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IN FULL

**From:** Sullivan, Jacob J <SullivanJJ@state.gov>  
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**To:** H  
**Subject:** Herzog/Barak

**Netanyahu selling Barak's move as strengthening his hand – see Guardian story below. There is some logic in what he is saying.**

## **Barak's Labour resignation strengthens government, says Netanyahu**

Three Labour ministers quit Israeli cabinet after their leader decides to create new faction and remain in coalition

The Israeli prime minister, Binyamin Netanyahu, claimed today that his coalition government had been strengthened after a day of political upheaval in which Ehud Barak quit the Labour party to form a new faction and three Labour ministers resigned from the cabinet.

Barak, defence minister and Labour leader, acted after weeks of pressure from party colleagues over his continued support for Netanyahu's rightwing government. Four other Labour members of the Knesset (parliament) joined Barak's faction, called Atzmaut, or Independence, which will remain in the coalition.

Their departure leaves eight Labour MKs, who will now be outside the coalition. Despite the realignment, Netanyahu's government will still command a small parliamentary majority, 66 seats out of 120. But he will be even more reliant on the far right without Labour's support.

"The government has grown much stronger today, in its governance, in its stability – and this is important for Israel," Netanyahu said.

"The whole world knows, and the Palestinians know, that this government will be around for the next few years and that it is with this government that they should negotiate for peace."

Barak said Atzmaut will be "centrist, Zionist and democratic". He told reporters that he had reached the conclusion that a situation "where there were in essence two Labour factions had to stop".

Senior ministers had called on Barak, a former prime minister, to instigate Labour's withdrawal in protest at the collapse of Middle East peace negotiations. He was castigated during a large pro-democracy rally in Tel Aviv on Saturday.

Isaac Herzog, one of the Labour ministers who quit, is expected to stand for the party leadership. He welcomed Barak's move, saying it would pave the way for "a renewal of the party and its return to social action and true vision".

He added: "The time has come to stop lying to ourselves and leave the government which has brought us to a dead end and forced upon us Avigdor Lieberman and his party with its unacceptable racist discourse which threatens our democracy."

Lieberman is foreign minister and leader of the rightwing Yisrael Beiteinu party.

Avishay Braverman, another departing minister and likely Labour leadership contender, said: "The crisis gives us a chance to rebuild a strong movement. The Labour movement is on a new path."

The third minister to quit, Binyamin Ben-Eliezer, said he believed the party would now return to its former glory. At the last elections, almost two years ago, Labour – once considered the natural party of government – won only 13 seats.

Prime ministerial aides said Netanyahu had "facilitated" Barak's departure and that it would "stabilise" his premiership and the peace process, it was reported.

Opposition leader Tzipi Livni said it was "a bad day for the Netanyahu government but ... also a hopeful day for Israel". She called for immediate elections.

Israeli political parties have split previously. In 2005 the then prime minister, Ariel Sharon, left Likud to launch Kadima. Netanyahu then became leader of Likud.

Meanwhile, Israel's president, Shimon Peres, added his voice to criticism over plans for a parliamentary investigation into the funding of civil and human rights organisation, saying such a move would "harm Israeli democracy".