
Israel

Mitzna Rejects Unity Government With Sharon

by Dean Andromidas

Israeli Labor Party Chairman Amram Mitzna declared on Jan. 13 that he will never join a national unity government with Prime Minister Ariel Sharon (Likud), thereby refusing to be party to any scheme for saving Sharon's skin. *EIR* has learned that the push for a national unity government after the Jan. 28 elections is coming from the pro-war party in Washington and their powerful financial backers, including billionaire Michael Steinhardt.

Only a national unity government could save Sharon, who is beset by mounting charges of corruption and war crimes. Even if the Likud party wins the elections and Sharon is called to form the next government, Israeli sources predict that he will soon go from being Prime Minister to being the prime suspect in the ongoing criminal investigations. (Sharon's unity government collapsed on Oct. 30, 2002, when the Labor Party pulled out of the coalition, forcing new elections.)

In a Jan. 15 press conference, flanked by almost all the Labor Party's Knesset (parliament) members, Mitzna declared, "It is either us or him. We will not be in a government headed by Sharon. Period." Mitzna made clear that this is not a political tactic, but a moral question. "We will no longer blur our positions," he said. "From now on, the choice is sharp and clear. Either the rule of law and equality before the law, or continuous contempt for the law. Either maintaining security for the residents of this country or maintaining the settlers. This is a long battle over the right path, not over seats or jobs. Anyone who doesn't vote Labor is voting for Sharon."

The declaration was supported by all those among the Labor Knesset members who have been constantly trying to undermine Mitzna on this question. Ofir Pines, chief of Labor's Knesset faction, said that all were backing Mitzna, including former Sharon Cabinet members Binyamin Ben-Eliezer, Ephraim Sneh, and Shimon Peres, who have been the principal supporters of a unity government.

Asked to comment on Mitzna's statement, Sharon arrogantly replied, "I don't comment on things that aren't serious." Sharon had earlier told the *New York Times'* William Safire, "I don't doubt I will form the next government."

Who Wants To Save Sharon's Skin

Sharon has been the "weapon of mass destruction" for the war party in Washington, both inside and outside the Bush

Administration—the advocates of a Clash of Civilizations, pitting the West against the Islamic world. A U.S.-led war on Iraq has been integral to these plans, but now that the Iraq issue has been bottled up in the United Nations and a war could be postponed for many weeks, or completely called off, Sharon has to be kept in a "holding pattern." Without a unity government, Sharon would be forced to form a narrow right-wing government dominated by the lunatic chauvinist camp and sectarian religious parties. Such a government would soon fall and most likely lead to new elections. Its brutality would also drive Israel even further into diplomatic isolation. Only a unity government could possibly give Sharon the diplomatic figleaf he needs internationally, and the insurance he needs to stay out of jail.

Marc Rich and Michael Steinhardt, two of the biggest and dirtiest financiers of the war faction, were in Israel during the first week of January, pushing for a national unity government. Under the cover of a conference of "Birthright Israel," they met with key people in both the Labor Party and the Likud. Birthright Israel is a charitable organization which brings young Jews from North America and Europe for educational tours of Israel; but it also serves as a front for the Mega group of billionaires who underwrite the Clash of Civilizations extremists in both the Republican and Democratic parties in the United States, and the Labor and Likud parties in Israel.

Steinhardt is the top financial backer of Sen. Joe Lieberman (D-Conn.), the key promoter for war against Iraq in the Democratic Party. Steinhardt helped create the Democratic Leadership Council, which has been in the forefront of preventing the Democratic Party from taking any leadership in stopping the drive for war, and in presenting an economic alternative to the Bush Administration. Marc Rich, the Swiss-based commodities trader, has been identified by *EIR* as integral to the dirty money being funnelled into the Likud Party. Rich had also financially backed Labor's Ehud Barak in his 1999 election campaign for Prime Minister; Barak is now said to be one of the key supporters of a national unity government.

Others in the Mega group include Ron Lauder, the heir to the Estée Lauder cosmetic empire, who bankrolls the neo-conservatives in the United States, and Sharon and Benjamin Netanyahu (Likud) in Israel. There is also the Bronfman family of the Seagram's whiskey empire, and many more who, because of their wealth and power, enjoy tremendous influence in Israel.

Steinhardt and Rich, during their recent visit to Israel, were guests at a party given by Israeli businessman Alfred Akirov; others attending included Jerusalem Mayor Ehud Olmert (Likud) and Shimon Peres (Labor). Olmert, a key conduit of funds from the United States to Israel, especially from the Christian fundamentalists, is a Sharon flunky and supports the unity government, while Peres (who served as Sharon's Foreign Minister) is said to be ready to once again

provide Sharon's diplomatic figleaf.

Upon his return from Israel, Steinhardt told a Washington, D.C.-based reporter that he had had dinner with a Sharon "confidant" on Jan. 12. Claiming that he did not support any particular Israeli party, Steinhardt said that clearly there would need to be a "national unity coalition." Asked how this might be possible, given Mitzna's rejection of the idea, Steinhardt replied, "Well, there is a difference between what a politician says during an election, and what he is prepared to do after the election." He confirmed that Sharon and certain Labor Party elements were conspiring to undermine Mitzna's position: "There are all sorts of such things going on."

While the election polls change every day, the reality is that, should Sharon win and be able to form a government, its duration would be very short. The Likud will not have a large majority, and some of the smaller parties which are more opportunistic than ideological will be loath to go to early elections yet again. Thus, even if Labor loses the elections, Mitzna could very well be asked to form a government once Sharon's falls. Mitzna would be in a position to force the adoption of his policy of reopening negotiations with the Palestinians and withdrawal from the West Bank and Gaza Strip.

A few days after his press conference, Mitzna told Israeli TV, "Ariel Sharon will not be Prime Minister. It may not happen in two weeks, but it may happen in two or three months."

An Israeli intelligence source suggested that certain Anglo-American factions have signalled that they would support a Mitzna-led majority government. This source pointed to Mitzna's recent trip to London on the invitation of Prime Minister Tony Blair, as having strengthened his position in the Labor Party, enabling him to make this move. On the other hand, he said, the war party in Washington "is not pleased" with these developments.

Sharon's 'Rich Uncle' Was Bankrupt

The revelations of sleaze and corruption that have dominated the headlines of the Israel press just won't go away, as Sharon gets caught up in his own lies. The scandal around accusations that Sharon was illegally raising money, to pay off illegal foreign campaign contributions to his 1999 primary campaign, gets deeper and deeper. On Jan. 11, when Sharon turned a press conference—where he promised to present the "truth" with "facts and documents"—into a torrent of attacks on Mitzna, election Judge Mishael Cheshin ordered the live broadcast to be blacked out, for being a gross violation of election laws.

Sharon denies charges that a loan of \$1.5 million given by an old army buddy, Anglo-South African businessman Cyril Kern, went to pay off these illegal debts. Both Kern and Sharon have tried to make the money appear as a nothing but a loan between friends to help Sharon's son Gilad finance his

farming operations. Kern, who has made himself appear to be a very successful businessman, said he was only too glad to "help an old friend." Now, this story has been revealed to be a pack of lies.

The Israeli daily *Yedioth Ahronoth* on Jan. 16 revealed that one of Kern's business partners was Arie Genger, the Israeli-American businessman whom Sharon has designated his back-channel to the Bush White House. Genger is a protégé of tycoon Meshulam Riklis, who was also an early financial backer of Sharon's political career, and who made his fortune as an associate of organized crime kingpin Meyer Lansky. Genger is also business partners with the Bronfman family—the same Bronfmans who are members of the Mega group. The newspaper's revelation points to the possibility that Kern was nothing more than Genger's cut-out to get "mega-bucks" to Sharon, from financiers in the Mega group.

EIR's investigation has discovered that Kern was a one-time bankrupt, who has never in his life possessed \$1.5 million in ready cash. According to records at England's Company's House, Arie Genger was a director of Kern's Reldan Ltd. until 1992. A former employee of Kern's told *EIR* that Genger left the board, because the company went bankrupt. "You're asking me to talk about the worst two years in my life," Kern's former employee said, adding that Kern had been running a bankrupt company on overdrafts and borrowed money. "The creditors and vendors were always knocking the doors down trying to get their money." He said, "Yes, I remember seeing General Sharon, coming to visit the factory with several other old Army buddies." He revealed that Genger had lent Kern the last £100-200,000 before the company went bankrupt. "If I remember correctly, Genger never got his money back and then called in the receivers." Asked whether Kern could have had a change of fortune that enabled him to lend Sharon \$1.5 million, the source laughed, "It would have been against the trend."

The loan affair is only one of many cases that will not go away. Police are busy investigating charges that the Likud Central Committee members demanded cash for votes in the convention that chose the candidates list for the Knesset election. Indictments are said to be on the way. More important is that police are expected to question Sharon's son Omri, who organized a recruitment drive that doubled the Likud's membership, and brought the top crime bosses in Israel directly onto the Central Committee.

Sharon is not the only one that could get hit. It was reported on Israeli Army Radio on Jan. 14, that Foreign Minister Benjamin Netanyahu, Jerusalem Mayor Olmert, and Minister Without Portfolio Danny Naveh all raise money in the United States for the Israeli charity Hatzalah Yehuda and Shomrom. But instead of using the money to purchase emergency medical equipment for the settlements, as its charter stipulates, the money was transferred to the Likud. Netanyahu, Olmert, and Naveh deny that they knew the money was being illegally given to the Likud.