



Politics & Ideas

Who Will Pass the Test?

The Israel Test

BY GEORGE GILDER
Richard Vigilante Books,
320 pages, \$27.95

Reviewed by MICHAEL MEDVED

IT wasn't the author's intention, to be sure, but George Gilder's new book, *The Israel Test*, may infect some Jewish readers with a bad case of WASP envy: only a Protestant patrician with no hint of Hebraic background would dare to write so positively about Israel and the Jews. To those who seek to explain murderous hostility to Israel with reference to its supposed policy failures or purportedly harsh treatment of Palestinians, Gilder ele-

MICHAEL MEDVED's *latest book* is *The 5 Big Lies About American Business*, out in December from *Crown Forum*.

gantly responds: "Locked in a debate over Israel's alleged vices, they miss the salient truth running through the long history of anti-Semitism: Israel is hated above all for its virtues."

Chief among those virtues, in Gilder's frankly philo-Semitic view, are Jewish intelligence, creativity, entrepreneurial energy, and economic productivity, all of which are widely condemned as disproportionate and therefore inherently unjust. In this respect, hostility to Israel bears an unmistakable and significant connection to worldwide hostility toward capitalism:

Anti-capitalists, like anti-Semites throughout history, have always been obsessed with the "gaps" everywhere discernable between different groups: gaps of income, power, achievement and status. Against the background of Palestinian poverty,

anti-capitalists and anti-Semites alike see Israel as primarily a creator not of wealth but of gaps.

This insight deftly solves the riddle of how secular Marxists like Hugo Chavez can make common cause with medieval-minded Islamists like Mahmoud Ahmadijad: in their enmity toward Israel and the United States, they share a hatred of individual success, of dynamic and productive free markets, that transcends all their ideological differences.

That obsessive hatred has proved vastly more destructive for those who harbor and encourage it than for the societies against which it is directed. The common thread binding brutal Muslim theocracies, failed socialist utopias, and fetid third-world kleptocracies is the insistence on blaming the accomplishments of others for their own manifold failures and explaining

the stranglehold of local poverty as the result of the economic progress somewhere else. To Gilder, history teaches conclusively that misery stems, in fact,

from the belief that wealth inheres in things and material resources that can be seized and redistributed, rather than in human minds and creations that thrive only in peace and freedom. In particular, the immiseration of the Middle East stems chiefly from the covetous and crippling idea among Arabs that Israel's wealth is not only the source of their humiliation but also the cause of their poverty.

In one of *The Israel Test's* most important chapters, Gilder reviews the Palestinian predicament, pointing out that mass Jewish immigration to the Middle East, and even Israeli military control of the West Bank and Gaza, decisively *raised* the living standards of local Arab populations. Citing authoritative figures from the International Monetary Fund, Gilder identifies the so-called occupied territories as "one of the most dynamic economies on earth" between the time of Israel's takeover in 1967 and the commencement of the first intifada in 1987.

During that period, per capita income tripled in the West Bank while it rose in Gaza more than twentyfold—from \$80 to \$1,706. This startling progress could not placate the rejectionist Arab leadership, any more than Israeli withdrawals from Sinai, southern Lebanon, and Gaza have brought acceptance from the wider Arab world. Gilder sneers at American policymakers in every administration who seem to believe that "the key problem in the Mideast is that *Israel has too much land.*" Considering the diminutive dimensions of the Jewish state (approximately the



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in the world.

size of New Jersey), the argument is absurd on the face of it. Moreover,

whatever the Arabs of the jihad and the *intifada* mean by the word "land" cannot be satisfied by giving up any particular patch of ground. Land to them is less transactional than transcendental and apocalyptic. As with all the ideologies of race and fatherland, all the cults of blood and soil, with all their ruinous and romantic rejections of modernity, inevitably making the Jews their first chosen enemies, they are haunted and driven by demons no Peace Process can exorcise.

The echoes of Nazi themes and tropes are deliberate: Gilder traces the origins of Palestinian nationalism to Hitler's most prominent Muslim supporter and collaborator, Haj Amin al-Husseini, the Grand Mufti of Jerusalem. *The Israel Test* also offers a careful reading of

Hitler's *Mein Kampf* and notes that "the deeper Jewish offenses that he primarily details and denounces" are "all expressions not of cultural inferiority or Marxist machinations but of capitalist superiority.... The fundamental conflict in the world pits the advocates of capitalist freedom, economic growth, and property against the exponents of blood and soil and violence."

In making his case, Gilder does not ignore the irony that Israel's founders were themselves hostile to capitalism. He is unsparing in his criticism of earlier generations of Israeli leadership, not just for their frequent naiveté and sentimentality in dealing with their Arab neighbors but also for their stubborn refusal to embrace the free-market principles that had allowed Jews to prosper nearly everywhere else in the world. Benjamin Netanyahu emerges as a special hero in the book for his warnings to the West of the dangers of Islamo-fascist terror (more than 20 years before 2001), as well as for his central role in shifting his country away from its sclerotic, overregulated, welfare-state economy.

In his first term as prime minister (1996-99) and later as finance minister (2002-03), Netanyahu spearheaded the tax cuts and other business-friendly policies that stimulated the explosion of Israeli high-tech and made the Jewish state's economy one of the most vibrant and productive in the world. As such, Israel serves today as the perfect example of Gilder's long-standing theme (going back at least to *Wealth and Poverty* in 1981) that wealth as a product of mind always trumps power that depends on matter. "As one of the world's most profitable economies built on one of the world's most barren territories," he writes here, "Israel challenges all the materialist superstitions of zero-sum economics,


based on the ‘distribution’ of natural resources and the exploitation of land and labor.”

While making such points forcefully and eloquently at the opening and conclusion of his ardent tome, Gilder follows a more meandering, leisurely course in its middle sections. He offers vivid portraits of a quirky collection of Israeli entrepreneurs, inventors, engineers, and research scientists.* He also indulges an odd obsession with the spectacularly brilliant Hungarian-American mathematician John von Neumann, whose contributions to quantum mechanics, computer science, set theory, the Manhattan Project, and game theory qualify him as a titanic figure of 20th-century science but whose vestigial Jewish identity makes him a strange focus for a book about Israel.

The lengthy discussions of von Neumann’s prodigious influence highlight the most conspicuous shortcoming of *The Israel Test*. Gilder repeatedly invokes and praises the intellectual excellence and even superiority of the Jewish people but makes scant attempt to explain these gifts and achievements. Any serious attempt to understand the illogically prominent Jewish role in science and economics of the past 150 years might require a separate full-length volume.

In discussing the visionary intellectual leaps of von Neumann and Einstein, for instance, Gilder resorts to the sort of vaporous pseudo-connections blessedly absent from his otherwise brisk and rigorous book, asserting that “European Jewish scientists of the time possessed a passionate faith in the coherence of the cosmos.... In its way, it was a religious faith as

*They include my brother Jonathan and my late father, David, both of whom immigrated to Jerusalem 20 years ago and played prominent roles in developing the nation’s booming high-tech sector.

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formidably fecund as the Jewish monotheism of the Torah from which it ultimately stemmed, and it found its liturgy in the logic of mathematics.” Later, when he quotes at length from the Nobel Prize-winning economist (and master of game theory) Robert Aumann, who is a deeply committed and richly schooled Orthodox Jew, Gilder stands on firmer ground in associating his distinctive vision with his religious background.

Even at its most digressive, Gilder’s book fascinates and entertains, bristling with unexpected insights and dry wit. Noting the “objective anti-Semitism” of “Karl Marx, Noam Chomsky, Friedrich Engels, Howard Zinn, Naomi Klein and other Jewish leftists who above all abhor capitalism,” he drily concludes, “Jews, amazingly, excel so readily in all intellectual fields that they outperform all rivals even in the arena of anti-Semitism.” He also explains the designation of Yasir Arafat’s successor, Mahmoud

Abbas, as a widely hailed “moderate.” Gilder notes: “This seems to be the term for anti-Semites who are ambivalent about whether to celebrate the Holocaust or to deny that it occurred.”

Like his previous provocations, *Sexual Suicide* (1973), *Naked Nomads* (1974), and *Telecosm* (2000), this new book is powerful enough to open eyes and even, perhaps, to open minds. And it is nowhere more powerful than in its treatment of the relationship between anti-Israel sentiment and anti-American activism and the ways in which both connect with the same envious, leveling instinct that seeks to bury capitalism. They are also bound by an intertwined history:

The achievements of the twentieth century are heavily attributable to the capitalism in the West and its ability to accommodate the genius of the Jews. Without them, the world would be radically poorer and its prospects for the future would be decisively dimmed....As with America, so with Israel. Israel is not a dispensable Jewish “best friend,” a noble but doomed democracy, or even a charitable dependency we can no longer afford. It is an indispensable ally, and in the past twenty years it has evolved into perhaps our most valuable partner.

Gilder’s impassioned volume is an unambiguous, unapologetic, and unshakable brief on behalf of the virtues and glories of the Jewish state and its outsized importance as a harbinger of a better future. As such, *The Israel Test* presents a particular challenge for American Jews—a test to see whether they can speak as boldly and without qualification for the Zionist project as the righteous Gentile who posed it. 📖