Israel's crisis opens rift within Sharon government

Jean Shaoul 13 November 2003

The last week has seen unprecedented outbursts within Israel's political establishment, reflecting divisions over how to deal with the intractable military, political, economic and social crisis that confronts it

Israel's chief of staff, Lieutenant-General Moshe Ya'alon, caused an uproar when he called in three Israeli newspaper journalists and told them that the government's harsh treatment of the Palestinians was counter-productive and was strengthening "terror organisations."

According to *Ha'aretz*, "The senior military officers are worried by the possibility that maintaining widespread pressure on the Palestinian population will lead to a humanitarian crisis and increase Palestinian hatred of Israel."

Ya'alon's calls for restrictions on quiet parts of the Palestinian territories to be eased more rapidly to remove what he regards as a key rallying point for militant groups enraged hard-line defence minister Shaul Mofaz. According to the Israeli press, Ya'alon was hauled in and taken to task by Mofaz over his comments.

Ya'alon also criticised the government over its uncompromising attitude towards former Palestinian prime minister Mahmud Abbas and urged the Israeli government not to behave in such a short-sighted way to his successor, Ahmed Qurei (also known as Abu Alaa). There could only be a political, not a military way out of the conflict, he said.

The right wing and ultra nationalists were outraged, denouncing Ya'alon as a traitor. Prime Minister Ariel Sharon was furious and demanded that Ya'alon apologise or resign. But the chief of staff's comments reflected widespread concerns within the army, the security establishment, and the public at large, and even within the cabinet.

"The chief of staff is very serious, responsible and reflective. If he reckons the situation in the territories is dangerous, he should say so, but not in such resounding fashion," Trade Minister Ehud Olmert told public radio. "It might be true that we could have been more generous with Abu Mazen [Abbas's *nom de guerre*], but I do believe—as do the Americans, that the key man who should have fought terrorism, [Security Minister] Mohammad Dahlan, failed to do so," he said.

Sharon was forced to back down because of the extent of support within the military for Ya'alon's position, saying, "My door is always open to him."

This is not, as it would be in other countries, a conflict between the government and army, because such a division hardly exists. In a country where all young Jewish citizens are required to serve in the army and all Jewish males serve for at least three weeks every year as reservists, almost the entire political establishment is made up of former generals and leading army and air force personnel. With more and more young people and reservists refusing to serve in the West

Bank and Gaza, the armed forces' leaders know just how difficult it is to retain the loyalty of their troops and implement the government's harsh measures against the Palestinians that breach international conventions.

The second development to create a furor was the "virtual agreement" recently arrived at in Geneva by a group of Israelis and Palestinians. The group was led by Yossi Beilin, a justice minister in the former Labour government and one of the architects of the failed 1993 Oslo peace accords, and Yasser Abbed Rabbo, a leading Palestinian negotiator and close ally of Yasser Arafat.

The Geneva talks were a desperate attempt by the European Union to revive the Oslo Accords. Without some resolution to the escalating Israel-Palestine conflict, the European powers fear that it will coalesce with the widespread anger at the US and British-led war and occupation of Iraq, destabilising the entire region and undermining their economic interests.

The proposals called for a Palestinian state on the West Bank and Gaza with some land swaps to allow Israel to keep some of the settlements; the partition of Jerusalem to enable it to become the capital of both states; and compensation for or resettlement of the Palestinians in the new state. According to *The Economist* magazine, 90,000 Israelis and 60,000 Palestinians have signed up to support the proposals.

They are to be sent to every household in the country. Meetings to explain them have been filled to capacity, with standing room only. While there are no economic and political preconditions for such proposals to have any chance of satisfying Palestinians aspirations, the agreement reflects the deep-felt desire to end the bloodshed resulting from the illegal Israeli occupation.

The Geneva Accords are similar to plans worked out earlier in the year by Ami Ayalon, a former director of Israel's internal security service, Shin Bet, and Sari Nusseibeh, a leading Palestinian negotiator.

That Shin Bet should have been party to such an agreement is indicative of the widespread recognition, both within Israel and beyond, that demographic trends are not running in Israel's favour. Soon, more Palestinians will be living in Israel/Palestine than Israeli Jews. The unspoken fear is that the failure to reach an agreement soon will lead to the Palestinians rebelling against those advocating a two-state solution in favour of one state where they will be in the majority.

But the right-wing zealots who dominate Israel's political landscape were having none of it. It was nothing short of treason, they said, for Beilin to contact the enemy "behind the government's back at a time of war." And not only the ultra-nationalists denounced the talks. Former Labour prime minister Ehud Barak told *Guardian* journalist

Jonathan Freedland on BBC Four that Geneva was "the peace of ostriches, a plan that only serves Arafat."

The right wing routinely denounces the architects of the failed Oslo Accords as the "Oslo criminals." Television cameras caught a man spitting three times on the grave of Yitzhak Rabin, the Israeli prime minister and signatory to the Oslo agreement. Rabin was murdered eight years ago by a fascistic religious fanatic opposed to any deal with the Palestinians that entailed giving up any of the land occupied illegally since 1967. Another man daubed swastikas on a memorial to Rabin.

But the government's inability to end the three-year-old Palestinian uprising is proving deeply unpopular. The anniversary rally in memory of Rabin attracted more than 100,000 people. Demonstrators carried banners opposing the occupation and demanding peace such as: "Leave the [occupied] territories—save the country" and "Sharon go home."

The size of the demonstration—the largest since the first anniversary of Rabin's assassination and when Sharon became prime minister in 2001—and its explicit political tone were in opposition to the intentions of the organisers, who had wanted it to be non-partisan.

Shimon Peres, the 80-year-old former Labour Party prime minister, acting Labour leader and a co-signatory with Rabin to the Oslo agreement, told the rally that the government's emphasis on armed force rather than political negotiation had failed, and that Israel had to return to Rabin's vision. He did not of course address the crucial role he and the Labour Party had played in all this by joining Sharon's first coalition government and supporting Likud's murderous policy towards the Palestinians.

"Without a clear decision, the Zionist enterprise will stand in mortal danger," he said.

"Even the right has started to understand that it's better to have two states that will have to live in peace, than one state where two peoples fight over every piece of land, every drop of water."

Rabin's daughter, Dalia Rabin-Pelasoff, a former deputy defence minister in Sharon's first government, denounced the hatred responsible for her father's assassination, which was, she said, still tearing at Israeli society.

Such are the political antagonisms within Israel that the speakers had to address the rally from behind bullet-proof glass.

Sharon faces other problems. His Likud Party lost support in local elections held at the end of October in a poll characterised by massive abstentions, as voters registered their disgust with the political parties by staying home.

His largest coalition partner, the Shinui Party, is seeking to effect an evacuation of Netzarim, the Zionist settlement in Gaza where three soldiers were shot dead in their beds by a Palestinian infiltrator. Such a pullout is anathema to the coalition's far-right partners.

Sharon himself is mired in scandal and is under investigation by the police for two separate incidents involving bribery and money laundering. At the end of October, he was questioned for seven hours by the police about a \$1 million loan from a close friend to one of his sons that was allegedly used to repay what the judiciary had found were illegal contributions to his 1999 campaign to become Likud leader. Sharon claims that he did not know about the loan. He did not ask how the illegal funds were repaid, as required by law.

In the second scandal, there are allegations that a businessman hired Sharon's younger son to help secure Greek government approval to develop a Greek island as a tourist resort in 1998-1999, when Sharon was foreign minister.

While previous prime ministers Benyamin Netanyahu and Barak also faced corruption and bribery allegations, prosecutions were eventually dropped. These look more likely to succeed.

The backdrop to the political tensions that are now coming to the surface is the worst economic crisis in Israel's existence. Because of the war against the Palestinians, tourism—Israel's key industry and foreign currency earner—and foreign investment have all but disappeared. Unemployment has risen to more than 10 percent. Welfare payments are to be cut by 5 percent, while cuts in education will see thousands of teachers lose their jobs. State-owned enterprises are to be sold off to raise cash. Opposition to this austerity programme has led to continuous strikes from public sector workers.

Even the army faces a 12 percent cut in its budget, which will reduce military expenditure to \$7.2 billion. Sharon's finance minister, Benyamin Netanyahu, has justified this on the basis that the US and British occupation of Iraq has reduced the external threat to Israel. Despite this, the budget deficit is equivalent to 6 percent of GDP.

Ya'alon told the cabinet that the cuts would leave the armed forces at the weakest level for 30 years. The army would be forced to stop calling up the reservists who provide the manpower to enforce the occupation of the West Bank and Gaza, delay the purchase of new tanks and freeze the development of new missiles.

But without even more cuts in the budget deficit, the state will be insolvent. As it is, Israel can only survive because the Bush administration has agreed to an extra \$9 billion loan guarantee over three years to enable the government to borrow in order to finance its debts. Even this is now in jeopardy as Washington has threatened to cut the loan guarantee by an amount equal to that spent on the settlements outside Israel's 1967 borders.

A study commissioned by Peace Now found that in 2001 half of US aid to Israel was spent on the settlements, and that did not include the military costs of defending the settlements, although the settlers accounted for only 3 percent of the population.

Judging by past performance, the US threat to cut the loan guarantee may be so much posturing; however, Israel has antagonised Washington by blowing up wells financed by USAID for civilians in the Gaza Strip—ostensibly because Palestinian militants had been hiding in them. This came just after the US State Department said it would ask Congress to approve \$2.2 billion of military aid to Israel in 2005, \$60 million more than in 2004.

A clear picture emerges of a government bereft of popular support that largely speaks for a narrow layer of right-wing fanatics and settlers, and that is even losing support amongst the ruling elite. Even the most ardent Zionist ideologues now fear that Sharon is calling the very survival of the Israeli state into question. For all Washington's occasional criticisms of its ally's worst excesses, Sharon's government could hardly continue in office another day without US backing and the support of a powerful coalition of Zionists and Christian fundamentalists within the Pentagon, the State Department and the White House in particular.



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