

#### ROTHBARD-ROCKWELL REPORT

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### The Israel-P.L.O. Accord

#### by Murray N. Rothbard

It is both ironic and no accident that, at long last and after nearly three decades, the government of Israel "has decided to recognize the P.L.O. as the representative of the Palestinian people," precisely at the time when this simple fact is no longer true. For a generation, while Yasser Arafat and the P.L.O. were the heart and soul of the Palestinian people, Israel demonized them as murderers, and put Jews in jail who dared to violate the legal ban on so much as talking to the P.L.O.

#### Saving Arafat.

The Rabin government has been hailed and lauded in the world media for its courage and nobility in speaking to, and making an agreement with, the P.L.O. But courage and nobility had little to do with it. For various reasons, the P.L.O. has been slipping badly in recent years, and Mr. Arafat's authority, once supreme over Palestinians, had eroded to such an extent that mass resignations were cropping up in the organization that once obeyed his orders without question. The major motivation of the Rabin government was to save Mr. Arafat, and Arafat, whose driving aim in recent years has been to gain world-wide respect as the leader of his people, virtually swooned

into Israeli arms.

The P.L.O. suffered the fate of many exile organizations. Driven out of their Palestinian homeland, Arafat and his cadre gradually transformed themselves from refugees into powerhouses. But as they did so, they traveled ever farther, physically and spiritually, from their Palestinian homeland. As the long arm of Israeli force and diplomacy stretched ever fur-

ther, Arafat and his men were driven out of Jordan, then out of Beirut, finally to settle in Tunis, totally out of the Middle East. In the meanwhile, the P.L.O. grew fat and sassy, fueled by a huge amount of combined consciencemoney and hushmoney contrib-

uted by the oil shiekhdoms of the Middle East. Arafat and his (Cont. page 2, col. 3)

#### THE EAR

by Sarah Barton

The Cato crowd, filled with hatred and malevolence toward the two R's, is zooming Left-

ward at a remarkable rate. Beginning skeptical toward Nafta for example, Cato moved toward frantic support when they saw that the two R's opposed it, trying desperately to "explain" as the reason for this opposition that the two R's joined anti-Nafta

leader Pat Buchanan in "homophobia." Say what? So hate-(Cont. next page, col. 1)

# government was to save Mr. Arafat.

The moti-

vation of

the Rabin

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#### (THE EAR cont. from pg. 1)

soaked are the Catonics that they are actually denouncing the revered Henry Hazlitt as a "shill for Mises," after they read the second R's moving tribute to Harry.

Do the Catonics, at long last, have no sense of decency at all?

\* \* \* \* \*

"The more noisy Negro leaders, by depicting all whites as natural and implacable enemies to their race, have done it a great disservice," wrote H.L. Mencken in Minority Report. "Large numbers of whites who were formerly very friendly to it, and willing to go to great lengths to help it, are now resentful and suspicious. The effort to purge the movies, the stage, the radio and the comicstrips of the old-time Negro types has worked the same evil. The Negro comic character may have engendered a certain amount of amiable disdain among whites, but he certainly did not produce dislike. We do not hate people we laugh at and with. His chief effect upon white thinking, in fact, was to spread the idea that Negroes as a class are very amiable folk, with a great deal of pawky shrewdness. This was to their advantage in race relations, but when the last Amos 'n Andy programme is suppressed the Negro, ceasing to be a charming clown, will become a manacing stranger, and his lot will be a good deal less comfortable than it used to be."

A cetain think-tank head

seems to be Losing It. He has taken to slipping anonymous smear notes to his enemies. What's next for Fast Eddie? Will he become a Stalker, or invade David Letterman's house?

\* \* \* \* \*

The Ear has reported before on the travails of Libertarian coin minter (and blond hunk) Conrad Braun. Here's the latest: Conrad finished serving his sentence for stalking and threatening to murder his ex-wife, but was arrested the moment he stepped out of the slammer. Now he's accused of stealing \$5.5 million from his customers. The three employees of his Gold Standard Corporation in Kansas City resigned as a group and claimed to police that Conrad had taken customer funds and lost them in the commodities market, which they said he played by phone from jail. If found guilty, Conrad could be sentenced to 150 years in prison.

His ex-wife's family, who were terrified that Conrad would carry out his threat to "blow her brains out," cheered his arrest.

\* \* \* \* \*

From a well-placed source in Memphis: Vincent Foster's wife Lisa (nee Braden), comes from Memphis, and her family still lives there. After the November election, a good friend asked Lisa's sister Kathy whether Lisa was excited about going to Washington. "No," Kathy replied, "because of Vincent's ten year affair with Hillary Clinton." So where's the intrepid press? Where's the subpoena power?

(ISRAEL-P.L.O. cont. from pg. 1) men were playing on the world stage, and the concerns of the average Palestinian suffering under Israeli occupation became ever more abstract and remote. And as he sought world recognition and respectability, Arafat and the P.L.O. became increasingly more "moderate," ever more willing to abandon the original P.L.O. program of the return of all the Palestinian refugees to the land of their birth, and to settle for some sort of truncated mini-State rather than full Palestinian return.

The fist big change in P.L.O. status came in 1987 with the heroic intifada, the Palestinian uprising on the West Bank and Gaza Strip against the brutal Israeli occupation, an uprising conducted by sticks, stones and fervor against far superior Israeli arms. Contrary to myth, the intifada was not a P.L.O. operation; on the contrary, it was a spontaneous uprising of the Palestinian people that puzzled the P.L.O. The *intifada* gave rise to brand new leadership, leadership that was genuinely militant and rooted in Palestinian concerns, and that had no particular use for respectability at the United Nations or in the New York Times.

There had long been deep opposition within the P.L.O., opposition by militant 'rejectionists' who scorned Arafat's compromises and sellouts. Most of them, however, were Marxists or small terrorist groups with little popular support (e.g. Dr. George Habash's Popular Front for the Liberation of Palestine; Nayaf Hawatmeh's Popular Democratic Front for the

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Liberation of Palestine, Ahmed Jabril's PFLP-General Command, and the Abu Nidal group). Because of his domination over his own Al Fatah, by far the largest organization within the umbrella P.L.O., Arafat was still able to dominate the Palestinian movement.

But with the *intifada* taking center stage, the balance of Palestinian forces changed radically. Every uprising throws up its own popular leaders, and the youthful *intifada* leadership were not about to take orders from aging and remote leaders from Tunis, leaders who had in any

case discouraged Palestinians on the spot from taking matters into their own hands.

There is another vital factor here that has been underplayed in the media. The P.L.O., child of the 1960s, was the last major organization born of the Old Islam: that is, led by secularists who were genuinely devoted to a unitary secular state in Palestine, with complete freedom to be en-

joyed by all religions, Jewish and Christian, as well as Muslim. At the same time that Israeli leaders were demonizing the P.L.O. as eager to hurl all Jews into the sea, the P.L.O. always insisted on firm distinctions between the aggressive "Zionist entity," which they hated, and the Jewish religion, which

they had nothing against.

But that was the Old Islam. Within the last decade or so, as everyone knows, a militant New Islam has emerged, determined, "fundamentalist," and heaping only scorn on "Western" ideals such as religious freedom that had so influenced older groups like the P.L.O. And so the upsurge of the New Islam, the "hard right" such as Hamas and the Islamic Jihad, hard-core Muslims who have no use for secularism or religious freedom. And never, ever are they in a spirit to compromise, to surrender, to the hated Zionist

> entity. The Palestinians of the poor, wretched Gaza Strip are almost totally devoted to Hamas. as are much of the Palestinians on the West Bank. On the West Bank and among the remainder of the Palestinians, the P.L.O.'s only trumpcard has been the person of Yasser Arafat, beloved by rankand-file Palestinians as the George Washington of his people. But

even that devotion began to erode a few years ago when the Muslim Arafat displayed the temerity to marry a Christian wife.

In weighing the alleged dovishness and nobility of Yitzhak Rabin, by the way, it should not be forgotten how Rabin greeted the heroic people of the *intifada*:

"we shall break their bones!" Some nobility! Some "dove"!

The next major blow to the P.L.O. came with the Gulf War, where Arafat went with his heart, and with the views of his Palestinian masses, and supported Iraq against the US-UN jackal pack set upon Saddam Hussein by the oil-rich sheikhdom of Kuwait, fueled by the mountain of bribes ladled out by the Kuwaiti government. But while the masses were with Arafat's decision, the moneybags: Kuwait, Saudi Arabia, etc., were not. Like all massive organizations, the P.L.O. more and more had come to subsist on money, and the money was largely supplied by the oil sheikhdoms. Bitter at Arafat's support of Iraq, the oil sheikhdoms cut off the money, and the P.L.O. has been virtually bankrupt ever since, sliding down the tubes to oblivion.

For, once again as in most political events, money provides the key to this "historic accord" and to its attendant hype and hoopla. One may ask oneself: why in blazes was the Accord signed in the White House, which supposedly had nothing to do with the agreement, and not in Oslo, where the Norwegian foreign minister provided the indispensable "back channel" for the delicate negotiations? One answer, of course, is to provide political brownie points to Clinton, whose "statesmanship" receives a reflected glow from the accord. But more important: Clinton has already pledged billions of Yankee dollars, along with more billions from the oil sheikhdoms, to grease the skids of this treaty

Money provides the key to this "historic accord" and to its attendant hype and hoopla.

and to make it palatable to Jews and Arabs alike. To appease the Israeli hawks, billions will be poured into Israel; and for the Palestinians, more and more billions for aid, "development," and God knows what. Ye gods! Is there no injustice in the world, however flagrant, that cannot be covered up by a flow of dollars from Uncle Sam?

#### What Is Israel Giving Up?

Let us analyze the deal in detail. What exactly is Israel giving up, what is it "sacrificing" in the noble cause of peace and reconciliation? Its major loss is the Gaza Strip, a tiny and wretched area without resources that consists of virtually one large and miserable refugee camp containing 800,000 Palestinians. Because of its high density, it has been very difficult for the Israeli occupiers to dominate Gaza. Moreover, the Gaza Palestinians are virtually all supporters of the militant Hamas, and not of the P.L.O. By divesting itself of Gaza, Israel will be turning over its onerous policing activity in the area to its new stooges of the P.L.O. who will have the Quisling function of putting down Hamas and the militants in behalf of their Israeli masters.

Perhaps most important, and totally unmentioned in the press, is the fact that the Gaza Strip, as in the case of the Sinai Peninsula, does not form any part of the maximal Zionist vision, of making Jewish the maximal extent of the ancient Hebrew kingdoms. Since neither Gaza nor the Sinai form part of fanatical Zionist dreams, it was easy for Israel to assume the pose of mag-

nanimity and give them up.

The West Bank, of course, is a stickier problem, since that (as well as western Jordan and a chunk of southwestern Syria) is part of the Zionist vision. But on the West Bank, at least in the first year stage, Israel is only giving up the small town of Jericho; all the rest remains part of Israeli occupation.

And while Israeli troops are supposed to be withdrawn, in this long first stage, from Gaza and Jericho, these same troops will hang around on the periphery, ready to move back in at the slightest sign that the PLO police are incapable of "keeping order," that is, of suppressing the non-Quisling militants among the Palestinian people. Furthermore, even for the cloudy and ultimate stage 2, Israel is making no commitment whatever for even eventual fullstatehood for Palestine, even for the Gaza Strip and the West Bank, nor even for full withdrawal of all troops from this allegedly "autonomous" region.

As Professor Edward Said, a P.L.O. moderate and by no means a "rejectionist," writes in his gloomy assessment of "Arafat's Deal" [The Nation, Sept. 20], in this "limited autonomy" granted to the Palestinians, Israel will continue to "control the land, water, overall security and foreign affairs in these 'autonomous' areas." In the West Bank, Said adds, Israel will control "almost all the water and land, a good percentage of which it has already taken." Said concludes: "The question remains, How much land is Israel in fact going to cede for peace?" In addition,

nothing is said in the agreement about whether or when Israel will end its punitive apparatus of occupation laws and decrees in Gaza and the West Bank, and nothing, too, is said about the 13,000 Palestinian political prisoners still rotting in Israeli jails.

If the status of the 800,000 Palestinian refugees in the Gaza Strip and especially of the 900,000 Palestinians living in the occupied West Bank is cloudy at very best, what of the fate of the 3,000,000 other Palestinians who are refugees, not of the 1967 War but of the original Israeli conquest of 1948? These men, women, and children were driven from their lands and homes in what became "Israel proper," and have been living a furtive existence as refugees around the world: in Jordan, Lebanon, and elsewhere, yearning to return to their homes in Palestine. What happens to them under this highly-touted Accord? The answer: total abandonment. If there is feeble hope for Gazaites and West Bankers to enjoy some sort of limited autonomy under watchful Israeli guns, there is no hope at all for the 3,000,000 exiles of 1948.

Israel began under the aegis of British imperialism in the Middle East. Under its aegis, the meddling United Nations imposed a Partition plan on Palestine in 1947, which granted far too much land to the Zionists compared to what they deserved by the extent of their private property. (In many cases, for example, the Zionists claimed land titles by buying them from the Ottoman feudal lords, thereby displacing the Arab peasants

who were the tillers and rightful owners of the soil.) But even that, of course, was only the first stage of Zionist expansionism. In the war of 1948-49, Israel occupied and drove out Arabs

Arafat's

terrible

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post-1948

refugees.

the

deed is to

from the lands granted by the UN partition, depopulating, for example, the Arab city of Jaffa and substituting Zionist settlers.

The world media have totally distorted the problem of the original Palestinian refugees by concentrating on the allegedly fanatic and unreasoning "extremism" of the P.L.O. in making part of their covenant "the destruction

of Israel." The question, however, is not whether or not the Israeli entity has a "right to exist," but whether or not the displaced Palestinians have a right to return to their homes and be free citizens of their lands, whether we are dealing with the post-1967 conquests of the West Bank and Gaza or the post-1948 conquests by "Israel proper." Allow the right of all Palestinians to return, and to have a full say as citizens, and Israel would indeed disappear, not because its "entity" has been destroyed or Jews driven into the sea, but because the Palestinians would then outvote Jews in Israel and Israel would no longer fulfill the Zionist goal of being a "Jewish state."

Arafat's terrible deed, then, is to sell out totally the post-1948 refugees. There is not even a cloudy second or third "stage" for *them*. It is true that the P.L.O. long ago decided that it need

not insist on an immediate full Palestinian State. Instead, it would bow to reality by accepting, at first, a mini-State in the West Bank and Gaza Strip, but then use that mini-State as a foco and a point of agitation for an eventual maximal state in all of Palestine. And that, of course, is what Israel has been anxious to prevent, and why they didn't sign any deal for all

these decades. But now, by taking advantage of Arafat's weaknesses: his eroding support, his financial bankruptcy and his vainglorious appetite for world acclaim, Israel has succeeded in getting the "representative of the Palestinian people" to (a) abandon the post-1948 3 million altogether; (b) to accept a very limited autonomy in Gaza and [ericho, and (c) an eventual only slightly less limited autonomy in the West Bank. Instead of insisting on a maxi-State, Yasser Arafat has settled for no genuine

Even at this date, in fact, the Rabin Government strongly opposes any Palestinian state, however eventual and however micro-mini; instead, it is sticking to the old Israeli scheme of a "confederation" between the Palestinian "entity" and the Kingdom of Jordan. In that way, the Palestinians would be submerged under a dictatorship of the long-time Zionist stooge King Hussein and his bedouin praetorian guard, so that the fact that Jordan would enjoy a majority of Palestinians would exert no influence on Jordan's politics.

There is only one enjoyable aspect of this Accord betraying justice and covered in media treacle and hype: the extreme discomfiture of our friends the American neocons, who are more hawkish on Zionism and the Arabs than are three-fourths of the Jewish population of Israel. It was precisely suspicion of such an Accord in the works that led Norman Podhoretz and Company to heap mud for many months on the Rabin Government as "self-hating" Jews.

But the fury of the neocons should not be enough to salvage the Accord in our eyes. It is true that the Likud, beloved to the neocons, would never have made this agreement, and that it took the Labor government to carry it through. But once again, the seeming moderation of the Labor government on this issue has nothing to do with altruism, a sense of justice, empathy for Palestinian suffering, devotion to peace, or the rest of the claptrap the adoring media have foisted upon us. The battle between Likud and the Labor party on this issue is strictly a matter of long-run demographics. If Israel keeps the West Bank and Gaza, the superiority of the Arab over the Jewish birth rate is such

that, in the long run, the Arabs would outnumber the Jews in Greater Israel (Israel proper + the 1967 conquests). But this means that, to keep Israel as a Jewish state, Israel would either (a) have to give up any pretense of democracy where Arabs are concerned and rule over them in an increasingly brutal occupation; or (b) expel the Arabs to Jordan in a genocidal form of "ethnic cleansing." The Likudniks were willing to do either (a) or (b), (b) being the choice of the ultra-hard liners such as the late Rabbi Kahane's Jewish Defense League/Kach Party. But the Labor Party is not so willing to give up the trappings of Western and democratic government, and so the Labor choice is to "expel" the Arabs in a less brutal way, that is, hiving off the West Bank and Gaza into "autonomous" but still controlled regions, and thereby confining Israel to a comfortable Jewish majority.

This deal is so bad for the Palestinians that Arafat did not dare submit it to the supposedly supreme 400-man National Council of the P.L.O., since he knew he would lose. Shortcircuiting the National Council, he only managed to ram it through his own Executive Committee of the P.L.O. by a very narrow margin, and that was after several opponents had resigned from ExecCom in disgust. But the Israeli/American/ Arafat hope is that with enough U.S. and world billions—and possible troops—poured into the breach, the objections of the Palestinians can be overridden. One thing is certain: without the moral authority and charisma

of Arafat among the Palestinians the Accord would be a dead duck. Yasser Arafat has displayed a phenomenal ability to escape assassination plots in the past. He is going to need a lot more of this ability if the Accord is to survive beyond the signing ceremony.

## Stop Nafta! by M.N.R.

Once again, libertarians and conservatives are being played for suckers. And once again, free-market think tanks and alleged devotees of "free trade" are serving as point-men and front-men for a sinister centrist Establishment whose devotion to freedom and free trade is somewhat akin to Leonid Brezhnev's. The last time that "free market economists" played such a repugnant role was in the 1986 "tax reform," engineered by Jacobin egalitarian economists in the name of "fairness," "equality," and free markets. [Tip: genuine free markets have nothing to do with "equality," and nothing whatever to do with modern leftist notions of "fairness.''] The ''social compact'' devised by the 1986 Republican Jacobins was to cut upper income tax rates in exchange for "closing the loopholes," "broadening the tax base," and thereby keeping everything "revenue neutral." [Query: what's so great about keeping tax revenues up, the eternal aim of supply siders? Why not drastically lower tax rates and tax revenues? Isn't that the *real* free-market position?]

Well, they closed the loop-

holes all right, thereby leveling a blow to the real estate market from which it has still not recovered. Thanks, Jacobins. And, as some of us predicted without being heeded in 1986, it took only a few years for the upper income tax rates to be raised again. This year, the rightist Jacobins feebly protested when Clinton put through his horrible budget. So Clinton broke the social compact of 1986! Does anybody really care?

The current Pied Piper, or Judas goat, role of free-market economists is being played over the North American Free Trade Agreement [Nafta]. Just call it "free trade," and freemarket economists and libertarians will swallow anything. When Pat Buchanan ran for President, one of the main arguments of Our People in sticking with Bush is that Bush was a "free trader," while Pat had become a protectionist. Never mind that Bush's trade record was the most protectionist in many a moon. He talked a good "free trade" game, and rhetoric is all that counts, right?

Bush's major trade legacy, now coming to a head, is of course the much heralded Nafta. Well, it says "free trade" right there in the title, so it must be good, right? Wrong. But unfortunately, the push is on, and free-market economists are leading the hysterical propaganda parade for Nafta. In addition to the usual neocon suspects such as the Wall Street Journal, and free trade supplysiders such as Robert Novak, virtually every free-market think tank has joined in an unusual "Nafta Network," to beat the