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Online
ISSN 1440-9828



August 2012 No 635

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Not only Barclays: Citigroup, JPMorgan Chase, HSBC, UBS and RBS implicated in Rate fixing scandal

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- 2. Marcus Agius resigns as Barclays' Chairman. 2009 Wikipedia said born Jewish; 2012 Wikipedia says Catholic.**
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1. Rate fixing scandal implicates Citigroup, JPMorgan Chase, HSBC, UBS and RBS More fines to follow in rate fixing case Published: 02 July, 2012, 16:18

The UK financial watchdog has warned there is more to come in rate fixing scandal. This follows the resignation of the Barclay's Chairman, the first bank to be caught out.

"I wish I could say this [Barclay's] was an isolated case... You will hear more on this in due course," the Financial Services Authority acting director of enforcement, Tracey McDermott said.

Last week American and British regulators imposed a \$450 million fine on Barclay's for providing false figures on borrowing rates between 2005 and 2009, which affected corporate loans, inflation swaps, mortgages and currencies.

The UK Chancellor George Osborne said on Friday the FSA's continuing investigation "concerns a number of institutions both based in the UK and overseas". "But it is already clear that the FSA's investigation demonstrates systemic failures at the heart of the financial system at the time," Osborne added.

Now more than a dozen major banks, including Citigroup, JPMorgan Chase, HSBC, UBS and Royal Bank of Scotland, are under the microscope of authorities in the US, Europe and Japan.

The involvement of Barclay's in the rate fixing scandal has already seen its shares plummet 15%, and resulted in calls for the management team to quit. On Monday Barclay's Chairman Marcus Agius stepped down, saying the scandal dealt "a devastating blow" to the bank's reputation. The "buck stops with me, and I must acknowledge responsibility by standing aside,"

Agius said in a statement.

Meanwhile Barclay's CEO Bob Diamond has been under pressure to quit. He said he's giving up his annual bonus, but showed no intention of resigning.

COMMENT

Billy Spudd (unregistered) July 03, 2012, 08:29

Bob Diamond (a hidden Jew - Ashkenazi) and Marcus Agius (married to a Rothschild) are just a part of the Zionist cabal that got caught in their own thieving financial mechanizations.

Every time one of these vermin gets caught, everyone pretends 'it isn't a Jewish thing'. Well, yes it is, if EVER TIME there is a financial scandal involving Mafioso cabalistic conspiracies to defraud entire nations and Jewish characters are feature prominently, yes it is a Jewish conspiracy.

Now, according to the BBC, which of course, steadfastly pretends Diamond isn't Jewish, has reported that Diamond will blow the whistle on government corruption if he is put on trial. Fine! Excellent! That is EXACTLY what decent people want...the exposure of how Zionist and Cabalists have secretly corrupted those who were sworn to protect their nation's interest. For once, let Great Britain show the true mettle it once had and expose all these sleezy bandits and vermin for what they are.

<http://rt.com/business/news/barclays-fines-chief-scandal-198/>

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2. Marcus Agius resigns as Barclays' Chairman. 2009 Wikipedia said born Jewish; 2012 Wikipedia says Catholic

Marcus Agius just resigned as Barclays' Chairman. In 2009 Wikipedia said he was born into a Jewish family; today it says he's Roman Catholic

<http://inagist.com/all/220148468004556800/>

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3. Wikipedia 2009 says Marcus Agius "a Roman Catholic", married Rothschild daughter

Marcus Ambrose Paul Agius (born 22 July 1946)[2] is a British financier and businessman, currently the Group Chairman of Barclays, although it was announced on 2 July 2012 that he was to resign from this position.[3] He also serves on the BBC's new executive board as a senior non-executive director.[4] ...

[edit] Personal life

Marcus, a Roman Catholic,[11] married Katherine (born 1949), daughter of Edmund de Rothschild of the Rothschild banking family of England and has a close involvement with the Rothschild family estate, Exbury Gardens in Hampshire. They have two children.[citation needed] He is also a passionate gardener and art collector.[12] ...

This page was last modified on 7 July 2012 at 15:05.
http://en.wikipedia.org/wiki/Marcus_Agius

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4. Wikipedia 2009 says Marcus Agius "born into a Jewish family"

Marcus Agius

From Wikipedia, the free encyclopedia

This is an old revision of this page, as edited by 81.129.156.184 (talk) at 16:49, 2 January 2009. It may differ significantly from the current revision.

Marcus Ambrose Paul Agius (born 22 July 1946) is a British financier and businessman, currently the Chairman of Barclays. He has also been appointed the senior non-executive director on the BBC's new executive board.

He was educated at St George's College, Weybridge, and gained an MA at Trinity Hall, Cambridge in Mechanical Sciences and Economics. In addition, he has an MBA from Harvard Business School.

Agius has been a non-executive Director of Barclays since 1 September 2006, and succeeded Matthew Barrett as Chairman from 1 January 2007. He was previously chairman of the London branch of investment bank Lazard and non-executive chairman of BAA Limited.

Born into a Jewish family, Agius is married to Katherine (born 1949), daughter of Edmund de Rothschild of the Rothschild banking family of England, with two children, and has a close involvement with the Rothschild family estate, Exbury Gardens in Hampshire.

External links

Biography at BAA plc

Family tree

http://en.wikipedia.org/w/index.php?title=Marcus_Agius&oldid=261476452

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5. Rothschild Family Tree - from Exbury Gardens link

The link to Family Tree, ie Rothschild Family Tree, in the 2009 webpage, no longer works. It was at <http://www.exbury.co.uk/exbury/rothschildstree.htm> but has been deleted; however, it is archived (get it before it's gone) at:

<http://web.archive.org/web/20030819060814/http://www.exbury.co.uk/exbury/rothschildstree.htm>

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6. Cozy club that sets the Libor interest rate: cossetted by Wall St, but exposed by Britain

**The British, at Least, Are Getting Tough
By GRETCHEN MORGENSON
July 7, 2012**

THE unfolding story of how Barclays — and, in all likelihood, other big banks — rigged interest rates is full of telling tidbits about the way Wall Street works. It also represents yet another teachable moment.

By now the world knows that Barclays manipulated the most widely used benchmark rate, the London interbank offered rate. But Barclays is just one member of the cozy club that sets the Libor, which is supposed to be based on the average rate at which large banks can borrow money overnight. It's not based on actual transactions, however — and that leaves room for mischief.

And mischief there was, according to e-mails and other documents that Barclays has turned over to regulators in the United States and Britain.

The upshot: traders colluded by posting rates that either helped their bets in the markets or their bank's perceived financial strength during the harrowing days of 2008.

Manipulating the Libor is a big deal because it affects the cost of money for almost everyone. The Libor is used to set rates on mortgages, credit cards and all manner of loans, personal and commercial. The amount of money affected by the phony rates is at least \$500 trillion, British regulators have estimated.

Barclays is not the only bank under investigation for rigging the Libor.

It was simply the first to own up to the behavior and settle with regulators, paying \$450 million. Other banks will almost certainly follow, and the documents bound to bubble up in those cases will surely prove fascinating.

One of the most revealing exchanges in the Barclays documents came when a bank official tried to describe why Barclays's improper postings were not as problematic as those of other banks. "We're clean but we're dirty-clean, rather than clean-clean," an executive said in a phone conversation. Talk about defining deviancy down.

"Dirty clean" versus "clean clean" pretty much sums up Wall Street's view of cheating. If everybody does it, nobody should be held accountable if caught. Alas, many United States regulators and prosecutors seem to have bought into this argument.

British authorities have not. Last week's defenestrations of Marcus Agius, the Barclays chairman; Robert E. Diamond Jr., its hard-charging chief executive; and Jerry del Missier, its chief operating officer, apparently occurred at the behest of the Bank of England and the Financial Services Authority, the nation's top securities regulator.

(Mr. del Missier also seems to have lost his post as chairman of the Securities Industry and Financial Markets Association, the big Wall Street lobbying group. His name vanished last week from the list of board members on the group's Web site.) MR. DIAMOND seemed shocked to be pushed out. An American by birth, he probably thought he'd be subject to American rules of engagement when confronted with evidence of wrongdoing at his bank. You know how it works on this side of the Atlantic: faced with a scandal, most chief executives jettison low-level employees, maybe give up a bonus or two — and then ride out the storm. Regulators, if they act, just extract fines from the shareholders.

British officials are taking a different approach with this scandal.

George Osborne, the chancellor of the Exchequer, was direct in his assessment of Barclays's activities. "It is clear that what happened in Barclays and potentially other banks was completely unacceptable, was symptomatic of a financial system that elevated greed above all other concerns and brought our economy to its knees," he said in a statement on June 28. "Punish wrongdoing. Right the wrong of the age of irresponsibility."

Later, in a speech to Parliament, Mr. Osborne voiced the question that so many have asked recently in the United States. "Fraud is a crime in ordinary business — why shouldn't it be so in banking?" he asked.

Perhaps the biggest lesson from the Libor scandal is how dangerous it is to rely on interested parties to set interest rates or prices of financial instruments, rather than on actual transactions conducted by investors. The Libor has been set in the current and vulnerable manner since the late 1960s. Maybe it has never been rigged before, but who knows?

It is far better to have the transparent and verifiable record of prices created by a tape of electronic trading. Such records are standard pricing mechanisms for many securities. But not all.

Prices of derivatives, especially credit default swaps that trade one-to-one, can still be based on one dealer's say-so. That's why a rule proposed by the Commodity Futures Trading Commission that would require pretrade price transparency in the swaps market is so important.

But it is also why Wall Street is pushing back, especially on the commission's proposal that swap execution facilities provide market participants, before they buy or sell, with easily accessible prices on "a centralized electronic screen." The commission's rule would eliminate the one-to-one dealings by telephone that are so lucrative to traders and so expensive to investors.

A bill intended to gut the commission's proposed rule and to maintain dealers' profits in derivatives failed to go anywhere after being passed last year by two committees in the House

of Representatives — Financial Services and Agriculture. That was a good thing.

But there are rumblings in Washington that this bill has resurfaced and that it may be quietly attached to a House Agriculture Committee appropriations bill scheduled for a vote this month. The bill, if passed, would bar the requirement for a centralized pricing platform to shed light on the enormous swaps market. It would also prevent regulators from requiring that a number of participants provide price quotations to customers, a way to ensure fairness.

It's hard to believe, in the wake of the Libor mess, that Wall Street and its supporters in Congress would continue to battle against price transparency in any market. Then again, that's precisely what they did after the credit crisis.

With each new financial imbroglio, the gulf widens between Main Street's opinion of Wall Street and the industry's view of itself. When Mr. del Missier, the former Barclays chief operating officer, took over as chairman of the Securities Industry and Financial Markets Association last November, he said: "We will continue to work on maintaining and burnishing the level of confidence investors have in our markets, in our own financial institutions, and in the general economic outlook for the future."

Given the Libor scandal, let's just say good luck with that.

<http://www.nytimes.com/2012/07/08/business/barclavs-case-opens-a-window-on-wall-st-fair-game.html>

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7. Trans Pacific Partnership: Corporate 1% strategy to dis-empower Governments

Trans Pacific Partnership: Corporate Escape From Accountability July 2, 2012

Information has been leaked about the Trans Pacific Partnership (TPP), which is being negotiated in secret by US Trade Representative Ron Kirk.

Six hundred corporate "advisors" are in on the know, but not Congress or the media. Ron Wyden, chairman of the Senate trade subcommittee that has jurisdiction over the TPP, has not been permitted to see the text or to know the content.

The TPP has been called a "one-percenter" power tool. The agreement essentially abolishes the accountability of foreign corporations to governments of countries with which they trade. Indeed, the agreement makes governments accountable to corporations for costs imposed by regulations, including health, safety and environmental regulations. The agreement gives corporations the right to make governments pay them for the cost of complying with the regulations of government. One wonders how long environmental, labor, and financial regulation can survive when the costs of compliance are imposed on the taxpayers of countries and not on the economic activity that results in spillover effects such as pollution.

Many will interpret the TPP as another big step toward the establishment of global government in the New World Order. However, what the TPP actually does is to remove corporations or the spillover effects of their activities from the reach of government. As the TPP does not transfer to corporations the power to govern countries, it is difficult to see how it leads to global government. The real result is global privilege of the corporate class as a class immune to government regulation.

One of the provisions allows corporations to avoid the courts and laws of countries by creating a private tribunal that corporations can use to sue governments for the costs of complying with regulation. Essentially, the laws of countries that apply to corporations are supplanted by decisions of a private tribunal of corporate lawyers.

The TPP is open to all countries. Currently, it is being negotiated between the US, Australia, Brunei, New Zealand, Singapore, Vietnam, Chile, and Peru. Australia, according to reports, has refused to submit to the private tribunal system.

What are we to make of the TPP? It is perhaps too early to have all the answers. However, I can offer some ways of thinking about it.

I doubt that the TPP is a New World Order takeover. If anything, the TPP reduces the scope of global government by exempting corporations from government control. Also, global government, unless it is government by the American Empire, is inconsistent with the neoconservatives insistence on US hegemony over the world. Powerful US ideological, private, and government interest groups have no intention of losing the power that they have acquired by being rolled into some New World Order unless the New World Order is a euphemism for American Empire.

In the criticisms of the TPP, much emphasis is placed on the costs that corporations of foreign members of the agreement can impose on the US.

However, US corporations gain the same privileges over those countries, as the agreement gives every country's corporations immunity to the other countries' laws.

It could be the case that US corporations believe that their penetration of the other countries will greatly exceed the activities in the US of Brunei, New Zealand, Peru, et al. However, once Japan, Canada, China and others join TPP, the prospect of American firms getting more out of the agreement than foreign firms disappears, unless from the US perspective the definition of foreign firm includes US corporations that offshore the production of the goods and services that they market in the US. If this is the case, then US offshoring firms would be exempt not only from the laws and courts of foreign countries, but also exempt from the laws and courts of the US. This point is possibly moot as the agreement requires all governments that are parties to the TPP to harmonize their laws so that the new corporate privileges are equally reflected in every country. To avoid discriminatory law against a country's own corporations that do not engage in foreign trade, harmonization could mean that domestic corporations would be granted the same privileges as foreign investors.

If not, domestic firms might acquire the privileges by setting up a foreign subsidiary consisting of an office.

As the TPP is clearly an agreement being pushed by US corporations, the implication is that US corporations see it as being to their relative advantage. However, it is unclear what this advantage is.

Alternatively, TPP is a strategy for securing exemption from regulation under the guise of being a trade agreement.

Another explanation, judging from the unusual collection of the initial parties to the agreement, is that the agreement is part of Washington's strategy of encircling China with military bases, as the US has done to Russia. One would have thought that an agreement of such path-breaking nature would have begun with Japan, S. Korea, and Philippines. However, these countries are already part of China's encirclement. Brunei, Singapore, New Zealand, and especially Vietnam would be valuable additions. Are the special privileges that Washington is offering these countries part of the bribe to become de facto outposts of American Empire?

Yet another explanation is that Ron Kirk is caught up in the deregulatory mindset that began with the repeal of Glass-Steagall and financial deregulation. If financial markets know best and are self-regulating, requiring no government interference, then so also are other markets and businesses.

Free market economists view regulations as "takings." The argument is that regulations take corporate property—profits, for example, by making corporations comply with health, safety, and environmental regulation—just as government takes private property when it builds or widens a road. Therefore, corporations should be compensated for takings that result from regulation. As the argument goes, if government wants corporations to protect the environment, the government should pay the corporations for the cost of doing so. This argument gets rid of "external costs" or "social costs"—costs that corporations impose on others and future generations by the pollution and exhaustion of natural resources, for example. The argument turns social costs into compensation for takings.

The TPP is likely serving many agendas. As we learn more, the motives behind the TPP will become clearer. From my

perspective as an economist and former member of government, the problem with Ron Kirk's TPP is that the agreement is constructed to serve private, not public interests. Kirk is a public official charged with serving and protecting the public interest. Yet, he has conspired in secret with private interests to produce a document that exempts private corporations from public accountability.

There is a paradox here. While financial corporations and now all corporations are being made independent of government, US citizens have lost the protection of law and are now subject to being detained indefinitely or murdered without due process of law. Corporations gain an unimaginable freedom while citizens lose all freedom and the rights that define their freedom. Similarly, foreign countries, which as members of TPP can be exempt from US law, are subject to "pre-emptive" US violation of their air space and borders by drones and troops sent in to assassinate some suspected terrorist, but

which also kill citizens of those countries who are merely going about their normal business.

Perhaps one way to understand TPP is that the US government is now extending its own right to be lawless to corporations. Just as the US government today is only answerable to itself, the TPP makes corporations answerable only to themselves.

Public Citizen's analysis of TPP can be found here:

<http://www.citizen.org/documents/Leaked-TPP-Investment-Analysis.pdf>

and the leaked document here:

<http://www.citizenstrade.org/ctc/wp-content/uploads/2012/06/tppinvestment.pdf>

<http://www.paulcraigroberts.org/2012/07/02/trans-pacific-partnership-corporate-escape-from-accountability/>

Israel to hold its fire and internalize that it is not alone in facing Tehran

By DAVID HOROVITZ July 2, 2012, 2:15 pm

Stuart Eizenstat is the author of a new book ambitiously entitled "The Future of the Jews."

Its subtitle, "How Global Forces are Impacting the Jewish People, Israel, and Its Relationship with the United States," reflects the preoccupations of a career that has seen Eizenstat negotiate a series of Holocaust restitution agreements, oversee sanctions on Iran for the Clinton Administration and, currently, co-chair the Jewish People Policy Institute — a think tank established by the Jewish Agency to help ensure the continued well-being of the Jews.



Stuart Eizenstat. photo credit: Courtesy

Eizenstat, a former US ambassador to the European Union, regards the threat posed by Iran to the continued well-being of the Jewish state as profound and says Israel cannot be reconciled to a nuclear Iran. But he worries that Israel underestimates the degree to which the US and Europe also feel they cannot be reconciled to a nuclear Iran.

He hears the prime minister make comparisons with the Holocaust and is anxious to stress that, unlike the Jews of Europe 70 years ago, Israel "is not defenseless and it's not isolated."

He believes the credibility of Israel's military threat has been a major factor in prompting the international community to step up its sanctions efforts against Iran, but cautions that if Israel were to make good on that threat, and even if a strike or series of strikes were successful, its leverage would be lost, Iran would retain its nuclear knowledge and could rebuild, and the regime would assert that it needed nuclear weapons precisely because of the demonstrable danger of Israeli attack. Far better, he says, to internalize that an entire international coalition shares Israel's concerns about Iran, and that this coalition is headed by the United States, Israel's sole dependable ally, under a president who is "absolutely determined to prevent Iran from getting a nuclear weapon."

This interview took place late last month, after Eizenstat had participated in Shimon Peres's Presidential Conference. The ambassador, who is 69, was an earnest and careful interviewee, notably praising Benjamin Netanyahu as the best possible prime minister to deal with the anguishing decisions required on Iran even as he sought to weigh in on what those decisions should be.

Are you confident that the Obama administration is going to be able to thwart Iran from achieving nuclear weapons?

I feel confident that the Obama administration is absolutely determined to prevent Iran from getting a nuclear weapon. I believe that the United States of America has a broad array of capabilities to prevent that from happening — a broad array of capabilities to achieve that result.

Let me tell you why I think this. Because I think the trust between Israel and the United States is absolutely essential and it's not at the level I would like to see.

The reasons why I feel very confident, besides knowing a lot of the principals in the administration, and I'm not putting these in order of priority, but it's really important that people understand:

The first is, the president is as dedicated as any president ever to deal with nuclear weapons and, in the long term, to rid the world of nuclear weapons. Closely coordinated with that, he has a very strong attachment to the non-proliferation treaty. If with all the international pressure, six or seven UN resolutions, Iran is able to undercut the non-proliferation treaty, it will be shredded. It will be in the dustbin of history. And that's something I believe the president in the strongest way doesn't want to see happen.

Next, there's a very clear recognition that if Iran develops a nuclear weapon, that it will lead to a very dangerous nuclear arms race in the Middle East and make an already combustible region even more dangerous.

Third, it will be seen as a singular defeat for the United States, for the western allies, for the whole UN system and it will invite others to flout this system.

Fourth, David, I was in charge of sanctions for the Clinton administration. I negotiated with the European Union on what was then called the Iran-Libya Sanctions Act, on the Helms-Burton Act. When I moved to Treasury, we dealt with... actually Israel was one of the countries named, one of the countries that failed to meet standards on money laundering. We put Al Qaeda and Osama bin Laden on the terrorist

financing lists. I have continued to be involved for two years now as co-chair of an Atlantic Council study with former Senator Hagel on Iran. We've had every expert you can imagine — arms control experts, sanctions experts, internal Iranian political experts — so this is something I've continued to be very [involved in].

I can say, I think without contradiction, that the sanctions being applied now and that [came into effect] on July 1, are the most comprehensive, most consequential sanctions ever used against any country in peacetime. More than North Korea, more than South Africa. They are of a completely qualitatively different nature.

First, because I know of only one other instance — I think it was maybe with Libya — where the central bank of a country was put on the sanctions list. That's very consequential. That means when the US puts a central bank on a sanctions list, that any other bank, central or otherwise, that transacts business that happens to be clear to the central bank, is itself subject to sanction in the United States.

Second, having been ambassador to the European Union for two and a half years, if someone would have told me as recently as two years ago that the European Union would have expelled 30 Iranian banks from the SWIFT bank clearance system, without which you can't do any business, on July 1, at a time when [in Europe] they're at their knees economically, that they are going to deny themselves of 18 percent of their crude oil imports, I would have said this is not possible.

Now, why have they done it? In part, because of Israel's military threat — it's been very effective. This is where the threat is better than the reality. In part, though, because of US pressure.

Obama's got an unprecedented coalition together on sanctions. You can't insure a ship getting out of Iran. Their oil production is at great, permanent risk because they're pumping oil and they've run out of storage facilities. They have to put it on ships and the ships can't go anywhere. They've even gotten Japan and South Korea to cut back on their oil imports. The currency has depreciated 50 percent.

Now, is this enough? I don't know. But I know that it needs time to play out, because the EU sanctions, that is the oil sanctions, [only came into force on] July 1.

The amount of effort, political chips, that have been used to get this coalition together [is remarkable]. And the negotiating team — the P5+1 — at least at this point, including Russia and China, has been united... under US leadership.

And while all of this is going on, for Israel to act unilaterally in any way, I think would be a serious mistake.

In addition, there are many other actions — further sanctions, cyber activities and so forth — that can be used short of an overt military attack.

The key thing, David, the key thing, is to be able to demonstrate that the West and Israel has given Iran every last opportunity to comply with the UN resolutions, with the non-proliferation treaty obligations, that they have rejected reasonable offers. Then, when you get to that point, you are in a different position in terms of taking further action.

Now, the problem of course, from Israel's standpoint, is that may work against the so-called window of opportunity and the time frame. That's where the trust comes in — because we [in the US] have a longer window of opportunity. We have greater military assets, closer by, we have more powerful assets, and it's critical that that trust element exist.

And yet you sound worried and frustrated. You sense that the trust is not there?

I don't want to insinuate that it's not. I'm simply saying that it's critical that there be trust. The United States realizes that this is an absolutely critical issue for Israel, but the thing that gets lost here sometimes is, it's a critical issue for the United States. It's a critical issue for Europe.

I don't think Israel doubts that America recognizes the nature of the threat. But one of the points you already made is that America has a different military capacity to Israel, so Israel's window of opportunity potentially closes earlier than America's window of opportunity. Israel also feels itself closer and more threatened, so it's an extraordinary level of trust that you're expecting — placing the destiny of the country in the hands of our best ally.

You're right. But that's assuming that the steps that are being taken now are inconsequential. And when you weigh the cost/benefit ratio of military action now, against the cost/benefit of pursuing these extraordinary sanctions with a united, international community, that's what has to be weighed. In other words, it would be one thing if Israel was turning over its trust and nothing else was happening, and we were just saying sweet nothings. That's not the case.

It doesn't require that the steps being taken now are inconsequential, just that the perception here be that they are insufficient — because this regime is not reacting in the way that one might wish that it would, given the pressure that it's under. And that time is so short and the Iranians' progress so rapid.

That is true. We look back at the Cold War and we try to compare the [potential significance of] mutually assured destruction. For all of the Soviet Union's challenges and different philosophies, with one major exception, which was the Cuban Missile Crisis, they acted rationally and there's reason to believe (I taught a class on this at the Kennedy School, but more important, documents have been declassified now.) Khrushchev probably lost his job because of the rashness of his action.

The question is, is this regime rational in the sense of making decisions that are ultimately in its interests? Obviously it is a different order of magnitude, but what I think one can say is that what this regime wants is to stay in power. That's the one thing it wants. And it has got to recognize that it has become an international pariah, that these sanctions will continue to get tougher and tougher and tougher. And ultimately they have a populace as well that, in June, 2009, you know, the Green movement, it was certainly suppressed, but it was a massive movement. They can't simply lose all domestic support, business support, over this issue.

We in Israel have had lots of people killed by activists from movements who purport to believe that their religion requires them to kill Jews, Christians, non-believing Muslims and that's their guaranteed path to paradise. Your description there is of a regime that ultimately would put its own survival above that imperative. But are you confident of that?

I am confident that their number one, their prime issue...

That the prize of eliminating Israel is not greater than their desire for survival?

No, absolutely not. I don't think it's even close. I don't think it's even close.

The other thing which needs to be taken into account — this came into sharp relief with General [Gabi] Ashkenazi's statements and [former US administration official] Dennis Ross's at the plenary session at the [recent] Presidential Conference — they both said that there's no military solution.

That's the other factor. It would be one thing if you could do a surgical strike like against Syria or Iraq and be rid of the thing. That's not the situation here, and that's what General Ashkenazi and Dennis were saying.

Even if Israel were successful and I'm not in a position to say it can or can't [be], except that it's obviously not a simple mission — the Iranians' nuclear program is dispersed, we know part of it is underground. But even if it could somehow be surgically [eliminated] — and it can't be one airstrike, it has to be sustained airstrikes going over very difficult air space — even if that could be done, what Ashkenazi and Dennis were saying was they [the Iranians] have the [technical nuclear] knowledge. You can't take that out of their head. [After an attack, they would then have the justification of saying, 'Well, this is why we do need a nuclear weapon.' And they would try to rebuild. And you would still need sanctions and diplomacy."]

Do you see any concrete signals -- if so which -- of sanctions affecting Iran?

I see the economic [impact]. Do I see it translating [into changed policies]? I don't think they would have come to the negotiating table at all had they not had a concern. And I think what's in their mind now is the sequencing: How much do they give up and what do they get in return?

In other words, if they put on the table eliminating all 20 percent enrichment and getting rid of all the 20 percent [enriched material they've produced so far], enriching only down to a certain level, what will they get for that? If all they get for it is what was offered, then they're saying, 'We don't have enough.' The fact that they put an offer on the table on the 20 percent indicates that they're serious.

Am I disappointed in the course of the talks? Yes. Is there some point at which we will know one way or the other if they are serious? I think within three to five, six months, we will know that. I'm not talking about five years. Nobody wants to be in a situation of being strung along while they are continuing to enrich uranium.

But five or six months from now, it's very hard to envisage an America, in the midst of its presidential transition, capable of doing anything. Isn't this the Iranian gambit? You got through the summer and then you've got an America preoccupied with elections? And then the Iranians have crossed the point of no return, they're in the breakout situation, they can go for a bomb whenever they want to?

No one knows how the election will come out, but I think that if we're in a situation, I would say in three months, where the talks really have produced nothing, where we will have already had the oil sanctions going into effect, and we still see nothing, then I think you have a very different situation.

And then what? You can envisage a situation in which the United States, at the head of an international coalition, does feel it has no choice but to intervene militarily?

Well, I don't want to say militarily. I want to say intervene with other capabilities.

You can foresee a situation?

I could foresee a situation.

Is Israel misjudging the depth of the American commitment, or the time scale? We have a leader who is making parallels, shall we say, with the Holocaust, He is saying, I won't have my people grow up in the shadow of annihilation. He's saying one cannot subcontract one's existential security issues to a friend, however good a friend. And yet – I don't want to put words in

your mouth — you apparently don't reconcile that with the situation as you see it.

I just spent an hour with the prime minister this morning on a variety of issues for the Jewish People's Policy Institute. I can't presume his thinking. I can't make decisions for Israel on what it considers its national security. All I can tell you is that in this point in time Israel is not alone. Israel is not isolated.

If you took the Middle East peace process, you could say, well, the US has a broader set of interests in terms of the Arab Middle East than Israel may have. This is not the case here. The interests are coincident. And Israel has the unique situation of being in effect part of an extraordinary international effort aimed at the same goal.

And what would the implications be for that coalition if Israel were to act before it's obvious and evident that Iran is not going to [halt its program]? These are the questions that the prime minister has to ask himself and I'm sure he is: What does this do to the coalition? Where is Israel the day after? Where is the United States the day after?

Let me quote him back to you because I don't expect you to tell me what he said to you privately. But he said publicly at AIPAC in March, for example, that everyone's been talking about the consequences of action; we have to start talking about the consequences of inaction.

But there isn't inaction. There isn't inaction. There's no one who doesn't think that a military option is the last consequence, not the first. That's for sure.

The very skillful way in which the prime minister and defense minister have kept the military option on the table is without question a very significant lever. But that lever is lost once you've used it. And you still, as Dennis Ross and Ashkenazi say, have to follow up the consequences afterwards if you really want a permanent solution, with the same diplomacy and sanctions. Unless you envision a permanent bombing war, you are still faced with the fact that you have to put diplomacy and sanctions into effect.

So it's important with this international effort to see where we are and, again, not a year from now, not two years from now, but, you know, I would say probably no more than 3 months from now.

Having now spent some time with the prime minister, are you somewhat reassured that Israel...

We didn't get into that. Dennis gave his opinion, which was not different than he mentioned at the President's Conference. The prime minister listened...

Do you think Israelis should regard the Iranian program as an existential threat? Are we over-hyping the whole danger? Can we be reconciled to a nuclear Iran?

No. And neither can the United States. And neither can Europe. And neither can this region. No. I don't think there's a hype. "Existential" is troublesome because it implies that somehow we're like the Jews of Europe — you know, 70 years ago, defenseless. Israel is not defenseless and it's not isolated. Jews were marginalized. You know, I spent the better part of my public career and now private, working on justice for survivors, so I'm very steeped in this issue. But here we have the strongest sovereign Jewish state in history, capable of defending itself, getting unique Iron Dome and other anti-defense systems, working hand-in-glove with the administration on a whole variety of programs aimed at potentially disabling the Iranian nuclear capability. Israel is, again, not alone. Jews are not alone.

I don't think it's a hype to say, when you've got a country that wants to wipe you off the map and they're trying to acquire the capability of doing it, that that's an exaggeration.

Absolutely not. But one has to look at what's the most effective way of achieving the result. That's the bottom line.

And, at the end of the day, Israel is a country with 7 million people, and there are limits to what a country with 7 million people can do when you've got an international coalition of hundreds of millions of people on your side trying to achieve the same result.

Do you think that Israel gets this better now?

The decision-makers are fully aware of the very difficult trade-offs and cost/benefit balances, absolutely. All the top people are highly analytic. They know the very difficult choice. I'm not suggesting otherwise. It's a terribly difficult choice. It may be the most difficult choice that Israel has had to make. If you look back at '67, Israel had to preemptively attack, but it preemptively attacked as is clear under international law and everything else, because it had armies right at its borders ready to come in. We have a different situation here.

Well, the problem is we don't know how this is going to play out.

No one knows. You don't know how either option...

You see this prime minister who eulogized his father as the realist, as being in the camp that saw the Holocaust coming. And you hear this prime minister making the Holocaust analogy and you think about the extraordinary sense of responsibility and sense of destiny you must feel when you are the prime minister. And you wonder what that does when you are making these anguished decisions.

I have worked with the prime minister in multiple capacities for 20 years — when he was finance minister and I was under-secretary of state, when he was prime minister and we were working on Holocaust-related issues, restitution issues, and in other private capacities. I'm not exaggerating my relationship with him. I think that Israel right now, today, couldn't have a better person in the prime ministership having to make this decision than the one they have now, for a variety of reasons. First, he has a great sense of history. Second, he has an American sensitivity as much as any prime minister has ever had. We've had Rabin, who was an ambassador. But he [Netanyahu] lived there. He's gone to school there. He understands the American psyche.

Third, he puts a great premium on the relationship with the United States. He realizes that the US is Israel's only ally. Again I think that he and [Defense Minister Ehud] Barak have, with inordinate skill, played this military threat to induce these sanctions. Having induced them, one ought to see — make sure — that one has done everything possible to have them play out.

The fact that you put that sentence the way that you put it, suggests you have this concern that maybe there is not that patience here, that the United States is worried that Israel is not going to be sufficiently patient.

The fact that both the United States and Europe and others are worried has itself, as I've mentioned, had a profoundly positive impact on accelerating the timetable for sanctions and the dimensions of sanctions. If Israel hadn't said a word and had just said, 'We think it's important that Iran follow its obligations under the NPT and that it follow UN resolutions and we will be really unhappy if they don't,' would we have this level of sanctions? Absolutely not.

What do you make then of Meir Dagan's and Yuval Diskin's campaign, telling the Israeli public and anybody else who's listening that they think the Netanyahu-Barak leadership duo is unfortunately, potentially over trigger-happy on this?

It is certainly unusual to have former intelligence and senior military people saying this, but I think that in many ways that is the great distinction between Israel and its neighbors — that on such a profound issue, and indeed because it's such a profound issue, people feel that they have to speak out.

These are not current military and intelligence people. They are former people and it's a sign of an extremely healthy democracy and the recognition that this is as profound and consequential a decision as Israel has had to make in over 60 years. There was a 6-4 vote which people tend to not remember — a 6-4 vote on declaring a state on May 14, 1948. It was decided by basically one vote, because there was a concern that Israel wasn't ready for the onslaught that they knew would come with that declaration. Even six months after the UN declaration.

So Ben-Gurion had to make an incredibly consequential decision when Israel was at its weakest. The decision to attack in '67 was very consequential. This is certainly at least as consequential and again, I wouldn't want to have anybody else that I'm aware of making that decision than the current prime minister.

Israel has had fundamentally solid relations with every US administration in the 30 years that I've lived in Israel. There've been better and poorer personal relationships. Is the Obama-Netanyahu relationship capable of handling this the way it should be handled? Is there an exaggerated concern about lack of chemistry? There are real, specific differences between them, most especially on things like settlements. How is the relationship in this context?

I think it has improved. On this issue, it's where it should be. I feel comfortable that the relationship is such that the prime minister will recognize that he's got a friend in the White House.

How do you see this playing out now? We haven't had a venue or a date for the next round of P5+1 talks.

Yes, we only have technical talks...

So what happens now?

If the technical talks don't produce anything that leads to a scheduling of another senior round, then we're on a very different track. We'll know that by... I think the next technical talks are in July. If those technical talks don't produce another ministerial [round] or the next ministerial [round] is as much a failure as the previous ones, then we're then on a different track.

Then it becomes clear that diplomacy has failed?

It's just best to say we're on a different track. Developing hypotheticals is dangerous. I don't want to start to do that.

American elections, possibly a different president — do you think that potentially has any kind of impact?

I don't think so, really. Look, Romney has charged that the president has thrown Israel quote unquote under the bus, which is just a wild exaggeration. When it comes to this issue, it's really so consequential for Israel, for the United States, that it won't become a part of traditional election fodder. I do not think it will. I certainly hope not.

Is support for Israel in the United States robust? Are this government's settlement policies undermining support for Israel as is probably the case in Europe?

David, if it were the case, it's not indicated by the public opinion polls, and I say that as someone who is troubled by the settlement policy. I don't see any evidence, including in the most recent Gallup polls. The last Gallup poll was 80% of Republicans, 71% of Independents, 65% of Democrats had a positive view of Israel. I think the difference is probably

because of the settlement issues and the fact that Democrats tend to look at human rights issues and so forth, but you basically have a very healthy level of support.

We had a story on our site last week — an Israeli official, speaking anonymously, saying it would be unthinkable that Israel would resort to military action while the current diplomatic channels were ongoing. Do you think that that's a correct assessment?

I don't know. I don't know whether that's correct or not.

And what kind of deal to you think potentially could take shape if things moved in a relatively positive direction, the Israeli position being that Iran not retain the capacity to enrich, that it ship out the already enriched uranium, that it dismantle clandestine facilities.

I have a clear sense of where the endgame is, but I don't want to talk about it except to say that any time you reach an agreement, it has to be one that satisfies both sides and gives credibility that whatever agreement is reached, whether it's zero enrichment or whether it's enrichment down to a less threatening level, it has to be accompanied by the most searching and verifiable means.

And that's another interesting feature. For all of the concerns that Israelis have and I think Israel supporters in the US have about the UN as an institution, the IAEA, particularly under [its current director-general Yukiya] Amano, has been remarkable and indeed, if anything, has gone further in their last assessment of whether there is a decision [by Iran] on a military [nuclear program] than our own 16 intelligence agencies.

Remember, when we do a national intelligence assessment, there are 16 agencies involved. In 2007, 2010, 2012, they concluded that Iran had not yet made a decision to build a bomb. The IAEA, if anything, indicated [differently]. To me there are clearly indications, but the point I'm making is there's an additional factor here beyond the fact that we've got a lot of countries together. The IAEA, I think, is a trustworthy institution to monitor any eventual agreement, whether it's zero or 3.5 [percent enrichment], whether it's reprocessing the 3.5.

This is also a situation where it's true that Russia and China have somewhat different interests, but remember that Russia made an offer back in Geneva a couple of years ago which was a very, very good proposal, basically taking all of Iran's uranium and reprocessing it in ways that would make it unusable for military use. I'm sure this is one of the things discussed [between Netanyahu and President Vladimir Putin].

I come back to the basic point: Israel is not isolated. There is an extraordinary consensus that Iran not get a nuclear weapon and that every measure needs to be taken to make sure that's not the case. There are not many issues involving Israel where one can say that [there is consensus], whether it's settlements or the peace process or dealing with the Palestinians. So here we have a rather special case.

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