

Zionism's Triumph and Tragedy in Israel and the U.S.

The Controversy of Zion: Jewish Nationalism, the Jewish State, and the Unresolved Jewish Dilemma

Geoffrey Wheatcroft
Addison-Wesley / 352 pages / \$25

Jewish Power: Inside the American Jewish Establishment

J.J. Goldberg
Addison-Wesley / 374 pages / \$25

REVIEWED BY
E.V. Kontorovich

It is a common error to think of Zionism as the central dogma of Israeli public life in the way that international socialism, say, was the reigning ideology of the Soviet Union. Unlike the worker's revolution, Zionism was never intended to be an ongoing process. It was a practical movement with a concrete goal: the creation of a Jewish state. The achievement of that goal, however, has left Israel with a pair of prickly (and related) problems. How should Israel rule over a foreign people? And what to do about the unavoidable fact that most Jews are foreigners to Israel?

Geoffrey Wheatcroft, unlike virtually all other chroniclers of Israel and Zionism, is neither Jew nor Arab, nor even a Soviet apologist or Christian fundamentalist. In the Israeli-Arab disputes, he professes himself to be "a genuine neutral or agnostic, able to see right and wrong on both sides and wishing both sides well." He concludes that Zionism, as an ideology, has much in common with the

newly formed movement for Palestinian statehood.

Wheatcroft shows that, to understand Israel's dispute with the Arabs, one must first examine Zionism's intellectual roots. The re-establishment of a Jewish state in the Levant after two millennia—the political and historical equivalent of Jurassic Park—was a product of distinctly nineteenth-century European ideas: nationalism and colonialism. Both were widely practiced and defended at the time, but

certainly no other movement combined the

assumptions of both. From German, Greek, and Italian nationalists, the Jews got the idea that a people, having a common ancestry, language, and culture, should also have a common country.

Such nationalism is almost the mirror image of the Enlightenment political philosophies underpinning a nation such as America. The nationalist believes that the ethnicity of his ruler is more important than the institutions or principles through which he is ruled. Yet Theodor Herzl, the founder of Zionism, did not subscribe to the sentimental nationalism of romantics like Wagner, who looked back nostalgically at his people's mythical past. Herzl's argument was pragmatic and rooted in the realities of the present: without their own state, the Jews would not survive.

Hostility to Israel has always been quite drastic: its opponents are not so much incensed by its actions as by the existence of a peculiarly and unabashedly Jewish state. The existence of Israel is seen by them to be a blow against all Gentiles, especially those in the neighborhood—though these same anti-Zionists would certainly agree that no street is complete until a black family occupies one of the homes. For several decades, these enemies of Israel rallied under the banner of

the United Nations' Zionism-equals-racism resolution, which has bestowed the highest legitimacy on their pugnacious views. Wheatcroft points out the inconsistency in such a position. Calling the resolution a "gravely malicious and deeply offensive" tautology, Wheatcroft writes:

[The resolution] was an accurate reflection of the malice and malignancy of the Arab states, and still more of Soviet Russia and its satrapies, who were really behind the resolution. At the same time, it was little more than a statement of the obvious: a statement which could have been made (as it was not) about almost any national movement.... The Czechs had not

struggled for a Czech state on behalf of the Austrians, or the Irish on behalf of the English (nor, it might be said,



E.V. KONTOROVICH is a contributing editor of the *Forward*.

on behalf of the Bohemian Germans in the one case or the Ulster Protestants in the other). Nationalism is by definition exclusive, and in practice if not in theory all too often narrow and bloodthirsty as well.

Yet Zionism faced an obstacle unknown to other European nationalisms, for the Jewish people were in a position unlike any other save the Gypsies. To achieve statehood, the Jews first had to return from their dispersion. Herzl's genius was in conceiving a plan to return the Jews to Palestine, the necessary prequel for their nationalistic aspirations. "It later became the fashion to denounce the whole Zionist idea as a form of colonialism," writes Wheatcroft. "This was little more than a truism; as a judgment, it was not so much wrong as prochronistic."

Herzl wrote at the height of European colonialism. In his 1896 manifesto, *Der Judenstaat*, he uses the example of California to prove that large-scale settlement can work. A more perfect analogy would be Liberia, whose colonization was the result of a massive, organized movement created by free American blacks who, like Herzl, believed that "their equality before the law, granted by statute, has become practically a dead letter." While the black nationalists reduced the West African natives they discovered to a condition of second-class citizenship, they did not attract a word of international ire in the late nineteenth century or, for that matter, today.

Zionism, however, had bad timing. True, the Jews had a historic claim to Palestine, as well as an uninterrupted presence there for thousands of years; whereas, in contrast, those who sailed to settle the Americas and Australia in previous centuries were taking over where no European had ever lived before. But the Jewish state was finally created just when the European powers were divesting themselves of their colonies, and colonialism was no longer sanctioned by the unspoken rules which governed the conduct of nations.

Furthermore, Zionism overlapped with the embryonic stage of Arab nationalism, which had begun with the dissolution of the Ottoman Empire. The early Zionists had little idea that Palestine's

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small and disorganized Arab population would grow to its current numbers, or that these Palestinians would object to sharing the land with the Jews. This view was in many ways shortsighted and naive, but in most cases it was not malicious. Certainly the emergence of an Arab nationalism—as “racist” as that of the Jews, if less tolerant—was virtually unforeseeable.

Wheatcroft shows that, in principle, the nationalist argument is more or less the same for every group, and about as valid for all of them. Yet the similarity of their theories has never helped differing nationalists to get along as neighbors. Even the most reactionary of all Zionists, Vladimir Jabotinsky, did not deny the abstract justice of the Arab claim to Palestine, even when there were no “Palestinians.” But if nationalism was a desire for one's own country, the Arabs were to be richly rewarded after World War II, with nearly twenty states given to them, and a large chunk of Palestine as well, which they refused to accept. At this point, Jabotinsky's 1937 statement, quoted by Wheatcroft, became even more apt: “When the Arab claim is confronted with our Jewish demand to be saved, it is like the claim of appetite versus the claim of starvation.”

The Palestinians, of course, have their own state in Jordan, and if King Hussein had not displayed a Rasputin-like resiliency in surviving dozens of PLO attacks, they would have their own government as well. Yet while Jordan might be a conclusive answer to demands for Palestinian statehood, it cannot solve Israel's

intractable problem with the Palestinians. This is the most vexing part of the Zionist legacy, for no solution will please both parties. Wheatcroft, like his compatriot Paul Johnson, is not a historian but an intelligent and insightful popularizer; while he brings no new research to the subject, he illuminates it with an original and literate perspective.

Zionism has also been a source of division among Jews themselves, and Wheatcroft provides a fascinating account of the various expressions of Jewish dissent. The Hasidim regarded the establishment of a Jewish state in advance of the Messiah as heresy, while assimilated Jews thought it regressive to stress Jewish difference; still others considered the relocation of Jews from Europe an obvious anti-Semitic trap.

What Israel's existence means for Diaspora Jewry has emerged as the final ambiguity of the Zionist legacy. The last hundred pages of *The Controversy of Zion* deal almost exclusively with Israel's relations with America and its Jews—unsurprising, since America is not only Israel's primary patron, but its biggest philosophical challenge as well. Herzl confidently predicted that the situation for Jews would become untenable everywhere they lived. Yet the history of America has proved him wrong, Wheatcroft maintains. Here Jews can live securely and openly. No better proof can be found than J. J. Goldberg's *Jewish Power*, which shows how, as a politically organized ethnicity, Jews have become a force to be reckoned with in policy debates over everything from aid for Israel to abortion rights.

Goldberg has no difficulty taking readers “inside the American Jewish Establishment” because that is where his friends and sympathies lie. Indeed the very people whose actions the book supposedly analyzes—the Jewish legislators, organization leaders, journalists, and publishers who create Jewish political power in America—first appear in the acknowledgments. The biggest problem Goldberg can find with the muddled world of Jewish group politics is the communication gap between the leaders of the organizations and the Jews they claim to represent.

By presenting the conventional wisdom of American Jewish political organizations in its own words, however, Goldberg offers an excellent case study in the onfident take-over of national politics y minority special interest groups. The entral conceit of Jewish power—and this : true for any politically influential minority—is that whatever interests the Jews is vital Jewish interest, and therefore must e defended by both taxpayer and state. Goldberg provides an excellent anecdote o illustrate this error, which he himself takes. In 1991, President Bush asked Congress to delay \$10 billion in loans to Israel o finance the resettlement of Soviet Jews. The president feared that further aid, on p of the over \$3 billion annual subsidy o Israel, would jeopardize the peace negotiations in Madrid.

Congress had been swarmed by 1,300 lobbyists and leaders of Jewish groups, pressing passionately for the immediate extension of the loans; they seemed to have secured veto-proof support. In a television press conference, Bush angrily said e was “up against some powerful political forces” in the loan-guarantee struggle. His innocuous (and indisputably accurate) comment created a bizarre, almost rational response from the Jewish community, which Goldberg reports as if it ere quite normal and justified:

The last thing [the leader of the Conference of Presidents of Major Jewish Organizations] expected to hear from his mouth was a public attack on the rights of Jews as American citizens. Bush had just issued the first-ever public assault on the American Jewish community by a sitting president in the history of the Republic.

American law and politics is suffering om a hypertrophy of alleged rights, and hile Jews surely did not invent this crisis, ey have fallen under its sway. Jewish aders believe that getting the United tates to give money to a second country, in order to import people from a third ountry, is a “right.” What better sign that ews feel at home in America, having mbraced its culture of rights and its pol- ics of special interest group power?

Indeed, the gulf between Israel and merican Jews is best shown by the very ignor and enthusiasm of the latter’s par-

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ticipation in the American political process. But this demonstrates not only how divorced American Jews are from Israel, but how detached American government has become from its original ideal of not treating people, both in benefits and obligations, as members of groups, but as identical citizens.

Now that the Jews have gotten the government to put up “a museum of Jewish suffering,” as Goldberg calls the Holocaust museum, they have all the comforts of home, so to speak, making it far less likely that they will ever consummate Zionism’s bequest by moving to the Jewish state. Indeed, in many ways America is a better home. While not safer to live in, it is certainly more affluent, modern, and upwardly mobile.

No doubt these comforts contribute to the high assimilation rate of American Jews, which threatens to vastly reduce their numbers within a generation or two. Yet as Wheatcroft writes, pro-Israel American Jews tend to echo St. Augustine’s prayer for chastity: “Lord, let me make *aliyah*, but not yet.” Zionism was unprepared, as a practical matter, to deal with the colonial ramifications of its enterprise. Perhaps its greatest conceptual failing was in providing Jews with a nationalist solution to their pains, but not their pleasures. ❄

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The Story of a Young Turk Who Wanted to Make It Big

The Collapse of Barings

Stephen Fay

W.W. Norton / 310 pages / \$27.50

REVIEWED BY

Marc Carnegie

On the weekend before Barings Bank collapsed in February 1995, the heads of Britain's other large banks had been gathered by the governor of the Bank of England to discuss a last-minute bailout. The 232-year-old Barings was an institution, in every sense of the word; it had financed the Louisiana Purchase, and (so the legend goes) the Duc de Richelieu had named Europe's six great powers: "England, France, Prussia, Austria, Russia—and Baring Brothers." Now that power was on the edge of the abyss, threatening to take the Queen's money (and everyone else's) down with it. Could these other bankers, gentlemen all, pledge £600 million to set things right? There was agreement that the deal could be done, but when discussion began about how profits would come to be shared should Barings survive, one banker became livid, later filing a complaint with the governor about "this undignified display of greed."

Yet one of the most stunning revelations in Stephen Fay's excellent book is how little greed had to do with the bank's demise. Like the rich, the British are different from you and me, not least because of their distinctly un-American reluctance to revere capital as the holiest of the holy. As Fay puts it, "Many English bankers still thought it was in bad taste to talk about making lots of money, [while] the Americans assumed that banking had no other purpose." Nick Leeson, the 28-year-old trader who broke the bank by losing \$1.4 billion on deals he'd never been authorized to make, doesn't appear to have embezzled any of the cash for per-

sonal gain. The executives who fiddled while Barings burned were incompetent, surely, and only too happy not to notice that the source of their lavish annual bonuses was a technically complicated enterprise concerning "derivatives" that no one, least of all they, seemed to understand. But they were not greedy in any ordinary sense. Even the Sultan of Brunei—reportedly the richest man in the world and the one person who, it was thought, might have pulled off (and profited from) an eleventh-hour salvage—could not be bothered to stay awake until the Tokyo markets opened and the deal could be finalized. When the London bankers needed his final assent to the calculations, he was deep in his dreams: "And when the Sultan of Brunei goes to sleep, no one wakes him up."

Nick Leeson was a regular lad, the son of a plasterer from working-class Watford. Lacking both the marks and the ambition for university, he took a job in the back office of a prestigious firm in the City—London's Wall Street. Then followed a two-year stint at Morgan Stanley, which led to his being hired at Barings. Though only a clerk responsible for reconciling accounts, Leeson was competent and efficient; inside, however, he was feeling "schizophrenic," as he later told David Frost. On nights and weekends he was the pint-

swilling hellraiser who was not always reliable about his debts; by day he was a serious young professional with big responsibilities, circulating in that curious culture of upward mobility and "big swinging dicks"—the high-rolling traders who spoiled "red braces, lace-up shoes, fat cigars. Leeson wanted to be like them.

He got his chance in 1992, when he and his wife-to-be were posted to the Barings Singapore office. In the first of the bank's countless mistakes, it allowed Leeson to supervise both the back office (reconciling accounts) and the front (executing the trades). Effectively he had no supervision. In his self-serving and generally irresponsible memoir *Rogue Trader*, Leeson claims that he began his deceptions to camouflage a mistake by a female colleague on the trading floor of the Singapore exchange (SIMEX). But Fay, who had access to SIMEX records in researching *The Collapse of Barings*, shows that Leeson started

playing tricks on his bosses—and everyone else—

almost as soon as the plane had touched down.

Leeson knew the common practice of establishing an "error account"—essentially waiting areas in cyberspace for transactions that, for one reason or another, can't be properly reconciled at the close of a day's business. (One of the many intriguing anomalies in this complicated tale is that the account was numbered 88888, eight being as lucky a number for Singaporeans as seven are for us—and thus just the sort of figure one imagines would leap off the page to even the



MARC CARNEGIE is managing editor of *The American Spectator*.