Instead of being penalized, they have been rewarded. Israel is a very vivid example to note. It has not joined any of the non-proliferation instruments and yet is free from any international pressure or monitoring. It also continues to develop its un-safeguarded nuclear activities and nuclear weapons without any impediments. This would certainly send a wrong message to the law abiding nations.

All our nuclear facilities are under the IAEA safeguards. We have cooperated with the Agency and would continue our cooperation. In order to clarify ambiguities and even allegations, we provided far reaching access to the Agency that goes beyond our safeguards agreement. Should the issue be returned back to the IAEA, we would be ready to address the few remaining issues regarding Iran’s past nuclear activities in a constructive manner.

Now, the question may arise as to whether there is any solution at sight. The answer, as I see it, is a big “YES”, provided that there exists genuine political will; provided that all would act in accordance with international law and norms, and provided that both parties would strive for a win-win situation.

We did not reject the package proposal by the EU3 and presented a 21 page response to that. We have expressed time and again our readiness to enter into serious negotiations on our nuclear program, including enrichment activities. But, we would not accept enrichment suspension as a precondition for those talks. The Secretary of Iran’s National Security Council in his talks with Mr. Solana made several submissions that could establish an opening. Regrettably, the EU did not seize the opportunity and chose an obstructive approach.

We need to strike a balance between non-proliferation concerns and Iran's right to have a fuel cycle. This could be achieved by the active involvement of the IAEA. The IAEA, through its verification regime, could ensure that there would be no diversion in Iran's nuclear program. We have also offered other nations to join our activities by investing in our enrichment program.

In conclusion, we believe that negotiation is the most rational and practical means to achieve this objective. For such negotiation to succeed, it should be obviously unconditional. A solution that might institute the mentioned balance would certainly be welcomed by the Islamic Republic of Iran.

Thank you very much.