



*“Invoking the spirit of FDR, Senate Democrats demand the President not add trillions to the debt in a risky privatization scheme,” said Senate Minority Leader Harry Reid (center) and Sen. Charles Schumer at the FDR Memorial in Washington on Feb. 3. President Franklin Roosevelt’s policy principles have been brought back to the center of a Democratic Party, under tremendous pressure to give them up. The battle could “lame duck” George Bush.*

the poverty line. Today, thanks in large part to Social Security, only 8% are — tremendous progress.

FDR believed that Social Security should be simple, guaranteed, fair, earned, and available to all Americans. He knew that people who are very successful may also suffer unpredictable reversals that can impact them in retirement. That’s why he rejected financing Social Security out of general tax revenues — subject to budget negotiations — and he rejected borrowing to fund its start-up. Instead, he insisted on a payroll tax shared equally between employer and employee. President Roosevelt was adamant that Social Security was insurance, to assure basic needs in retirement. I repeat: Its success lies in the fact that it has always been an insurance plan — not a welfare plan.

As a former Wall Street lawyer, my grandfather knew very well the risks and rewards of the stock market. . . . That’s why he proposed creation of the Securities and Exchange Commission. But Social Security was — and is — something different. It is the guaranteed basis of a secure retirement. It is the guarantee of independence for retired Americans. It is the guarantee that the basic needs of older Americans will not have to be provided by their children, while they try to provide for themselves and their own children. That’s the way it was before Social Security. And the risk is that we will return to those burdens if the guaranteed benefit is eliminated. Drastic changes which divert the payroll tax to privatization will almost certainly eliminate that guaranteed benefit by imposing trillions of dollars of new costs on the government, and creating massive Federal debt. Privatization threatens to bring about the collapse of the entire Social Security system.

## Pres. Clinton Tells Some Useful Truths

*Former President Bill Clinton was interviewed by U.S. journalist Charlie Rose during this year’s World Economic Forum held in Davos, Switzerland, Jan. 26-30. EIR transcribed these excerpts from a taped version of the interview on the Davos website. His remarks provide an insight not only into the history recounted, but into the former President’s developing thinking. The “Charlie Rose” show airs on Public Television.*

**Clinton:** . . . Iran’s a whole different kettle of fish — but it’s a sad story that really began in the 1950s when the United States deposed Mr. Mossadegh, who was an elected parliamentary democrat, and brought the Shah back in — [comments in background — Rose says “CIA”] and then he was overturned by the Ayatollah Khomeini, driving us into the arms of one Saddam Hussein. Most of the terrible things Saddam Hussein did in the 1980s he did with the full, knowing support of the United States government, because he was in Iran, and Iran was what it was because we got rid of the parliamentary democracy back in the ’50s; at least, that is my belief.

I know it is not popular for an American ever to say anything like this, but I think it’s true [applause], and I apologized when President Khatami was elected. I publicly acknowledged that the United States had actively overthrown Mossadegh and I apologized for it, and I hope that we could have some rapprochement with Iran. I think basically the Europeans’ initiative to Iran to try to figure out a way to defuse the nuclear crisis is a good one.

I think President Bush has done, so far, the right thing by not taking the military option off the table, but not pushing it too much. I didn’t like the story that looked like the military option had been elevated above a diplomatic option. But Iran is the most perplexing problem . . . we face, for the following reasons: It is the only country in the world with two governments, and the only country in the world that has now had six elections since the first election of President Khatami. [It is] the only one with elections, including the United States, including Israel, including you name it, where the liberals, or the progressives, have won two-thirds to 70 percent of the vote in six elections: two for President; two for the parliament, the Majlis; two for the mayoralties.

In every single election, the guys I identify with got two-thirds to 70% of the vote. There is no other country in the world I can say that about, certainly not my own.

**Rose:** But, but those are the guys who are in power, and is the power held by another party?

**Clinton:** Okay, so here's the problem. Under their constitution, the religious council, headed by the Ayatollah Khomeini, has the authority over intelligence funding, terrorism funding, and has the power to invalidate laws and scratch candidates from the candidate lists, so the people that represent the . . . 30% or one third, can negate much of this two-thirds to 70%. And the President is in the middle, getting whipsawed, and the people underneath him, supporting him, get more and more disillusioned.

Now, they still kind of like the West in general, and America in particular, because we don't represent what they don't like about the governing of Iran since Ayatollah Khomeini. What no one can answer is, number one, how would those two-thirds react if some military action were taken?

**Rose:** What would you guess?

**Clinton:** It depends on what it is. . . . Everybody talks about what the Israelis did at Osirak in 1981, which I think, in retrospect, was a really good thing. You know it kept Saddam from developing nuclear power. . . . It is not clear to me that that option is available in Iran, and it's not clear to me that if we did a lot more than that, and a lot of civilians got killed, that you wouldn't . . . lose the two-thirds you've got. And also, you're not fooling with Iraq. You know one of the reasons—you can say whatever you want, but one of the reasons—we did this, is that this guy didn't have the capacity to hurt his neighbors and the United States. Iran is more than three times as big. They have a very sophisticated network. . . .

So . . . I still hope there is a diplomatic solution. It is madness. There is an elected government in Iran supported by two-thirds of the people that wants a rapprochement with the West. . . . And we can't get there. It's crazy.

**Rose:** If the Israelis might want to do it, what should the United States say?

**Clinton:** Well, the question is, first of all, I think we ought not to do "it," any "it," until we have exhausted all reasonable diplomatic efforts. (Keep in mind, again, this is heresy.) The reason you should not want Iran to have an active nuclear program is not that they might not have a bomb. India has bombs. Pakistan has bombs.

**Rose:** Israel has bombs.

**Clinton:** Yes, but so what happens? Well, you know what my number one worry between India and Pakistan was? In the beginning, when they started these bomb-building programs, we knew more about their programs and their doctrines than they knew about each other. Plus, the Pakistanis—a lot of their people in their military intelligence service—were tight with the Taliban, and I was worried about the security of the materials. . . . But deterrence still works just like it did between us and the Soviet Union. So, if Iran had a nuclear



*Bill Clinton at Davos, Switzerland on Jan. 27. On Israeli Prime Minister Yitzhak Rabin and the effort for peace with the Palestinians: "I still believe we'd have made it if Rabin had not been murdered in 1995. The guy that killed him got what he wanted. That's my honest belief, but as all of you who know me know, I am very partial to him and I miss him every day. I think we would have made peace if he had not been murdered."*

weapon, the main thing it would do is cast a pall over the Middle East, but they would have to think a long time before they'd use it because they would be toast if they used it.

So, what is the real worry? . . . If you have ever seen these facilities, the real worry is the same worry we had with Pakistan: What if the people representing the third in Iran that had the religious council, decide that fissile material should be smuggled out of Iran and given to a terrorist group?

We now know this. You can get on the internet and see this. If you have basically a cookie's worth of fissile material, and you put it into a traditional bomb, you can amplify the destructive power by 100-fold, or more; so the reason you don't want Iran to have an active nuclear program is, given

the present state of play, you will never know whether the materials are secure, or are being transported to terrorist networks.

**Rose:** But the question is, and it comes to the Oval Office and it comes to other places, if they are about to have it, and they say that by the end of 2005 it may be too late, what do you do if negotiations haven't worked? I mean, what's the hard call for a President of the United States?

**Clinton:** 1981 . . . Israel bombed a nuclear reactor that was ostensibly set up to generate power at a place called Osirak in Iraq. They took it out, and it served the desired purpose. It delayed Saddam Hussein's ability to develop nuclear power for a considerable number of years. Now, keep in mind that I haven't seen any intelligence in four years now. Some people think I didn't [see] any before then. . . .

**Rose:** What kind of intelligence are they talking about?

**Clinton:** Or they thought I didn't have the intelligence to understand the intelligence, but anyway, that was then; this is now. I don't know that there is a target in Iran, which could be taken out with one or two bombs with almost no civilian casualties, right? I don't know if that option is available now. It may be, I just don't know. I'm not saying it is.

**Rose:** What everybody has said is that it is much more difficult.

**Clinton:** It's much more difficult. They are a much more formidable foe, and I am not entirely convinced that what our British, German, and French, and other friends are trying to do won't work, and, you know, there ought to be some sort of mega-deal there.

You know the religious council in Iran has not entirely shut down democracy, they haven't totally invalidated everything they have tried to do. I think there is still a lot of internal back and forth going on there. I personally believe that we ought to give some final vigorous push to diplomacy to try to deal with this.

**Rose:** What's the carrot and the stick, though, if you talk about diplomacy? What do you give them? You say there will be no economic sanctions, or no kinds of sanctions of any kind, we'll give you an opportunity to participate, we'll encourage you to participate in global trade. . . .

**Clinton:** Yes, all of the above, and there are lots of other details. The British, French, and Germans had a whole deal worked out there, and then the Iranians didn't stay with it, and they wanted to go back, and, you know, it was kind of back and forth, but a lot of this involves how you define national greatness.

**Rose:** What do you mean?

**Clinton:** Well, I think every country's image of itself is rather like a person's image of himself or herself. It is the

product of the accumulated dreams and nightmares of your family. Think about it. I remember I had a screaming match with Boris Yeltsin one time when he was telling me I couldn't expand NATO, and finally, I grabbed him, and I said, "Boris, look at me: All the time we spent together, you really think that I would send American jets to an airport in Warsaw and use that base to bomb Russia?" I said, "look at me. Do you believe that?"

He said, "No, I don't, but a lot of old ladies in Western Russia do." He said, "Look, it's irrational, of course it is; but it's irrational to you because you live in a big country protected by two oceans. You were never invaded by Napoleon and Hitler." He said, "Everything we do is affected by these nightmares."

Similarly, the Chinese, with whom I worked and was very close, and I got them in the World Trade Organization, they did things I thought were nuts and self-defeating in fighting political dissent and stifling debate, and having no dialogue with the Dalai Lama, which I thought was not just morally wrong, but didn't make sense. You know to crush the Tibetan culture, I just didn't get it, you know, and I talked to them, they said we do a lot of things that look crazy to you because our number-one nightmare is internal disintegration, and you never had internal disintegration in your country.

So, all I am saying, if [the Iranians'] image of their national greatness either does, or does not, require them psychologically, and in terms of where they are going, to have nuclear weapons: If they ever use them, they would be toast! You know that's why nobody ever used it in the Cold War. But we don't want them to have [them] because even if they never used it, it would affect the politics in the Middle East, number one. And number two, the more people that have these weapons, the more nuclear material you have around, the more vulnerable it is to pilfering. It is a serious problem. The one thing we have not done a good job of since 9/11 is that we haven't spent nearly enough money and done nearly enough work to contain the nuclear, chemical, and biological substances in the world. So that's where we are, but I don't have an easy answer.

**Rose:** [Asks about Israel-Palestine]

**Clinton:** Well, first of all, let's talk about what has happened. Mr. Abbas, whom I have a hard time not calling Abu Mazen, has been elected. He won, as far as we can tell, a free and fair election that President Carter and many others observed, and he has gone out of his way to try to not only speak against, but work against the terror.

Ariel Sharon has said he is going to get out of Gaza and has given up his party's governance, for a national unity government with his old personal friend and political foe, Shimon Peres. This is good, and you've got America and Europe—Tony Blair has given that great speech yesterday about this—eager to get involved again. And whenever the regional pow-

ers like Egypt and Saudi Arabia and the Americans and Europeans, whenever we're all involved, fewer people die. Whenever we get out and just let it fester, more people die. So the first thing I would say is, we should all get involved again. Even if we don't succeed in making a peace, fewer people will die, and fewer bad things will happen.

Okay, so, what should be done now? The Prime Minister of the Palestinians has done what he said he would do, and assuming he continues to do it, I think that they should work together and effect the Gaza withdrawal as promptly as possible.

**Rose:** What he did, is said he would take the initiative in dealing with security issues—

**Clinton:** That's correct, and he is doing a good job, and assuming that continues to be done in good faith—and believe me, the Israelis will know whether it is and so will we—we should proceed with Gaza, number one. Number two, then everybody will want to take a deep breath because the coalition government that Ariel Sharon has, is still not the government of Ehud Barak, or Yitzak Rabin, and time has passed and there are more Israelis in the territories on the West Bank, number one.

Number two, the Palestinians are larger, younger, and poorer in numbers than they were when we began this in 1993. What we must not do, is let delay destroy the prospect of peace. I agree you can't rush into this, but let me remind everybody, a lot of the harshest critics of the Oslo agreement, which was signed on the lawn of the White House in 1993, are in danger of supporting a process that repeats its biggest weakness.

The biggest weakness of Oslo was this: And I supported it, and I still support it, but the biggest weakness was, these two parties that had been at each other's throats for a long time have decided to make peace. They are going to do easy things first and hard things last. They are going to resolve big territory last, Jerusalem last, right of return last. We are going to do the easy stuff . . . and we will trust each other during the easy things, and it will become possible to do the hard things—that was the whole concept, right?

By the way, I still believe we'd have made it if Rabin had not been murdered in 1995. The guy that killed him got what he wanted. That's my honest belief, but as all of you who know me know, I am very partial to him and I miss him every day. I think we would have made peace if he had not been murdered.

**Rose:** Why would it have been different? What was he prepared to do, that Ariel Sharon—

**Clinton:** No, no, no. I think Barak went maybe even further than Rabin would have, but Rabin was there earlier in time; you didn't have as many scares, and Rabin had a certain standing that was unparalleled in the psyche of the Middle East, in the mind of Arafat, and others. I wrote about this

in my book. . . . I think it would be a mistake now to say now, okay, we've done Gaza, let's take a time out and reinstitute the Roadmap, and I am not critical of the Roadmap—that's President Bush's Roadmap—that's not what I am saying. We had a timeout for the Intifada for the last several years, during which nothing happened. If you put the Roadmap back now without accelerating the timetable, you are just waiting for the Palestinians, again, to become younger, poorer, and more numerous.

So what should be done? There has to be a second stage in which the U.S., Europe, and others put some serious money into the Palestinian territories. Not just into the government, but into the entrepreneurs, maybe setting up some NGO [non-governmental organization] entrepreneur-to-entrepreneur deal. These people can't keep getting shafted. The enemies of peace were really smart—when they saw what we decided to do at Oslo, every time we'd do something good, we'd start chugging along, the Hamas or the Islamic Jihad or somebody would blow up a bomb, and they [Israel] would close Gaza. The Palestinian economy would collapse, even though 90-some percent of the Palestinian population had nothing to do with anything like that.

So, we have got to set up an independent pipeline of funds and development—it's not very expensive, we're talking about a tiny amount of money here, to make a huge, huge difference, to make something good happen. I think we need a timetable that is realistic, to see whether the current national unity government in Israel and the Palestinians can make agreements over the long term.

But my opinion is worthless. What's really important is that the Palestinians and the Israelis agree on something. I'm just telling you what I think. My gut [feeling] is that we need to not let the thing just simmer. I've never seen, never, in all these years I've been watching it—it seems like delay has always been our enemy there.

**Rose:** [asks about debt question]

**Clinton:** I'll say something else that is sort of improper: I think we should do a lot more with debt relief. If you get debt relief, if you're running any country, what you get is the relief from making the debt service payments, and it's worth just as much as aid to you. But if Bill Frist is putting together a budget, almost all foreign debt has been already discounted. So, let's say we loaned a billion dollars to somebody; there's somebody in our government to tell you what he really thinks the debt's worth. If they say, "Well, there's only a 50% chance they'll repay it," that means that for \$500 million, we can give \$1 billion worth of debt relief. All the rich countries have similar systems, and if you actually have to make these decisions, and people are pleading for the money, it really matters. So I think there has to be a really serious round of debt relief, that goes way beyond the level that we stopped with on the Millennium Debt Challenge.