

opment, which would explicitly reflect a change in axioms.

In August 1977, the influential newsletter *Israel and Palestine*, published by Maxim Ghilan, ran an article by LaRouche entitled “A Future for the Middle East.” LaRouche wrote, “Poor Palestinian Arabs squatting in misery along Israel’s borders are not the solution. What is wanted is sovereign nations undergoing effective internal economic development. If Israel, Lebanon, and a Palestinian Arab state, have the same objective policies and basic interests, that is, the mobilization of their populations through an inspiring process of economic development, then we have the basis for a durable agreement, and not otherwise.”

He continued: “Economic development as the objective basis for the solution of the Middle East crisis will succeed, to the extent this solution is seen as the forward march of humanity, as a self-conscious effort to eradicate backwardness and irrationalism, through making sensuous and real the environment of technological and scientific progress. Hence, ignore those babblers who profess to be practical politicians. Their failures have discredited them fully.”

In a memo prepared by LaRouche for release on May 23, 1986, in response to a call by then-Prime Minister Shimon Peres for a “New Marshall Plan,” LaRouche outlined the economic development plan, which he calls the “Oasis Plan,” which was incorporated into the economic annexes of the Oslo Accord. After presenting detailed plans for joint infrastructure development, which will lead to improved living standards, through improved productivity, both for Israel and her neighboring sovereign states, LaRouche identified the deeper philosophical approach he employed, one which is coherent with his—and Beilin’s—insistence on the adoption of the principle of Westphalia today.

LaRouche wrote: “In the relations between Arab and Jew in the Middle East, we discern two opposing cultural movements among each. On the one side, there is the heritage of the Arab Renaissance; on the other side, the Sufism which destroyed that Renaissance from within. Post-Hitler Judaism is of two general views: the one bases itself, optimistically, on 2,000 years of Jewish survival under the diaspora; the other takes Hitler’s holocaust, pessimistically, as its point of departure.

“The cultural basis for peace between Arab and Jew, is the coherence of the impulses of the Arab Renaissance to the principles of 2,000 years of Jewish survival in Europe. The function of regional economic development, is to unleash a cultural renaissance among both Arabs and Jews of the region, to establish the movement for stability within each nation, and to foster among the nations a common view of the dignity of the individual, such that the life of the person of each nation is sacred to all nations.

“Economic development by itself, will not suffice to bring the desired renaissance into existence; but that renaissance can not be effected without a basis in vigorous economic development.”

Lebanon Debacle Sends Israel into Disarray

by Dean Andromidas

The ceasefire between Israel and Hezbollah that ended four weeks of bloody conflict, has ignited a brutal political backlash in Israel, as the scope of the war’s failures sinks into the Israeli consciousness. Commentators are comparing the backlash to that of the October 1973 Arab-Israeli war, in which Syria, and especially Egypt, delivered a military blow to an arrogant Israel, which many say led Israel in 1979 to return the Sinai Peninsula in exchange for a peace treaty with Egypt.

Despite efforts by Prime Minister Ehud Olmert to paint the United Nations-sponsored ceasefire as a victory, the manifest failure of the Israeli political and security establishment has left the population dazed, asking, “What was that all about?” A poll by Israel’s largest daily, *Yedioth Aharonot*, revealed that 30% of those polled believed Olmert’s spin, while another 30% believed that Hezbollah actually won the war, and 36% believed that no one won. Meanwhile, 69% of those polled demand a national commission of inquiry to examine the gross failures of the political decision-making process and the military failures that led to the debacle.

Writing in the Israeli daily *Ha’aretz* Aug. 16, Reuven Pedatzur, one of Israel’s leading commentators, exposed the country’s profound strategic failure, in a commentary titled, “The Day After: How We Suffered a Knockout.” “This is not a mere military defeat,” he wrote. “This is a strategic failure whose far-reaching implications are still not clear. And like a boxer who took the blow, we are still lying dazed on the ground, trying to understand what happened to us. Just like the [1967] Six Day War led to a strategic change in the Middle East and established Israel’s status as the regional power, the second Lebanon war may bring about the opposite. The Israel Defense Forces’ failure is eroding our national security’s most important asset—the belligerent image of this country, led by a vast, strong and advanced army capable of dealing our enemies a decisive blow if they even try to bother us. This war, it soon transpired, was about awareness and deterrence. We lost the fight for both. . . .”

After outlining the military failures, Pedatzur, who is a reserve officer in the Israeli Air Force, continued: “Just as before the Yom Kippur War [October 1973], there was a destructive combination of arrogance, boastfulness, euphoria and contempt for the enemy. The generals were so certain of the air force’s success that they did not prepare an alternative. And when it became clear after about one week that Hezbollah

was not disintegrating and that its ability to fire rockets had not been significantly thwarted, the IDF [Israeli Defense Forces] found itself in a state of acute distress and embarrassment. . . .”

Pedatzur, a strong advocate of peace, is far from a lone voice; he is expressing what broad swaths of the military-security establishment and the general public are now thinking: Heads are about to roll in both the political and military spheres. Already political commentators are predicting that Olmert’s government will be gone by the end of the year—at the latest.

Call for Commission of Inquiry

No sooner was the ceasefire announced, than calls for a commission of inquiry on the conduct of the war were made across the political spectrum. The failures were indeed great. Israeli casualties in four weeks of fighting were 118 soldiers and 42 civilians killed and thousands of soldiers and civilians wounded. The military side of the war cost \$1.6 billion, and the economy, especially in the northern part of the country, lost at least \$2 billion in production. The full economic impact has yet to be totalled. Israel inflicted billions of dollars in damage on Lebanon’s infrastructure and killed hundreds of innocent civilians, but the actual number of Hezbollah fighters killed is unknown. Intelligence sources have told *EIR* that Hezbollah had deployed only a small portion of its resources.

A commission will have to ask some big questions: Why did the government approve an attack up to Lebanon’s Litani River knowing that, in a few hours, the United Nations Security Council would vote and likely approve a ceasefire resolution backed by the United States and France? Why did the Northern Command lower the level of alert on the northern border, two days before the capture of two Israeli soldiers by the Hezbollah? Why had the reservists who had been called up for the operation not received any training in the armored corps for six years? Why did the logistics system fail so miserably that soldiers lacked necessary equipment and even sufficient food and water?

But the main question will be, why did the government enter a war that ended in such a disaster? One Israeli source told *EIR* that an inquiry has to investigate why the government and the generals entered the conflict without any clear strategy on how the war could be brought to an end. He called the decision to launch an offensive up to the Litani River, an insane move that cost 24 Israeli lives, and gained nothing. It was the “glory of the generals fighting for survival,” he said, and he expressed the hope that an inquiry would bring down all the generals and senior politicians responsible for this bloody disaster.

Chief of Staff Must Resign

Within minutes of the implementation of the ceasefire, *Ma’ariv*, one of Israel’s leading dailies, revealed that three hours after two Israeli soldiers were captured by Hezbollah,

and just before he was to recommend going to war to the Israeli Prime Minister and Defense Minister, Israeli Chief of Staff Dan Halutz called his banker to instruct him to sell his investment portfolio. In the next three days, as Israel went to war, the stock market took a nose dive. The political firestorm following the revelation has led to calls across the spectrum for Halutz’s resignation.

The lead editorial of *Ha’aretz* Aug. 16, titled “First Halutz Must Go,” reads: “Without claiming that blame or responsibility rests solely with the Chief of Staff Dan Halutz, based on the criteria of conduct, preparedness, and results, Halutz must resign immediately. This resignation should occur even before investigations and inquiries begin, and not only in order to underscore the gravity of the situation and the facts that no failure can occur without someone taking responsibility, and no failure can be disguised as a victory with empty words.”

As for cashing in his investment portfolio, *Ha’aretz* writes: “The cumulative feeling created by the fact that the chief of staff took time off on that bitter day to hastily sell his stocks, while the justice minister found time on that day to be photographed with, and take down the telephone number of, a passing clerk who later accused him of sexual harassment, is one of despair, as if the public has no one on whom to rely.” This latter reference is to Justice Minister Haim Ramon, who could be criminally indicted for trying to kiss a secretary. Ramon is infamous for having called for taking down the entire electricity capacity of Lebanon during the war.

After outlining the failures of the military, *Ha’aretz* concludes: “The government as a whole is also not innocent in this failure. But first of all, Halutz must go.”

The only ones to come out in support of Halutz have been the cronies of the now-comatose Ariel Sharon, who as Prime Minister had named Halutz Chief of Staff. In fact, almost the entire current General Staff was appointed during Sharon’s tenure, and Halutz is said to have been a favorite of Sharon’s son Omri. Among his defenders is Sharon’s former Defense Minister, and now Transport Minister, Shaul Mofaz, who also faces flack over the war’s failure. One of few journalists who came to his defense is Uri Dan of the *Jerusalem Post*, who has made a career as the leader of Sharon’s fan club.

Halutz is not the only head on the chopping block. On Aug. 17, a day after the ceasefire took effect, it was revealed that the Israeli State Comptroller Micha Lindenstrauss is investigating Prime Minister Olmert for receiving a \$600,000 discount on a \$1.2 million apartment—a discount that is being seen as a possible bribe. Lindenstrauss is expected to turn over his findings to the Attorney General with the recommendation that a criminal investigation be opened. Commentators are predicting Olmert could be out of office within two months.

War or Peace

Israel’s only option for survival is to become part of a Madrid II-type peace conference as proposed by Knesset (parliament) member and Yahad Party leader Yossi Beilin, and

endorsed by American statesman Lyndon LaRouche. But Israel's political class is still split, and a faction led by Likud Party Chairman Benjamin Netanyahu is calling on Israel to prepare for the next war. Netanyahu, who conspired with Vice President Dick Cheney to drag Israel into the war in Lebanon, told the Knesset, "Unfortunately, there will be another round [in this war] because the government's just demands weren't met."

Meanwhile, Knesset speaker Dalia Itzik of the ruling Kadima party called for the formation of an emergency government that would include the Likud. Addressing Olmert in a session of the Knesset, she said: "Prime Minister, establish a national emergency government that will determine the mistakes we made over the years that led to this war. This new government must prepare us for the next war." Itzik went so far as to hold talks with Netanyahu—without informing Olmert—on forming such a government. Thus, there is a great danger that an even more hawkish government could come into power if Olmert's government falls.

Nonetheless, on Aug. 15, Israeli Defense Minister Amir Peretz called for Israel to prepare for negotiations with Syria and Lebanon, and a renewal of talks with the Palestinians. Speaking at a ceremony for Orphans of the Israeli Defense Forces, Peretz said that "every war creates opportunities for an extensive diplomatic process," and "we need to hold negotiations with Lebanon, and lay the groundwork for negotiations with Syria. . . . I plan to do whatever I can to restore the diplomatic support for Israel. We need to resume negotiations with the Palestinians."

Peretz's call, as well as Beilin's call for a Madrid II peace conference, have not fallen on deaf ears. Commenting on Beilin's proposal, an Israeli military source said: "Reopening the peace process will help Israel. Olmert has to take the initiative; otherwise, he will disappear from the political scene." The source added that Israel should also accept the Saudi peace initiative, known as the Beirut Peace Initiative. Such an agreement would put Israel on the road to establishing and expanding relations with other Arab regimes, including Syria, Egypt, Jordan, Lebanon, and Saudi Arabia, and would also help to neutralize tensions with Iran.

Another source, who has played a key role in negotiations with Syria in the past, said that the Israeli government "should now adopt a broad perspective" and initiate peace talks with Syria. "I know the Bush Administration doesn't agree with me," he said, "but Syrian President Bashar Assad should be encouraged to join in talks that would lead to concrete results, including a peace agreement."

LaRouche's 30-Year Efforts for Mideast Peace and Development

This timeline emphasizes Lyndon LaRouche's programmatic efforts with regard to the Middle East, which have always been based upon the principle that economic development in the mutual interest of all parties in the conflict ("the benefit of the other") is the only foundation upon which peace can be achieved. Of course, LaRouche has also focussed his fire against those who have sabotaged such potential—most notably the British and synarchist bankers, plus now, the insane Bush-Cheney Administration.

April 1975: Lyndon LaRouche, after travels to Baghdad, Iraq for meetings with Arab leaders, announces a proposal for Mideast peace based on economic development of the region, as part of his proposal for a new International Development Bank (IDB) reorganization of the world monetary system. The proposal details a plan for the industrial and agricultural development of the region stretching from the Persian Gulf to the Mediterranean, and from Syria to Afghanistan.

LaRouche states in that proposal: "With an IDB policy in the wind, the pro-peace faction of the Mapai should become hegemonic. . . . The Israelis and key Arab states could readily agree on durable terms of continued negotiation concerning the Palestinian Question within the context of immediate firm agreement for cooperation in development policies. . . . Within such a policy framework, the Near East Jew will tolerate no continuation of keeping any section of the Arab population in oppressed backwardness; this provides the positive basis for finally settling the Palestine issue to the satisfaction of Jews and Arabs generally, including of course, the Palestinian Arabs."

November 1975: LaRouche and associates organize a seminar in Paris to present his Middle East development plan to the Arab nations.

November 1975: LaRouche meets in New York with Israeli leader Abba Eban on his proposals.

1977-78: LaRouche holds several meetings with World Jewish Congress President Nahum Goldmann on his economic proposals in the Mideast.

August 1977: LaRouche writes an article, "A Future For the Middle East," which is published in Max Ghilan's Paris-based Israeli newsletter *Israel & Palestine*. "In general, without direct negotiations between Israel and the PLO there can be no Middle East settlement for the foreseeable immediate future. The objective basis for a Mideast settlement is the economic-development package we have indicated. Any

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