

and to Ariel Sharon, according to an Israeli source. *EIR* first exposed the Sharon-centered “land-scam” operations in the West Bank in 1982, and, again, in March 1986, in the widely circulated Special Report, “Moscow’s Secret Weapon: Ariel Sharon and the Israeli Mafia.” Among Sharon’s cohorts in the early land-grab schemes were: the late American crime figure Meshulam Riklis, former Secretary of State Henry Kissinger, Riklis protégé Arieh Genger, Mossad assassin and Jonathan Pollard controller “Dirty” Rafi Eytan, and Gen. Rehavam Ze’evi, a top figure in the Israeli Mafia and Sharon Tourism Minister, assassinated late last year.

Israeli sources report that, more recently, Magen David Adom is suspected of washing funds through a Cyprus bank account set up by Ariel Sharon’s son Omri. Omri Sharon was investigated during the 2001 Israeli elections, for setting up dummy American companies, to funnel cash payments to his father’s campaign adviser, the American Arthur Finkelstein.

The Omri Sharon/Art Finkelstein story also implicated Sharon sugar-daddy Genger, of the original “land-scam” project. Genger, Meshulam Riklis’ business protégé in New York City Rapid-America Corp., hosted a June 2000 strategy session with Sharon and Finkelstein, at which the scheme was first hatched to place Sharon in the Prime Minister’s post.

Ha’aretz writer Aluf Benn revealed, on Feb. 7, 2002, that Genger has been frequently employed by Sharon as a back-channel to the Bush Administration, delivering confidential messages to National Security Adviser Condoleezza Rice and Secretary of State Colin Powell, and, in turn, passing along communiqués from Team Bush. In 1981, Genger sought a top post in Sharon’s Defense Ministry, but his appointment was blocked by ministry mandarins.

Genger’s own role in sending clandestine cash to Sharon’s campaign coffers this time around may be limited. In March 2002, two of Genger’s privately held companies, Vicksburg Chemical and Cedar Chemical Corporation, filed for bankruptcy protection in New York State, after falling \$224 million in debt. They are subsidiaries of his Trans Resources, Inc.

Nevertheless, Genger travels in some mega-rich circles. He is a member of the investment committee of the Challenge Funds, an investment group that bankrolls Israeli high-tech firms. Other committee members include: Edgar Bronfman, Sr.; G. Allen Andreas, CEO of Archer Daniels Midland; Joseph Ciechanover, Chairman of the Board of El Al Airlines, former Chairman of the Board of Israel Discount Bank, ex-Director General of the Israeli Ministry of Foreign Affairs, and ex-head of the Israeli Defense Mission to the United States and Canada; Giovanni Perissinotto, General Manager of Assicurazioni Generali, Italy’s top insurance company; and Bruce Rappaport, Swiss-based businessman, Chairman of the Bank of New York/Inter-Maritime Bank (Geneva), and a major figure in Caribbean offshore dirty-money operations, which have been linked to the Russian and Israeli mafias.

Israel

Paradox and Potential Of Sharon vs. Mitzna

by Dean Andromidas

Israeli Prime Minister Ariel Sharon beat Benjamin Netanyahu in the Nov. 28 Likud election for party chairman by a vote of 55.88% to 40.08%, with third candidate Moshe Feiglin, often referred to as a “Jewish fascist” or “Jewish nazi,” collecting 3.46%. Sharon’s victory is being touted as a “crushing” defeat for former Prime Minister Netanyahu, and a prelude to Sharon’s leading Likud to an equally “crushing” victory over the Labor Party and its new chairman Amram Mitzna in the Jan. 28 general elections.

Nonetheless, a look at Sharon’s defeat of Netanyahu reveals that victory over Mitzna might not be assured. Only 45% of the Likud party members actually voted in the primary. The election-day Palestinian attack on the voting station in Beit She’an, in which which six Israelis were killed, most likely saved the day for Sharon. Prior to the attack, only 20% of the party’s members had cast ballots, and Sharon was reportedly getting very nervous, fearing that a low turnout would give Netanyahu the victory. After the attack, Sharon hastily called a press conference, flanked by his Defense Minister Gen. Shaul Mofaz and his good buddy, the commander of the Air Force, Maj. Gen. Dan Halutz, to make an “impassioned plea” to Likud voters not to let “Arab terrorism” deter them, and imploring them to come out and vote.

The fact that Sharon turned a national tragedy into an electoral platform, did not go unnoticed in the press. And the presence of General Halutz was, in fact, illegal, because he had not received approval from the Chief of Staff to appear on the same platform with political leaders, as required by law.

Even the Beit She’an attack itself looks as if it were part of Sharon’s campaign strategy. Reports in the daily *Ha’aretz* said the Palestinian attack was to avenge the Nov. 26 Israeli assassination of Ala Al-Sabar, commander of the Al-Aqsa Martyrs Brigade from the Jenin refugee camp. Revenge attacks have become predictable, coming on the heels of all previous Israeli targetted assassinations—a fact that Sharon and his generals know only too well. *Ha’aretz* pointed out that Beit She’an was chosen by the Palestinian commandos, because it was the town from which the Al-Sabar family had been ethnically cleansed in 1948. *Ha’aretz* wrote that the attackers did not know they were striking a Likud polling station; the assault began at the neighboring bus terminal and moved to the polling station as the attackers sought to take

more victims. But *Ha'aretz* does not ask the central question: Did Sharon know about the Beit She'an/Al-Sabar connection?

Then, there was the vote fraud. Sharon's campaign accused Netanyahu's people of hiding ballots made out for Sharon, following which new Sharon ballots suddenly appeared at these stations. Netanyahu may have been a victim of his own attempts at vote fraud: It seems the 100,000 new Likud members his supporters signed up, did not vote. These new members were recruited from the yeshivas (religious schools) of the ultra-Orthodox, but when voting day came, most of them stayed home. Prior to the election, Sharon had been losing sleep over these potential voters for Netanyahu. Perhaps Sharon's supporters made donations to the yeshivas' rabbis, in return for keeping their people from the polls. There were also "vote contractors," local party bosses who, for a certain amount of money, will guarantee a certain number of votes.

This vote fraud was, without doubt, paid for out of millions of dollars in illegal donations that *EIR* has been exposing as coming from the Christian Zionist and right-wing Zionist sources in the United States, and from the Moonies. The Likud Mayor of Jerusalem, Ehud Olmert, is one of the key conduits for this flow. His endorsement of Sharon was viewed more in terms of the money he could rustle up, than for the number of votes he could turn out.

Nonetheless, with 55% of the party voting with its feet by staying home, one wonders what methods will be used during the January general election to give Likud the super gains all the latest election polls are predicting.

The Paradox of the Polls

The latest opinion polls show that the Likud would win as many as 41 mandates for the 120-seat Knesset (parliament), while Labor would win as few as 20. According to these polls, a total of 64 mandates would go to Likud, the ultra-Orthodox Shas, National Union, United Torah Judaism, and the National Religious Party, of which all except National Union are currently in Sharon's government. The poll gives the pro-peace camp of the Labor and Meretz parties, a total of only 37 mandates. The politically liberal Shinui could get 13 mandates, while the Arab Israeli parties usually garner between 5 and 10 members.

More interesting is the fact that in the same poll, 47% of the respondents said they would support unilateral withdrawal from the Gaza Strip, and 54% would support evacuation of Israeli settlements in the Palestinian territories, if the money that now supports settlements were transferred to projects within Israel. This is exactly what Labor Chairman Amram Mitzna is campaigning on! Asked about the poll, Mitzna maintained his characteristic self-confidence: "These figures definitely match my assessment of reality. When it comes to parties, there has, of course, been a rightward swing, but politically, the public expresses support for my program.

And that's precisely what we'll be trying to do in the coming months: to find the common denominator between these two trends."

Ironically, 60% of the Likud voters polled wanted a national unity government with Labor, because they are "nervous about how their leader would perform as the head of a narrow right-wing coalition," *Ha'aretz* reported. In other words, they fear Sharon might start World War III.

Mitzna commented about a national unity government with the Likud, that, "If there is an agreement on separation [between Israel and the Palestinian Authority], then we'll have something to talk about." But, he added that he does not think that Sharon is prepared to make peace. "I really doubt it. I am very skeptical and don't believe what he says. He has never expressed any real readiness for this. He is always creating the impression that he is about to do something, but he has no plan, no goal, no real alternative for coping with the difficult reality we face. He had 20 months [in his national unity government with Labor]. He had an opportunity, but he didn't do anything. In the upcoming elections, we'll see exactly what he and his government did."

Another strange paradox: The percentage of this sampling that claimed they voted for the Likud in 1999, was higher than the percentage that actually did. Furthermore, the polls show 40% of the electorate as undecided.

Mitzna: Reviving Rabin's Policy

On Nov. 25, displaying confidence and speaking in perfect English, Mitzna gave his first international press conference since winning the Labor Party chairmanship. Whereas his campaign organizers were expecting 30 journalists, 80 showed up.

"The key to Israel's existence is peace," Mitzna declared. "Despite the terror attacks, the only choice either side has is to return to the negotiating table." As Prime Minister, he promised he would withdraw from the Gaza Strip unconditionally, including the evacuation of settlements, and would withdraw from the West Bank through negotiations. If these negotiations failed, then he would withdraw unilaterally behind a fence. On a Palestinian state, Mitzna said, "We will need the free world's help to enable the Palestinians to build their own state, because it is in Israel's interest to have a Palestinian state as a neighbor."

As to the settlers, Mitzna would "call on them as patriots—'come back to Israel.' Israel will need these settlers in the North and South of the country. You can be sure that if I am elected, I will get rid of the Israeli presence in the territories."

Echoing the words of Labor Prime Minister Yitzhak Rabin, assassinated seven years ago, Mitzna said that Israel "must fight terrorism as if there are no negotiations and negotiate as if there is no terrorism." He said he would negotiate with Palestinian Authority President Yasser Arafat, because "we have to make peace with our enemies." Mitzna had said

already in the 1980s, when he was the West Bank commander during the first Intifada, that he had come to the conclusion that there is no military solution to the situation. He will now try to convince the voters to share that view, and to illustrate the connection between the country's economic and security problems.

French television correspondent Charles Enderlin told *Ha'aretz* of Mitzna, "He won the hearts of the foreign media because he has the only new Israeli message for two years and because he expresses his views courageously."

Nonetheless, the Labor candidate faces two dangers: one, to his physical safety, and the other, to his political principles. Already he has received death threats, and graffiti have appeared throughout the country with such slogans as, "Mitzna will end up like Rabin," "Rabin is waiting for Mitzna," and "Traitor." There has even been an attempt by Likud supporters to petition the Supreme Court for the Shin Bet security detail assigned to Mitzna be removed, on the pretext that he is not a Knesset member (he is Mayor of Haifa).

Politically, the danger comes from within the Labor Party and some of its financial supporters, who have been pressuring Mitzna to commit himself to entering a national unity government with Sharon, whether he wins or loses the election. Former Labor Party chief Binyamin Ben-Eliezer, who served as Sharon's defense minister, and Shimon Peres, whose was Sharon's foreign minister, have been involved in this pressure. There is already pressure to tailor Labor's campaign for the "center" votes, and to avoid the hard social issues that reflect the collapse of the Israeli economy. If Mitzna gives in to such pressure, he will lose support and votes.

Sharon: Billions for Transfer and War

While Sharon still talks about being prepared to "make painful concessions" once the Palestinians surrender, the cornerstone of his election campaign is to ask the Bush Administration for billions of dollars for a new Middle East war. Sharon is still committed to the old "Jordan is Palestine" policy, also known as "transfer" or ethnic cleansing of the "Land of Israel," by forcing the Palestinians out of the territories and Israel proper, across the Jordan River. Furthermore, if the United States doesn't attack Iraq, Sharon is prepared to start war on his own.

Although the Bush Administration has not yet agreed to a Sharon request for \$14 billion—\$4 billion in military grants and \$10 billion in loan guarantees—Sharon's spin doctors are playing up the issue as if the money is already in the Central Bank. Fears are being voiced that if the money ever does arrive, it will be used to cover the massive budget deficit that Sharon's government is expected to have next year. But the real fear is that the money will be used to finance Sharon's regional war plans. The Israeli press revealed that only half of the huge increase in the defense budget over the last year was the result of expenditures

needed to suppress the ongoing Intifada. The other resulted from outlays aimed at enhancing Israel's "strategic capabilities." For instance, the Israeli government has recently started work on a massive nuclear- and chemical-weapons-proof bomb shelter, to house the entire government in case of a regional war.

As for transfer, Sharon's true thinking was revealed in a Nov. 28 *Ha'aretz* report, that Jordan's Foreign Minister Marwan Muasher, during the UN General Assembly session, made a formal request to then-Foreign Minister Shimon Peres that Israel officially and publicly renounce the policy of transfer, and that the statement come directly from Sharon. When Peres presented the request, Sharon refused and "took exception to the Jordanians raising such a suspicion about him." When the request was made through other channels as well, and Sharon refused to even talk about it, the U.S. government decided to take up the Jordanian request at the highest level. Thus, when Sharon was visiting the Oval Office in September, President George Bush and National Security Adviser Condoleezza Rice brought up the issue. It was later taken up by Assistant Secretary of State William Burns, when he visited Israel in October. Yet no statement, or even a hint of renouncing the policy, was made public.

Sharon has back-tracked on his claim that he supports a Palestinian state. On Nov. 29, Israeli United Nations Ambassador Yehuda Lancry told the UN General Assembly, that Israel accepts the vision enunciated by President Bush of "two states living side by side in peace and security" as a basis for a peace agreement with the Palestinians. Within hours, Sharon ordered his new Foreign Minister, Netanyahu, to repudiate the statement.

Only American-European Initiative Can Work

While Mitzna's arrival on the scene has demonstrated that a change for peace is possible in Israel, the paradox of Israeli politics continues: A majority of the population, while open to supporting an agreement with the Palestinian Authority, continue to support a Sharon-led government, because they see the country as being at war. As one Israeli political activist told *EIR*, "Israelis don't vote with their head but their gut." Add to this, the bountiful financial support Sharon is getting from supporters in the United States among the Christian fundamentalists, right-wing Zionists, and other quarters, including the Moonies, and it is clear that Mitzna is facing very heavy odds. The only hope would be if the U.S. Presidency, in cooperation with Europe, intervened to exert tremendous pressure for an agreement.

This is a reality many Israelis agree with. *Ha'aretz* political commentator Gideon Samet wrote in the Nov. 30 *International Herald Tribune*, "The Israeli paradox can only be disentangled, however, through massive diplomatic intervention by the United States and the European Union. The time is now relatively near: once the Iraq issue is resolved, one way or another."