

WASHINGTON REPORT

On Middle East Affairs

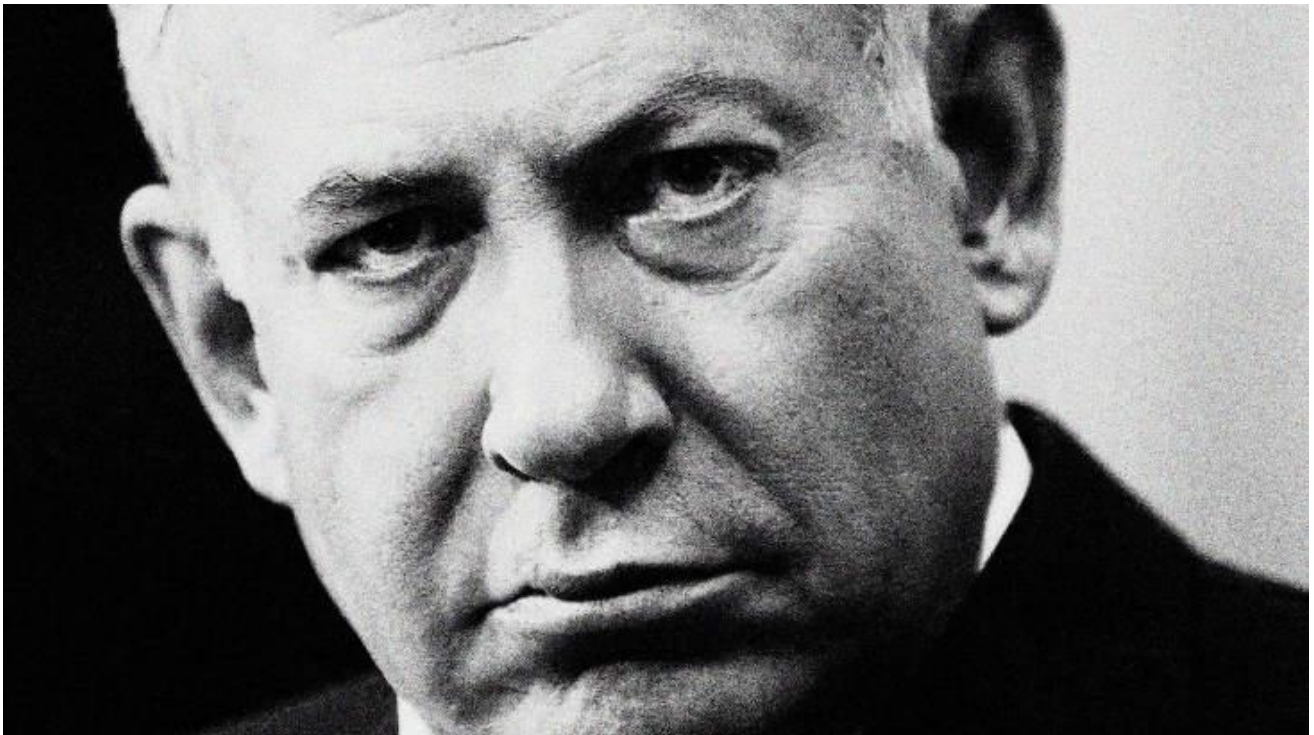
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Spook, Terrorist or Criminal? America's Mysterious Files on Netanyahu

NEVE GORDON FROM OUR ARCHIVES (/FROM-OUR-ARCHIVES/)
POSTED ON OCTOBER 24, 1996



Binyamin Netanyahu, spook, terrorist or criminal?

Washington Report on Middle East Affairs, October 1996, pg. 11

Special Report

By Neve Gordon

Congress received him with great fanfare. President Clinton, who during the recent election campaign had backed his rival, Shimon Peres, appears to have had a change of heart. Yet who is Prime Minister Binyamin Netanyahu and why did the political elite in the U.S. accept him with such warmth? A few important facts about Netanyahu and his objectives—which the U.S. media have obstinately neglected to report help to clarify the enigma.

Netanyahu has lived both in Israel and the U.S.: first grade in Israel; second and third in the U.S.; fourth through eighth in Jerusalem; high school in suburban Philadelphia; military service in Israel; B.A. and M.A. at MIT. He held dual citizenship, which enabled him to travel freely between both countries, study in the U.S., receive federal loans to cover his education costs at MIT and work legally. Like every U.S. citizen, Netanyahu has a social security number, a credit account, and numerous other files in a variety of government offices.

Nevertheless, Netanyahu's files differ from those of most U.S. citizens. The Israeli weekly *Ha'ir* reports that four requests for credit approval appear in U.S. social security file number 020-36-4537. Under each request one finds a different name: Benjamin Netanyahu, Benjamin Nitai, John Jay Sullivan and John Jay Sullivan Jr.—one man, four names.

Binyamin Netanyahu is the name Israel's current prime minister was given at birth and which he now uses. In June 1973, during his studies at MIT,

Netanyahu submitted a petition to the Boston court, asking to change his name from Netanyahu to Nitai; “I prefer a shorter name,” he wrote on the request form. The petition was approved, thus the second name has an explanation. The last two names, however, remain a mystery. Furthermore, the address attached to these names—somewhere in Malibu, California—does not exist. Who, then, is John Jay Sullivan?

Biranit Goren and Einat Berkovitch from *Ha’ir* tried to find out. They looked into Netanyahu’s credit account. This file is supposed to hold information regarding bank accounts, loans, credit cards and so forth; yet, surprisingly, the file was empty. It is as if Netanyahu never had a debt, had never taken out a loan, and always paid his bills up front and in cash.

Goren and Berkovitch then attempted to examine Netanyahu’s social security file, but were denied access. They did, however, find out that Netanyahu’s file has a different classification than most. They were denied access not merely due to the 1974 privacy act, but because the file had a “confidential” classification. Goren and Berkovitch have explained that such a classification only applies to five categories of people: those who work for one of three federal agencies—FBI, CIA, IRS—or those who are considered to be terrorists or criminals. Since it is unlikely that Netanyahu fits the latter two categories, or that he worked for the IRS, it appears that he was on the payroll of a security agency—the CIA or FBI.

DUAL CITIZENSHIP

According to Israeli law, a person who runs for the Knesset (the Israeli parliament) cannot hold dual citizenship. Netanyahu claims that in 1982 he gave up his U.S. citizenship, yet he is unwilling to grant the press access to his file located in the U.S. Embassy in Tel-Aviv—the file which holds information regarding his citizenship. Interestingly, the status of his files in the U.S. has not changed, so according to U.S. law Netanyahu remains a U.S. citizen.

Netanyahu—the person who in 1982 left his job as a furniture salesman to be

a policy adviser at the Israeli embassy in Washington, DC, and within 14 years became prime minister—is still in many ways a conundrum. By contrast, his political objectives are becoming clearer.

An Israeli proverb asserts that the intention of a person can be understood by examining the goals of his friends. And indeed, in order to gain insight into Netanyahu's political objectives it is well worth looking at his acquaintances and financial supporters. Goren and Berkovitch report that Haagen-Daz founder Reuben Matheus, who contributed (until his death sometime last year) millions of dollars to Rabbi Meir Kahane's fascist political party and to the Jewish settlement in Hebron, also contributed to Netanyahu. Marvin Josephine, the head of ICM, one of the biggest publishing companies in the U.S., is considered a major contributor to the Likud, and more specifically to Netanyahu. Another donor is Barry Slotnik, an attorney who has among his clients the Italian and Russian Mafias. (Slotnik was also a friend of Kahane, acclaiming him one of the biggest heroes in Jewish history.) Ted Arison, who owns cruise lines in the U.S., is considered not only a friend, but a confidant. His Calridge-Arison group is interested in purchasing "Bank Hapoalim," the second largest in Israel.

Contributors and political allies from Australia—Joseph Brender, Bernard Moss, Mark Bissan and Jack Mendel—wish to invest in Israeli real estate and the textile industry. Mendel, one should note, lets Netanyahu use his luxury condo in Tel-Aviv. Sandy Eisenshtat, who allows Netanyahu to use his Jerusalem condo, owns an Israeli oil and gas company. In London, Netanyahu often stays with Rupert Murdoch.

Finally, Netanyahu has an ally in Ronald Lauder of the Este Lauder cosmetic dynasty who ran for mayor against Rudolph Giuliani. During his unsuccessful election campaign, Lauder called Giuliani an impostor who was not conservative enough to be a member of the Republican Party. Lauder is founder, major contributor, and chairman of Shalem Institute, a right-wing think tank located in Jerusalem. Dr. Hazoni, the Institute's director, told Hanna Kim of the Israeli daily *Ha'aretz* that the Heritage Foundation in

Washington, DC and the Center for Social Policy Studies in London are his models. Like Heritage, which is thought to have developed Reaganomics, and the Center for Social Policy, which designed what is now called Thatcherism, it seems that Shalem Institute will introduce what in years to come will be known as Netanyahuism.

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Following Thatcher, one of Netanyahu’s goals is to introduce an aggressive policy of privatization. According to Nahum Barnea and Shimon Shifer from Israel’s mass-circulation *Yediot Ahronot*, a bill proposing to establish a government institution for privatization was presented for review in the Ministry of Justice less than two weeks after the elections. This bill would create a loophole allowing Netanyahu to sell government firms regardless of limitations specified in existing laws. Any government agency that is opposed to an act of privatization must send a written statement to a ministerial committee explaining its opposition. The statement must reach the committee within 30 days—otherwise it is automatically rejected. Netanyahu will chair the ministerial committee for privatization, while the ministers of justice and finance will be its only other two members.

Most important, if the bill passes, the committee will be exempt from a number of existing laws. For example, the committee will not be obliged to call for bids before selling government firms. Furthermore, according to the coalition agreements between Netanyahu and the different parties which are now members of government, the ministerial committee “will by law have

the authority to determine on matters of privatization without the need to receive the approval of any other body.” Thus, for example, Netanyahu will be able to sell Bezek, Israel’s national telecommunication company, to his friend Lauder, who has had his eye on this company for some time.

Netanyahu’s real religion is privatization, Barneah and Shifer claim. In a recent interview, Netanyahu told them that he took upon himself many responsibilities “not in order to concentrate power but to liberate it.” He intends to sell Israel’s land, firms and communications to investors from around the world. It is not surprising that international corporations like him, which may well explain why the political elite in the U.S. was so enthusiastic about him.

FRIENDS AND CLIENTS

Netanyahu’s friends are potential clients, but like most buyers they would prefer to purchase Israel under slightly better conditions. Israel’s annual inflation is approximately 13 percent, a figure which is still considered high for investment. Luckily, the unemployment rate has gone down considerably under four years of Labor government, from 11.5 percent in 1992 to 6 percent in 1996, thus enabling Netanyahu to utilize the known method of lowering inflation by raising unemployment.

As the director of Shalem Institute indicated, the U.S. and British economic programs of the 1980s are the two models Netanyahu intends to follow. In 1980, annual inflation in the U.S. was 13.5 percent and in Britain 18 percent, while unemployment was 7 percent and 5 percent respectively. In 1983, annual inflation went down to 3 percent in the U.S. and 4.5 percent in Britain, while unemployment rose to 10 percent in the U.S. and reached 11 percent in Britain. Imitating these economic policies goes hand in hand with cutting back the last remnants of Israel’s so-called welfare state.

According to Gideon Eshet from *Yediot Ahronot*, Finance Minister Dan Meridor was asked by Netanyahu to submit the government budget a week

after he entered office. It seems that due to “Operation Grapes of Wrath” in Lebanon and a few other unexpected expenses, Israel’s deficit had risen from the anticipated \$2.4 billion to slightly over \$3 billion. The following are a few of the steps Meridor offered to take in order to lower the deficit: 1) Downsize the public sector by 10,000 jobs. 2) Freeze the Ministry of Education’s budget. The direct impact of this step is that there will be more students in every classroom. 3) Reduce the health benefits provided by the national health program, while simultaneously increasing the cost of the program. On top of that, the Finance Ministry wants to raise the price of medicine and add individual participation in hospitalization costs and doctor appointments. 4) Raise women’s retirement age from 60 to 65, while simultaneously reducing the pension people receive from social security. 5) Lower the subsidy for public transportation.

It is clear which sector—the poor—will pay for Israel’s deficit, and it is also evident how Netanyahu intends to lower inflation. This is not to say that everything Netanyahu wants, Netanyahu will get, since the opposition in Israel is still strong. It does indicate, however, that Netanyahu is not only a right-wing politician in the Israeli context—opposing peace with Israel’s neighbors—he is also right-wing in an economic and neo-conservative sense. Like a small child who sneaks into his parents closet, dons a pair of daddy’s shoes and begins walking around the house, Israel’s recently elected Prime Minister Binyamin Netanyahu is attempting to mimic his U.S. and British progenitors—Ronald Reagan and Margaret Thatcher.

Neve Gordon teaches politics at Ben-Gurion University. His new book, Israel’s Occupation, is due out this fall from the University of California Press.