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## **The Israeli-Palestinian Conflict and the Classical-Liberal Alternative**

**by Richard M. Ebeling**

A MAN IS WALKING through the streets of Belfast, Northern Ireland, late one night. Suddenly there is an arm around his throat and he is pulled into a dark alley. A gun is then put to his head and the voice behind him asks, “Be yeh a Protestant or be yeh a Catholic?” Thinking fast, the man replies, “I’m Jewish.” “Ahh,” says the man behind him with the gun, “I must be the luckiest Irish-Palestinian in all of Ireland.”

Through thousands of years there have been few motives and causes of war that have been more destructive than religion and ideologies that surround themselves with religious doctrines. The conflict between the Israelis and the Palestinians is one such instance of this.

The Zionist movement that emerged in the 19th and early 20th centuries was based on two visions. First, a return of the Jews dispersed around the world to a national homeland that they said had originally been given to them by God thousands of years before, and second, a desire to create a socialist society in this reborn homeland.

For the Palestinians, too, there has developed a desire for a national homeland in the same area between the Mediterranean Sea and the Jordan River, amidst the religious fervor that Jerusalem is the third-holiest city in the Muslim faith and should be under the control of an Islamic state.

The intensity of the violence that has been developing recently in that part of the world shows very clearly how far the people are from any appreciation of the principles of individual freedom, private property, and peaceful, voluntary relationships, and just how vital these principles are if people of diverse backgrounds are to develop ways to live with each other and in a manner that can be mutually beneficial.

In late March 2002 one of the Israeli television stations broke the self-imposed censorship rule that the government had requested of them and showed Israeli soldiers blasting in the door of a Palestinian home on the West Bank. Inside, all they found were a mother and three small children, but the mother had been badly injured by the blast. As the mother slowly bled to death,

the eldest child pleaded for the Israeli soldiers to call for medical assistance. The children were pushed aside and told, “No.” In the background of the videotape could be heard the voices of some of the Israeli soldiers saying, “What are we doing here? Why am I here?”

On the other side, Palestinian radicals and religious fanatics have chosen as their weapon of choice terror bombings in which young Palestinian men and women wrap their bodies in explosives and blow themselves up in an attempt to kill as many innocent Israeli bystanders as possible. The families of these suicide-bombers have been shown on videotapes, sometimes giving their enthusiastic support to the imminent death of their own children as a violent tool in “the cause.” On March 29, 2002, Palestinian leader Yasir Arafat was interviewed on the Arab television station Al-Jazeera. He said in part,

Allah, give me martyrdom.... I may be martyred, but certainly one of our boys or one of our girls will wave the flag of Palestine over the walls of Jerusalem, over the minarets of Jerusalem, and over the churches of Jerusalem. They think it is distant, but we know it is imminent, and we are right.... Allah, give me martyrdom. To Jerusalem we march — martyrs by the millions. To Jerusalem we march — martyrs by the millions. To Jerusalem we march — martyrs by the millions. To Jerusalem we march — martyrs by the millions.

And some of the more outlandish among these Arabs have reverted to reviving the types of bizarre accusations about Jews that were spread by anti-Semites a hundred years ago in Imperial Russia. On March 13, 2002, the Saudi government newspaper Al-Riyadh ran an article entitled “Jews Use Teenagers’ Blood for ‘Purim’ Pastries.” The author, Dr. Umayma Ahmad Al-Jalahma of King Faysal University in Saudi Arabia, told “how human blood is spilled so it can be used for their [Jews’] holiday pastries.” A Christian or Muslim child is kidnapped, the author stated, and the child’s blood is slowly drained from the body with a needle.

Thus, the victim suffers dreadful torment — torment that affords the Jewish vampires great delight as they carefully monitor every detail of the blood-shedding with pleasure and love that are difficult to comprehend.... This blood is very carefully collected in a container — as I have already noted — by the “rabbi,” the Jewish cleric, the chef who specialized in preparing these kinds of pastries.... The Jewish cleric makes his coreligionists completely happy on their holiday when he serves them the pastries in which human blood is mixed.

The Russian anti-Semites of a hundred years ago would say that it was owing to the blood mixed in that there were dark brown spots on the Jewish matzo bread.

## A cycle of violence

Both in Israel and among the Palestinians, the intensity of the cycle of violence has been reinforcing the dogmatic positions. Many Israelis insist that there can be no territorial agreement and talks about a Palestinian state until the suicide-bombings and similar terrorist attacks are brought to a halt.

Until then, the Israeli military will use any form and degree of strength to end the violence — including destruction of private homes and businesses, a rounding up and holding of any number of young Palestinian suspects, humiliating searches at checkpoints, and use of less-than-perfectly-precise methods of deadly force.

In turn, many Palestinians consider that their only weapon to make the Israelis pay a price for their occupation of the West Bank and Gaza is the suicide-bombings that indiscriminately target crowds of innocent and unarmed men, women, and children. (Some observers have suggested that the alternative method of massive and nonviolent civil disobedience would, possibly, have been far more effective in winning support not only among members of the international community but within more moderate segments of the Israeli population as well.) And they insist that Israeli withdrawal from the West Bank and Gaza must precede any end to the bombings or else the indiscriminate violence will go on.

— What is lost sight of by both sides is the idea of the innocent individual, the private person whose life and property become the ultimate victim. For the Palestinian “extremists” every Jew is the same, equally guilty for injustices and cruelties committed against the “collective” Palestinian people. For the Israeli “hardliners” every Palestinian is a possible terrorist or someone harboring a terrorist, whose freedom, privacy, and property may be abridged in the name of stopping the bombings in Israel. The individual becomes nothing, and the preservation of “the tribe” becomes everything. Indeed, individual people on “the other side” are no longer seen as having human faces.

In economics a fundamental concept is that of opportunity cost. The cost of any choice or decision made by an individual is the alternative end, goal, or purpose that he could have pursued and possibly attained if his scarce resources, time, and labor had not been employed in trying to achieve the chosen goal. Another element in this conception of cost is what the economist refers to as sunk costs, or “bygones are bygones.” Once a cost has been paid or borne by the decision-maker it cannot be recovered. Time cannot be reversed and the choice and its cost cannot be undone.

— For example, if you pay a flat price of, say, \$6.50 for an “all-you-can-eat” luncheon buffet, it doesn’t matter whether you eat a lot or very little. After you’ve paid the price, it’s absurd to “stuff

yourself silly” just to try to “get your money’s worth.” If you’re not very hungry you should eat only that amount that makes you comfortable and satisfied. Getting sick by overeating doesn’t get you the \$6.50 back or make you feel any better for having made the purchase.

Likewise, suppose you invest in a stock that cost you, say, \$500 per share. It’s absurd to hold on to it on the rationale that you have to get back at least what you put in to buy it, if you believe that its future market value is only going to go lower and lower towards zero. Better to bail out on what you have come to see as a bad investment and at least minimize the loss you will incur from having bought the stock in the first place.

— The Israelis and the Palestinians need to appreciate the economist’s conception of sunk costs and, however emotionally painful it may be, accept the fact that the deaths, destruction, and human hardship that the two sides have imposed on each other in the past cannot be reversed or made up. Those tragedies and horrors are now history — they are bygones. Furthermore, both sides need to accept the fact that any further costs incurred in the same way will only compound the disaster — they will only add to the human suffering and the material harm. It is time to bail out of the investment in the bad policies of the past.

But both sides will see the benefit and value from doing so only if they believe that there is a better alternative to the bad politics of the past. The problem is that many Palestinians can see the Israelis only as occupiers and obstacles to their dream of a separate political state who would swallow up all of the West Bank, Gaza, and at least East Jerusalem, which they envision as the future capital of this state. And many Israelis can see the Palestinians only as thugs and murderers who would use any such independent Palestinian state merely as a base from which to try to “push the Jews into the sea.”

### **A libertarian solution**

— The problem and its potential solution would look completely different if both sides were to see the social possibilities through classical-liberal or libertarian eyes. The ideal solution from a classical-liberal perspective, it can be suggested, would be a single, secular state encompassing both the territory of what is now Israel and the Palestinian lands in the West Bank and Gaza.

Such a single, secular state would be limited in its constitutional powers to the protection of every person’s life, liberty, and property. All social, market, and religious relationships and associations would be based on voluntary and peaceful mutual agreement.

No Palestinian, whether devout Muslim or not, would be required to live next to or deal with any Jew in this secular state. But neither could he prevent any other citizen — whether Muslim, Jew, Christian, or nonbeliever — from freely benefiting from mutual gains of trade, socially mingling with each other, or even intermarrying. Nor would any Jew be required to associate with or hire or buy from or sell to a Muslim if he wished not to. But neither could he interfere with the free choices in these matters of those around him.

— In such a classical-liberal state, education would be completely private and supplied by either the market or charitable organizations, perhaps connected with a religious faith. Thus, no one would feel that he was forced to fund and subsidize a “false faith.”

Religious sites would be privatized, like all other property. And as private property, they would be respected and protected by the legitimate and limited police power from violence, desecration, or uninvited invasion.

Disputes over religious sites or their boundary lines would be adjudicated in as fair and impartial a manner as is humanly possible by the courts of law, with sensitivity concerning the deep and personal matters of faith such sites often hold for respective believers.

— The state would be prohibited from using its power of coercion to interfere in any peaceful market relationships. Hence, political authority could not discriminate in favor of or against any religious or other groups in the society. Regulation and licensing over industrial, agricultural, and commercial activities would be nonexistent, and thus the government’s power could not be manipulated and abused to provide privileges or favors for some that others would be required to pay for and bear the cost of in one form or another.

Property could be acquired or transferred only on the basis of free-market transactions, voluntary gifts, or bequests. Thus, no individual could be evicted or removed from his legal and rightful real property or any other property without his consent and agreement. And in such a free state in which both Israelis and the Palestinians would be living, contract law would respect and enforce restrictive covenants, so that if any earlier owner or group of owners in a community wished to incorporate into their property deeds limits on who in the future might purchase that property and for what uses it might be put, they would be free to do so.

— The most devout and practicing Muslims and Jews in this state would be free to isolate themselves within clusters of similar believers and practitioners of their faiths. But they could not force others to practice their faiths, and they would have to use reason, persuasion, and example to add to their community of believers. Conscience and not coercion would have to be the means and method of proselytizing.

In such a classical-liberal state, with due admission that even in the best of circumstances it always remains imperfect human beings who enforce the law, who could feel threatened — Jew, Muslim, Christian or nonbeliever — by any other faith or group? Who could fear oppression or systematic unfair and biased treatment? Whose opportunities for better spiritual, material, social, and personal life would be denied or restricted, other than by the rule of the free society that the association of others for one’s own purposes may be obtained only through voluntary consent?

### **Plebiscites**

— But what if many Jews and Muslims desired, for whatever reasons, their own respective political states? Then this could be decided by plebiscite in villages, towns, cities, and districts.

There obviously has to be some rule determining which state such voting communities were to join. It could be majority rule. But even if that left a sizable minority of people belonging to a different faith, if all such states adhered to and practiced the same classical-liberal principles in all political, economic, and social matters, then no fear need arise among the minority about their personal safety, the respect and protection of their property, or their freedom of belief and right of voluntary association in the free marketplace. And if, for whatever reason, members of the minority did not want to live in that state, they would be free to move to the state of their choice, either retaining the property they may own in the area they have left or selling it if that is considered more advantageous.

— Unfortunately, this is not the political philosophic and ideological world the Israelis and the Palestinians live in. They live in a world of religious intolerance, limited political freedoms, heavily regulated and controlled marketplaces, fiscal redistribution of wealth for special groups, and psychological tribalism and collectivism on ethnic and religious matters.

— In such a political and psychological environment conflict, violence and even war are inevitable outcomes from the circumstances in which they live. It would, of course, be easy to point fingers and tally up who has been more right and more wrong in this Middle East dispute for more than half a century. It also would be easy to reference which society, that of the Israelis or the Palestinians, has had, however imperfectly, a greater practice of rule of law, respect for individual personal freedom, and less everyday brutality by government against its own people in general.

— But the task is not to look backward. It must be to look forward. And in this both Israelis and Palestinians are far from understanding, practicing, and therefore seeing the benefit of the classical-liberal alternative of freedom in place of the disaster that surrounds everyone in this region of the world.

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