

Who Owns the Israeli War Party?

by Dean Andromidas and Steven Meyer

The true architects of the new Middle East war between Israel and Lebanon, as Lyndon H. LaRouche has stated, are the international financial circles typified by Felix Rohatyn, his colleagues at Lazard Frères, and others who have created “financier conglomerates more powerful financially than any government.”

Israeli Likud Party Chairman Benjamin Netanyahu’s infamous meeting with Vice President Dick Cheney in June was just another green light for a war whose ultimate benefactors are the real controllers of Netanyahu and Cheney—the international financial interests of which George W. Shultz and Felix Rohatyn are an integral part.

Those in Israel pushing hardest for this Lebanon-Palestinian war are Netanyahu, former Prime Minister and Labor Party member Ehud Barak, and former Prime Minister Shimon Peres. Although this report will reveal some of the deeper connections these individuals have with Rohatyn, Lazard, and oligarchical financial circles, their complicity in the destruction of Israel lies in the fact that they are the key politicians who have brought hard-core, neo-liberal, radical free-market policies into Israel. These policies have dismantled the traditional Israeli social welfare state, and impoverished Israeli citizens. Through privatization, this policy integrated the Israeli economy into the supranational financier conglomerates.

Peace is not part of this policy, since one makes peace among states, and there is no room in this policy for states. The assassination of Prime Minister Yitzhak Rabin in November 1995 signalled that powerful forces outside Israel wanted to destroy the peace process. Rabin’s successors, including Peres, Netanyahu, Barak, and Sharon, have all done their part in systematically wrecking it.

Ehud Barak Joins the Hedge Funds

Ehud Barak met Felix Rohatyn during secret talks in Paris between Palestinian President Yasser Arafat, Barak, and then-Secretary of State Madeleine Albright in October 2000, after Ariel Sharon made his infamous march to the Al Haram Al Sharif, thus igniting the Al Aksa Intifada. Those meetings were held at the home of then-U.S. Ambassador to France, Felix Rohatyn. The meetings failed and, despite efforts by the Clinton Administration to rescue the peace process, the Barak government collapsed, followed by early elections which brought Ariel Sharon into the Prime Minister’s office. Since then, there have been no serious talks between Israel and the Palestinians or the Syrians. Even relations with Egypt and Jordan deteriorated.

Perhaps it was through making Rohatyn’s acquaintance at this meeting, that Barak resigned his Knesset (parliament) seat and became an advisor to Israeli, European, and American hedge funds. One such fund involves a partnership with Walter Kuna, a 15-year veteran with Lazard Frères Paris. In 1999, Kuna became the head of Lazard’s first office in Frankfurt, Germany, which is a partnership in a company called the Hudson Investment Group (HIG). Barak is also an advisor to the Luxemburg-based hedge fund Capital Management Advisors, which is run by the scion of the famous Greek alcoholic beverages dynasty, Angelis Metaxa.

Among Barak’s other links are his involvement with a charity called Natan, which was established by a group of hedge fund managers, including David Steinhardt. David’s father is Michael Steinhardt, one of the “Mega” group of Jewish financiers, who, among other things, bankrolls the Rohatyn-allied Democratic Leadership Council. Michael Steinhardt’s autobiography candidly acknowledged that his father, “Red” Steinhardt, was the leading diamond fence for the Meyer Lansky National Crime Syndicate, and that it was his father’s fortune that provided the initial investment capital that launched Michael’s career in speculation.

Another Mega financier is Charles Bronfman, former co-chairman of the family’s Seagrams, until its merger with Viendi. Now he chairman of Koor Industries Ltd., a high-tech holding company at the heart of the Israeli military-industrial complex. He is also chairman of Claridge-Israel, Inc., which took over Bank Hapolim, when the Israeli government privatized it. The Bronfman family also finances the Birthright Israel charity, with which Barak also cooperates.

Although no longer a Knesset member, Barak commands a faction in the Labor Party that has been working to unseat party chairman and Defense Minister Amir Peretz. Barak openly opposed Peretz’s intention to revive crucial aspects of what was Israel’s social welfare state. The new war has not only taken Peretz’s aims off the agenda, but might very well end Peretz’s political career.

Benjamin Netanyahu and Rohatyn

Netanyahu is far more than the messenger of Dick Cheney in this war. As *EIR* has thoroughly documented, Netanyahu is a tool of George Shultz, the Synarchist controller of Dick Cheney. Shultz transformed “Bibi” from a furniture salesman into the Israeli politician who would mold Israel into a radical free-market paradise, while destroying the Middle East in the process. (See “Netanyahu’s Fascist Record: All Roads Lead

to Shultz,” *EIR*, Feb. 24, 2006 and “Shultz’s Hit Man Fischer to Head Bank of Israel,” *EIR*, Jan. 21, 2005.) New research has revealed Netanyahu’s links to Rohatyn and Lazard.

Shortly after winning the Israeli election in May 1996, Netanyahu came to the United States for his first visit as Prime Minister. On July 11, he addressed a private luncheon given in his honor at the New York Stock Exchange. Two-hundred prominent Wall Street executives were invited. Netanyahu openly declared that he intended to privatize “just about all” government companies and services, telling the guests, “You’ll make money in Israel.”

The next morning, a Reuters news wire reported details from Netanyahu’s speech and the reactions among the guests. There were obvious concerns about the future of Israel after the assassination of President Rabin, and about Netanyahu’s direction with the peace accords and the economy. Then the article quoted Rohatyn, who gave his kiss of authority to Netanyahu: “Felix Rohatyn, a managing director at Lazard, Frères and Co., said he thought Netanyahu had ‘convinced a lot of people.’ Going even further, Rohatyn declared, ‘I think he makes a very powerful case.’ ”

Rohatyn is deeply involved with the same pro-Israeli foundations and money-men as Netanyahu is. Through his Felix and Elizabeth Rohatyn Foundation, he has helped finance the American-Israel Friendship League (AIFL), which was founded in 1971 by a small group of people that included Senator Henry “Scoop” Jackson, who was the mentor of such neo-conservatives as Richard “Prince of Darkness” Perle and former Deputy Secretary of Defense Paul Wolfowitz, who is now head of the World Bank. Other founders were Nelson Rockefeller and Hubert Humphrey. Its current president and chairman of the board is Kenneth Bialkin, the lawyer for pioneer drug-money launderer Robert Vesco.

Claiming to be a nonpartisan, nonsectarian, people-to-people group, the Rohatyn Foundation gives a “Partners for Democracy” Award at a yearly dinner. George P. Shultz received the award in 2002.

The foundation’s directors include members of the Mega group and leading funders and promoters of Israel’s Likud-Jabotinskyites, who have also supported Netanyahu: for example, Merv Adelson, Michael Steinhardt, and Ronald S. Lauder, the heir to the Estee Lauder cosmetics empire.

Another nexus for the Netanyahu/Barak/Rohatyn group is via the exclusive agent in Israel for Lazard Frères, Cukierman & Co., which is owned by a leading French and Israeli family, and led by Edouard Cukierman. Last February, Cukierman and Co. sponsored the “GO4EUROPE 2006” conference, which brought together Israeli and French business representatives, including Netanyahu and Barak. The first speaker was the acting Prime Minister Ehud Olmert. The second speaker was French Interior Minister and Presidential hopeful Nicolas Sarkozy, who is seen as a combination of Napoleon and Mussolini. Sarkozy has been warmly endorsed by Edouard Cukierman’s father, Roger, who is the head of

the CRIF, the organization that represents the Jewish community in France. He also served many years as the right-hand man for the French side of the Rothschilds, as the CEO of Edmond de Rothschild’s Group.

As an indication of Netanyahu’s closeness to this group: In 2005, while Finance Minister, Netanyahu met with a consortium of European investors organized by Cukierman for a bid to buy out the Israeli government’s holding in Bank Leumi. The deal fell through, but Netanyahu’s relations with Cukierman did not deteriorate.

Shimon Peres

As for Shimon Peres, a senior Israeli strategist and peace activist once quipped, “For Peres, when there’s peace, he is for peace; when there’s war, he is for war.”

Peres has been a leading player in the initiation of no less than three Middle East wars. The first was in 1956, where he was a key participant in the Anglo-French and Israeli conspiracy that led to the invasion of Egypt, after Egyptian President Gamal Abdel Nasser nationalized the Suez Canal. The others were the 1967 war and the 1982 invasion of Lebanon.

Peres is also the father of the Israeli nuclear weapons arsenal. In 1956, as Minister of Defense, Peres negotiated the transfer by France and Britain of the nuclear technology with which Israel would produce its nuclear weapons, as a reward for participating in their invasion of Egypt.

As Prime Minister in the early 1980s, Peres played a key role in dismantling Israel’s state sector economy, under orders of then Secretary of State George Shultz. After the signing of the Oslo Peace Accords in 1993, Peres, as an advocate of peace, released the book *The New Middle East*, in which he promoted peace and prosperity. Despite the title, a close reading of the book reveals a vision of a new Middle East economy based on radical free-market policies.

To promote this “vision,” Peres founded the Peres Center for Peace. Its international advisory board comprises a long list of the good, the bad, and the ugly of prominent international personalities. Among them can be found some of the captains of the world financial oligarchy, including Lester Pollack, senior partner and 20-year veteran of Lazard Frères, New York; and Jacob Frenkel, who as governor of the Bank of Israel in the 1990s, was instrumental in implementing radical free-market policies throughout the Israeli economy. Frenkel is now president of Merrill Lynch International. Also on board is Mega financier Charles Bronfman.

Another board member is the Lazard-linked French economist Jacques Attali. Attali has his own foundation called PlaNet Finance, described as “an NGO involved in financing ‘micro financial institutions’ in the third world.” PlaNet has another star-studded advisory board where Shimon Peres sits beside Michael David Weill of Lazard Paris and Felix Rohatyn.

None of these bankers will be found in the councils of war or the command bunkers in Israel. Nonetheless, it is their policy that drives the expanding war in the region.