

JUDAISM'S HISTORICAL RESPONSE TO ECONOMIC,
SOCIAL AND POLITICAL SYSTEMS

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Judaism is an historical religion. Its origins go back to misty beginnings in the Ancient Near East, and its development bears the imprint of every society, culture, and civilization to which Judaism was exposed in the millenia which followed. It is, therefore, no simple religion with cut and dried responses to economic, social, and political systems. Had Judaism remained a simple religion, it would have given up the ghost not long after its life began. Rather is Judaism a religion rich in complexity, harboring a cornucopia of diverse and conflicting teachings, doctrines, laws, and expectations harvested through the centuries of struggle for creative survival. Confronted now by this challenge, now by that, Jewish religious leaders found themselves altering, modifying, and adapting the teachings of Judaism so that each challenge in turn could be mastered without compromising the fundamental teaching of Judaism; namely, that there is a single creative power--the source of all that was, all that is, and all that can ever be. So life-threatening at times were some of these challenges, that in order to preserve this core belief in a single God, Jewish religious leaders made quantum jumps from prevailing forms of Judaism to highly novel innovating forms, and in the process dissolved some of those teachings, laws, and beliefs that had been held sacrosanct. With a religion so multi-layered, so at odds with itself, and so free of

immutable beliefs, teachings, and laws, it is pointless to ask of a critically-minded scholar to spell out what Judaism teaches about economic, social, and political systems.

The Jewish people had their beginnings as semi-nomads sojourning in the Land of Canaan. Their society was Patriarchal, and their one God was pictured as an eternal Patriarch who had made a covenant with the Patriarchs to care for them and preserve them. This Patriarchal mode of life, with some modification, Continued under the leadership of Moses throughout the wilderness wanderings.

During the semi-nomadic stage, the Patriarchs and Moses took for granted that tribal property rights in sheep, cattle, gold, and silver were divinely sanctioned and that polygamy and concubinage were allowable. It is also evident that the Patriarchs respected the property rights of the settled peoples, and the merchants with whom they traded.

During the next stage of conquest and settlement, there was -a transition from a semi-nomadic to an agricultural and urban society, a transition which was smoothly handled by prophet leaders, such as Joshua and Samuel. With the growing complexity of Israelite society, however, the need for an effective defense against external threats exposed the inadequacy of prophetic leadership and paved the way for the rise of

monarchy. Although the United Kingdom of David and Solomon split into two kingdoms, monarchy persisted until the destruction of the Temple in 586 B.C.

Throughout this stage, private ownership of land, houses, tools and personal possessions were taken for granted. When, for example, Ahab confiscated the vineyard of Naboth, Elijah denounced this act as a heinous crime against God. And though Amos and Isaiah, lashed out at those who ground down the poor and exploited the weak, they did not challenge the right to private property. Rather did they denounce the powerful for taking away the property of others in violation of the traditional standards of justice. No prophet ever denounced private ownership as such, or pictured the end of days as a collective paradise. When prophets, such as Isaiah, envisioned the end of days, they spoke of equity, justice, harmony, tranquility and material abundance; but they foresaw no public ownership of land or houses or the tools of one's craft.

In the third phase, which followed on the destruction of the Temple, the Babylonian exile, the resettlement, and the promulgation of the Pentateuch, Jewish society was radically restructured and reorganized as a hierocratic community governed by a priestly class, the Aaronides, whose authority was underwritten by the Persian Emperors. This hierocracy displayed many novel and interesting features which have been, until now,

insufficiently appreciated. The priests themselves owned no property; but they were supported by a percentage of the peasants' harvest yield, and by a share of the sacrifices that were offered by the people at large.

The Aarom'de priests built their popular support on a free peasantry. All of the evidence indicates that for more than two hundred years there was a flourishing and prosperous free peasantry with no widespread use of slaves for agricultural purposes.

Provisions were made for the welfare of the poor, the orphan, and the widow by setting aside the corners of the field, the forgotten sheafs, and the gleanings for their exclusive use. Nowhere in the Pentateuch do we find the problems of the needy and the helpless solved by the collectivization of wealth, or by the expropriation of privately owned land, or other possessions.

The biblical record thus reveals that the Law accommodated itself to the economic, social, and political modes of the time.

The Law was non-utopian. It took for granted that the poor would always be with us, and though God promised nurturing care, this promise was made conditional on absolute adherence to His laws. By contrast, the prophets pictured a messianic age -- an age in which there would be harmony among the nations;

collaboration between nature and humankind; equity, justice, and material well-being for all.

There was thus in the Bible an accommodating skein of law, and a Utopian skein of prophesy. These two skeins are interwoven because they both derive from the same divine source. The God who proclaimed that the poor would always be with us is the very same God who would usher in a messianic age when there would be no scarcity, and when all barriers to individual fulfillment would have fallen. Because the source of these two alien skeins is the same, Judaism wove them together in a single tapestry. Paradoxically, it was the prophetic vision which gave the people hope and courage to soldier on when the going was rough. These hopes, however unrealistic, proved to be the single most important factor in enabling the Jewish people to survive in environments highly hostile where there were no empirical grounds for continued faith in a seemingly powerless God.

These Utopian dreams were also significant because they pictured the Messianic Era as an era which would be realized in this world and not beyond the grave, and it would be the fulfillment of human, not angelic aspirations. Those who would have the good fortune of living in that age would differ from those living in Isaiah's day only-in one respect: they would have committed themselves to those values which alone could

sustain so idyllic an existence: justice, righteousness, compassion, and peace among nations. Individuals would then be free of the fear of hunger, the fear of nakedness, the fear of homelessness, and the fear of destructive wars. As Isaiah saw it, the 'Messianic Age would be the age when all human wishes would be fulfilled.

The Bible reveals two other skeins: the skein of individuality and the skein of universality. In the first chapter of Genesis, we read that God created an individual in God's image and after God's likeness, male and female God created that single person. God is pictured as an individual, both male and female. This divine individual caps his/her creation, not with crowds, not with communities of people, not with nations, but with a singular individual. And it was to this Individual and to his/her progeny that God gave dominion over all that God had created, confident that this individual would bring forth from the earth all of the goodness that God had built into it. God had endowed the world with infinite resources ready to yield its wealth to enterprising and risk-taking individuals. God had not doomed humankind to eternal scarcity. Scarcity was a vibrant challenge, and not a tragic destiny.

Closely interlinked with this focus on the individual is the focus on God as the Creator of the

whole universe and not as the Creator of a specially favored territory. God did not endow any part of the earth with less divine goodness than any other part of the earth. God, according to the Book of Genesis, looked upon His/Her total creation and was pleased with His/Her handiwork. Indeed, it was only after God had despaired of a global solution to the problems of humankind's propensity for evil that he called upon Abraham to father a people to whom he promised the land of Canaan.

This people, however, were to be no ordinary people. They had a divine task to perform. They had to teach the peoples of the world that there was one God, who had created the heavens and the earth and the individual in God's image and that it was vital that this God be recognized if humankind was to enjoy felicity. The people of Israel were singled out to restore humankind to that trans-national, trans-racial, trans-sex, and trans-class state of the first individual created in God's image.

The Jews thus found themselves to be an anomalous people. Their most sacred book, the Pentateuch, begins not with God choosing a people, but with God creating an individual, an individual who, though in the divine image, is not a Jew. This book also tells them that God is the Creator of the entire universe, and that He/She chooses a particular people and promises them a

particular land only because God was at a loss to know how to cope with human free will. And having chosen this particular people, God assigns to them the task of teaching other nations that there is one God who has stamped every individual with His/Her image.

That God regarded all the peoples of the earth as equivalently precious was expressed by Isaiah when the kingdom of Israel was destroyed by Assyria and when the kingdom of Judah was anticipating a similar fate. Far from threatening Israel's enemies with God's unremitting vengeance, Isaiah tells both Assyria and Egypt of God's love for them:

"In that day," Isaiah prophesied, "Israel will be the third with Egypt and Assyria, a blessing in the midst of the earth, whom the Lord of Hosts has blessed, saved, "blessed be Egypt my people, and Assyria the work of my hands, and Israel, my heritage." (Isaiah 19:24-25)

Isaiah was only echoing what Amos had proclaimed only a few years before:

"Are you not like the Ethiopians,
O people of Israel?" Says the Lord.
'Did I not bring up Israel from the land of
Egypt,
And the Philistines from Caphtor.'
And the Syrians from Kir?'" (Amos 9:7)

The focus on the significance of the individual is also evident in the role that the priesthood and the system of sacrifices played in the Aaronide levels of the Pentateuch. The individual was warned of the grievous

consequences of sin. Sin threatened one's

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well-being, and it threatened the well being of the entire people as well. It was, therefore, essential that the individual be fastidious in seeking expiation for his individual sins from the Aaronide priests who would sacrifice a sin-offering and secure from God a full and complete atonement.

The individual was thus encouraged to take individual responsibility for one's acts and to reckon with the tragic consequences that might befall the community if one was heedless and neglectful. This sense of individual responsibility was heightened by the knowledge that there was only one God, who was all-powerful, all-knowing, all-virtuous and impeccably just. If one disobeyed this God's commands, there was no other God to whom one might flee for protection. This God was also a model for human emulation.

These skeins interweave to form a tapestry which interweave throughout the Bible. They cannot be found in any other literature of the Ancient Near East because all of the religions of the Ancient Near East were polytheistic and mythical, while the religion of Israel was monotheistic and historical. For Israel alone, a single God had created the heavens and the earth and the unique individual. This God had selected a single people to serve His/Her purposes, purposes which would find their fulfillment through historical time. This God was not only attached to a people, but to its complex history as well. The sacred literature of Israel was, therefore,

bound to be unique and anomalous. It was bound to be historical and non-mythical. It was bound to enhance the sense of individuality because God was an Individual, and because the individual was held to account for the consequences of his/her actions.

Although the Bible is a work of marvelous complexity--shot through and through as it is with contradictions, inconsistencies, and incongruities—it does have embedded within it values which were bound to tip Judaism's response to economic, social, and political systems in the direction of the sanctity of property and the personal responsibility of the individual.

II

These values are sustained in the religious achievements of the teachers of the two-fold Law, the written and the oral. These teachers called themselves Scribes or Sages, but they are better known to us as the Pharisees. They elevated the individual even beyond the level assigned to him/her in the Aaronide system. These scholars proclaimed that God was the personal Father of each and every individual; that He so loved each and every individual that He revealed two Laws, a written and an oral Law, which, when internalized within the conscience of each individual, opened up to that individual eternal life for his/her individual soul and for the resurrection

of his/her body.

Pharisaism thus intensified the individualistic strain within Judaism. So much so, in fact, that the very concept of peoplehood was altered. Whereas the Judaism of the Pentateuch and of the Aaronides offered the righteous individual no escape from the punishment that would be meted out to the people as a whole for the sins that were collectively committed, the Judaism of the Pharisees promised the righteous individual eternal life for his/her soul and resurrection for his/her body even if he/she was the only individual among the whole people who had been Law-abiding. The individual, not the collective, gained or lost one's right to immortality.

This stress on individual responsibility and on internalization of the two-fold Law had powerful consequences: guided by the Reality within, the individual was immune to the realities without. No external force had the power to budge the true believer. As Josephus phrased it in his grand apologia for Pharisaic Judaism, *Against Apion*:

For those ... who live in accordance with our laws, the prize is not silver or gold, no crown of wild olive or of parsley with every such mark of public distinction. No; each individual on the witness of his own conscience, confirmed by the sure testimony of God, is firmly persuaded that to those who observe the Law, and if they must need die for them, willingly meet death. God has granted a renewed existence, and in the revolution of the ages the gift of a better life ... I should have hesitated to write thus had not the facts made all men aware that many of our countrymen have on many oc-

casions ere now, preferred to brave all manner of suffering rather than utter a single word against the Law." (Against Apion II: 218-219)

Shielded by the Reality within from the realities without, believing Jews were able to survive every kind of hardship: impoverishment, humiliation, degradation, pogroms, and expulsion. Yet in each instance, it was the individual and not the collective who had to decide for himself/herself as to whether Reality was to be found within, or whether it was to be found without; whether the life one was now living was the only life one would have to live, or whether there was, stretching out beyond the grave, a life without end, where one's soul would be allotted a most holy place in heaven, whence in the revolution of the ages it would return to find in a chaste body a new life (cf. Josephus: The Jewish War, II: 370-375). It was not a decision that could be made for one by the community as a whole.

This traumatic shift from concentration on this worldly rewards and punishments to other-worldly rewards and punishments was bound to affect Judaism's response to economic, social, and political systems. On the one hand, the external world was a brief and transient road to the world to come and, as such, unreal. On the other hand, it was the road on which each individual had to travel. It was also a winding and torturous road with alluring by-ways which led, not

to salvation, but to damnation. The external world might not be Real, but it had to be dealt with -- and deal with it the Scribes-Pharisees did.

The basic operative principle that underlay the response of the Scribes-Pharisees was simple: any system was legitimate so long as it did not block the road to eternal life and resurrection. This pragmatic approach surfaced when the Scribes-Pharisees ruled that the payment of taxes to Caesar was allowable. A state was legitimate so long as that state did not require that Jews abandon their belief in a single God or their adherence to God's two-fold Law. The Scribes-Pharisees thus hammered out the doctrine of the two realms, the one secular and the other religious, allowing for peaceful co-existence between Judaism and the state.

The Scribes-Pharisees were no less pragmatic in their response to economic and social systems. They accepted as legitimate whatever modes of production and distribution were the norm in the host society. They did not oppose slavery, or wage labor, or taking interest, .or making profit as practiced by their gentile neighbors, nor did they prohibit Jews from owning slaves. They had no quarrel with Jews employing fellow Jews as wage workers so long as the workers received the going rate, and so long as they were not unjustly or harshly treated. Private property was both taken for granted and protected. Inequality of wealth raised no

religious hackles so long as the wealth was honestly come by. Only the taking of interest from a fellow Jew was disallowed. But even this prohibition was overcome insofar as commercial transactions were concerned, by subtly distinguishing between usury and profit-sharing. As for social relations, the position of women was enhanced by allowing them to own property, by protecting them from casual divorce: the marriage contract provided for a substantial payment by the husband in the case of divorce.

The normative Judaism which prevailed throughout late antiquity in the Middle Ages thus proved to be pragmatic, supple, and adaptable. Insofar as the non-Jewish world was concerned, it can be summed up in the Talmudic dictum of *dina de-malkuta dina*: in non-religious matters, the law of the kingdom is law. And insofar as the Jewish world was concerned, the scholar class of each generation had the authority not only to preserve, alter or abrogate the law as transmitted, but to introduce new laws whenever necessary. It was thus possible to deal with unforeseen conditions, situations and problems with the needed religious authority. As a consequence, dialectical reasoning was not only encouraged but highly rewarded. First, the Mishnah, then the Talmud, and then the vast responsa literature became repositories not only of laws sanctioned, but of

dialectical models of how the laws could be bent to solve problems in a realistic and constructive way.

Sealed off from the harsh facts of life by its focus on the world to come, the Judaism of the two-fold Law breded whatever variations the exposure to differing societies, cultures, and civilizations required for adaptive and creative survival. Involvement with the Sassanian-Zoroastrian civilization, yielded the Babylonian Talmud. Involvement with the Ummayad and the Abassid Caliphates, yielded the Gaonate, the Exilarchate, and a rich collection of legal responsa. Involvement with the Islamic culture of Andalusia, yielded a Golden Age of Jewish creativity. Involvement with Christian-feudal Europe in the West yielded Rashi's commentary on the Talmud, as well as the Tosaphists* dialectical-scholastic commentaries on the Talmud and on Rashi. Involvement with Christian-feudal Europe in Poland, yielded its own bounteous harvest of commentaries, and legal responsa. Involvement with the Italian city states of the renaissance, yielded a Jewish renaissance.. Involvement with the Ottoman Empire yielded a cornucopia of legal and mystical options. And since the economic systems of these societies and civilizations differed from one another, it is evident that the expositors of Judaism were eminently successful in adapting Judaism to each and everyone of these differing systems without compromising the uniqueness of

Judaism. So long as the Jews had the right to believe in their one God, and so long as they had the right to adhere to God's two-fold Law, it made little difference from a religious point of view whether the economic system was precociously urbanized as it was in Moslem Spain in the 10th and 11th centuries, or precociously non-urbanized as in Christian-feudal Europe during the same centuries.

There were, however, certain enduring economic and social consequences which followed from the fact that in Christian-feudal Europe Jews were largely excluded from the right to hold land. Jews were compelled to earn their livelihood as international merchants (8th-10th centuries), large-scale moneylenders (10th-12th centuries), sedentary merchants (10th-13th century), petty-money-lenders (13th-16th centuries). When, therefore, the capitalist system began to displace the pre-capitalist systems in Europe, Jews were already an urbanized people even though they were not as yet modern capitalist entrepreneurs.

There was still another enduring consequence which followed from the fact that the Jews were cut off from the land and from the fact that they were a minority enjoying no coercive sovereignty. The dominant elites among the Jews did not consist of kings, nobles, or ecclesiastics, but of legal-religious Scholars, and the wealthier lay members of the community.

Religious

learning, piety, and adherence to the two-fold Law were the attributes most prized and most rewarded. Aristocratic values, especially those clustering around military achievement, were foreclosed by the minority status of the Jews. When, therefore, the capitalist system began to make its in-roads, Jews had no kings, or nobles, or ecclesiastics to overthrow, though they did have to contend with religious elites who found themselves threatened by the critical spirit which the spread of capitalism unleashed, and by the liberation of the individual from religious constraints and discipline.

As for the high value placed by Judaism on learning, it was to prove highly beneficial when capitalism reached the knowledge-intensive stage, and when Jews, especially in the United States, preferred schooling rather than the work force for their young people.

And one final point. Throughout the Middle Ages, the Jews experienced both generous and hostile treatment. Though they were a powerless minority, the Jews found, themselves well-treated in Sassanian and Christian societies--despite the religious and ideological differences—whenever these societies were experiencing economic growth. When economic stagnation and shrinkage set in, however, they were harried,

harrassed, pogrommed and, at times, expelled from those very same societies. Economic, social, and political collapse with its attendant deterioration in the legal status of the Jews and with its violent destructiveness was viewed by Judaism as but trials and tribulations which would be more than compensated for by the peace, tranquillity, and joy of life eternal. Two-fold Law Judaism, like medieval Christianity and Islam, was thus tailored for the vicissitudes of human existence in a pre-capitalist world geared as it was to the interest of kings, nobles, and ecclesiastics-- consumers of wealth" and not to capitalist entrepreneurs—creators of wealth.

III

The rise of capitalism in Europe, however, posed as much a challenge to Judaism as it did to Christianity. Capitalism was a unique economic system which, however rooted in proto-capitalist systems of an earlier age, was born in the 16th century. What distinguishes true capitalism from its proto-capitalist forebears is the degree of risk that an entrepreneur was willing to take in the hope of making huge profits. Prior to the 16th century, the risk factor was indeterminative, because there were no huge profits to be had -- no matter what the degree of risk one was willing to undertake to make

them. The structure of trade, commerce, and industry was such that the profits of a high risk-taker or a low risk-taker might end within a few percentage points of each other. There was thus no opportunity for high risk-taking entrepreneurs to emerge as a separate and distinct class of profit-seekers.

It was not until the end of the 15th and the beginning of the 16th century that opportunities opened up for high risk-takers to make huge profits. These opportunities presented themselves for the first time with the opening up of the ocean routes to the Far East and to the New World. If an entrepreneur was willing to tie up his capital for several years, and if he was willing to risk the hazards along the way, he might be rewarded, not with 20%, 30% . or even 250% profit, but with 2,000% or 3,000%, or even more. Those who were willing to take this risk were a breed unto themselves. And it was this breed of risk-takers who gave birth to capitalism.

It is these merchant adventurers who move from the stage of proto-capitalism of Geneva and Venice to the stage of mercantile capitalism of Antwerp, Amsterdam, and London. Energized by the capitalist spirit, this new breed of entrepreneurs transformed Europe from an array of pre-capitalist societies of kings, nobles, and bishops—driven by the spirit of power, conquest, and indulgence—into societies

energized by risk-taking entrepreneurs. In a series of revolutions, the 6Td regimes grounded in the divine right of kings, in the divine right of ecclesiastics, and in the divine will of God were fractured and re-constituted into states grounding their sovereignty in natural, rather than in divine rights. These natural rights as proclaimed by John Locke were those rights which were essential for the flourishing of the entrepreneurial spirit: in a state of nature, every individual enjoys the right to life, to liberty, and to property. A state is thus legitimate only so long as it enables the individual to enjoy those rights more securely than would otherwise be the case. If a state fails to provide such security, it has no claim to an individual's loyalty. The aggrieved individual may join with others to overthrow such a tyranny. In Locke's doctrine of natural rights, we find articulated those values essential for the optimal development of capitalist entrepreneurship: the right to be self-determining, to seek after and accumulate wealth, and to dispose of that wealth as one sees fit. The free-choosing individual is the core: not a state, or a collective, or a community, or a nation, or a class', or a sex, or a religion. An individual may choose to risk his capital in the hopes of reaping boundless profits; or risk his mind in the hopes of finding truth; or risk his artistic impulse in the hope

of discovering beauty; or risk his soul in the hope of finding salvation.

Whatever the choice, it is the individual who is paramount: it is his risk and his hope.

The values of "pure," "natural" capitalism are thus universal values. They are values which transcend the particular profit-seeking activities of the capitalist, even though they are the prerequisite values for optimal entrepreneurship. Unless the spirit of a society is suffused with the right of every individual to be free-choosing, how will entrepreneurs be nurtured, encouraged, and allowed to indulge their entrepreneurial spirit? But since not all individuals are impelled by the lure of profits, those not so impelled find themselves to be the beneficiaries of the need of entrepreneurs for free-choosing and risk-taking individuals. They, too, are free to follow their own individual bents.

These capitalist values grounded in universals found their clearest expression in the American Declaration of Independence. The American colonies were the creation of daring and profit-seeking entrepreneurs. In contrast to Europe, the North American continent was free of those powerful impediments to capitalist development which inhered in monarchical, aristocratic and ecclesiastical institutions, and the spiritual values which these institutions sustained. The colonists early on were exposed to Locke's doctrine of Natural

Rights. The colonial legislatures, like Parliament, swore loyalty to a monarch who ruled by constitutional, and not divine, right. As merchants, plantation owners, free farmers, shopkeepers, and independent artisans and craftsmen, the American colonists displayed a predominantly capitalist profile with relatively few pre-capitalist vestiges. When, therefore, the colonists proclaimed their independence from England, they justified their rebellion by appealing to those unalienable rights with which the Creator had endowed every individual: life, liberty, and the pursuit of happiness. These are at one with Locke's natural rights, but with one modification: for "property" the framers of the Declaration substituted "pursuit of happiness." This modification was important because it affirmed even more explicitly than did Locke's "property" the right of the individual to choose his own destiny. By investing the pursuit of happiness with unalienability, the framers of the Declaration of Independence were subsuming property rights under the more generalized right of the individual to pursue his individual bent, whatever that might be -- with this caveat: the unalienable right to pursue one's goals does not give one an unalienable right to achieve them. Risk was inherent in the individual's freedom to choose the path he wished to follow in seeking happiness.

The Declaration of Independence is thus to be read

as a "Capitalist Manifesto." For though it incorporates Locke's Natural Rights doctrine, it is not a justification of a revolution already won, but a justification for a revolution that was being launched by individuals who were risking their lives, their liberty, their property, and their pursuit of happiness. It must also be viewed as a Capitalist Manifesto, for the Declaration of Independence was not a Declaration of Independence from a pre-capitalist state, but from a state that had emerged out of a successful capitalist revolution and whose sovereignty was already grounded in Natural Rights. As such, the Declaration of Independence was a manifesto proclaiming the right of an emerging capitalist society to remove the obstructions which a more developed capitalist state had erected to bar colonial entrepreneurs from competing against the capitalist entrepreneurs of the mother country. It was thus a declaration of independence from any form of capitalism which threatened the spirit of capitalism in the Interest of capitalists who were seeking to protect their profits from the risks of the marketplace. By declaring that the colonists had an unalienable right to overthrow a capitalist state which denied other capitalists the right to compete freely, the framers were condemning imperialism as antithetical to the spirit of capitalism.

The Declaration of Independence is also to be read as a capitalist manifesto because it focuses exclusively on the individual and his unalienable rights, and not on the unalienable rights of a nation, race, class, religion, or sex. The colonists had a right to independence not because they lived on a far away continent, or because their national feelings had been hurt, but only because their unalienable rights as individuals had been trampled upon. If King George III and Parliament had protected these unalienable rights, then the colonists would have had no claim at all. What was crucial for the framers was the kind of state which governed them - "not where that state was, or who the lawmakers happened to be. The colonists were seeking individual, not national, liberation.

The entrepreneurial spirit indeed is a universal spirit, not a national-one. Capitalism as such recognizes no territorial boundaries. The territorial sovereign nation-state is antithetical to the capitalist spirit. It was not the creation of capitalism, but of the pre-capitalist, territorial, dynastic states of Europe. It was only because the expansion of capitalism in Europe was gradual and because the grand capitalist revolutions took place within the territorial confines of the already existing territorial nation-state, that the development of capitalism in Europe took on a national-territorial character.

That capitalism is an economic system which seeks out the world as its arena and not sovereign nation-states, is demonstrated by the development of the United States as a federal union of non-sovereign states. The only economic, social, and political problem which proved to be non-solvable peacefully within the federal framework was that of the plantation system of the South with its servile labor supply, and with its powerful political base in the United States Senate. Otherwise all other major economic developments, such as rapid industrialization, western expansion, capital-intensive agriculture, the assembly line, mass production industries, labor unrest, unionization, regional shifts of capital and labor, and post-industrialization, were accommodated without the need for forming separate sovereign nation-states. As a result, whereas the expansion of capitalism and industrialization in Europe during the latter part of the 19th century, pitted Germany against France and Britain as nation-state rivals settling economic imbalances and competition by bloody wars, the United States was able to adjudicate such imbalances and competition through political compromise and through litigation. One has only to imagine the blood that would have been spilled on the battlefields of Pennsylvania, West Virginia, Michigan, and Illinois, if each of these states had been a separate sovereign nation-state with one state possessing coal, another

steel mills, and still another outlets to the sea.

When, therefore, its drive for profits and wealth-augmentation are not obstructed by pre-capitalist economic residues, pre-capitalist institutions, and pre-capitalist values, the spirit of capitalism breeds the transcendental values proclaimed in the Declaration of Independence. If capitalism had been the first economic system developed by humankind, and if it had not been confronted, as it historically was, by already existing pre-capitalist systems operating within territorial nation-states, there is every reason to believe that capitalism would have generated and sustained the following values: the unalienable rights of the individual to life; liberty, property, and the pursuit of happiness; equity as the basis for settling differences; peace as the norm regulating the relations between non-sovereign states; and the eradication of scarcity along with the objective anxieties -- hunger, homelessness, degradation -- which go hand and hand with it.

These values are the values most congenial to the spirit of capitalism -- values which were mangled and distorted in the process of accommodating to historically-generated conditions. The capitalist spirit breeds no wars, but its entrapment within the sovereign nation-state does.

Capitalist development

does not necessitate imperialism, but the drive for profits within the constricting framework of the sovereign nation-state does take advantage of underdeveloped societies to exploit the ready supply of cheap, semi-servile labor for the production of primary products.

We are able to demonstrate the deleterious effect of the sovereign nation-state on capitalist development by comparing the development of capitalism in Europe with the development of capitalism in the United States. Unhampered by inter-nation-state barriers and exposed to a broad and deep continental market, American capitalism at the turn of the century carried through a second industrial revolution, a revolution characterized by the mass production of goods, most notably the automobile. By contrast, Europe split into rivalrous nation-states and lacking broad and deep markets within their sovereign boundaries, did not undergo the second industrial revolution until after World War II -- and then only in response to American incentives through the Marshall Plan and American support for the formation of a European common market. The fact that Europe at the turn of the century had not only mastered the technology of the automobile, but had demonstrated that it could produce a superior product than that which the American automakers could build, was of no consequence. There simply was no national market sufficiently large for the absorption of

a mass-produced automobile. Barred from the second industrial revolution by nation-state barriers, European capital flowed into the undeveloped world where it nurtured primary rather than value-added production. For American capitalism, imperialism was peripheral , for European capitalism it was essential.

If then we focus on the development of capitalism in the United States, we can discern more clearly the inherent dynamics of capitalism than if we focus on the European experience. These dynamics reveal that capitalism is a process characterized by the emergence of novel and unanticipated forms of capitalism as a necessary consequence of the drive to maximize profits, a drive that encourages risk-taking entrepreneurs to seek out windfall profits through the widening and the deepening of markets; through the more rational utilization of capital, labor, and managerial talent; through innovative technology; and through the skillful utilization of political power to remove barriers to innovative forms and modes.

Capitalism shows itself to be always at war with itself. The older traditional forms challenge the novel and innovative forms which are emerging. These conflicts, however, can be resolved without coercive violence, provided that the constitutional and political framework is such that the contending capitalist forces can adjudicate their differences through political

accommodation and judicious compromise. With the exception of the conflict between planter capitalism of the South and industrial and free-farming capitalism of the North and West, the American constitutional and political system was able to facilitate the transition from one form of capitalism to another with relatively little violence.

And one final point: the development of American capitalism since World War II set the stage for the liberation of blacks, women, and other minorities from traditional barriers to their unalienable rights. This "liberative process was strikingly demonstrated when, after World War II, the minority status of the Jews was dissolved, as virtually all restrictive practices --economic, political, social, and religious --were eliminated.

I have singled out the American experience, not because it was American, but because it was free of pre-capitalist economic, social, political, cultural, and religious impediments. As individual capitalists, American capitalist are no different than European capitalists. What made the difference was the framework within which American capitalism developed.

IV

Judaism and the Jewish people have had a special

relationships to capitalism. This is not because Judaism is a religion which emerged either out of, or along side of capitalism. Judaism has its origins in a semi-nomadic pre-capitalist society in the Ancient Near East. The Jewish people were born in the same setting. The subsequent development of Judaism and of the Jewish people occurred, for the most part, within the frameworks of pre-capitalist societies. On the eve of the emergence of the first great capitalist enclaves in Antwerp, Amsterdam, and London, Judaism was a religion which promised to its adherents, eternal life beyond the grave and which exhorted its devotees to pray, to fast, to study, and to carry out meticulously the prescriptions of the Oral and the Written Law which God had commanded. Although one had to earn one's livelihood, the ultimate concern was with the state of the soul and not the state of the body. As a religion, Judaism in no way spawned the spirit of capitalism as Sombart and others have alleged.

In the sixteenth century, the majority of the Jews lived in Eastern and Central Europe and within the Ottoman Empire where modern capitalism did not originate. They did not live in Antwerp, Amsterdam, and London where it did originate. The only affinity of Jews to these capitalist centers in the sixteenth century were those Christian merchants of Jewish stock, called Converses, or New Christians, or Marranos, who

were prominent merchant adventurers, and who were to become Jews only subsequently when they no longer were allowed to be Christians. These first "Jewish" entrepreneurs owed as much to their "Jewishness" and their Judaism as Christian entrepreneurs owed to their Christianity. Jews, as professing Jews, were drawn into the capitalist orbit in the same way in which Christians were: As capitalism penetrated Central Europe, and began to make inroads into Eastern Europe, entrepreneurially-gifted Jews, like entrepreneurially-gifted Christians, took advantage of the opportunities which opened up for them.

Nonetheless, the spread of capitalism did establish a special relationship between Jews and capitalism and between Judaism and capitalism. We only have to follow the path of capitalist development from Holland, to England, to France, and to Germany, and take note of the fact that wherever capitalism spread and triumphed, Jews were emancipated. In no instance did Jews gain emancipation in any society prior to the capitalist transformation of that society. Furthermore, the extent and the depth of the emancipation of the Jews within the newly-emerged capitalist societies were directly related to the extent and the depth of capitalism's transformation of that society. Thus, that society which was least hampered by pre-capitalist modes, institutions, and values, namely the American, was the

society where Jews never had to be formally emancipated on the federal level; they were not singled out for either inclusion or exclusion. It was also in American society that the Jews, in practice, came to enjoy an equality of states and opportunity which no other society in their history had extended to them.

This relationship between Judaism and capitalism, however, is highly complex. The Judaism which had functioned throughout the Middle Ages was a Judaism which proclaimed that God had revealed His will in the Bible and in the teachings of the rabbis, and that the goal of human endeavor was to believe in God, keep His commandments, and look to salvation in the world to come. Although the first chapter of Genesis focuses on God's capping of His/Her creation with an individual in God's image, and although the teachers of the Oral Law stressed God's care, concern, and love for every individual, the broader implications of these notions were overwhelmed by the subordination of the individual to God's will which was to be found exclusively within the two-fold Law, which He had revealed to Israel. There was no allowance for the free play of either Individuality or the critical spirit. One was bound to an external authority whose word was Law, and whose teachings were sacrosanct, however non-rational they might be.

So too, although Isaiah's vision of the end of days when scarcity would be no more and when every individual would enjoy well-being was sacralized, its fulfillment was to be brought about by the exercise of divine power and not simply by human endeavor. Judaism in its medieval form was not an ideal religion for capitalist entrepreneurs, even though it did not disallow or preclude entrepreneurial activity, but it was incompatible with capitalism insofar as its central religious values were concerned; for two-fold Law Judaism denied the individual the right to cultivate the spirit of free critical inquiry, lest such inquiry undermine the principles on which pre-capitalist Judaism was based. There were implicit values within Biblical and Rabbinic Judaism which were congenial to the spirit of capitalism, but they were embedded within a framework which subjected the individual to an external authority, God, and not to the free interplay of the critical spirit with the phenomenal world.

Finding pre-capitalism In Judaism blocking the right of the individual to cultivate the spirit of free inquiry, and the right to be free-choosing, Jewish religious leaders, in 19th century Germany, who prided themselves on their westernization and enlightenment, created a new form of Judaism which proclaimed that God was always revealing; that the essence of Judaism was not the law, but ethical monotheism; that the people

Israel were a transnational people who were spread among the nations of the world to be a light unto the nations, and who had no wish either to return to Zion or to exercise political sovereignty. Although this new form of Judaism, called Progressive or Reform Judaism, emerged in 19th century Germany, it flourished only in the United States where the capitalist climate was favorably disposed to a religion stressing the right of the individual to choose for oneself the road to one's salvation.

This radically new form of Judaism thus became a form of Judaism which said "Yes" to modernization and westernization; "Yes" to capitalism's promise of overcoming scarcity; "Yes" to the free-choosing, risk-taking individual, and "Yes" to scientific and critical thinking. But in saying "Yes" to these forces and drives. Reform Judaism was by no means giving a blank check to capitalism. Reform Judaism is a religion and not an economic system. Its essential teachings are that there is a single God the consequences of whose unique existence is the totality of the universe as it was, as it is, and as it is yet to be. It affirms that all of the diversity in the world is a consequence of God's unity. Reform Judaism claims that this single God is not only the creative source of all of the sentient and non-sentient beings in the universe, but He is also the source of their capacity to

be loving, compassionate, just, and wise. This form of Judaism teaches that it is God who makes human® values possible, and who makes the thinking mind possible — a mind endowed with the power of tapping the mind of God itself. i.e., the laws of nature.

Reform Judaism affirms that this God mandates free-will for humankind, but is confident that goodness, love, compassion, justice, wisdom, and creativity will win out over evil, depravity, destructiveness, cruelty, and hostility. Nature is stocked with boundless wealth ready to serve our every need; the nucleus of the atom is stocked with boundless energy waiting to be tapped; the DNA in every cell is ready, willing, and - able to collaborate with human designers to increase the harvest yield, enrich the food we eat, head off the diseases which kill and maim, and correct the misspellings in the Book of Life, so that no individual need be cut off from life, liberty, and the pursuit of happiness.

With access to the mind of God, not just the earth, but other-worlds beckon the human spirit. No longer confined to our planet, we need never fear extinction. Having access to other worlds, we need fear no scarcity. With moons and planets without number, we need fear no Malthusian destiny. With endless horizons beckoning, we need fear no stifling of the spirit of adventure. If humankind fails to choose wisely, then God's gamble with

free will may have proved a disaster, but the disaster will have been of man's choosing, not God's.

Reform Judaism gambles even as God gambles. God had, according to the first chapter of Genesis, made a goodly world, and He/She had endowed the first individual and His/Her progeny with the right to hold dominion over it, confident that this individual and His/Her progeny would draw out all of the good which God had built into this world. This confidence was misplaced, as the biblical account of the flood and the Tower of Babel make vividly clear. Twice defeated. God called Abraham, to father a People, which would gamble along with God, confident that humankind would in time freely choose to build a world rather than destroy it.

These fundamental teachings of Judaism, embedded in the most sacred of texts, were rendered explicit for the first time by Reform Judaism, and liberated from the constraints of both the ritual law and the notions of a supernatural revelation by God to Moses. These teachings are religious teachings, not economic teachings.- They are concerned with God and the metaphysical underpinnings of reality. They evaluate and judge economic, political, and social systems by the degree to which they are compatible with these teachings. So that when I speak of Reform Judaism's saying "Yes" to modernization and westernization, "Yes" to capitalism, "Yes" to the risk-taking individual, and

"Yes" to the spirit of critical inquiry, it is a conditional "Yes" -- a "Yes" dependent on the nurturing of love, compassion, justice, goodness, individuality, and wisdom. Reform Judaism's evaluation and judgment of capitalism is thus dependent upon the degree to which capitalism does indeed generate the enduring religious values of Judaism.

Reform Judaism said "Yes" to modernization, westernization, capitalism, the free-choosing individual, and the spirit of critical inquiry because these forces were liberating Jews and humankind in the latter part of the 19th century from the shackles of pre-capitalist systems and were releasing the individual from the traditional roadblocks to the development of one's talents. Progress was on the march; freedom was in the air; the Messianic Age was on the wing. Unleashed, the entrepreneurial spirit was creating wealth, raising living standards, and building infrastructures supportive of a higher quality of life. And as the old order crumbled, and Austria-hungry, Russia and-Turkey tottered, it seemed that it was only a matter of time before all of Europe would be blessed by the fruits of capitalist enterprise. Jews would enjoy freedom throughout Europe, and Judaism would be acknowledged as a legitimate religion.

Reform Judaism could thus say "Yes" to capitalist development at the turn of the century, because

capitalism's exploitative features were more than compensated for by its liberating effects. Reform Judaism was idealistic, but non-utopian. It was confident that however slow progress might be, it was progress nonetheless. And the successes of developmental capitalism were impressive and were promising of more to come.

And then World War I burst the bubble of confidence and hope. The Capitalist colossi -- Great Britain, France, and the United States --joined up with the tottering old regime of Tsarist Russia to smash another capitalist colossus, Germany, in league with tottering Austria-Hungary and Turkey. The great capitalist states did not band together to overthrow the old regimes blocking the expansion of capitalism throughout Central and Eastern Europe, but formed unnatural alliances with decaying pre-capitalist societies to destroy nation-state rivals. And the outcome was tragic: the Treaty of Versailles, the subjugation of German capitalism, the rise of Fascism and the birth of a monster, the Bolshevik-state, a state which not only blocked the development of capitalism in Russia, but which subjected the Russian people to the harshness of absolute power and absolute incompetence.

What had occurred was so devastating that the capitalist system was shaken to its roots. It never fully recovered in either England or France between the

wars, and even its exuberant recovery in the United States was short-lived. Following on the crash of 1929, the capitalist system everywhere was threatened with collapse. In desperation, capitalists were ready to shack up with fascist totalitarianism in the hopes that their profits might be salvaged. Krupp, I.G.. Farben, and other German firms were the willing beneficiaries of the Nazi expropriation of French, Belgium, Dutch, and Czech enterprises. They did not allow their capitalist principles to stand in the way of their exploitation of slave labor, or their cooperation in the "final solution." Gone were the inalienable rights of individuals to life, liberty, property, and the pursuit of happiness. Gone was the keeping of the state at a distance. Gone was the liberating of peoples from the shackles of the old regime. Gone was the nourishing of the critical spirit. In their stead was the plundering of the wealth of alien capitalists; enslavement of free workers; extermination of surplus population; and the subordination of competence and talent to racial, political, national, and religious criteria. The universal and humane values of liberal-developmental capitalism were transmuted into the national, racial, and destructive values of totalitarian capitalism.

From the point of view of Reform Judaism, capitalism's dynamic, revolutionary, and developmental

face is reflective of the essential values of Reform Judaism. Its stagnant, totalitarian, and repressive face, however, is reflective of the demonic. Capitalism is not some sturdy, unchanging entity driven by principles allowing for no compromise. It is a chameleon which becomes whatever the overriding political climate requires it to be. It is thoroughly opportunist, settling for the best deal that it can come by. Capitalism is not primarily a system of values, but an economic system.

Yet on deeper probing, capitalism's negative side shows itself to have been accommodations to the restrictions placed on its free development by the division of Europe into sovereign nation-states -- political hangovers from a pre-capitalist era.

Capitalist opportunism was thus an accommodation to historical reality, and not an expression of its inherent drive. For to the degree that capitalist development was not barred by pre-capitalist obstructions, its directional thrust was towards the building o-f an economic infrastructure for the flourishing of humane non-economic values. Unobstructed, the dynamic of capitalism spins off a spiral of economic and humane development, and builds the economic infrastructure of the good, the true, and the beautiful.

V

It is, therefore, heartening that despite all of

the obstructions which have blunted, diverted, and distorted the optimal thrust of capitalism, a' spiral of development nonetheless can be discerned, a spiral which may be irreversible. This spiral of development had its beginnings in the emergence of a new stage of economic development which was ushered in with the success of the Manhattan Project. For the first time in human history, a new stage in technology was born out of the possibilities inherent within a fundamental law of nature, a totally abstract mathematical formula, $E=MC^2$. The atom bomb was only a theoretical possibility. Whether the massive and complex technologies which it would require could be built was for long an open question. Whether the managerial talent needed to effectuate the translation from abstract mathematical formulae into effective technologies could be found was likewise an open question. But the transformation of the abstract into the concrete was effectuated, and a new stage of economic development was ushered in—a stage marked by the direct tapping of the laws of nature for developing ever more complex technologies. Through these tappings, the possibility of creating all of the resources that humankind will ever need has been opened Up. By drawing on the laws of nature, we have become co-creators with God and are no longer dependent on nature's store for our survival.

The spiral of development is energized by the

consequences of this revolutionary breakthrough. By continuously tapping of the abstract laws of nature for innovative technologies, the older technologies become prone to functional obsolescence. As the tempo of "innovation speeds up with the acquisition of new knowledge, previous technologies do not wear out, but become functionally obsolescent: they simply cannot carry out their functions as speedily or as effectively as the innovating technologies which are being spun out from the abstract laws of nature. The computer age speeds through generations at an ever more rapid pace. And what is true of computers is true of all knowledge intensive technologies: bio-technology, laser technology, fiber optic technology, and information and communications technology.

Functional obsolescence has thus become the energizer of a spiral of development. Societies which are on the frontiers of knowledge are driven by functional obsolescence to transfer their obsolescing technologies to the societies on lower levels of economic development. These societies in turn are driven to transfer their technologies which have been rendered obsolescent by the higher technologies to societies on lower levels of economic development, and so on from level to level until even the most undeveloped societies become beneficiaries of the technologies which are transferred to them. So long as

functional obsolescence sustains a frontier of development, every society spirals upward as the technologies are transferred downward from the higher rungs of the spiral.

For the first time in human history, every society and ultimately every individual can hope for liberation from the shackles of economic stagnation, economic replication, economic scarcity, and the human degradation which goes along with them. Unlike the hoarding of advanced technologies which characterized Europe's and America's response—to industrialization --a hoarding encouraged by the long-life of capital and by limited markets within the confines of sovereign nation-states -- the pressures of functional obsolescence encourage the transfer of obsolescing technology to societies on a lower level of economic development.

Economic imperialism; i.e., the division of the world into the developed industrial countries, on the one hand, and the undeveloped raw material-producing countries, on the other, becomes functionally obsolescent.

Capital and labor on the developmental frontier can be far more profitably employed in the innovating, knowledge-based technologies and knowledge-based industries than in those which have become functionally obsolescent. In addition, by transferring obsolescing capital to a less developed society, capitalist entrepreneurs are able to take

advantage of lower labor costs at the same time that they enhance labor productivity -- an enhancement which raises the workers' standard of living, and broadens and deepens the market. Caught up in this spiral of development, each society on whatever level it happens to be is enriched through the enrichment of every other. As this enrichment reduces scarcity, and the poverty and degradation which scarcity breeds, the major source of conflict between nations is dissolved.

The spiral of development thus turns out to be the highest stage, of capitalist development; for, with access to the infinite resources embedded in the laws of nature, there are no longer any God-made barriers to infinite growth and development. Nature is no longer the guardian of scarcity. The abstract laws by which the riches of nature were created are the selfsame laws by which nature's riches can be augmented and nature's destructiveness overcome.

A free spin of the spiral of development thus has the potential in time of dissolving the fundamental sources of-objective anxiety -- the scarcity of goods essential for the support of human life, freedom, and dignity.

The problem, however, is that there is no free spin. The spiral of development is obstructed, not by nature, but by human nature — human-made structures which are threatened, not reinforced, by the spiral of

development. These obstructions are the sovereign nation-states and the division of labor which it imposes on the world, a division which consigns value-added production to the industrially advanced countries and primary production to the societies of the Third World. The single greatest impediment to the free spin of the spiral of development is the enormous economic and political stakes that business enterprise and political elites of both the advanced nation-states and the emerging nation-states still have in the profits of underdevelopment. And since the free spin of the spiral is highly threatening to these sources of profit because it requires a radical restructuring of the world's economic system and not just a reformation of the existing structure, it is resisted with the same tenacity that each earlier stage of capitalist development resisted the new and more efficient stage of capitalism which threatened it. The spiral of development, though representing the highest form of capitalism, sets the teeth of nation-state capitalists and statesmen on edge; for it endangers their profit and their power. The outcome in the short run is global civil war, and in the long run uncertainty as to which system will win out.

This then is where we are today: Perched on the edge of uncertainty as to whether the spiral of development and its promise of the end of scarcity and

the release of the free-choosing individual will win out over a nation-state imposed division of global labor and the nation-state rivalries, and the national, racial, religious and sexual discrimination which it encourages and perpetuates.

The principled entrepreneur, it would seem, has no choice but to support the spiral of development. The principled Jew, It would seem, must make the same choice. The principled entrepreneur must make this choice because the free, as against the blocked, spirit of capitalism nourishes the individual's inalienable right to life, liberty, property, and the pursuit of happiness without any "ifs," "ands," or "buts." And as for the principled Jew, the imperative of the first chapter of Genesis would seem to be overriding: God created a world, and not a nation-state. God created an individual, and not a collective. God entrusted the universe to a free-choosing individual, and did not retain it for Himself/Herself as a divine monopoly. By choosing to gamble on the individual. God exposed His/Her universe to risk.

Israel's destiny as a people of God also operates as an overriding imperative. Israel became a people, not for itself, but for God. Its history exposed the Jewish people as it did no other people, to the vagaries of the sovereign nation-state. Powerless, the Jewish

people have had only one claim to survival: the right of every individual to be an individual simply because one is an individual -- and not because one is a Jew, or an Englishman, or a Frenchman, or white, or male, or Christian, or Moslem, but because one is a unique person. For a Jew so dedicated, the release of the spiral of development -- with its promise of a world without scarcity, a world beyond the sovereign nation-state, and a world where the individual is free to choose -- becomes a divine imperative.

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