

# Israel: Sharon, facing indictment, threatens new government

**Chris Marsden**  
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Israeli Prime Minister Ariel Sharon is facing a deepening corruption scandal, together with a political challenge from his far right coalition partners, who are opposed to his plan for unilateral separation from the Palestinians.

The far right are seeking to utilise the corruption scandal to force a weakened Sharon to abandon his plan, but the prime minister has stated his intention to press on even if this means forming a new government.

On February 28, the state prosecutor recommended that Sharon be indicted on charges that he agreed to accept bribes indirectly from a real estate developer seeking to build a resort in Greece while Sharon was foreign minister.

In January David Appel, a property dealer and political fixer in Sharon's ruling Likud Party, was indicted on charges of bribing Sharon, his son Gilad, and Industry, Trade and Employment Minister Ehud Olmert.

Appel stands accused of paying Sharon \$US100,000 and transferring \$580,000 to Sharon's ranch in the Negev, which is managed by Gilad, around the time of Sharon's bid to win the Likud leadership.

He is also alleged to have given Gilad \$700,000, and promised him \$3 million as well as a monthly salary of thousands of dollars in return for his father's help in convincing the Greek government to grant planning permission for a holiday complex and casino on an Aegean island. Sharon is accused of lobbying the Greek government on Appel's behalf.

On February 29, after eight months of legal wrangling, Israel's Supreme Court also ruled that Gilad must turn over documents to the police so that they can conclude their investigations and decide whether Sharon can be indicted on a charge that he used a \$1.5 million foreign loan to repay illegal contributions to his

1999 campaign.

Israel's attorney general, Menachem Mazuz, will rule on an indictment some time after the Passover holiday in late April or May.

Leaks regarding the affair seem to be coming from sources within the police.

Sharon has been reported as having declared to Appel in a taped statement, "The island is in our hands"—which is being used by state attorney Edna Arbel in her draft indictment against the prime minister and his son.

Two of Sharon's coalition partners, the National Religious Party and the National Union Party, have threatened to quit if he implements his plan for unilateral separation.

Sharon's plan calls for the (probably temporary) removal of 17-20 settlements on the Gaza Strip, housing around 5,000 Israelis, and the possible relocation of a handful of others on the West Bank. But this is in the context of a major landgrab, that would seize around half of the occupied West Bank and permanently annex it to Israel behind the so-called "security fence" now under construction. Sharon is to hold talks at the White House on April 14 in a bid to secure the backing of President George W. Bush' for his plan—which would mean finally abandoning the US "Road Map" that at least formally supports an Israeli withdrawal from the West Bank.

Even this is a step too far for the fascistic settler-based parties and for sections of Likud, who have denounced the removal of a single Zionist settlement as a capitulation to terrorism.

The leader of the National Religious Party and Sharon's housing minister, Effi Eitam, used Sharon's difficulties to declare, "A prime minister under suspicion of a police warning cannot be allowed to go

to America to commit to a programme with fateful consequences for the future of the state.”

NRP MK Shaul Yahalom said Sharon was “violating basic democratic principles by presenting President Bush with a revolutionary policy without any prior government decision.”

Tourism minister Benny Elon, from the National Union Party, added that Sharon “can lead the government but he cannot negotiate a plan that has not been adopted by his cabinet.”

Sharon has refused to back down. Instead, speaking to the Knesset Foreign Affairs and Defence Committee, he threatened that if the two parties quit, he would form a new government “the same day” rather than call fresh elections.

Sharon has stressed that his is the plan that will be accepted by Washington and that this should satisfy the territorial ambitions of his hardline supporters-cum-detractors—at least for the time being.

He told the Foreign Affairs and Defence Committee that he will discuss the quid pro quos he wants from Washington with the three US officials who are dealing with the disengagement plan—deputy national security adviser Steve Hadley, the NSC’s Elliott Abrams, and State Department Middle East expert William Burns—before coming to “final understandings” with Bush.

Sharon has not specified the make-up of his threatened new government, but there are clear indications that he may rely on the opposition Labour Party to save his skin and give a left cover for his seizure of West Bank lands.

Israeli newspapers have reported that there is a secret agreement for the formation of a national unity government including Labour. According to the *Maariv* newspaper, after discussions with Sharon Labour will receive six ministerial portfolios, with party leader and former premier Shimon Peres becoming foreign minister—a post currently headed by Likud member Silvan Shalom. Labour will also receive the transportation ministry now headed by National Union leader Avigdor Lieberman, and construction and housing ministry now led by Effi Eitam of the National Religious Party. Labour will also take the environment and science ministries currently held by the economic liberal Shinui party.

Some Labour spokesman have denied that such a deal

has been agreed and attributed talk of a coalition with Likud to Sharon manoeuvring for advantage over the NRP, National Union and dissident factions of Likud, rather than a genuine possibility of him breaking with the far right.

But there is every possibility that such talks have indeed been held. In any event if the need arises, Labour will no doubt consider backing Sharon as it did until October 2002. Labour’s Dalia Itzik, one of the three labour ministers who quit Sharon’s government at that time, said that her party would not make a decision on joining a coalition until the attorney general has decided whether to indict him.



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