Jabotinsky Wrecked Zionists' Hope For 'Water for Peace' in Mideast

by Steven Meyer

The first of a series of articles revealing how Vladimir Ze'ev Jabotinsky, the factional sympathizer of Mussolini and Hitler in the Zionist movement, was used by the British oligarchy to prevent the creation of independent, industrially and scientifically developed states in the Middle East. The Likud Prime Ministers known as Jabotinsky's "Princes" have brought the Middle East to the brink of general religious war.

In 1976, economist and Presidential candidate Lyndon LaRouche issued a policy statement, known as the Oasis Plan, which would establish a Middle East peace to "make the deserts bloom." LaRouche's policy was that a durable peace could be established only through economic cooperation between Israel and her Arab neighbors. The pivotal point of his policy was the establishment of energy dense, nuclear-powered desalination projects which would provide the needed water, for the creation of both rich agricultural areas and modern industrial cities. LaRouche discussed the Oasis Plan with Abba Eban, one of Israel's elder statesmen; contacts were made by LaRouche representatives with various political factions in the Arab world as well; it was the basis of his private input into the discussions that became the Oslo Accords.

Part of President Clinton's problem in establishing a workable peace, stemmed from his lack of in-depth understanding of economics. He did not take such an energy-dense water policy as the foundation of his peace, seriously flawing his overall effort. Without great water projects on the appropriate scale as the keystone of an economic peace, transformation of the region and the hope for a better future by Israel's neighbors are merely arid dreams.

Builder Elwood Mead in Palestine

The modern history of such projects for Palestine and the Middle East dates back to late 1923, when American water expert Elwood Mead traveled to Palestine at the formal request of Zionist leader Chaim Weizman, to assess what existed and what might be created. Mead had been an assistant engineer for the United States Engineer Corps, and from 1899-1907 he had been in charge of irrigation investigations for the United States Department of Agriculture. As an irrigation expert and land and water reclamation expert, he helped build California's Imperial Valley. Mead was the chief engi-

neer for the construction of the colossal Hoover Dam project in the United States, and its man-made lake is named in his honor.

Mead's initial report suggested that using his techniques, Palestine could become as verdant as Southern California, and that the Jordan Valley, like the Imperial Valley in California, had the capacity "to supply distant cities with fruits and vegetables." Mead's projects included the building of a dam in the upper Jordan Valley that would "light cities, turn the wheels of factories, pump water for irrigation, and give to the country a varied and prosperous industrial life."

The following year, Meade became the Commissioner of the U.S. Bureau of Land Reclamation, a position he occupied until his death in 1936. He made a second trip to Palestine in August 1927. He made water studies for Mexico and Australia as well, and set a precedent which the Bureau of Land Reclamation continued throughout the following decades. Others in the Bureau helped Israel develop its famous water irrigation policies during the early 1950s.

Mead was not welcomed by every faction within Zionism. In fact, his proposals caused a political turmoil because he criticized the "back to the land" nonsense of some of the most ardent Zionists, and criticized the inefficiency of many of the kibbutz (cooperative) farms. Mead's water projects were laid out in terms of the American System of political economy; mechanization, efficiency, and adherence to strict economic principles to generate a profit for debt repayment and further capital investment.

Mead's policies were of interest to a group of Zionists who were German-trained intellectuals, and who embodied the intellectual tradition of the great German Jewish philosopher and Orthodox Jew, Moses Mendelssohn, and of the German Classical period. This group became the on-the-ground planners and builders of early Palestine. Each held numerous degrees, including in economics, from German universities. In the heated atmosphere of the Russian Revolution and the prevalent discussion of the economic theories of Karl Marx, the three considered themselves socialist planners. The group included Julius Simon, Arthur Rupin, and Chaim Arlosoroff.

The three uniquely held, that to create and build a successful Palestine into a modern nation required that they establish a bi-national state with equal rights and participation in all walks of life for both Arab and Jew. Success also required

16 Economics EIR May 24, 2002

a dirigist economy and national banking, which would allow an invigorated Palestine to participate in uplifting the neighboring Arab states, something which would help ensure the security of the region.

The scale and method of Mead's proposals, had they been realized through the policies of Rupin, Simon, and Arlosoroff, would have resulted in a both a durable political transformation of the region and an energy-intensive transformation of not only Palestine's economy, but implicitly, that of the entire region.

Jabotinsky the Wrecker

To Palestine's colonial overlord, Great Britain, this implied that it would be stripped of its colonial power over the region, and its strategic control over Middle East oil and raw materials. It was in Britain's interest that such a policy fail.

It was the fascist Vladimir Jabotinsky, founder of what has become in recent decades the Likud Party leadership of Israel, and Jabotinsky's so-called Revisionist

minions, who were deployed on Britain's behalf in a dastardly fashion to destroy this potential. To counter the dirigist policies of Arlosoroff, and implicitly kill the possibility of implementing Mead's project, Jabotinsky published articles on the primacy of establishing a *laissez-faire* economy in Palestine. His hooligans broke strikes and threatened the life of those who were leading the charge for a bi-national state.

In 1929, Jabotinsky's Betar movement led the first provocation at the Wailing Wall and Temple Mount, when several hundred cadre, armed with explosives, demonstrated at the Wall. The Arab riots which ensued, resulted in hundreds of deaths, of both Arabs and Jews. This was the very first threat of its kind to a holy site of Islam, and the provocation itself created a radical Islamic movement throughout the world which opposed the creation of any Zionist state in Palestine. So the first highly organized radical opposition to Zionism was created by Jabotinsky and the Revisionist movement.

The British also used the same radical Islamic movement to threaten and undercut those Palestinian Arabs and other leaders of the region who were sympathetic to the idea of a bi-national state and the economic development of the region.

Chaim Arlosoroff was critical of the Revisionist provocation, which he called immoral and imprudent. To counter the Revisionists, he arranged secret direct negotiations with leading Palestinian Arabs and Emir Abdullah, the King of Transjordan.

Arlosoroff's collaborator Arthur Rupin, born in Posen (Prussia) in 1876, held degrees in economics and law from the University of Berlin. He also held a degree in the biological sciences from the University of Halle. Emigrating to Palestine





American water expert and builder Elwood Mead (left) was called to Palestine repeatedly in the 1920s and 1930s by Chaim Arlosoroff (right), David Ben-Gurion and Zionist leader Chaim Weizman. They wanted Mead to replicate in the Jordan Valley and Palestine, his planning of great water projects in other nations, including America's Hoover Dam and Lake Mead. This was essential to their strategy for a peaceful Israeli-Arab bi-national state.

in 1908, he was the single most important person responsible for organizing the Zionist capital and land purchases in Palestine for both urban and agricultural development. He held this post for the Jewish Agency until his death in 1943. His land policy was directly influenced by Elwood Mead's proposals.

Rupin's outlook of compromise with the Arabs is revealed in a 1924 entry in his diary: "What continually worries me is the relationship between Jews and Arabs in Palestine. Superficially, it has improved, in that there is no danger of pogroms, but the two peoples have become more estranged in their thinking. Neither has any understanding of the other, and yet I have no doubt that Zionism will end in catastrophe if we do not succeed in finding a common platform."

Rupin founded and was president of Brit Shalom, an association to create a bi-national state, and he worked closely with his friend, Judah Magnes, the Chancellor of Hebrew University, to write a bi-national constitution. Jabotinsky's Revisionists, lead by Abbba Achimier, opposed Brit Shalom and a bi-national state. They threatened Magnes' life, and group of hooligans under Achimier's direction stormed a ceremony at which Magnes was presiding at Hebrew University, disrupting it with fists and stink bombs.

In the subsequent legal hearing, Achimier's close friend and attorney Zvi Eliyahu Cohen defended their fascist actions and revealed their support for the Nazi stormtroopers who were then busting up meetings of trade unionists and socialists: "Were the Hitlerites to remove their hatred of Jews from their program, we, too, would stand by their side. Had the Hitlerites not risen in Germany, it would be lost. Yes, Hitler saved Germany!"

EIR May 24, 2002 Economics 17



Palestinians in Jordan wait in line to get water. The Mideast water scarcity had to be addressed by development projects, as the early Zionist leaders understood. Water development, as in Lyndon LaRouche's Oasis Plan, is still essential to Mideast peace today.

Not a Laissez-Faire State

Julius Simon, though born in Germany, was an American citizen because his father had fought in the Civil War. He He lived in the United States during the 1920s and early 1930s, where he became a director of the Palestine Economic Corporation (PEC), an American-based public corporation which raised capital for investment in Palestine. Elwood Mead was recruited as an adviser in the early 1930s, while he chaired the Bureau of Land Reclamation and while his and FDR's Hoover Dam plan went forward in the American West.

Although Mead's grand design for the Jordan Valley was not implemented in Palestine, certain features were adopted through his and Simon's activities with the PEC. The PEC established a specific subsidiary, the Water Company, which provided the most modern American well-boring machinery to Palestine. The American-based Water Company also provided the initial geological, hydrographical, and geophysical investigations of Palestine necessary for the scientific and economic use of water. It also trained a generation of Zionist technicians to build and run the water systems, and a cadre force of scientists to further water exploration.

The third Zionist directly influenced by Elwood Mead was Chaim Arlosoroff, a close associate of Israel's first President, David Ben-Gurion. Born in 1899, Arlosoroff received a degree in economics from the University of Berlin. He helped form the labor-socialist party Mapai, in 1931, and was elected chairman of the Political Department of the Jewish Agency, the unofficial post of foreign minister. Arlosoroff was an intellectual and economist of top caliber, and he incorporated Mead's water program as the basis for telling leading Arabs that he planned to deliver water to the most remote Arab villages.

In 1923, Arlosoroff wrote a several hundred-page memorandum setting out the economic requirements for Palestine. Entitled *The Finances of the Jewish Agency*, it laid out the

economic principles and requirements to build a modern state out of the desert and swamps. His underlying premise was that a laissez-faire, private initiative economy would lead Palestine to its doom. In a chapter on "The Legend of Private Initiative," he wrote, "modern internal political life knows the Ministry of Welfare," and therefore infrastructure of all kinds, including compulsory universal education, which benefit the entire state and future generations were by their very nature, outside the scope of private enterprise. Since the British government had no interest in developing Palestine along these lines, he proposed that the Jewish Agency be the public authority for these improvements. He criticized individual rural settlement policy, arguing that urban de-

velopment required a planned agriculture economy.

His proposal was that the Jewish Agency secure loan capital for various primary tasks, which included: 1) purchasing land and the initial investments for required for its cultivation; 2) distributing loans for cooperative settlements; 3) distributing loans for urban construction; 4) setting credit for imports and raw materials; 5) creating a note-issuing bank, and currency which would be convertible to the Egyptian pound and be used in Palestine as legal tender, to give more control of the overall economy. It was late that same year, that Elwood Mead made his first visit to Palestine. His overall great project, could only be situated in such economic planning.

In 1925, Arlosoroff wrote an economic treatise which predicted that Palestine faced an economic collapse. During 1924-25 there was a large immigration of middle-class Jews from Poland, who settled mostly in Tel Aviv. The population increased by 13,000, and only 2,098 persons entered industry or manufacturing jobs. The rest were associated with commercial endeavors, and there was large real estate speculation. Arlosoroff warned that there was not enough real economic development to sustain the new population. Arlosoroff's forecast was borne out quickly, with unemployment, bankruptcies, and mass emigration back out of Palestine. In 1926 and 1928, he published two further critiques of this process, arguing for his dirigist policies. Elwood Mead made his second trip to Palestine in 1927.

Jabotinskyites, 'Free Trade,' and Thuggery

In 1926, Vladimir Jabotinsky published a famous thesis on the "free market" to challenge the authority of Arlosoroff. (In 1987, the very same essay was republished in the Hebrew edition of the *Wall Street Journal*, in an effort to get Israel further to dismantle its economy through "free-market" reforms and privatization schemes!)

In many economic writings, and in private letters, begin-

18 Economics EIR May 24, 2002

FIGURE 1

Colorado River and Jordan River Development Areas





Mead, who had developed the Colorado River Basin plan, including the Hoover Dam, conceived of an ambitious Jordan Valley water and irrigation development plan for Palestine in the 1920s, first at the request of Zionist founder Chaim Weizman.

ning in 1921, Arlosoroff discussed the nationalist movement that was developing amongst the Arabs of Palestine, and polemicized that would be pernicious to belittle it or to rely on bayonets to suppress it. Writing in response to the May 1921 Arab riots against Jews in Jerusalem, he noted "We have only one way—the way of peace; and only one policy—the policy of mutual understanding. It is especially important to say these things now, in a moment of rage and anger. . . . Because of existing conditions, Jews and Arabs are pushed into one path, and therefore they are in need of the politics of compromise. One quick look at the European history of states and nations would teach us this: There is only one way out; a mutual compromise."

In 1929, the Revisionists demanded that ownership of the Wailing Wall be given to the Jews, and that the land fronting it be widened and sold to them. The Wall was a holy site for both Arab and Jew. The Prophet Mohammed had tied his horse to the Wall and from the Temple Mount which it abutted, had ascended to heaven. The Wall is all that was left of the ruins of the second Jewish Temple, and prayed at as a holy

site by Orthodox Jews. The Betar newspaper of Palestine, which Jabotinsky edited, began to agitate "the Wall is ours." On Aug. 15, several hundred youth, mostly from Betar, marched to the Wall, with the women in the group carrying concealed weapons and explosives, while a detachment carrying knives and sticks raised the blue-and-white flag of Zionism. As the confrontation escalated on both sides over the following days, riots broke out and 133 Jews were murdered by Arabs, while 116 Arabs were murdered, mostly by police. The inflammatory articles and the Betar demonstrations were judged by the authorities to be the spark that set off the riots and killings. Jabotinsky, who had been out of the country, rushed back, proclaiming that the Betar rally at the Wall had been "useful and a fine thing."

Immediately after the incident, Arlosoroff wrote his wife: "What is all this excitement about? What good does it do? This damned entrance to the Wailing Wall is truly a cul-desac, which will cost us most dearly—Blood, quiet, nerves, goodwill, constructive ability, relations and contacts that are hard to maintain, the security of our brethren—all this will be

EIR May 24, 2002 Economics 19

the price we will have to pay for it."

Later in the year, he wrote an official document which condemned the action as a "Revisionist provocation." He wrote that, due to the non-confrontational policy of the early Zionist movement, in the development of Arab nationalism since 1921, the radical element had lost ground. With the Revisionists' focus of attention on a Muslim holy site, the uneasy equilibrium had been shattered and a new, highly emotional issue had been set aflame. The provocation had ignited an element of religious fanaticism among Palestinian Arabs which had swept through the wider reaches of the Arab and Muslim world.

'This Hitleristic Peril' Betar

Arlosoroff was more concerned about Jewish youth who were being recruited to Jabotinsky's cult of Jewish power and militarism. He wrote numerous suggestions to change the course that had now been laid by the Revisionists. One of his primary suggestions was to establish a diplomatic mission which would send emissaries to Cairo and Baghdad to offer support for those countries' efforts at economic progress and political freedom—"to clarify that we have no interest in opposing the justified demands of the inhabitants of these countries; on the contrary, that we are ready to support them according to our abilities."

He also suggested that a program be established "to send a group of our students to Al-Ahazar University" in Cairo, to study Muslim and Arab culture. He proposed that more Zionist institutions be set up to issue credit and economic aid to the Arab *fellahin* (peasants), and that Jewish institutions already engaged should broaden their efforts.

Conflicts escalated between the Revisionists and their adversaries led by Arlosoroff and Ben-Gurion. In 1932, Achimier, whose regular column in *Doar Hayom* (Jabotinsky's Betar newspaper) was entitled "From a Fascist's Notebook," created a secret organization, Brit HaBiryonim (Union of Terrorists or Outlaws), modeled after Mussolini's *squadristi*. Achimeir deployed many of this group in confrontations with the Histadrut trade union, writing in his private diary; "We must create groups for action to exterminate the Histadrut physically; they are worse than the Arabs: bombs into their gatherings." In February 1933, Achimeir tried to break a building strike of the Histadrut, using scab labor he had recruited, and violence broke out. There were many such confrontations.

In a speech to a mass meeting in Tel Aviv that same month, Ben-Gurion called Jabotinsky "Vladimir Hitler." "What happened in Germany keeps Hitler's lieutenants in the Jewish community awake, itching to do the same," said Ben-Gurion. "In Germany, too, a cheap demagogue at first seemed ridiculous and laughable. . . . He knew how to capture . . . the hearts of millions of Germans from all classes with deceptive propaganda, and rose to power. So let us not underrate the severity of this Hitleristic peril in the Jewish, Zionist street." In 1932, while in Berlin, Ben-Gurion had written, "I read . . . Hitler's



Vladimir Jabotinsky in 1917. Ben-Gurion later called him "Vladimir Hitler," and his Betar newspaper proclaimed, "Hitler saved Germany." His tendency's legacy is today's Likud party in Israel.

organ, and it seemed to me that I was reading Jabotinsky. . . . Same words, same style, and same spirit."

In March, Achimier's own newspaper, *Hazit Ha'am*, presented another defense of Hitler. "The various socialists and democrats are of the opinion that Hitler's movement is just a shell, but we believe it has both shell and substance. The anti-Semitic shell must be disposed of, but not the anti-Marxist substance."

Development for a Bi-National State

In April, Arlosoroff held a secret meeting with Palestinian Arab leaders and Emir Abdullah of Transjordan at the King David Hotel, to discuss a bi-national state and joint economic development. His proposals included establishing massive water projects for drinking and agriculture, including bringing water to the most remote Arab villages, the creation of a deep water port for oil use, an Agriculture Development Bank, a shared Jewish-Arab Directorate of Agriculture, and the creation of a specific fund for Arab economic development which would issue loans at 3.5-5% interest.

When the news of the historic meeting was leaked, the Emir was mercilessly attacked by the radical Arab press, while many leaders of the Revisionist movement denounced Arlosoroff and called for his assassination. According to American Rabbi Samuel M. Stahl, Arlosoroff was put on a hit-list by the Revisionists.

The next month, Arlosoroff held further secret meetings with dozens of sheikhs representing 23 Arab villages. Preliminary agreements were reached for Jewish colonies.

On the morning of June 16, Achimier's *Hazit Ha'am*—in its own words a supporter of Hitler and the Nazis—now ran an attack on Arlosoroff by name for his trip to Germany, accusing him of collaborating with Hitler and the Nazis. Arlosoroff had just returned from discussions with the Reich. This was his second trip. On April 9, the Jewish Agency meeting

20 Economics EIR May 24, 2002

in Tel Aviv had received a report from Germany that 60,000 Jews and others had been arrested, that four detention camps were operating, and that there were 9,000 medical doctors and other professionals who had been dismissed from civil service jobs by the April 7, non-Aryan decree. On the same date, the Nazis had halted any further flow of refugees to Palestine.

Arlosoroff's secret negotiations with the Reich were twofold: He proposed that rather than confiscating German Jewish wealth, a fund would be created from German Jews which would be used to purchase building materials from German firms to be used in Palestine, and that a several-stage transfer of German Jews to Palestine would also be allowed, the first stage being a mass exodus of children.

The Jabotinksy press article was entitled "The Alliance of Stalin-Ben-Gurion-Hitler." According to sources, the strange reference to Stalin claimed that the nationalist Arabs, with whom Arlosoroff was negotiating, were also backed by the communists. An accompanying editorial ended with the threat: "The Jewish people has always known how to deal with those who have sold the honor of their nation and its Torah, and it will know today also how to react to this shameful deed, committed in the full light of the Sun, and before the eyes of the whole world."

Then, and Now: Murdering the Peace

That evening, Chaim Arlosoroff was assassinated by two men while he and his wife were walking on the beach in Tel Aviv. Ben-Gurion, who was travelling in Poland, immediately increased his security. Arlosoroff's wife picked Zvi Rosenblatt from a police lineup. Rosenblatt and Avraham Stavsky had been tracked from the crime. Both were associates of Achimier, and when Achimier's house was raided, the police found an entry in his diary, describing a party that was held, to celebrate a "great victory," immediately after the killing of Arlosoroff. Achimier was arrested and charged with inciting to murder, while the other two were charged with manslaughter.

Jabotinsky and Rabbi Abraham Isaac Kook both rushed to the accused killers' defense immediately after their arrests, saying they were innocent. Leading Revisionists claimed the accused were framed, and that Arab rapists, who were after Mrs. Arlosoroff, had committed the killing! The three accused were held in custody until their trial the following Spring. An Arab in prison, who had already been convicted of murder, confessed to the crime, but then recanted saying he had been bribed by Stavsky and Rosenblatt. He confessed again, and then recanted.

But at the opening session of the Zionist Revisionist Congress on Aug. 17, a leading Polish spokesman took the floor and "confessed," stating that any Jewish youth that fired the shot at Arlosoroff would automatically become a saint!

Rosenblatt, Stavsky, and Achimier were held in jail until the case came to trial on April 23, 1934. Achimier was acquitted, for lack of corroborating evidence other than his diary entry. Rosenblatt was cleared for insufficient evidence. Stavsky was convicted and sentenced to death, but his conviction was reversed on appeal for procedural reasons.

The Revisionists claimed for decades that they had been framed by Ben-Gurion and his supporters. In 1944, when Lord Moyne, the British High Commissioner, was assassinated by two members of the Stern Gang, a Palestinian ballistics expert, F.W. Bird, examined the murder weapon and found it had been used in seven previous political slayings; twice against Arab targets, four times against British targets, and once—against Chaim Arlosoroff.

Leah Rabin, after the assassination of her husband, Prime Minister Yitzhak Rabin, in 1995, recalled that Chaim Arlosor-off had been killed under similar circumstances, only months after she had arrived in Palestine as a young child.

History Repeating Itself

Ben-Gurion struck out to continue Arlosoroff's negotiations. In September 1933 he held several meetings in Jerusalem with Moussa Alami, who had been chief public prosecutor before becoming one of the leaders of the Palestinian Arabs. Alami was closely connected with the Grand Mufti of Jerusalem and the leaders of Istiklal, the Arab Independence Party.

Ben-Gurion reiterated the policy of Arlosoroff for a binational state, water and economic development for Arab villages and areas, and an economic federation of the region to ensure economic growth and stability for Palestine and her neighbors. Alami was interested in the proposal, and secretly met with the Grand Mufti, who also showed interest. Other secret meetings followed over the ensuing months at the request of Alami, bringing together other leading Arabs and representatives from Syria as well. But after a secret meeting in Geneva, a report was leaked to the periodical *Arab Nation*, and Alami was forced to quickly back out of the discussions. Ben-Gurion did not flinch in his commitment, and started new negotiations with Arab leaders, including Auni Bey, Abdul Haddi, and Moussa Husseini.

But the Grand Mufti, a tool of the same forces which controlled Jabotinsky, was won over to the side of the Nazis, and Arab terrorists launched a wave of attacks on Palestinian Jews during their celebration of Passover in 1935. The negotiations ended abruptly. History was to repeat itself in 2002.

As Chaim Arlosoroff, Elwood Mead, and David Ben-Gurion understood the principle for which Arlosoroff gave his life, so that principle has its expression now in the Oasis Plan for which Lyndon LaRouche has fought for almost 30 years. There can be no peace without economic development in the Mideast; and no peaceful economic development without the creation of large-scale new sources of water. Such a Marshall Plan in the Mideast today requires a New Bretton Woods monetary reorganization. As long as London, Wall Street, the International Monetary Fund, and World Bank dictate privatization and free-market policies, neither development nor peace will be permitted.

EIR May 24, 2002 Economics 21