

free-market reform of a major entitlement program, he argued, “hardly blurs the distinction between conservatism and Bolshevism.” In fact, by reducing the amount of borrowing necessary for the transition to personal accounts, it might deprive Democrats of one of their most politically powerful objections to reform.

“I like George Will and he’s a great writer,” says Norquist. “But he has the politics of this exactly backwards.” A tax compromise would “completely undercut” the free-market position on Social Security rather than help it.

“It’s hard to see how weighing down Social Security reform with a tax increase will make it more popular,” argues Keating. “When most people hear the words ‘tax increase,’ their antennas go up and they ask, ‘Whoa, what are these politicians up to?’”

Norquist offers a challenge to payroll-tax cap-raisers. “Show me one D that has actually moved over to the other side because of this proposal,” he says. “Not people who are willing to talk about it, someone who actually has come out in favor of personal accounts.” The veteran tax reformer contends such Democrats are nonexistent, with one exception. The Democratic leadership, he says, “is no doubt pleased as Punch by this.” In fact, Norquist fears it will be even more difficult to win Democratic support now that some Republicans are showing flexibility on tax hikes.

The fight over the payroll-tax cap comes at a time of uncertainty for the GOP’s anti-tax image. In March, the *Washington Post* reported that tax cuts have been downgraded on the party’s agenda. White House aides were quoted as saying the objective of any tax-reform bill sought by the administration would be to simplify the code, not to lower marginal rates. Leading House conservatives, such as Congressman Mike Pence (R-Ind.) of the Republican Study Committee, moved quickly to quell the per-

A just completed two-week visit to the Persian Gulf and Turkey reveals that United States foreign policy is truly broken in the Muslim world, but the good news is that while the dislike of America is both broad and deep, the situation is not beyond repair. Elites in the Gulf States and in countries like Turkey continue to identify strongly with the United States, in spite of what they see as persistent American insensitivity and repeated betrayals of principle over the past three years. Arabs and Turks object particularly to the tone of the United States’ assertion of democracy for the region, noting that the American track record is very bad whenever it is called upon to support genuine reform and that the attitude is ultimately patronizing, particularly when senior U.S. officials offer to “help” the locals in their quest for political freedom. Most people in the Middle East support consigning the autocratic rule and anti-democratic practices that characterize the region to the dustbin of history. What they object to is a suspect American administration seeking to guide the process.

The grievances against the United States are legion, ranging from the difficulty in obtaining visas for Arab students to study in America to failures to communicate with allies as equals. As one senior Turkish diplomat put it, “The Bush administration had to work very hard to alienate its close ally Turkey, but it did so when it did not treat us respectfully.” Once hitherto pro-American attitudes had shifted, the U.S. was reflexively blamed by elites and the public alike for everything going wrong in the region. But the people of the Middle East continue to like Americans individually in spite of their differences with U.S. government policy as they perceive it. It is the policy that is the problem.

Arabs and Turks, ranging from the man on the street to senior government officials and businessmen, stated that they expect little from the United States and noted ruefully they usually get what they expect. They are, however, watching carefully to see if, this time around, the Bush administration means what it says. They identify two issues as central to the introduction of popular rule in the Arab world. The issue cited most frequently was not, surprisingly, the Israel-Palestine conflict. It was Egypt. Arabs know that as Egypt goes, so goes every other Arab state. If the United States is able to pressure its ally Hosni Mubarak to hold elections that could end his own autocratic rule, it would be seen as a pivotal historic event that would elevate the United States in the eyes of most Arabs and might genuinely transform the region. Palestine is, of course, the second issue. The ability of the United States to force Israel to leave the West Bank and bring about the creation of a genuinely viable Palestinian state is undoubted. The will to do so is widely perceived as lacking. An America prepared to address the disparate issues of Palestine and Egypt could produce a political tsunami that would, *inter alia*, eliminate many of the root causes of Islamic terrorism.

Philip Giraldi, a former CIA Officer, is a partner in Cannistraro Associates, an international security consultancy.

ception of mixed signals on tax cuts. But key Senate Republicans are voicing opposition to making all of the Bush tax cuts permanent, and it is possible that at least some of the cuts will be allowed to expire despite unified GOP control of the presidency and both houses of Congress.

Over the years, as Republicans have grown slacker on spending, they have moved to the right on taxes. It is often forgotten that Ronald Reagan was a convert to the supply-side faith. As governor of California, he signed on to tax increases of a magnitude that would be inconceivable for any serious conservative presidential aspirant today. Even in the White

But the incongruity between high spending and low taxes has been slowly catching up to the national GOP. Republican leaders have over time used many different arguments in their attempts to square this circle. During the 1980s, Jack Kemp and other supply-siders maintained that lower tax rates were compatible with a tax base large enough to fund the welfare state the American people had become enamored of in the years following the New Deal. Cutting confiscatory tax rates would reduce tax evasion and avoidance, increasing the amount of income reported, and accelerate economic growth, increasing the amount of

One problem with this approach is that it has always reinforced the liberal argument that tax cuts are somehow unaffordable. It also has the unfortunate result of making the party of fiscal responsibility seem, well, irresponsible. What swing voter wants to cast a ballot for deliberately failing to raise enough money to finance the federal government?

But the largest problem for starve-the-beast Republicans is that, at least at the federal level, budget politics seldom work out their way in practice. When neither party wants to cut spending and only one is interested in holding the line on taxes, whenever the deficit becomes a salient issue it has generally been the anti-tax forces who have lost. The major tax increases of the '80s and '90s were all driven by concern over the deficit. It is difficult to trace any long-term retrenchment of the federal government to those concerns, although arguably deficit spending has complicated the prospects for new large-scale programs.

Signs are already emerging that renewed concern about the deficit may unravel the Bush tax cuts. The swing votes in the Senate that will determine which tax cuts survive belong to moderate Republican deficit hawks—who, unlike deficit hawks of old, are usually more concerned about tax cuts than spending increases. The starve-the-beast argument only encourages these moderates.

As GOP tax timidity grows, economic conservatives will become even less likely to give any ground on taxes. “The anti-tax, pro-growth party image is an important part of the Republican branding,” says Keating. “Moving away from this seems like political suicide.” Any openness to tax increases, he argues, is as unsound politically as it is economically.

GOP politicians who forget they ran on a platform of holding the line on taxes have grassroots movement conservatives to remind them. ■

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House, he accepted some deficit-reduction tax hikes and the reversal of some of his landmark tax cuts.

As late as 1990, when the elder George Bush signed the promise-breaking tax increase that irreparably damaged his relationship with the GOP's grassroots activists, he was able to count on the support of such stalwart conservatives as then Sen. Phil Gramm (R-Texas). By 1993, even the most liberal Republicans in Congress voted against the Clinton tax increase. Since then, whatever the economic or budgetary conditions, the party leadership has consistently pushed to cut taxes rather than raise them.

Promises like the taxpayer protection pledge are now a critical part of Republican campaign platforms at every level of government. Since 1988, every GOP presidential nominee has taken the pledge. Tax-cutters are an important and enthusiastic component of the party's base, and low taxes are often taken for granted as a reason to vote Republican.

income earned. Lower tax rates applied to a larger tax base would therefore avoid the need to resort to the “root-canal politics” of unpopular budget cuts.

That argument had some validity when marginal income-tax rates reached as high as 70 percent and inflation-induced bracket creep was constantly imposing unlegislated tax increases on middle-class families. But today, the top statutory marginal tax rate is 35 percent, higher than at the end of the Reagan years but too low to offer much of a Laffer-curve effect of increased revenues when cut.

More recently, Republicans have gone back to their cocktail napkins and advanced a new argument: since direct assaults on federal spending tend to produce an electoral backlash, the best way to shrink government is by “starving the beast.” Under this scenario, politicians will be forced to cut expenditures as tax cuts deprive Washington of the revenue needed to fund them.

Arts & Letters

FILM

[Walk on Water]

The One About the Mossad and the Gay German

By Steve Sailer

THE ENTERTAINING Israeli comedy-drama "Walk on Water"—in which a macho Mossad assassin must ingratiate himself with a gay German tourist to ferret out the whereabouts of his almost 100-year-old ex-Nazi grandfather and kill him—paradoxically calls to mind the remarkably small impact Israelis have on popular culture.

Although Israel is always in the headlines, Israelis almost never make news in the entertainment pages. The country is so short on globally recognized celebrities that Israelis sometimes brag to foreigners that Gene Simmons, the lizard-tongued bass player for '70s trash-rock band Kiss, lived in Haifa from 1949 to 1958.

The paltry performance of Israel's five million Jews in the celebrity industry in which their six million American cousins do so well partly reflects the limitations of speaking a unique national language, although many Israelis speak other tongues as well. "Walk on Water," for example, is mostly in English because the Mossad agent hides his ability to speak German, which he learned from his concentration camp survivor mother, so he can eavesdrop on the German's conversations with his family.

More fundamentally, as Berkeley historian Yuri Slezkine detailed in his bril-

liant 2004 book *The Jewish Century*, the founding Zionists always intended the Jewish state to be as un-Jewish in jobs as possible. While the modern economy has slowly made the rest of the world more like Jews—"urban, mobile, literate, articulate, intellectually intricate, physically fastidious, and occupationally flexible," in Slezkine's words—the early Israelis strove to become more like the warriors and farmers who then predominated among other peoples.

These days, though, filmmaking expertise is so widespread that competently made movies can come from anywhere, even Israel. The key requirement is an interesting script, which is more likely to be found in a low-budget import than in a Hollywood movie, where the typical nine-figure investment in production and marketing requires a screenplay dumbed down to the globalist common denominator.

"Walk on Water" is powered by Israeli actor Lior Ashkenazi's star-making performance as the callous hitman. In a compelling opening scene in Istanbul, where he poisons a Hamas leader vacationing with his family, Ashkenazi displays the same cold charisma that his near-double, American actor Liev Schreiber, delivered in the spy movies "The Sum of All Fears" and "The Manchurian Candidate."

When he returns to Tel Aviv and finds that his beautiful wife has killed herself, he reacts so stoically that his worried bosses give him a frustratingly cushy assignment. He must go undercover as a tour guide showing a naïve young German around the Sea of Galilee so he can find out where in Argentina the visitor's grandfather has been holed up for the last 60 years.

While the American media treat Nazi-hunting as a self-evidently essential task, the Mossad agent sees tracking a nonagenarian Nazi as a waste of time when he

could be killing Arabs instead. Moreover, his German client, a gangly, goofy, good-hearted boy-man—a less handsome Ashton Kutcher or an unathletic Bill Walton—drives the cynical Sabra nuts.

There's also an amusing altercation with an Arab shopkeeper that hints at the trouble multiculturalism generates as Israelis, who might be the brusquiest people on earth, rub up against etiquette-revering Arabs, who assume any rudeness is an intentional insult that honor demands must be avenged.

Unfortunately, director Eytan Fox and screenwriter Gal Uchovsky indulge in the usual insincerities of out-of-the-closet gay filmmakers. Isn't it odd that male homosexuals in the movie business were often more honest in the past when they had to sublimate their sexuality?

Although they claim their movie critiques Israel's tradition of machismo, they are obviously infatuated with their Hebrew-speaking he-man.

Moreover, as is common among politicized homosexual filmmakers worried about "validating stereotypes," they've stripped their gay character of all gay characteristics. This sloppily dressed, shambling quasi-hippie would not set off anybody's gaydar.

Finally, making the German a putative homosexual leeches the intended irony from the movie. The point of "Walk on Water" is supposed to be the Israeli's eventual realization that the German, despite being the grandson of a mass murderer, is a better human being than he, who uses his ancestors' victimization to justify his homicides. But if the German really is gay, then the motivation for his kindness toward the madly attractive Mossad man appears less than pure-hearted. "Walk on Water" would have worked better as a conventional odd-couple buddy movie. ■

Unrated, but would be a soft R.