

of Romania before (1990-96), and it was under his Presidency that the so-called “reform” policies were introduced. After he had won back the Romanian Presidency, he pledged to work toward EU and NATO membership, and said that he hopes to come to an agreement with the IMF soon.

New bank governors have been or will be appointed in Yugoslavia and in Hungary, too. In Hungary, Prime Minister Viktor Orban has announced that he will not reappoint the current head of the Hungarian National Bank, Gyoergy Suranyi, but replace him with current Finance Minister Zsigmond Jarai, who has announced that he will accept the job only if a law is passed which adapts the Hungarian national bank law “to EU standards.”

In Yugoslavia, Mladjan Dinkic was elected head of the Yugoslav National Bank by the reformers in the Yugoslav Parliament around President Vojislav Kostunica. When the Parliament wanted to vote in Vuk Ognjanovic as Dinkic’s deputy, Dinkic objected, claiming that Ognjanovic had been involved in the Slobodan Milosevic regime’s hyperinflationary policies. Finally, acceding to Dinkic’s demand, the Parliament voted in Radvoje Rasovic as vice governor of the National Bank.

What Is To Be Done?

In order to prevent monetarist central bank governors from ruining the economy, national parliaments have to turn central banks into Hamiltonian national banks. If there are such clear and precise laws to follow, the central bank governors can choose: Either, they obey the law and act as national bank governors, in which case they will cease to be dangers to the national economy, whatever their private opinions may be. Or, they will “stick to their principles,” and resign from offices, which they, by law, will be prevented from running according to monetarist theology. Or, if they abuse their positions, imposing monetarist policies in violation of the national bank laws, they will open themselves up to impeachment.

If the EU or other international organizations object to this, they should be told: “So what? Under its current monetarist ideology, joining the EU is like joining a suicide club. We would rather found a ‘Survivors’ Club,’ and you are invited to join *us*, on condition you stop messing around with our economy.” Thus, the fight about economic policies can still be fought democratically. If this is not done, the public reaction to the monetarists’ looting will lead to disasters similar to Hitler’s accession to power in 1933.

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Israeli Elections: To Bibi Or Not To Bibi?

by Dean Andromidas

Just at the point the Middle East is poised to explode in a regional conflagration, Benjamin “Bibi” Netanyahu has returned to the political stage. Riding on the crest of popularity polls giving him a lead over Israeli Prime Minister Ehud Barak in the upcoming elections, Bibi, himself a former Prime Minister, appears as the right wing’s Mephistopheles, with promises of political power, but at a devilish price. His announcement on Dec. 10, that he will seek the nomination for Prime Minister, is a dramatic demonstration how the Middle East situation, and the Israeli political scene in particular, has degenerated since the collapse of the Camp David summit last July and the launching of religious war by Ariel Sharon’s Temple Mount/Al Haram Al Sharif provocation on Sept. 28.

Although his announcement was not unexpected, it was premature, and, in fact, prompted by Prime Minister Barak’s surprise resignation only the night before. Barak’s decision appears to have been a tactical move to save his own political skin. Unwilling or unable to make the concessions required to facilitate the restarting of talks with the Palestinians, Barak had been under pressure from the “revolt of the doves,” as it is being called by Israeli political commentators. This revolt reportedly involved members of the peace camp in Barak’s government, including Minister for Regional Economic Cooperation Shimon Peres, Justice Minister Yossi Beilin, and Speaker of the Knesset (parliament) Avraham Burg. Rumbblings were heard calling for an alternative candidate to Barak, one who would work harder for a peace agreement.

At the same time, on the right, Netanyahu was busily involved in intrigues, both in Israel and abroad, plotting his political comeback.

On top of this, negotiations for an emergency or national unity government between the Barak’s Labor Party and Netanyahu’s Likud, were under way. The biggest promoters of this option have been Likud Chairman Sharon, unaffectionately known as the “Butcher of Lebanon,” and Barak himself, along with other more hard-line Labor ministers.

Barak’s resignation, which mandates a special election for prime minister to be held within 60 days of his resignation, has put a halt to attempts by the peace camp to seek his replacement, while at the same time calling Netanyahu’s bluff and forcing him to declare earlier than he would have liked.

Israel Needs Another Ben-Gurion

The only way Barak could win an election, is with a signed and sealed peace agreement with the Palestinians that he could bring to the electorate. But, without help from the U.S. Presidency, and left to his own devices, many in the peace camp see Barak as incapable of negotiating such a deal. Without it, the Arab Israelis, who account for 15-20% of Israel's electorate, and much of the peace camp, would simply not go to the polls in the election, ensuring Bibi's victory.

The Israeli settlements, and the right-wing support from the United States, as has been the case for the last two decades, continue to be crucial stumbling blocks to peace. One senior Israeli political commentator told *EIR*, that the problem with Barak is that he is "interested in a peace deal that will give him another term in office." He is trying to "maneuver between the minimal demands the Palestinians will accept and the maximum concessions he thinks Israelis will accept and still allow for his political survival." The "problem," this source added, "is there is no such equation. . . . There cannot be a deal with the Palestinians without alienating the 2-3% of the population that represents the [Jewish] settlers," living the occupied West Bank and Gaza.

Although Barak thinks that he beat Netanyahu in the 1999 elections, this source pointed out, "Barak is not a good campaigner. It was not Barak who won the last election, it was Netanyahu who lost it." He said, "What is needed in Israel is leadership. Israel needs a leader like Ben-Gurion, who can make these decisions, like Ben-Gurion made the decision in support of the partition of Palestine" in 1948. David Ben-Gurion was Israel's founding father and first Prime Minister.

The commentator underscored the necessity for economic development, especially water development, to be at the center of the negotiations, in particular from the standpoint of convincing Israel to make the critical territorial concessions.

Will Netanyahu Be Able To Run?

As of this writing, it is not known whether Netanyahu will be able to run, because of the technicalities of the election laws. Furthermore, he might decide not to run, if the Israeli Knesset is not dissolved, opening the way for new Knesset elections as well. Netanyahu is concerned that if he wins without a new, more right-wing Knesset, any coalition government he could form would not be stable. The real question here is: Can any government with Bibi at the helm be "stable"? A brief review of his previous term in office is a cold reminder of what may be expected from a "Bibi II."

How can one forget Sept. 20, 1996, when Bibi almost sparked a Middle East religious war by opening a "tourist tunnel" at the base of the Al Haram Al Sharif/Temple Mount? The resulting Palestinian-Israeli clashes left more than 100 Palestinians and Israelis dead. Or, Sept. 25, 1997, when he deployed assassins from the Mossad intelligence service to



Former Israeli Prime Minister Benjamin Netanyahu. His record is a cold reminder of what could be expected from a "Bibi II."

kill Palestinian Hamas leader Khalid Mashaal in Jordan. Although the attempt failed, it almost led to the overthrow of King Hussein, a development that could have triggered a Middle East war. Or, the botched attempt to send assassins to Switzerland to kill Lebanese Hezbollah militants, that, again, almost triggered a war.

Despite the apparently short memories of the Israeli electorate, Bibi is the only Prime Minister who has been investigated several times for criminal corruption. There were accusations that his 1996 election campaign illegally received massive funding from Australia diamond tycoon Joseph Gutnick, a strong supporter of the ultra-religious Lubavitcher Hassidic movement. Then, there was the infamous "Bar-On affair," in which he was accused of trying to appoint an Attorney General who would close a criminal investigation against a coalition partner in his government. He was also accused of smoking no less than \$3,000 a month of cigars, paid for with taxpayers' money. After he left the Prime Minister's office, he and his wife Sarah were the targets of a massive corruption and fraud investigation.

All of this made Bibi highly "recommended," not for a

new bid to the highest political office, but for indictment. But, all such recommendations were denied by Attorney General Elyakim Rubinstein, who was appointed under Netanyahu's term. Although no one in Israel would publicly accuse Rubinstein of "corruption," many would agree that he suffers from such proclivities.

Then there are Bibi's financial and political patrons who reside outside of Israel. These are primarily among the most extreme "religious Zionist" supporters, who are committed to blowing up the Al Haram Al Sharif/Temple Mount in order to build the Third Temple of Solomon or bring on Armageddon. Others among his supporters just want to annex the West Bank, expelling its Palestinian population and turn neighboring Jordan into the new Palestinian state. These include financiers of the Temple Mount fanatics such as California bingo parlor king Irving Moskowitz, and Gutnick. The latter is believed to have lent Bibi his luxury apartment in Tel Aviv in 1991, while Bibi was serving as Deputy Foreign Minister.

Another overseas backer is Ron Lauder, heir to the Estée Lauder cosmetics empire, who not only helped finance Netanyahu's 1999 campaign, but also introduced him to powerful American Republican political figures and financiers. This group includes Hollywood bigwig Merv Adelson, who deposited \$20,000 into Bibi's bank account when he was Prime Minister. Shortly after that contribution, Bibi appointed Adelson to chair the American Association for Israel's 50th Jubilee, a prestigious appointment for an aspiring Jewish philanthropist.

Netanyahu is bipartisan when it comes to U.S. politics, and he has cultivated supporters on both sides of the political aisle, including the Christian right and right-wing Republicans, and also right-wing Democrats, particularly supporters of Al Gore. Bibi is personal friends with Gore's Vice Presidential running mate, Sen. Joseph Lieberman (Conn.).

Among his U.S. financial backers are those who want to turn Israel into a totally deregulated, privatized, and globalized financial center, complete with casino gambling. Among this class of supporters, one finds New York financier Jay Zises and leveraged-buy-out king Henry Kravis. There is also Steven Wynn of Mirage Resorts, one of the largest casino operators in the world. One of the more colorful supporters, is Likud activist Sam Domb, a New York landlord known for throwing many of his welfare-recipient tenants out into the street. One of Domb's former business associates was reputed Russian mafia boss Grigorii Loutchanski. Under Netanyahu's prime ministership, the Russian mafia made deep inroads into Israel. According to official Israeli police statements, these inroads only receded after Netanyahu left office.

War Danger Escalates

According to a recent article in the Israeli daily *Ha'aretz*, fears are beginning to surface in the Israeli defense establishment, that the excessive force being used by the military in the West Bank and Gaza, could irreparably damage Israeli-

Palestinian relations, thus threatening to end the possibility of a negotiated settlement. This view is not only held among retired and serving military officers, but also by the former head of the Shin Bet internal security service, Ami Ayalon.

One officer is quoted, saying, "Nobody can convince me we didn't needlessly kill dozens of children." Another unnamed recently retired senior commander told *Ha'aretz* that the Israeli Defense Forces (IDF) has "adopted a harsh, uncompromising line toward the Palestinians—the brainchild of Deputy Chief of Staff Maj. Gen. Moshe Ya'alon, and to a large extent also Chief of Staff Shaul Mofaz."

These fears are guaranteed to increase if one considers the fact that Mofaz, known to be a military hot-head, won his appointment to Israel's highest military post, from Netanyahu. The settlers, one of Netanyahu's key constituencies, have been calling for even more "excessive force" with the slogan, "Let the IDF Win." Furthermore, there have been reports of collusion between the IDF and the militias of the right-wing settlers in provocations against Palestinians. In many cases, this collusion violates standing military orders, but no one has been punished, despite the fact that these actions have led to the death of Israeli soldiers. This activity would soon become the norm under a Netanyahu government.

Already the IDF has adopted a policy of assassination of whoever it believes are Palestinian gunmen and leaders of groups of gunmen. In recent weeks, this has led to the assassination of various low-level alleged Palestinian militia activists. Under Netanyahu, these types of assassinations would include the highest levels of the Palestinian Authority, even President Yasser Arafat. In fact, Arafat has not travelled to the West Bank for fear of assassination by settlers.

With the number of deaths rapidly approaching 400, time is running out.

While all these political developments are coming to pass, reality is exerting itself in a way that confirms the absolute necessity to implement Lyndon LaRouche's Oasis Plan for Middle East peace, which is based on regional economic development, and especially the provision of abundant water by nuclear desalination. The same week that Bibi announced his return, the Israeli water authority, Mekorot, released a report indicating that, in the event of a shortfall in rainfall this Winter, "it will not be possible to supply drinking water" to the Israeli population. Israel is facing a 90 million cubic meter (mcm) shortage, at a time when mountain and coastal aquifers and the Sea of Galilee are all at dangerous lows, with salt water already infiltrating the coastal aquifer.

Sara Haklai, the manager of a Mekorot water supply division, called for the immediate construction of desalination plants. "The reserves are completely finished, and there is no time left for long-drawn-out and exhausting procedures," she said. She urged decision-makers to rapidly implement measures for the desalination of 100 mcm of water as a first step. But even this will not prevent the water emergency expected next year.