The Asia-Pacific Journal: Japan Focus
In-depth critical analysis of the forces shaping the Asia-Pacific...and the world.

Billions: The Politics of Influence in the United States, China and Israel

Peter Dale Scott, Connie Bruck

Billions: The Politics of Influence in the United States, China and Israel

Peter Dale Scott and Connie Bruck

Introduction

Peter Dale Scott

Connie Bruck's account of billionaire Sheldon Adelson using his millions to refashion the politics of Israel strikes several familiar notes. Around the world states are in standoffs against their richest citizens. In Thailand Thaksin Shinawatra has challenged the traditional monarchist establishment of the country. The Russian oligarchs dominated Russian politics for a decade in the Yeltsin era. In Mexico a similar role has been played by oligarchs such as Carlos Hank González (d. 2001), and Carlos Slim Helù, today the second richest man in the world.

In many cases, billionaires have used their control of media to solidify their influence in politics. This was the strategy in Canada of Conrad Black, for a time (before his conviction on fraud charges) "the third biggest newspaper magnate in the world." [1] Americans will think immediately of the startling career of Rupert Murdoch and News Corp. In Australia in 1975 Murdoch's newspaper supported the Governor-General's strange dismissal of Australian Prime Minister Gough Whitlam, by exercise of a royal prerogative last used by King William IV of England in 1834. Then in England Murdoch used The Times to help elect Margaret Thatcher, who in turn passed legislation enabling Murdoch to crush the powerful trades unions of Fleet Street. In America, Murdoch's Fox News, New York Post, and Weekly Standard underwrote the meteoric rise of the neocons in the Project for the New American Century (PNAC), whose Chairman was William Kristol, editor of The Weekly Standard. [2]

Rupert Murdoch with his third wife, Wendy Deng in 2001

From an American perspective, it is hard to think of anyone surpassing the influence of Murdoch. But according to the 2008 Forbes 400, Murdoch, with a net worth of $8.3 billion, is only the 109th-richest person in the world. Sheldon Adelson, with a net worth of $26 billion, is the twelfth richest in the world, and the third richest in the United States.

It is possible to see a rough pattern in all these developments. In the 1970s wealthy Americans mounted, with the aid of neocons and a great deal of right-wing foundation money, what Irving Kristol (William's father) called an "intellectual counterrevolution;" and successfully challenged the prevalent liberalism of the corporate welfare state. [3] Beginning with the breaking of union power in the PATCO air controllers' strike of 1981, the Reagan era saw the income disparity between the world's richest and poorest, after years of moderate reduction, begin radically to increase, both within nations and globally. Recently it has been estimated that the combined wealth of the 225 richest people in the world nearly equals the annual income of the poorer half of the earth's population, or more than 2.5 billion people. [4]

President Reagan chats with British Prime Minister Margaret Thatcher at the White House in February, 1981

From the days of the Rothschilds in the 19th century, the Zionist movement and Israel have been influenced, not to everyone's pleasure, by wealthy Jews living abroad. It may be that even the $180 million that Adelson is prepared to lose in electing Netanyahu will not overcome the resistance that native Israelis have acquired to this kind of foreign intervention. In response to Bruck's article, Calev Ben-David has speculated in the Jerusalem Post (one of Conrad Black's acquisitions) that "To have real influence in Israel nowadays requires a truly major business investment - something on the order of Shari Arison's multibillion-dollar purchase of Bank Hapoalim - and not the funding of think tanks and giveaway newspapers." He notes that even the free-spending Russian-Israeli billionaire Arkadi Gaydamak, who has maintained a real personal presence in Israel, seems to be faltering in his campaign to become Mayor of Jerusalem. And he predicts that even if Olmert's political future is now in doubt, Kadima's remains relatively secure.

Where Adelson may prove more dangerous to the feeble peace process launched at Annapolis is in America. Adelson is not the only influential American Jew (even if he is the richest) to have re-positioned himself to the right of AIPAC, after AIPAC endorsed a congressional letter requesting increased aid for the Palestinian Authority. A new Coordinating Council on Jerusalem, aided by Christian theocons and figures such as G. Gordon Liddy, has emerged to block any concessions on Jerusalem. [5] Many in the same coalition can be counted on to back Adelson in his fanciful notion that an attack on Iran would be beneficial to the security of Israel.

Is there no remedy to this global drift towards permanent war-mindedness? The answer surely will depend on whether new checks can be established to the global dominance of power and politics by personal wealth.

[1] BBC News, "Conrad Black: Where did it all go wrong?" February 27, 2004

[2] With his acquisition of the Asian giant Star TV in Hong Kong, and more recently of the Wall Street Journal, Murdoch is working to establish himself as the most powerful media figure in the world.

[3] Peter Dale Scott, The Road to 9/11: Wealth, Empire, and the Future of America *(Berkeley: University of California Press, 2007), 20-21.*

[4] Daniel Singer, Whose Millennium: Theirs or Ours? *(New York: Monthly Review Press, 1999), introduction; quoted in Scott,* Road to 9/11*, 251. Singer's statistics about wealth are taken from the* 1998 Human Development Report *(New York: Oxford University Press), which put the wealth of the 225 richest people in 1997 at more than $1 trillion, nearly equaling the annual income of 47 percent of the world's poorest people.*

[5] Gregory Levey, "The right wing's Jerusalem gambit," Salon*, December 13, 2007.*

The Brass Ring: Multibillionaire Sheldon Adelson's relentless quest for global influence

Connie Bruck

Last October, Sheldon Adelson, the gaming multibillionaire, accompanied a group of Republican donors to the White House to meet with George W. Bush. They wanted to talk to the President about Israel. Secretary of State Condoleezza Rice was organizing a major conference in the United States, in an effort to re-start the Israeli-Palestinian peace process, and her initiative had provoked consternation among many rightward-leaning American Jews and their Christian evangelical allies. Most had seen Bush as a reliable friend of Israel, and one who had not pressured Israel to pursue the peace process. Adelson, who is seventy-four, owns two of Las Vegas's giant casino resorts, the Venetian and the Palazzo, and is the third-richest person in the United States, according to Forbes. He is fiercely opposed to a two-state solution; and he had contributed so generously to Bush's reëlection campaign that he qualified as a Bush Pioneer. A short, rotund man, with sparse reddish hair and a pale countenance that colors when he is angered, Adelson protested to Bush that Rice was thinking of her legacy, not the President's, and that she would ruin him if she continued to pursue this disastrous course. Then, as Adelson later told an acquaintance, Bush put one arm around his shoulder and another around that of his wife, Miriam, who was born in Israel, and said to her, "You tell your Prime Minister that I need to know what's right for your people—because at the end of the day it's going to be my policy, not Condi's. But I can't be more Catholic than the Pope." (The White House denies this account.)

Perhaps this exchange contributed to a growing resolve on Adelson's part to try to force the Israeli Prime Minister, Ehud Olmert, out of office. Adelson and Olmert had been friendly since the nineteen-nineties, when Olmert was a member of the hard-line Likud Party. Olmert became Prime Minister in January, 2006, following Ariel Sharon's stroke. He, like Sharon, came to recognize the inexorability of Jewish-Arab demographic trends. Olmert declared that a two-state solution was the only way of preserving Israel as a democratic state with a Jewish majority, and he said that he was ready to negotiate with the President of the Palestinian Authority, Mahmoud Abbas. Adelson saw Olmert's actions as a betrayal of principle. He had long wanted to see the Likud's Benjamin Netanyahu returned as Prime Minister, but a revived peace process gave that goal new urgency.

Adelson opposed both Olmert and the peace conference, which was held in Annapolis in late November. The Zionist Organization of America, to which Adelson is a major contributor, ran a full-page ad in the Times, headlined, "SECRETARY RICE: DON'T PROMOTE A STATE FOR PALESTINIANS WHILE THEIR 10 COMMANDMENTS PROMOTE TERRORISM AND ISRAEL'S DESTRUCTION." The "10 Commandments" referred to the constitution of Fatah, Abbas's party. "Osama Bin-Laden and Hamas would be proud of Abbas' Fatah Constitution," the ad stated. Two weeks before the start of the conference, a Washington, D.C., think tank that shares office space and several board members with the Republican Jewish Coalition—another organization to which Adelson makes significant contributions—circulated an article on its Listserve which asserted, "Olmert is now chasing peace with the Palestinians at all costs, in a desperate attempt to secure his place in world history."

In an interview with the Jewish Telegraphic Agency news service, Adelson was even more disparaging about Olmert's motivation. Olmert has faced several corruption investigations, all focussed on the period before he became Prime Minister; Adelson suggested that Olmert was trying to divert public attention from them, and was making concessions to the Palestinians in order "to stay out of jail." (The most recent investigation of Olmert, which became public in early May, seems to have increased Adelson's chances of achieving his objective. Olmert has admitted accepting donations, mostly in cash, from an American businessman for his election campaigns since the nineteen-nineties, but he insisted that he did not take any money for his personal use, and denied allegations that he had accepted bribes. He has said that he will resign if he is indicted.)

In early November, the Prime Minister of the Palestinian Authority, Salam Fayyad, who is widely respected in Washington, was scheduled to appear with Tzipi Livni, Israel's foreign minister, at the opening of the Saban Forum, an event in Jerusalem organized by the Brookings Institution's Saban Center for Middle East Policy. Adelson phoned the event's chair, Haim Saban, an Israeli-American businessman, and asked him to contribute to a campaign that he was organizing against the Olmert government; Saban declined. Adelson then asked if he would sign an ad; again, Saban refused. Whereupon, Adelson accused him of funding anti-Israel research at the Saban Center. Saban was surprised, but suggested that when the center's director, Martin Indyk, was next in Las Vegas he and Adelson could talk. Not long afterward, Indyk met with Adelson at his office at the Venetian, on the Las Vegas Strip. According to a person familiar with what happened at the meeting, Adelson berated Indyk for hosting "terrorists" like Fayyad, who he said was a founder of Fatah. Indyk is said to have replied that Fayyad was never involved in terrorism and was not a member of Fatah, and that Adelson's problem was really with Olmert, because he dealt with Fayyad. Adelson stood his ground, and declared that the Olmert government was an illegitimate government and should be thrown out. (Indyk declined to comment on what he said was a private conversation. Saban confirmed his exchange with Adelson.)

Historically, most mainstream American Jewish organizations don't publicly oppose the government of Israel, but in the weeks before and after the Annapolis conference a number of groups were strongly critical. Among them was One Jerusalem, founded in 2000 to protest any peace accord that would include Israeli concessions on Jerusalem. One Jerusalem has received contributions from Adelson. A week before the Annapolis conference, One Jerusalem's chairman, Natan Sharansky—the former Russian dissident, who has moved to the right on the political spectrum since immigrating to Israel—announced a major campaign against any division of Jerusalem, and against the peace initiative. One Jerusalem referred to Annapolis as "the Munich Conference of the 21st century." After Olmert asserted Israel's right as a sovereign state to make decisions regarding its national security, One Jerusalem posted an article on its Web site, headlined, "OLMERT TO WORLD JEWRY: SHUT UP." Later, as Olmert's negotiations with Abbas continued, another piece announced, "OLMERT DECLARES WAR ON ISRAEL."

President Bush with first lady Laura Bush, Israeli Prime Minister Ehud Olmert, second from left, his wife Aliza, and Israeli President Shimon Peres, second from right , May 14, 2008, at the Jerusalem International Convention Center. Las Vegas Sands owner Sheldon Adelson is at far right

Adelson has long preferred a low profile in many of his political activities. But one of his maneuvers did appear in the press. He has been a generous donor to the American Israel Public Affairs Committee, or AIPAC, the dominant lobby of American Jewry regarding U.S. policy toward Israel. Since the nineties, Adelson has helped underwrite many congressional trips to Israel, sponsored by an AIPAC educational affiliate. (Adelson pays only for Republican members.) Last year, he contributed funds for a lavish new office building in Washington, D.C., for the

organization. In November, shortly before the summit, he learned that AIPAC was supporting a congressional letter, signed by more than a hundred and thirty members of the House of Representatives, that urged the Bush Administration to increase economic aid to the Palestinians, an initiative that the government of Israel also supported. Adelson was furious.

AIPAC is not accustomed to being attacked publicly from the right; its critics generally charge that its conservative policies toward Israel favor the status quo over a peace accord. But AIPAC has traditionally insisted that it seeks to further a close American-Israeli relationship, whether the government of Israel is left, right, or center. In an interview with the Jewish Telegraphic Agency, Adelson said of AIPAC's support of aid for the Palestinians, "I don't continue to support organizations that help friends committing suicide just because they want to jump." AIPAC has not made any policy shifts, and it is not clear whether Adelson will continue to contribute to the organization.

When Adelson was merely rich, he wrote checks for causes that he favored and for politicians whom he supported. Occasionally, he demanded to be heard. But he did not expect to play a significant role in U.S. foreign policy, or in Israel's strategic decisions, or in the fate of a sitting Israeli Prime Minister. That was before he acquired many billions of dollars. (He has assets of twenty-six billion dollars, according to a Forbes list published in March.) His political expenditures and his expectations have increased proportionately. Not long after Bush's encounter with Adelson last October, an Israeli government representative said that Bush, describing it to another Israeli official, had remarked wryly, "I had this crazy Jewish billionaire, yelling at me." (The Israeli official does not recall the conversation; the White House said that it had no comment.)

Gambling on Macao

In July, 2001, Adelson met with a Vice-Premier of China, Qian Qichen, in the historic Purple Light Pavilion, in Zhongnanhai, where foreign dignitaries are often received. Adelson was impressed, recalling later in trial testimony that it was "a very regal looking environment." He was accompanied by Bill Weidner, the president of his company, Las Vegas Sands, and Richard Suen, a Hong Kong businessman with connections to top Chinese officials, who was a friend of Adelson's brother Lenny. Suen had helped arrange the meeting, after asking Adelson the previous summer whether he might be interested in obtaining a gaming license in Macao. According to Suen, Adelson told him that such a license would be like getting "the brass ring," and described himself as "a man with a grand vision and a big pair of brass monkeys," who "would like to leave a visible footprint in history."

Macao had an enormous geographic advantage as a gaming destination. Gambling flourished in China until 1949, when the Communists took over and banned it as a capitalistic vice. But the Chinese remained avid gamblers, and gambling continued in Macao, a Portuguese colony an hour by ferry from Hong Kong. For nearly forty years, Stanley Ho, a controversial businessman, had enjoyed a gambling monopoly, but Macao was plagued by prostitution and violent crime, and dominated by triads, or Chinese mafia. In late 1999, soon after Macao was turned over to the People's Republic of China as a special administrative region, rumors began to circulate that Ho's monopoly was coming to an end; a limited number of new gaming licenses would be issued.

In the 2001 meeting, Qian, who was well briefed on Adelson, pointed out that during the Second World War China had accepted more than twenty thousand Jewish refugees in Shanghai. Adelson had been warned by Suen that Chinese officials find the subject of gaming distasteful, so he should not broach it. (As Suen wrote to Adelson, the Communists had banned gambling not only because it was against party principles but because "it has been a curse to my people way back in history like opium. It destroyed thousands of families from the bad old days to now.") Adelson spoke, instead, about his experience in the hotel and convention business. In 1979, he had launched a computer trade show, Comdex (for Computer Dealers Exposition), and over the next decade it became one of the largest in the world. In 1989, he had bought Las Vegas's old Sands Hotel, and built the biggest privately owned convention center in the country. And in 1997 he broke ground on the Venetian, to cater to a growing number of business travellers, among others. Qian told Adelson that he wanted to do much the same in Macao.

Then, unexpectedly, Qian introduced the subject of casinos. He asked how many hotel rooms Adelson might build in Macao. "I don't know," Adelson, who recalled the meeting in his trial testimony, responded. "How many you want me to build?" "Well, how many can you?" "I said, 'Well, that all depends how many people can come there.' " (China's 1.3 billion nationals need a special permit to go to Macao, so China controls the flow of visitors.) "He said, 'How many do you want?' And I said, 'Wow.' Of course, I didn't say, 'Wow,' right in front of him, but—I mean, when I left there I said to Bill . . . 'Did you hear what I heard? . . . Do you think there's a possibility . . . that he can open the gates to Macao?' "

In May, 2004, the first gamblers entered the Sands Macao. Its construction costs were two hundred and sixty-five million dollars, and Adelson made back his initial investment in a year. In December, 2004, Adelson took Las Vegas Sands public (according to Forbes, he owns sixty-nine per cent of the stock) and became a multibillionaire, overnight. The following year, Macao drew 10.5 million mainland Chinese visitors, a hundred and forty-seven per cent more than three years earlier—reflecting an easing of travel restrictions and an increase in the number of newly wealthy Chinese. By the end of 2006, Macao had become the top gambling center in the world, with gaming revenues exceeding $6.9 billion, a quarter of a billion dollars more than those on the Las Vegas Strip. In 2007, revenues climbed to $10.3 billion. That year, Adelson opened the $2.4-billion Venetian Macao—with canals and stripe-shirted gondoliers, as well as an extensive shopping mall and a five-hundred-and-forty-six-thousand-square-foot casino, which is the largest in the world. Since the Sands Macao opened, his personal wealth has multiplied more than fourteen times, and, according to the Times, in the two years after his company went public he earned roughly a million dollars an hour.

The 40-storey $2.4 billion Venetian Macao Resort Hotel in Macau opened on August 28, 2007

Now Las Vegas Sands plans to create "the Las Vegas Strip of Asia" on Cotai—an area of reclaimed land between two small islands, connected by bridges to Macao's peninsula—spending an additional ten billion dollars to build a dozen new hotels, with twenty thousand rooms, and adjacent casinos. The hotels will include some of the world's most famous brands, including the Four Seasons; all the casinos will be owned and operated by Las Vegas Sands. At a groundbreaking ceremony, in March, 2007, Adelson said that many members of Congress criticize China for its human-rights record, but he added that he liked the way the Chinese run their country. "People seem to be living a good life in China," he said. "Look at the incredible progress China has made. How can someone say they're doing the wrong thing?" He added that those who don't approve of the way China is governed need not go to the country. "I don't think the U.S. should be the policeman of the whole world," he said.

Suen has yet to profit from the role he played, and in 2004 he filed a lawsuit against Adelson and his company in Clark County District Court, in Las Vegas. He alleged, essentially, that Adelson and Las Vegas Sands had an agreement with him to help obtain the Macao license and then reneged after it was won. A letter signed by Weidner, shortly after the July, 2001, trip to China, details an arrangement whereby Suen would receive five million dollars as a "success fee upon opening of the resort" and an "ongoing 2% of the net profit to the resort." (Las Vegas Sands maintains that no formal contract existed and that Suen's role in procuring the license was negligible. "We're not deadbeats," Adelson said in testimony. "We owe people money, we pay them.")

On the morning of April 17, 2008, Adelson arrived at the Clark County courthouse in a Maybach limousine, accompanied by his wife and a bodyguard, and followed by a second vehicle, with additional bodyguards. Since 2001, Adelson has suffered from a condition known as peripheral neuropathy, which makes it difficult for him to walk. With his bodyguards in tow, he maneuvered an electric scooter along the courthouse corridor; when he arrived at the courtroom, he declared, "I brought my own chair," and, standing with the help of his wife, glared at a half-dozen reporters assembled there. Adelson's lawyer, Rusty Hardin—he recently represented Roger Clemens on Capitol Hill, defending him against accusations of steroid use—had argued that "confidential, private or trade secret information" in the case made "media access to the trial . . . impractical and prejudicial." That request had been denied. (Adelson occasionally grants an interview to the business press, if the story is narrowly focussed, but he will not coöperate if the aim is a more comprehensive portrait. As he told me, explaining his refusal of my repeated requests to interview him, he admires the way that Kirk Kerkorian, the ninety-one-year-old majority shareholder of Nevada's largest gaming company, MGM Mirage, conducts himself—"and Kirk never talks to the press." Adelson added, "Someday, I'll write my own book.")

Testimony in the Suen case proposes an answer to a subject of enduring conjecture in Las Vegas: how Las Vegas Sands triumphed over Strip rivals—such as MGM Mirage and, in a joint venture, Park Place Entertainment and Mandalay Bay Resort—that were also seeking a Macao license. At the time, Las Vegas Sands was smaller and financially weaker.

In July, 2001, after arriving in Beijing, Adelson and Weidner saw Olympic banners flying along the streets. They soon learned that the country was waiting to find out whether it would be selected as the site for the 2008 Summer Games. In addition to seeing the Vice-Premier, Adelson and Weidner met with the mayor of Beijing, who asked Adelson for help with a matter pending in the U.S. House of Representatives, which he believed was threatening China's chance to host the Olympics. (In the United States, China was widely perceived as the frontrunner, and it is not clear that Congress's position would have had any impact on its chances.) Adelson said in court that he immediately made calls on his cell phone to Republican friends in Congress—including Tom DeLay, then the majority whip—who had received generous support from Adelson. DeLay told him that there was indeed a resolution pending about China and the Olympics. (Representative Tom Lantos, then the highest-ranking Democrat on the House International Relations Committee, had introduced a resolution opposing China's Olympic bid, saying, "China's abominable human rights record violates the spirit of the games and should disqualify Beijing from consideration.")

Tom DeLay, House Majority Leader 2003-2005

Weidner, in his deposition, described the relationship between DeLay—"a very religious guy"—and Adelson. "The link between Sheldon Adelson and right-wing religious Christians is the commonality of a strong Israel," he said. "So it just happens to be Sheldon has taken Tom DeLay to Israel and he's a friend." DeLay told Adelson that he supported the resolution because of his concern about China's record on human rights but added that he would be discussing the legislative agenda shortly. "Sheldon folds his cell phone up and says to the mayor of Beijing, 'I'm going to do my best,' " Weidner said. "About three hours later DeLay calls and he tells Sheldon, 'You're in luck,' " he continued, " 'because we've got a military-spending bill. . . . We're not going to be able to move the bill, so you tell your mayor that he can be assured that this bill will never see the light of day.' So Sheldon goes and he goes to the mayor and he says, 'The bill will never see the light of day, Mr. Mayor. Don't worry about it.' " Weidner also instructed the Sands's lobbyists in Washington, Patton Boggs, to suggest to the Chinese Embassy that Adelson and Las Vegas Sands were involved in the process that stalled the bill. (According to DeLay's spokeswoman, DeLay does not recall the conversation and had no role in blocking the bill. Representative Lantos died last February.)

In their trial testimony, both Adelson and Weidner portrayed the bill's demise as having resulted from the press of other legislation, rather than as a deliberate move by DeLay to help his benefactor. Six days after Adelson's conversation with DeLay, Lantos called for a vote on the resolution, saying, "I am asking the Speaker and the majority leader no longer to bottle up our legislation and to allow the representatives of the American people to speak their minds on this issue. . . . Mr. Speaker, allow us a vote." Three days later, the International Olympics Committee voted in China's favor.

Official Logo of the 2008 Beijing Summer Olympic Games

The only other American casino magnate to win a license in Macao in early 2002 was Steve Wynn, but he did not move as quickly as Adelson: the Wynn Macau opened two years after the Sands Macao. In 2004, however, MGM Mirage—which had lost out in the 2002 Macao bidding process—announced that it had obtained a license through a joint venture with Pansy Ho, Stanley Ho's daughter, and that it would build a casino in Macao. It would be a formidable rival to the Sands.

For MGM Mirage, the opportunity to enter Macao with Pansy Ho was at once alluring and treacherous. Stanley Ho has for many years fought allegations that organized-crime triads are involved in his Macao casinos. American regulators would have to be satisfied that Pansy Ho was independent of her father, and MGM would have to institute certain protections in the joint-venture agreement. MGM executives concluded that these goals were challenging but doable. Several months after MGM's announcement of the deal with Pansy Ho, an adviser to MGM Mirage told me, they began hearing rumors that a report was being circulated, accusing Stanley Ho and his daughter of having criminal ties, among other allegations, and that it had been commissioned by Las Vegas Sands. Around this time, the adviser continued, Adelson visited Kerkorian in Los Angeles and told him that he would have problems with Pansy Ho and suggested that MGM Mirage become partners with Las Vegas Sands instead. Kerkorian declined, the adviser said. In 2007, an article in the Newark Star-Ledger revealed that a report that had circulated among journalists, regulators, and government officials around the world about Pansy Ho and her father had been commissioned by Las Vegas Sands. When the story broke, Adelson's spokesman said that the company executives had no idea how copies of the report were leaked, and noted that the report had been commissioned to learn more about the Hos. "We're in the midst of a twelve-billion development in Macao," the spokesman said. "Certainly there's been a lot of rumor and speculation about the Ho family and its business activities. . . . It was only prudent for us to get the lay of the land."

When I asked MGM Mirage's chairman and chief executive officer, J. Terence Lanni, about Adelson's visit to Kerkorian, he said that Adelson had not offered a true partnership. "But we wouldn't have done it even if there were a possibility of a partnership, because they're not good partnership material," he said.

After Kerkorian's refusal, Las Vegas Sands executives flew to Mississippi to see the governor, Haley Barbour. "Haley called, and he said that when he heard these Las Vegas Sands executives were coming to see him he was excited," Lanni, who has been a friend of Barbour's since the nineties, when Barbour chaired the Republican National Committee, recalled. "He thought they wanted to make a major investment in

Mississippi." After the executives arrived, they discussed the report with Barbour, and said that the Mississippi Gaming Commission should not approve the application from MGM Mirage to enter into gaming in Macao. (Because MGM Mirage has resort casinos in Mississippi, state regulators must grant approval of the gaming company's foreign operations.) "Haley said, 'I realized after a few minutes that those guys don't like competition,' " Lanni continued. (Barbour's office confirmed the meeting but declined to discuss the conversation. Adelson declined to comment on this, as he did on all aspects of the piece.) The Mississippi Gaming Commission waived its requirement to approve the deal, allowing MGM to go forward in Macao.

"Sheldon is a very determined person," Lanni said. "When he wants something, it's a fixation, it's 24/7. What he did here was his right to do," Lanni continued, adding, "I wouldn't do it."

A Corned-Beef Soirée

"In my sixty-three years in business, in over fifty different businesses, I've broken the mold and changed the status quo," Adelson said one evening in late March to about three hundred dinner guests, gathered in a lavish ballroom at the Venetian in Las Vegas to see him and his wife presented with an award for corporate citizenship by the Woodrow Wilson International Center for Scholars. (The singer Wayne Newton was also honored.) Adelson, whose countenance often suggests that he is spoiling for a fight, takes pride in being an outsider, who has suffered rejection and ridicule but has avenged every slight, many times over. Vindication is sweet, if never quite sufficient. As he recently commented during a conference call with stock analysts, "They always derided, they always demonized our convention strategy, and look who's laughing last."

Adelson's father, a Lithuanian immigrant, was a cabdriver in Boston, and his mother ran a knitting shop from home, in a tenement in Dorchester. Sheldon, his three siblings, and their parents all slept in one room. He and other Jewish boys in the neighborhood were beaten up by Irish youths. When he was twelve, he borrowed two hundred dollars from an uncle to purchase the right to sell newspapers on prime corners. At sixteen, he started a candy-vending-machine operation. He attended a trade school to become a court reporter, and when he joined the Army, three and a half years out of high school, that was his assignment. He told the audience at the Venetian that it was then that his commitment to helping others crystallized. "I know that a lot of people think that guys like me succeed by stepping on the broken backs of employees and other people," Adelson said, "but they don't understand that we, too, have philosophies and ideals that we adhere to very scrupulously."

He had an epiphany of sorts when he was in the Army. He said that in the waning days of the McCarthy era there were a number of appeals-board hearings of scientists who had had their clearances revoked, and he took down their testimony. "The scientists had been invited to a 'soirée,' " he continued, his voice tinged with sarcasm. "You know, these wine-and-celery affairs, wine-and-cheese affairs—and me, I wanted hot dogs and hamburgers and pastrami sandwiches." The crowd chuckled appreciatively. "Little did they know that these were Communist-infiltrated cells. . . . But every one of them had the same story," he said. "They went to soirées, and the conversation consisted of why they were here on earth. And I said to myself, 'These guys are . . . the greatest scientists in history, and they're asking themselves, Why are they here on earth? . . . This is the most ridiculous thing I ever heard of. There have been countless billions of people that have lived since the Neanderthal man, and not one person has ever found out why they're here on earth, with any degree of certainty—don't they know that?' "

Still, he tried to put himself in their place. He imagined himself at a "corned-beef soirée," trying to figure out why he was here on earth. First, he thought it was to feel good, but then he decided that that was too selfish. What about helping others? "If I make other people feel good, I feel good!" He added, "I literally, mentally, went like"—he paused, brushing his hands together in a dismissive gesture—"it's over with! I don't have to think about that issue ever again in my life."

After Adelson came out of the Army, he and his brother Lenny packaged toiletries to be distributed by hotels and started a business called De-Ice-It, which sold a chemical spray to help clear frozen windshields. Adelson became a mortgage broker; he sold ads for financial trade publications and advised companies looking for financing; he invested in real estate, and ran a tour business. ("My father used to say . . . 'Sheldon, you're like that horse stuff—you're all over the place,' " Adelson told investors at a recent conference.) Some of his ventures were successful—he has said that in his mid-thirties he had a net worth of about five million dollars—but he lost a fortune twice. Jason Chudnofsky, a business investor, recalled a meeting, in the mid-eighties, at the kitchen table in Adelson's home in a Boston suburb, where he was living with his first wife, Sandra. "I remember sitting with him," Chudnofsky said. "He had a T-shirt on and was eating Chinese food out of a carton. He said, 'Work with me, Jason, and we're going to be dealing with ministers!' I said, 'What church?' He said, 'No, not church! Ministers of countries!' I was skeptical, knowing his past history." Chudnofsky continued, "Sheldon had lost a lot of money."

Comdex broke the cycle of success and failure in Adelson's business career. In 1979, noting the growing personal-computer business, he launched an independent trade show in Las Vegas, to bring together the industry. Comdex was owned by what later became known as the Interface Group, a company that produced conferences and expositions around the world. Chudnofsky, who became the president and C.O.O. of Interface in 1988, concluded that Adelson had not only an enormous appetite for risk and a keen intellect but also the instincts of a street fighter—which gave him an edge over many of his more educated peers. He did not shy away from courtroom battles. "Since he was a young businessman, Sheldon's attitude has been: Spend millions on defense and never settle," Chudnofsky said. Adelson thought big. He would demand of his executives, "Why scratch like a chicken when you can roar like a lion?" He was a micromanager before the word had become a cliché. And he was not a boss for the fainthearted. Once, when a secretary made a couple of errors in a letter she was typing, Adelson sat down and showed her how it should be done—at ninety words a minute. Another Interface executive, Dave Kaminer, said, "There were people who feared him. They would just shudder when Sheldon walked through."

In the late nineteen-eighties, one of his closest friends from childhood, Alan Rice, was the show director for a Las Vegas festival, Cinetex, that was organized by Interface in collaboration with the American Film Institute. Rice taped Adelson at one meeting when he was issuing orders. "About a month later, Sheldon came back and said, 'You guys have done this all wrong, you didn't follow my directions!' " Chudnofsky recalled. "Alan Rice said, 'Stop for a second, Shel—I'm going to play a tape of the meeting for you.' And Sheldon said the following: 'What are you guys, crazy? Who are you gonna believe, me or the tape?' " (Rice declined to comment on the incident.)

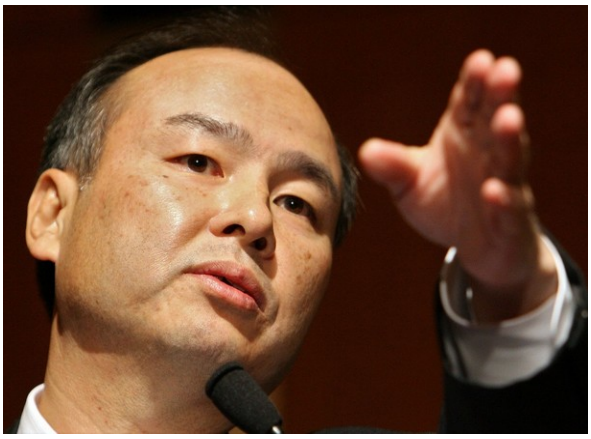
During this period, Adelson remarked to Kaminer that he had finally realized what he was: an entrepreneur. "He said that before he heard the word he'd always thought he was a floater with a short attention span," Kaminer recalled. Adelson spotted a new opportunity: Las Vegas. The city had focussed on high rollers and entertainment, but, Adelson thought, why not lure more business travellers with conventions and corporate meetings, and fill the hotels on weekdays? In 1989, Adelson bought the old Sands Hotel from Kerkorian for a hundred and twenty-eight million dollars, and established a new company, Las Vegas Sands. He built the country's largest exhibition center next to the hotel. The local establishment mocked him, but as conventions flocked to Las Vegas he was proved right.

Adelson, who separated from Sandra in 1988, met Miriam Ochshorn on a blind date the following year. Miriam, an Israeli internist, was at Rockefeller University as a guest investigator on an exchange program, and was living with her two young daughters in a New York apartment.

Miriam's specialty was the treatment of drug addiction. Sandra Adelson had three children, whom Sheldon had adopted when they were young. Their two sons, Mitchell and Gary, both had substance-abuse problems, and during the eighties Adelson had helped to establish drug-treatment centers. Adelson was still living in Boston, but he and Miriam began spending a great deal of time in Las Vegas.

In mid-November, 1993, during the annual Las Vegas Comdex show, Adelson met with Masayoshi Son, a software distributor from Japan who had made his first million while still an undergraduate student, at the University of California at Berkeley, and had started a company, SoftBank, in 1981, when he was twenty-four. (Today, Son is the fifth-richest man in Japan, according to Forbes.) Son told Adelson that he was interested in acquiring Comdex but did not have the money; Adelson told him to come back when he did. The following year, the two met again; Adelson later said that he thought they were meeting to continue a discussion Son had had with one of Adelson's partners about Interface's interest in another deal—but, to his surprise, Son told him he wanted to discuss the possibility of buying Comdex, and he would name a price after reviewing the company's financials.

At the time, Adelson had three partners in Interface, and they were eager to sell, having entertained offers for several years. One of the partners, Irwin Chafetz, had a mantra: "Nothing is forever." Now, as an incentive to persuade Adelson to sell, they agreed to relinquish their interests in Las Vegas Sands. At a meeting in mid-January, 1995, Son made an offer, and the next month Comdex was sold to SoftBank for more than eight hundred million dollars. Adelson, with a controlling stake in the company, reportedly earned five hundred and ten million dollars from the sale.



Son Masayoshi, Chief Executive Officer (CEO) of Softbank Mobile and Softbank group, announces the company's new mobile phone price plan at a press conference in Tokyo in January 2007.

Shortly before the eventful meeting between Son and Adelson in November, 1994, Adelson had made a proposal to his three adult children. In 1989, he had arranged for each of them—Mitchell, Gary, and his daughter, Shelley—to receive 2,941.24 shares of stock in Interface, in trusts; now he broached the possibility of buying the shares back. In a discussion with Mitchell on October 20, 1994, Adelson alluded to the risks of stockownership; he also said that he had long been trying to sell Interface but had not received any appropriate offers, and he did not foresee selling the company in the near future. Adelson believed that his sons could not support themselves or their families (he had been supporting them, either directly or by furnishing assets that provided their support), and that the transaction would assure them a steady stream of income and a later lump sum. Adelson asked Mitchell to convey the proposal to Gary and Shelley. On November 10th—days before the meeting in which Son told Adelson that he wanted to buy Comdex—the three children signed documents agreeing to sell their shares to their father, at a price based in part on a valuation of the entire company of four hundred and thirty million dollars, half of what it sold for several months later. The children received just under $5.3 million for their shares from Adelson.

In September, 1997, Adelson's sons sued their father, alleging that he had defrauded them by not divulging material information, in order to induce them to sell their stock for less than its fair value. (Adelson's daughter, who was married to a company executive, did not join the suit.) In April, 2001, the sons lost in a trial in Massachusetts Superior Court. In the Findings of Fact, Associate Justice Hiller B. Zobel wrote, "The evidence during the 14-day trial depicted, like something from the playwright Arthur Miller, a harsh, demanding, unfeeling, successful businessman frustrated in his inability to actuate his self-indulgent, substance-abusing, over-pampered, and (as he believes) ungrateful sons." In the Conclusions of Law, the judge wrote, "Defendant Adelson, although perhaps lacking paternal kindliness and, indeed, cordiality generally, did not mislead, cheat, or defraud Plaintiffs." In a separate memorandum, Justice Zobel denied a motion that Adelson had made to tax his sons with deposition costs. Mitchell, who pursued the case in appellate court, lost there, too, in 2004. (In September, 2005, Mitchell, who was married and had three sons, died unexpectedly at the age of forty-eight. Miriam Adelson recently told the Israeli newspaper Ha'aretz that he died of a drug overdose.)

Associate Justice Hiller B. Zobel in 1997

In 1996, Adelson demolished the old Sands hotel and began building the Venetian. Instead of small rooms with no amenities and all-you-can-eat buffets, it would have four thousand rooms, of seven hundred square feet each, with minibars, fax machines, and telephones equipped for

conference calls. It would offer world-class restaurants, a shopping mall with luxury boutiques, and the world's largest casino. Since Adelson was building this mega-resort at a time when Las Vegas was suffering from a glut of rooms and many operators were cutting prices, his competitors felt threatened.

Adelson, typically, was consumed with things large and small: the precise replication of the Campanile di San Marco and the Bridge of Sighs, the tassels on the curtains, the question of whether it was cheaper to rent or buy cranes (he bought), the color of the canals (he ordered them drained and their surface repainted, for a more perfect blue). "He would reengineer everything every day," Ken Moelis, an investment banker who has known Adelson since the eighties, said. Moelis added that this approach reflected Adelson's attitude toward most things in business and in life. "It's taking nothing for granted. 'Just because it's been done this way, so what?' He's just a grinder on everything. He chops up problems and goes back to square one. If you say, 'Let's start by saying there are fifty people out there,' he says, 'Why? Why do you say fifty?' " After a pause, Moelis added, "But I have to say—he's a great entrepreneur." In May, 1999, when the Las Vegas Venetian opened, Adelson's rivals enjoyed the spectacle. Many shops and restaurant spaces were still under construction, and building inspectors hadn't approved all of the hotel rooms. Adelson and his contractors were in court, there were hundreds of millions of dollars of liens on the hotel, and picketers were demonstrating on the Las Vegas Strip.

Like all major Las Vegas hotel casinos, the Sands was a union hotel when Adelson bought it, but the Venetian was non-union. This sparked a singularly bitter war with the Culinary Union, which had for many years maintained good relations with most hotels on the Strip. (Adelson has said that the benefits he gives his employees are superior to union benefits.) After a rally in which a thousand union supporters picketed in front of the Venetian, Adelson tried to have them removed by the police, and when that failed he went to court, arguing that the sidewalks outside the Venetian were private property, and not subject to the First Amendment. The Venetian lost in the district court and the appellate court, and in 2002 the U.S. Supreme Court refused to hear the case.

When Adelson learned that the Denver-based National Jewish Medical and Research Center was planning to host an event in Las Vegas in March, 1998, to honor John Wilhelm, the head of the Culinary Union at the time, he called the president of the hospital to protest. The event went on as planned, and, according to the Las Vegas Review-Journal, one participant, the Nevada senator Richard Bryan, referred to the man "who is dining alone tonight." In 1999, Las Vegas's Temple Beth Sholom was holding a dinner to fête the new mayor of Las Vegas, Oscar Goodman. Adelson, a member of Beth Sholom, had recently pledged two hundred and fifty thousand dollars to the temple's new-building fund. The dinner was to be held at the Venetian, but Mayor Goodman said that he would not cross the picket line, and synagogue officials decided to go elsewhere. Adelson excoriated Beth Sholom's rabbi, Felipe Goodman. Rabbi Goodman told the Review-Journal that Adelson had been "so verbally abusive. I was very upset because no one had ever talked to me like he talked to me." After the dinner took place at the Four Seasons, Adelson withdrew his pledge to Beth Sholom. He gave large sums to the local Chabad, a branch of the Hasidic Chabad-Lubavitchers, for the construction of a new center.

Adelson, like other members of his family, had been a Democrat. But, as his wealth grew, he began to favor tax-averse Republican economic policies. He argued to an associate recently, "Why is it fair that I should be paying a higher percentage of taxes than anyone else?" Three years ago, at an event in Washington, D.C., celebrating the twentieth anniversary of the Republican Jewish Coalition, Adelson, who was being honored that evening, told the audience about the time he had spent with William Bush, the brother of George H. W. Bush, during the 1988 election. "He explained to me what Republicanism was all about . . . so I got to learn about it and I switched immediately!" Adelson said. But it was only after he went to war against the union that he became so partisan. He began donating hundreds of thousands of dollars to the Republican National State Election Committee.

Testifying before the Nevada state ethics commission in 1998, Shelley Berkley, who is now a Democratic congresswoman for Nevada, and who had worked for Adelson in the nineties as his vice-president of legal and governmental affairs, said that Adelson had told her that "old Democrats were with the union and he wanted to break the back of the union, consequently he had to break the back of the Democrats." Adelson fired Berkley in 1997, just months before she planned to begin a run for her first term in Congress. In a September, 1998, letter to the Review-Journal, Adelson wrote, "She violated attorney/client privilege and after two warnings, I decided to fire her. . . . Shelley Berkley attacks me in order to draw attention away from her own ethical lapses." Berkley published a letter in the paper a week later, in response, and she explained her firing differently. "My relationship with him began to sour the moment I urged him to hold jobs open at the Venetian for former Sands workers. The more I encouraged cooperation with the workers, the more I incurred Mr. Adelson's wrath," Berkley wrote. "Over time, I observed Mr. Adelson plot vendettas against anyone whom he believed stood in his way. However minuscule the perceived affront, he was certain to go ballistic, using his money and position to bully any 'opponent'—great or small—into submission. . . . He has funneled hundreds of thousands of dollars to the Republican Party to support his handpicked candidate by attacking me on TV."

She went on, "I have unique personal knowledge of how Mr. Adelson seeks to dominate politics and public policy through the raw power of money. Shortly before I was fired from the Sands by Mr. Adelson in 1997, he made me an offer. It was a bizarre proposition, but it was simple and it was direct. He told me if I would switch from the Democratic Party to the Republican Party he would provide all the campaign funding I would need to run for Congress." Berkley won her first race by only three percentage points. In 2006, she won a fifth term with sixty-five per cent of the vote, and today is a popular representative with a seemingly safe district; but Adelson has continued to try to defeat her.

Congresswoman Shelly Berkley (second from the left), 2006

His Father's Shoes

However much influence Adelson's wealth has brought him in this country in the last few years, it is modest compared with his sway in Israel. Adelson has long been devoted to the Jewish state. He has often recounted how his father yearned to set foot in Israel but was too poor to travel there, and then, later, too ill to go; after his father died, Adelson travelled to Israel and wore his father's shoes when he disembarked from the plane. With his marriage to Miriam, in 1991, his focus on Israel intensified. For their wedding, Adelson took more than a hundred and fifty guests to Israel on a private plane; they stayed in the King David Hotel, in Jerusalem, and attended a reception in the Knesset's Chagall State Hall, where Chagall tapestries hang. Miriam and Sheldon have two sons—Adam, born in 1997, and Matan, in 1999. Miriam has continued her work treating drug addicts, and she and Sheldon have founded drug-treatment clinics in Israel as well as in the U.S. (Sheldon often refers to her as his "angel-wife," alluding to her commitment to helping others.)

According to two people who know Adelson well, Miriam influenced his political views on Israel, which have become more conservative. By the mid-nineties, Adelson and Netanyahu had formed a close relationship; in Israel's 1996 election, in which Netanyahu defeated the Labor candidate for Prime Minister, Shimon Peres, by a mere thirty thousand votes, Adelson was widely reported to be a key backer.

Sheldon and Miriam Adelson in 2007

Adelson began spending a great deal of time in Israel. He invested in high-tech companies, and he lobbied for the legalization of gaming, declaring his desire to build a casino in Eilat, at Israel's southern tip, which he visualized as "Vegas with water." He also considered building a casino on an island in the Jordan River. Israel's Ambassador to Jordan at the time, Oded Eran, remembered receiving a call from Prime Minister Netanyahu, who said that, when Adelson was in Amman, Eran should take him to see King Hussein. Adelson wanted to propose his gaming initiative to the King. "Adelson got in my car and said, 'Where did you get this? I need one,' " Eran recalled. "I had an armored car, made by BMW, that cost a half million dollars, and had windows so thick that it was an exercise for your arms to close the door." He asked Adelson why he needed one; Adelson replied that he was in the casino business.

Adelson's dreams of gaming in Israel have not yet been realized—Orthodox Jews, especially, are strongly opposed to gambling—but his current ambitions go far beyond casinos. He has set off a fight among newspapers in Israel which is unprecedented; never before has someone with virtually unlimited means tried to use a newspaper to make a politician Prime Minister. Israel has three major Hebrew-language

morning newspapers, Yedioth Ahronoth, Ha'aretz, and Ma'ariv. In 2006, Adelson tried to buy Ma'ariv, but his negotiations with its chairman, Ofer Nimrodi, collapsed. That year, Adelson started a free daily with an Israeli partner; he and his partner ended up in court, and he withdrew from the venture. In March, 2007, Adelson began a new round of talks to buy Ma'ariv, but these negotiations, too, broke down. After all these false starts, last August, Adelson launched Israel Hayom, or Israel Today, a free daily. It was reported that he was planning to invest a hundred and eighty million dollars.

Ma'ariv, one of the largest daily newspapers in Israel

Michael Steinhardt is a former hedge-fund manager and the co-founding chairman of Taglit-Birthright Israel, a program, established in 1999, that pays for Jewish youths to go to Israel each year. He is friendly with Adelson, who is a fellow-contributor to Birthright. "These things are not done to make money," Steinhardt said of Adelson's new media initiatives. "They're done because Sheldon's an ideologue—he really cares about things that are of the spirit and not of the pocketbook."

In the Israeli media world, Israel Hayom is referred to as Bibi-ton, because many believe that it serves as a mouthpiece for Netanyahu, whose nickname is Bibi, and who has long received extraordinarily negative press coverage in Israel. Israel Hayom journalists are reportedly under strict orders not to speak publicly about their paper. "What their spokespeople say is, there is a need for more balanced journalism in Israel, like what Fox News says in the U.S.," one academic told me. "But, yes, the paper's objective is to make Bibi Netanyahu Prime Minister," he went on, stressing that that goal was not quixotic. "In Israel, newspapers have a large impact on the public mind."

The editor of Israel Hayom, Amos Regev, is a Netanyahu supporter, and he recruited several well-regarded journalists. One was Dan Margalit, formerly of Ma'ariv. Margalit was for many years one of Olmert's closest friends but broke with him over his handling of the 2006 Lebanon war. Well before the current corruption investigation of Olmert, Israel Hayom was filled with anti-Olmert articles. Its specialty is vitriolic headlines, such as "THE ASS-COVERING OF THE GOVERNMENT." (Israel Hayom would not comment for this article.)

Last January, Nahum Barnea—a political columnist for Yedioth Ahronoth, who is one of Israel's preeminent journalists—wrote about Adelson in his media column, The Seventh Eye. Adelson, he said, "is a great admirer of Israel, and knows better than any Israeli what is best for this country. When it comes to his views on the [Israeli-Palestinian] conflict, he is a right-wing extremist, who is convinced that Israel is governed by a corrupt, unpatriotic, and illegitimate government. . . . Billionaires with a political agenda spell trouble in any kind of media outlet, but in Israel—where the political system decides on matters of existential importance—all the more so." Barnea noted that the publishers of Ha'aretz, Yedioth Ahronoth, and Ma'ariv exert influence over the general political outlook of their respective papers, but that many articles in each paper represent a different point of view. "Adelson's project, on the other hand, publishes only what Adelson himself would want to read—if he could read Hebrew, that is," Barnea wrote. "The same agenda, day in, day out, relentlessly. This is the stuff propaganda is made of, not journalism."

In early January, Yoram Bonen, a Tel Aviv lawyer, wrote a letter on behalf of Israel Hayom to Prime Minister Olmert. Bonen complained that Israel Hayom reporters were being discriminated against in various ways by Olmert's office. Olmert's media adviser, Yaakov Galanti, labelled the claims "ridiculous." In a written response, he also said that even the definition of Israel Hayom as a newspaper was wrong; the phrase "printed material" would be more suitable.

Galanti wrote, "The Prime Minister has, on more than one opportunity, had occasion to meet with the publisher of this material who, for some

reason, did not conceal his political views or the political aims of his printed material—not to mention the fact that this same publisher meddles in the Israeli political scene, meeting with coalition members and trying to persuade them to quit the [government].” In late December, it was reported in the Israeli press that Adelson had met with two ministers in Olmert’s coalition government—Avigdor Liberman, of the right-wing Israel Beytenu Party, and Eli Yishai, of the ultra-Orthodox Shas Party—to try to persuade them to leave the coalition, a move that would likely bring down the Olmert government. In February, pamphlets were delivered to the synagogues attended by Shas voters throughout Israel, urging them to tell Yishai to leave the government. A spokesman for Shas said that the pamphlets were distributed by One Jerusalem, which is funded in part by Adelson. (One Jerusalem denies involvement.) Liberman left the government in January. He said that he did not discuss his departure with Adelson and that he left following Annapolis, “when the government began negotiating with the Palestinians regarding core issues.” Yishai remains, though he threatens to walk out if Olmert negotiates with the Palestinians about Jerusalem.

Israel Hayom seems to be thriving. A survey published in late January showed that it was gaining readers at the expense of paid-for publications. It is seeking to challenge Yedioth Ahronoth, Israel’s largest daily, which calls itself “the paper of the country,” both by competing directly and by forming an alliance with Ha’aretz, using Ha’aretz’s printing and distribution systems. In April, the Israeli press reported that Adelson was once again negotiating with Nimrodi to buy Ma’ariv. Someone close to the Mozes family, which has owned Yedioth since Israel’s independence, suggested that, if Adelson succeeds in buying Ma’ariv, Yedioth might have to go public, in order to have sufficient funds to compete against Adelson.

Adelson is also funding, with a $4.5-million grant, a think tank, the Adelson Institute for Strategic Studies, at the right-leaning Shalem Center, in Jerusalem. Netanyahu allies are on its staff. Natan Sharansky, the chairman of One Jerusalem, also chairs the Adelson Institute. Sharansky helped organize a “Democracy and Security” conference last June, in Prague, which was attended by President Bush. Iran was a major topic of discussion. A month after the Prague conference, Adelson attended a fund-raising event at the C.A.A. talent agency, in Los Angeles, for Steven Emerson, an investigative journalist specializing in Islamic extremism and terrorism, who was showing a ten-minute trailer for a film he wanted to make. Emerson introduced Sheldon and Miriam to the overflow crowd in C.A.A.’s two-hundred-seat theatre, saying that they were his generous supporters. After Emerson’s presentation, Pooya Dayanim, a Jewish-Iranian democracy activist based in Los Angeles, chatted with Adelson. Recalling their conversation, Dayanim observed that Adelson was dismissive of Reza Pahlevi, the son of the former Shah, who had participated in the Prague conference, because, Adelson said, “he doesn’t want to attack Iran.” According to Dayanim, Adelson referred to another Iranian dissident at the conference, Amir Abbas Fakhravar, whom he said he would like to support, saying, “I like Fakhravar because he says that, if we attack, the Iranian people will be ecstatic.” Dayanim said that when he disputed that assumption Adelson responded, “I really don’t care what happens to Iran. I am for Israel.”

If Adelson were spending money in Israel only to advance his ideological aims, he might encounter greater resistance from those who think differently. But his philanthropy in the last couple of years—and the promise of much more to come—seems to have given him stature, and a kind of immunity. His close friend Arthur Marshall, a Las Vegas banker, assured me that, as a result of Adelson’s philanthropy, “he may be bigger than the Rothschilds.” In 2006, Sheldon and Miriam donated twenty-five million dollars to Yad Vashem, the Holocaust memorial, the largest donation from a private donor in its history. That year, an article in Ha’aretz stated that Adelson was creating a foundation that would give more than two hundred million dollars annually to Jewish causes. Recently, a person close to the foundation said, “There is no commitment that it will be two hundred million dollars a year—they will go project by project. And there is no real mission—there are hundreds of thousands of applicants, and the foundation will go through those applications.” Still, the potential for mammoth grant-making engenders a great deal of good will.

Sheldon and Miriam Adelson have also donated thirty million dollars a year, for the last two years, to Taglit-Birthright Israel. Before Adelson decided to make his Birthright gift, Shimshon Shoshani, the organization’s C.E.O., recalled, “He looked at every detail of the program—flight schedules, contracts, everything.” Like many prospective donors, Adelson was asked to make his gift over a number of years, but he chose instead to go year by year. He became Birthright’s single largest donor. In 2008, he provided about a third of its eighty-six-million-dollar annual budget. Birthright executives are hoping that he will donate thirty million dollars or more for 2009—but they are still waiting to hear his decision. There are hotel reservations to be made and plane tickets to be purchased for Birthright participants. “With Sheldon’s approach—and with his being the biggest donor—you literally know you have the money just in time to start spending it,” someone closely involved with Birthright said.

During the celebration of Israel’s sixtieth birthday, in mid-May, Shimon Peres wanted to hold a conference that would be attended by leaders from around the world. “I know they had difficulties raising the money,” a former Israeli official told me. “And time was short. So they realized they should talk to Sheldon.” Adelson agreed to provide three million dollars; after that, conference organizers were able to raise the rest. That Adelson was supporting an event led by Peres—the man he had helped Netanyahu defeat in the momentous 1996 election—made him appear more ecumenical. He and Miriam were named honorary conference chairs, and a photograph of them was featured in the program for the Peres event, along with a message from them. Throughout the conference, Adelson was treated with deference, reflected in his place in the receiving line, his addressing the conference, and his seat next to President Peres. (He was also one seat away from Prime Minister Olmert; they shook hands but did not exchange a word.) At a formal dinner attended by more than a hundred senior officials of various Israeli and Jewish organizations, guests were offered the opportunity to tell Peres what they considered the biggest challenge facing the Jewish people. Adelson, according to Ha’aretz, declared, “I think Jews should have lots of sex. That is the solution to our demographic problem.”

After Adelson addressed the conference, Nahum Barnea wrote in his column in Yedioth Ahronoth, “I saw a gambling tycoon from Las Vegas who bought my country’s birthday with three million dollars. I thought with sorrow: Is the country worth so very little? Were the champagne, wine and sushi that were given out for free in the lobby—breaking convention for such events—worth the humiliation?” Barnea went on:

Adelson is a Jew who loves Israel. Like some other Jews who live at a safe distance from here, his love is great, passionate, smothering. It is important to him that he influences the policies, decisions, and compositions of the Israeli governments. He is not alone in this, either; even back in the days of Baron Rothschild, wealthy Jews from the Diaspora felt that this country lay in their pocket, alongside their wallet. Regrettably, in the latest generation, we are being led by politicians who look at these millionaires with calf’s eyes.

In Israel, where political, academic, and business leaders tend to be outspoken, there is a striking reticence at the mention of Sheldon Adelson. Even people who are diametrically opposed to his politics refuse to be interviewed. “There is a discernible amount of self-censorship going on,” the liberal Israeli-American writer Bernard Avishai said. “There is no ideological justification for what Sheldon is doing among the Israeli intelligentsia—and a revulsion at an American weighing in so heavily on Israeli politics, in such a crude, reactionary way. But they won’t speak.”

The March on Washington

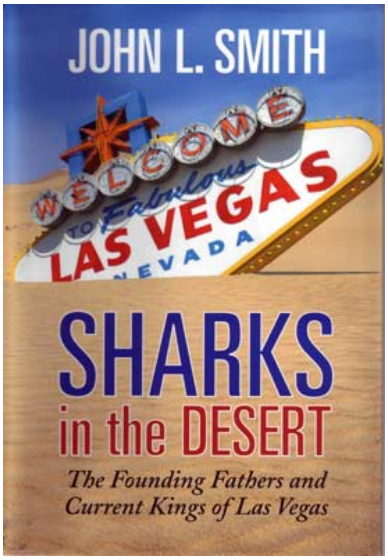
Lately, Adelson’s interest in newspapers seems to have moved beyond Israel. He approached the Chicago-based real-estate magnate Sam Zell about a possible partnership in the Tribune Company, which Zell acquired last December. Zell politely declined. Several sources say that Adelson is interested in buying the Las Vegas Review-Journal. (The Stephens family, which owns the paper, said that he has not made an

offer.)

Adelson would hardly be the first businessman to want to expand his political influence in this country by owning a newspaper. What makes his case seem more anomalous is the fact that in recent years Adelson's relationship with the press has been distinguished mainly by a marked readiness to sue. In 2005, the London Daily Mail published an article that described Adelson as, among other things, "the ruthless casino baron who rules Las Vegas." Adelson sued. Last March, the Daily Mail apologized to Adelson for serious errors in the piece, and Adelson won legal costs and substantial damages. (He donated the damages to a hospital.)

The outcome of the lawsuits he has filed in this country has been more mixed. In a column in April, 2006, the business editor of the Las Vegas Sun, Jeff Simpson, referring to a bid by Las Vegas Sands to build a project in Singapore, estimated the company's odds of winning at 8 to 1. Simpson wrote, "The company's lawsuit-happy history and sorry Nevada regulatory record won't help," and referred to "a fine and regulatory costs after casino bosses rigged a 2002 contest" and "a laundry list of other serious violations." Las Vegas Sands sued the Sun, its publisher, Barbara Greenspun, and Simpson, claiming that the company had been libelled. The court dismissed the case. Las Vegas Sands amended its complaint; this, too, was dismissed.

Adelson filed a suit in December, 2005, against John L. Smith, a veteran reporter whose column is one of the most widely read in the Las Vegas Review-Journal. Earlier that year, Smith had published "Sharks in the Desert," a book about Las Vegas moguls. Adelson charged that Smith; his publisher, Barricade Books; and Lyle Stuart, the owner of Barricade, had libelled him in a couple of pages in the book. "Smith deceptively manipulates language, quotations, and sources in order to concoct the smear that Adelson had dealings with the Boston Mob when Adelson was in the vending machine business. Smith's claims are baseless," the lawsuit said. "Adelson, a pillar of the community known for his philanthropic endeavors, is not, and has never been affiliated with organized crime." Last October, on the eve of trial, Smith filed for bankruptcy, which caused the case to be stayed. (Barricade Books also filed for bankruptcy; Lyle Stuart died last year.)



Sharks in the Desert

An article about the case and Smith's bankruptcy filing appeared in the Review-Journal on October 12, 2007. Smith explained that, after Adelson sued, Barricade inserted an errata sheet into unsold copies of the book, correcting errors that had led to the lawsuit. (The errata sheet said, in part, "No evidence exists that Adelson's early vending machine business activity was ever targeted by the Patriarca crime family or the Winter Hill Gang.") Smith noted, "I had agreed to publish in my column, which is read by far more people than ever read or will read the book, the most dramatic correction of my career. But whatever I agreed to do, they would then ask for more." In the same article, Adelson's attorney, Martin Singer, was quoted as saying, "We engaged in settlement negotiations with Mr. Smith in good faith. At the start of the negotiations we asked for $1 and an apology. Separate and apart from that we offered to establish a $200,000 medical fund for Mr. Smith's daughter whose condition Mr. Adelson learned about during the case. Mr. Smith turned down the trust and would not pay the dollar." (Smith's daughter, Amelia, now twelve, was given a diagnosis of a brain tumor three and a half years ago, and she has had multiple surgeries, radiation, and chemotherapy; her treatment is ongoing.)

In the Review-Journal article, Smith denied what Singer said about the dollar and an apology. "Mr. Adelson wanted to enter a judgment against me, which would have been the same thing as a decision that I had committed constitutional malice," Smith said. "This was not true, and I refused to agree to it." He added that he could not ethically accept the offer of the medical fund, which, he told me, was conditioned on his keeping it secret, even from his boss. In the article, the editor of the Review-Journal, Thomas Mitchell, pointing to litigation against both the Sun and Smith, said of Adelson, "This whole series of events is nothing more nor less than trying to coerce everyone in journalism to not write anything he doesn't like."

The Review-Journal published a response from Adelson to what he said were "unjustified malicious assaults" by Smith (in his book) and Mitchell (in the Review-Journal article). He described the book's errors at length and reiterated, "All I wanted was an apology, a retraction and $1." He mentioned the two-hundred-thousand-dollar medical and educational fund. He also said, referring to Smith, "I had nothing to do with his bankruptcy." Adelson has filed a complaint in the bankruptcy case, to try to prevent any potential debt to him from being discharged, and to lift the stay in the libel case. Adelson is demanding at least fifteen million dollars in damages.

Adelson has not been shy about his new wealth. According to a guest at a reception in Washington a few years ago, Adelson remarked to President Bush, "You know, I am the richest Jew in the world." He also introduced himself that way to a former Israeli official recently. The investment banker Ken Moelis said that when he saw Adelson not long ago he was surprised to hear him refer to himself as "Sheldon Adelson III." "I said, 'I never realized your father was Sheldon Adelson II,' " Moelis recalled. "And he said, 'He wasn't! But I'm the third-richest American!' " Adelson has said that he is planning how he will become No. 1, bypassing Warren Buffett, the current No. 2, and Bill Gates. (Gaming is not immune to the struggling economy: Las Vegas Sands lost $11.2 million in the first quarter of 2008, and its stock is trading at about half what it was in September, 2007.) Adelson seems to enjoy talking about his planes, particularly his new Boeing 767, and he keeps models of them on display in his office at the Venetian. He sometimes uses the planes to make a generous gesture; he loaned one to his friend Abraham Foxman, the head of the Anti-Defamation League, when Foxman had to fly cross-country on short notice, and he provided a plane to the sick

daughter of a friend, to cheer her up. For Memorial Day weekend, he sent a plane to bring forty wounded Iraqi vets from the Walter Reed Army Medical Center, in Washington, to Las Vegas, and hosted them in the Venetian suites that are ordinarily reserved for high rollers. He and Miriam own houses in Malibu, Tel Aviv, and Boston; and two in the exclusive Summerlin neighborhood of Las Vegas—one is a residence, the other is used for entertaining. Last February, he hosted a fund-raiser for President Bush at his home in Summerlin. (Bush stayed at the Venetian.)

The Adelsons seem not to take their power for granted. Recently, Miriam told an associate, "I had a CD on Islamic jihad. I brought it to the White House and told the chief of staff, 'I would like the President to see this.' It really is amazing that we have this influence." (The White House declined to comment.) Last December, Bush named Adelson to the Advisory Committee for Trade Policy and Negotiations to the U.S. Trade Representative. The representative, Susan Schwab, paid a visit to Adelson at the Venetian to discuss his appointment. Adelson's interest in the position is not purely academic. Discussing his appointment with the Associated Press, Adelson said that he hopes to influence China to ease controls on its yuan. If that currency's value were to increase against the dollar, it would mean that Chinese gamblers could spend more, both in Las Vegas and in Macao. "The floating of the yuan would be like a grand slam home run, World Series, Super Bowl, and N.B.A. championship game all packed in one for us," Adelson declared, adding, "We're the largest investor of any kind in the history of China." In early August, during the Olympic Games, Las Vegas Sands will launch the Adelson Center for U.S.-China Enterprise, in Beijing, which seems positioned to wield substantial influence. If you were an American businessman coming to China, the Sands's Bill Weidner testified at the Suen trial, "you might need a logistics partner to deliver your goods. You might need a manufacturer to manufacture your goods. You might need a law firm. You might need an accounting firm. Whatever it would take to get you involved in business in China, we would—the center would help arrange for you."

Macao was, indeed, the "brass ring" for Adelson. It enriched him almost beyond imagining, and has continued to expand his business vistas ever since. But it also coincided with his illness. He was first stricken on his flight home from Beijing in July, 2001, after the meeting in the Purple Light Pavilion. "It has affected his energy and focus—and also his perspective on life," a longtime acquaintance of Adelson's said. "He should have been the happiest guy in the world. But he was confronted by this twist of fate, that he had all this wealth and all this power, but he couldn't walk. . . . I think it made him feel that life was not fair to him."

A doctor who treated his peripheral neuropathy now works with the Adelson Medical Research Foundation. "The two problems are money and the willingness of scientists to collaborate," Adelson told the guests at the Woodrow Wilson International Center awards dinner, in March. "We provide the money, they provide the collaboration. . . . We have over one hundred scientists from dozens of institutions collaborating together." He mentioned research into neuro-degenerative diseases, ovarian cancer, lymphoma, brain cancer, and melanoma. He described the effort as "this businessman's legacy in life."

As Adelson began to focus on the 2008 Presidential election, he apparently decided that his recent megabillionaire status would allow him to play a more prominent role than he had in the past. In early 2007, at a meeting in Florida of the Republican Jewish Coalition, Adelson and many of his allies resolved to create Freedom's Watch. As a nonprofit 501(C)(4), the organization can raise and spend unlimited amounts of money from wealthy individuals without any disclosure, if it can argue that it is promoting an issue, not a candidate.

Some conservatives have heralded Adelson as their answer to George Soros, the financier who has donated large sums to the liberal advocacy group MoveOn.org, and there were press reports that Adelson might spend two hundred million dollars on the 2008 elections. Last summer, Freedom's Watch spent fifteen million dollars on a nationwide ad campaign supporting the troop surge in Iraq, and in the fall it held a conference on radical Islam and Iran. But then Freedom's Watch seemed to recede, and, in April, articles in Mother Jones and the Times suggested that the organization had been so plagued by infighting, and by micromanaging on the part of its prime benefactor, Adelson—who since its inception had reportedly contributed some thirty million dollars—that it might not be a player in this fall's elections, after all. (The problems at Freedom's Watch are apparently not unique. One Republican consultant, after talking to members of a political organization that had received Adelson funding, said that he decided not to seek it for his group. "I don't want him telling me what to do every minute," the consultant told me.) In late April, however, Freedom's Watch reappeared, running ads against Democrats in special elections. And in its latest offensive, over Iraq-war funding, the organization has been targeting vulnerable Democrats—along with Representative Shelley Berkley, who holds one of the safest seats in the Nevada congressional delegation.

The Democratic Congressional Campaign Committee seems to be taking Freedom's Watch seriously. Last month, in special elections for congressional seats in Louisiana and Mississippi, the D.C.C.C. aired ads on Christian radio stations which linked the Republican candidates with Sheldon Adelson. In Mississippi, one ad asked why the Republican candidate Greg Davis was accepting support from "the world's No. 1 casino czar and one of atheist China's top American business partners." It referred to Adelson's Macao enterprises as investments "in a country that steals our jobs, persecutes Christians, uses forced labor, and forces women to have abortions." The Democrats won in both contests.

Adelson has also continued to support the Republican Jewish Coalition, which has assumed an aggressive posture in the Presidential elections. Even before Senator Barack Obama became the presumptive Democratic nominee, the R.J.C. had been attacking him, trying to deepen the anxiety that some Jewish voters feel about his commitment to Israel. (A disclosure: my husband, the former U.S. congressman Mel Levine, a Democrat, serves as a Middle East foreign-policy adviser to the Obama campaign.)

In late March, Senator John McCain held a fund-raiser in Las Vegas. When the event was being planned, McCain called MGM Mirage's Terry Lanni—who has been a strong supporter of McCain for twenty years, including during his 2000 run for the Presidency—and asked him to co-host the event with Adelson, at the Venetian. Lanni agreed to the favor. A third co-host was the Republican consultant Sig Rogich, another longtime McCain supporter, who has also worked for Adelson. Rogich told me that although Adelson had been an ardent backer of Rudy Giuliani, once McCain became the presumptive nominee Adelson said he would support him. Rogich said that McCain had been "cementing his relationship with Adelson further," and added, "All I've tried to do is make sure the two communicate well, and that he understands the passion John McCain has for the issues that are so important to Sheldon Adelson—first and foremost, Israel."

On the morning of May 24th, after a six-week trial, the jury in the Suen case in Clark County District Court returned a verdict against Sheldon Adelson and his company, of $43.8 million. Adelson's lawyer, Rusty Hardin, said they would appeal. Meanwhile, another trial awaits the Sands, in Las Vegas in December; three co-plaintiffs, who say they served as middlemen in securing the Sands's Macao license, claim that they are owed five per cent of its Macao operations, and are suing for at least four hundred and fifty million dollars. (Two other cases have been filed by plaintiffs with similar allegations; one has been dismissed but is on appeal, and the other, which was filed in Tel Aviv, is awaiting a verdict. Las Vegas Sands says that the three suits are without merit.) In the Suen case, the jury's foreman said that the jurors decided in the first hour of deliberations that the plaintiff was owed money for having helped Adelson obtain the Macao license, and they spent the next nine hours trying to figure out what would be a fair sum. Suen had sued for a hundred million dollars; some jurors wanted to give him close to that, some much less, and they had compromised in the middle.

Adelson was a practiced witness. On the stand, he did not lash out, and only rarely tried to bully Suen's attorney, John O'Malley. He smiled genially in the direction of the jurors, noting that he had once been a court reporter and referring to his obedience to his wife ("Just like when my wife tells me to shut up, I shut up"). He was expansive in describing his climb out of poverty and his variegated business career. But under questioning by O'Malley about his claim to be a man of his word, for whom a handshake seals a deal, Adelson glowered, and launched into a recurrent refrain. "I know there's a perception in life that people who become financially successful do so by climbing up the broken backs of people whose backs they break, but . . . with the values that I grew up with, there's just no way that I—that any deal can be broken. . . . I never climbed up on . . . anybody's broken back," Adelson said. "I've earned every single thing. I came from poverty and now I'm considered one of the biggest philanthropists. . . . You know, business is such that if somebody does something wrong once, they get a reputation and people don't want to deal with them. But everybody wants to deal with me."

Peter Dale Scott, a former Canadian diplomat and English Professor at the University of California, Berkeley, is the author of Drugs Oil and War, The Road to 9/11, The War Conspiracy: JFK, 9/11, and the Deep Politics of War. *His* American War Machine: Deep Politics, the CIA Global Drug Connection and the Road to Afghanistan *is in press from Rowman & Littlefield.*

His website, which contains a wealth of his writings, is here.

Connie Bruck is a staff writer for The New Yorker.

Connie Bruck's article appeared in The New Yorker *on June 30, 2008. Click here to access it online.*

Posted at Japan Focus *on July 25, 2008.*

Created by Datamomentum