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Inside Money

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With this issue, we try to make sense of an economic crisis that overwhelms all of us. From our own ability to work and earn a living, to the global economic marketplace, we awake each morning to dire news and for the most part, can comprehend very little. We are forced to trust "experts" though they also seem to be swimming — rather, flailing — in uncharted waters. Money is about trust — it's about a relationship between two people, or within a group, a lender and borrower, a seller and buyer. Over the past months, we've learned that this relationship of trust has been abused. How we now address the financial meltdown, how we respond personally, as members of communities, and as global citizens, will say something about our moral resources, and our philosophical understanding of the nature and connection between money and ethical behavior. This issue of *Sh'ma* is devoted to how to think about an out-of-kilter economy, what it might mean for our homes, our communities, our Jewish institutions, and our future. I began thinking about this January issue early in the summer; then devoted to work, the issue featured a series of memos to the president-elect about what Judaism might say about the importance of a dignified workplace and fiscal fairness. We still include a couple of essays addressing these concerns, as well as a number of reading recommendations for Barack Obama, on his inauguration. —SB

Money and Morals

LOUIS E. NEWMAN

Because money plays such an important role in our lives, it is perhaps no surprise that our relationship to it is complex and paradoxical. In many ways, money bestows power, yet money also has enormous power over us.

Our ability to live comfortably, to have opportunities and the leisure time to enjoy them, to be free from the fear of going hungry, to provide for our children, to improve the lot of others and to obtain positions of prominence in society — all these depend, to a greater or lesser degree, on the extent of our financial security. But precisely because it is such a powerful force in our lives, money frequently overpowers all other considerations in our system of values and so makes it harder for us to live healthy, meaningful lives.

If the recent global financial crisis proves anything, it is that the pursuit of money, taken to its extreme, can even lead to financial ruin. When we glorify money and treat it as an end in itself, we may subordinate our value system, our spiritual needs, our integrity, our respect for others, and (ironically) even our financial security all in the pursuit of greater wealth. How, then, shall we establish and maintain a balanced and healthy relationship with money?

Jewish Guidance for the Use of Money

Judaism challenges many of our most fundamental assumptions about money. We almost universally assume that if we make money, it is ours. Yet, Judaism teaches us to be grateful to God for our prosperity and not to take undue credit for our material success. The Torah puts this very directly and succinctly: "Beware lest your heart grows haughty and you forget the Lord your God . . . and you say to yourselves, 'My own power and the might of my own hand have won this wealth for me.' Remember that it is the LORD your God who gives you the power to get wealth." (Deuteronomy 8:14, 17–18)

Given that we owe our prosperity to God's beneficence, the Torah requires us to share the gifts that we have with the poor and the marginalized in society. The rules governing the agricultural gifts for the poor (Leviticus 19:9–10; Deuteronomy 24:19–21) were clearly designed to reinforce the principle that everyone in society must share in the collective good fortune of others.

The Torah also prohibits us from using our financial power to oppress others. We may not charge usurious interest or any interest at all to other members of our own community. (Exodus 22:24; Leviticus 25:35–37; Deuteronomy 23:20–21) Moreover, the cancellation of all debts every seventh year ensures that creditors cannot use their financial advantage to create a permanent class of debtors. (Deuteronomy 15:1–3)

Finally, Jewish teachers over the centuries have cautioned against allowing the value of money to eclipse other values in life. When our sages ask, "Who is rich?" the answer is not "the one who has the greatest net worth," but "those who are satisfied with their share." (*Avot* 4:1) The goal is not to amass more wealth but to cultivate more serenity with the material success one has.

Today our need for a set of core values to keep the power of money from overpowering us is greater than ever. Some basic Jewish values to guide us include:

Honesty: Earning money honestly, without misrepresentation or fraud, and compensating those who work for us fairly, without taking advantage of their vulnerabilities, are essential to creating and preserving trust between people.

Humility: Recognizing that our money is the product of many hands besides our own will tend to curb our tendency to self-aggrandizement. We will use our money best if we begin with a sense of gratitude, rather than of entitlement.

Generosity: Our willingness to share liberally of what we have with those less fortunate is essential to securing the common good and protecting the human dignity of every person.

Extrinsic Value of Money: Money is valuable solely for the ways in which it enables us to survive, and then to live more fully. We need to cultivate a healthy relationship to money, one in which moral values define our use of money, rather than the reverse.

Money, or its functional equivalent, will be with us for the foreseeable future. Without a set of values to guide us, money itself will become an end in itself. But since money is "value-free," this almost certainly leads to the pursuit of greater amounts of money and greater freedom in using it. Jewish values will help ensure that one of the most powerful tools for human flourishing continues to be harnessed for good.

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Tzelem Elokim and the Free Market

YEHIEL E. POUPKO

Abraham, Isaac, and Jacob were business people. The Torah gives us an audit of their wealth. Surely they were blessed by God and just as surely they knew how to engage in the commerce of domesticated herds and flocks. The framework of a life lived with justice, righteousness, holiness, and purity is this real, normal, messy, and hurly-burly world. Adam is put in the Garden to "till it and to tend it." We are expected to work that garden to make it grow and to benefit from its produce. And to then bring it to market.

The free marketplace, in which producers and manufacturers of goods meet people who want to purchase their goods, is the realization of two fundamental Jewish ideas. What is it that constitutes the marketplace? First there is the obligation to improve civilization by learning about nature and learning how things work. This is known as science. This is necessary in order to develop a better chair, a better medicine, a better computer. Technological advance is the result of human beings seeking to build civilization and to better the human condition. Someone who gets up in the morning with nothing to do and no place to be, who sits idle, is not contributing to *Yishuvo Shel Olam*, to the development of civilization. The second is free will. The marketplace is constituted of free will. Human beings freely manufacture goods through their God-given intellectual and emotional resources, which enable them to acquire knowledge and use judgment and wisdom to create ever better goods. The human manufacturer meets the human customer and they engage in the free will exchange of value for goods.

The Talmud Yerushalmi expresses a simple truth when it says that, in the main, the existing price for goods is the proper price because if it is too high the customer will not purchase and if it is too low the entrepreneur will not sell. In general, Jewish law prefers the mechanisms of the free market for providing the greatest good for the greatest number of people. Surely there are occasions when the rabbinic courts intervene in the interests of justice and righteousness.

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One of the great questions that believers face is if God created the world then how does any one human being have a right to the exclusion of all human beings, to own private property? Indeed, through the mitzvot of the sabbatical and jubilee years, the Torah on the one hand affirms the right to the private ownership of land but then places significant limitations on it. However, this applies only to land. This does not apply to material wealth gained through industry and commerce based on all other sorts of activities. Indeed, the right to own private property is one of the fundamental ways in which human beings attest to their individual sanctity. Private property is witness to the human being extending his or her sanctity over something in the real world.

Judaism seeks to hold on to two good and sacred principles. One principle is the obligation to build civilization through the human ingenuity and creativity that is expressed in the free market. At the very same time Judaism knows that this will not work for certain people. This is captured in the Yom Kippur service, as the prophet Isaiah reminds us:

This is my chosen fast…share your bread with the hungry, take the homeless into your home, clothe the naked, when you see him or her do not turn away from your very own flesh.

At the very same time, upon exiting the Holy of Holies, among the High Priest's last prayers for the day of Yom Kippur is "for a year of corn, wine, and oil. A year of prosperity…of dew and rain and warmth, of ripening fruits…A year of no inflation, a year of plenty." The High Priest prays for the health of the free market. Judaism expects the obligation to build civilization to go hand in hand with the obligation to engage in *tzedakah*.

In *With All Your Possessions: Jewish Ethics in Economic Life*, Meir Tamari writes "No anti-commercial tradition existed in Judaism as existed in Christian social thought." The recent collapse of financial markets does not come as a surprise to the Jewish tradition. There are mitzvot and halakhot because there will always be people who will seek their interests through dishonesty. The free market is based on truth-telling and trust. Trust has been broken and needs to be reinforced and reestablished. Judaism's commitment to the free market remains intact.

A Struggling Economy

Sh'ma *recently spoke with Diana Furchtgott-Roth and Simon Greer about the economy and their advice for the Obama administration.*

SUSAN BERRIN: *How might we navigate the tension, the distance, between a "free market" and the obligations of being moral creatures?*

SIMON GREER: I'm not sure that this isn't a false dichotomy. We try to work directly, act as moral creatures *within* a free-market economy. For example, from the train to Baltimore, you might remember seeing an impoverished neighborhood as you enter the city. Plagued by drugs and violence, the Oliver neighborhood has been in decline for years. Then BUILD (Baltimoreans United In Leadership Development) developed a 10-year plan to rebuild the neighborhood. We matched $1.2 million in funds raised by BUILD to construct affordable housing as a first step to revitalize the neighborhood. Felicia Antoinetta McKoy now has a home for herself and her family. By giving her a stake in the community and in the local economy she can become a more powerful leader, a more forceful player in her neighborhood's redevelopment. Through our 8th Degree program, we invest in small business owners like Otis McDonald, the owner of a cleaning company in New Orleans. With a small loan, Otis can expand his business and hire new employees. After losing everything in Katrina, Otis is back on the job, providing for his family, purchasing services, paying taxes — strengthening his community.

DIANA FURCHTGOTT-ROTH: Our free-market system is a moral system because it creates economic growth that is then distributed on behalf of those who don't have jobs or homes. We have achieved tremendous wealth in the U.S., but we also have safeguards: food stamps, Medicaid, Medicare, social programs, etc. We manage to do this within the context of our capitalist free-market system.

GREER: At the margins of the economy, people have a doubly hard row to hoe. If we're able to invest in citizens groups and community-based groups, we give people opportunities to participate in the political decision making that affects the economic policies that eventually shape their lives. This process gives birth to a morality at the intersection of our political and economic systems. About 21 years ago we made a grant to a

Diana Furchtgott-Roth, former chief economist of the U.S. Department of Labor, is a senior fellow at the Hudson Institute and director of Hudson's Center for Employment Policy. Her recent books are *Overcoming Barriers to Entrepreneurship in the United States* and *The Feminist Dilemma: When Success is Not Enough*. **Simon Greer** Greer is president and CEO of the Jewish Funds for Justice (JFSJ), a national public foundation guided by Jewish text, tradition, and history. Before joining JFSJ, Greer worked as a labor and community organizer and Jewish social change leader for 15 years.

small group in Chicago and the guy who signed the grant agreement with us was named Barack Obama. We certainly didn't give him the grant hoping he'd be president someday. It was our faith that if we invested in small grassroots efforts and created vehicles for civic participation and engagement in community problem solving, we could help create the kind of political system in which people participate meaningfully.

FURCHTGOTT-ROTH: We're getting more tax revenue from the top and it's going toward people at the bottom; we've managed to raise standards of living for everybody. We have to find ways to keep our free-market system and incentives strong. Higher taxes encourage businesses to relocate offshore, and we want to avoid that. We're in a very bad recession right now and we want to ensure a flow of capital — to insure that people are encouraged to work and want to invest in the U.S. We mustn't overreact, which might discourage the private sector from operating and might drive businesses to Mexico or Canada.

BERRIN: ***Would you recommend a job stimulus program, something like the WPA?***

FURCHTGOTT-ROTH: Amity Shlaes' book, *Forgotten Man*, shows that the New Deal didn't create a lot of jobs in itself; the economy didn't recover until after World War II. What would be a lot more worthwhile today would be to give individual Americans money and have them spend it as they see fit.

GREER: We have had taxes reduced and we've fought two wars and we tanked the economy rather than seeing it recover.

FURCHTGOTT-ROTH: We've tanked the economy because of the buildup in asset values that was caused by too loose a monetary policy right after 9/11. We didn't regulate Fannie Mae and Freddie Mac even though a lot of people called for regulation and said that they were getting too big. The low tax rates were not the cause of the problem.

GREER: To recover from our current national crisis, we need a large-scale response, a "Marshall Plan," that speaks to the political opportunity and economic crisis we're now facing. After hurricanes devastated the Gulf Coast, we made a long-term commitment to support redevelopment of the region, partnering with community-based organizations to ensure that those with little income or influence have a place and a voice in rebuilding efforts. Understanding that affected neighborhoods need large-scale investment to recover, we joined with Catholic, Baptist, and Mennonite groups to launch The Isaiah Funds, interfaith funds for long-term domestic disaster recovery. We need such a "Marshall Plan" now.

FURCHTGOTT-ROTH: I have three suggestions. First, I'd give unemployed workers the choice of either accepting the extended unemployment benefits or taking a check for $5,000 to use for retraining, getting a car, or relocating for work. Second, capital gain taxes should be held at zero for the next five years to encourage people to invest. And third, we should sell offshore leases to oil companies for drilling (to improve our energy situation) and use those funds to recapitalize the banks. There are many alternatives to large-scale public works programs, which though well intended, sometimes waste money. In terms of infrastructure spending, how would we ensure that we're building roads and bridges where they're needed most, where they'll encourage mobility — not where the most powerful politicians locate them? How to spend government money is a very difficult question; when private individuals have opportunities to invest, they generally do so a lot more effectively.

GREER: We often do have the gems of our solutions right in our midst. I'd like to see the Obama administration and policymakers at all levels look at success stories like the state of Massachusetts, which has taken responsibility for the health and wellbeing of all of its residents. We can also learn how CDFIs make loans to lower-income populations and manage to see success in those investments, both financially and socially. I'm really intrigued by the investment in the green jobs movement. The president is offering a vision of a just society through an environmentally sustainable economy that also holds a great amount of promise. We need people to work in their own communities, forging first the local solutions that would create community infrastructure, then the mechanisms that would experiment with new strategies and other opportunities to engage large-scale decision making. We need to work with what's working on the ground and expand the capacity of the folks who can then build on their models of success.

BERRIN: ***Innovation and creativity are the cornerstones of the American economy. What advice would you give the next administration to nurture both innovation and a "safe" policy of risk-taking, which is inherent in most creative ventures?***

GREER: Innovation, creativity, and opportunity are the fiber of American life. The next administration must create incentives to build each of these things. But to foster innovation and creativity we have to create room for people to take true risks. And with risk-taking comes real failure. We need to take risks that offer breakthrough benefits, such as those achieved in 1994 when Baltimoreans United in Leadership Development took a risk on a living wage campaign, and won, and 15 years later more than 100 municipalities have taken the same risk, which has served their communities well. Similarly, we might have some personal investments that are higher risk, some that are very reliable, and some that are in the middle. In our philanthropy we'd like to be on the more aggressive and risk-taking side, be nimble and responsive to new situations. We don't mind taking the biggest gamble and failing, so long as we learn from our failures. President Obama was a community organizer, so he knows that the best solutions are often found locally. Therefore, instead of taking a risk on massive national initiatives that are divorced from local track records, let's seek solutions from people in relationship and in communities, not from those in seclusion. I'd encourage the president to invest in the most talented people at all levels, and then take real risks with them, giving them opportunities to break through to new solutions. Trying to solve our economy's problems by debating the same old frameworks and creating the same false dichotomies may give us a way out of this cycle, but I believe that we'll simply see another downturn (and more quickly than we would like). We need to challenge our sacred cows.

FURCHTGOTT-ROTH: Liquidity is not one of the barriers to entrepreneurship. Entrepreneurs and innovators face three main problems when they're building and growing their own small firms: too much regulation, difficulties with immigration (wanting to hire people who don't have visas), and the high cost of health care. My advice to President Obama, then, would be first, to streamline regulations for small businesses and entrepreneurs who want to innovate. Second, fix our broken immigration system and allow more H1B visas and more low-skill visas; we need a more flexible system whereby the government can respond to entrepreneurs' requests for additional help that will grow our economy. And third, fix health care. It's really absurd that an individual can buy life insurance, or auto insurance, or home insurance, but cannot buy health insurance. If you have a job, you might have health insurance, but with rising unemployment, you may be losing that insurance. Nobody says, "I've lost my job; I've lost my car insurance." People need to be able to buy health insurance that's not tied to an employer. Entrepreneurs especially feel the pinch, because it's hard for small firms to get health insurance.

Jewish Immigrant Banks: Financial Failure and the Reshaping of American Capitalism

REBECCA KOBRIN

Rebecca Kobrin, assistant professor in history at Columbia University, works in the field of American Jewish history and immigration studies. Her first book, *Between Exile and Empire: Jewish Bialystok and its Diaspora* (Indiana University Press) is forthcoming. She is currently a fellow at the Center for Advanced Jewish Studies, University of Pennsylvania, working on a book entitled *Creative Destruction: Immigrant Jewish Bankers, Financial Failure and the Reshaping of American Capitalism*, 1914–1930.

After years of spiraling real estate prices, fears of protracted war prodded thousands of New York Jews to withdraw money from their banks. Unable to return depositors funds as a result of bad investments in the New York real estate market, one of the largest banks on New York's Lower East Side was forced to shut its doors. Depositors began to riot as the bank's Jewish director anxiously awaited help; but a bailout from his co-religionists never arrived, prompting thousands to march to city hall where they attacked clerks and policemen.

The year was 1914 and the failure setting all this chaos in motion was that of Jarmulowsky's Bank, founded by Sender Jarmulowsky in 1873.

Few people today recognize the name Jarmulowsky or can identify its main branch — nicknamed "the Temple of Capitalism" — which still stands on the corner of Canal and Orchard streets on New York's Lower East Side. But the nexus of excessive real estate speculation and bank failure sounds eerily familiar to contemporary ears. In the past months, as all have watched Henry Paulson battle to save the burning financial infrastructure of America's economy, I have been struck by the virtual silence of both scholars and popular writers concerning the historical significance of the failure of another bank founded by Jewish immigrants — Lehman Brothers, which opened on Wall Street in 1858 over a decade before firms such as Goldman Sachs. While the failure of a public company with thousands of shareholders and over 26,000 employees, neither run nor owned by a Jewish immigrant family is incomparable on many levels to the closing of the Jarmulowsky bank, the demise of both banks raises a critical question: At which moments and in which ways did Jewish banks, and their failures, both real and imagined, play a central role in shaping American capitalism? Indeed, while many continue to debate the specific factors that led to Lehman Brothers' downfall, no one has yet, perhaps fearing this question's antisemitic overtones, commented on this event's significance for the annals of American Jewish history, where immigrant banking families have long played a prominent

The nexus between banking and speculation directly challenged the country's celebrated Protestant ascetic roots as it encouraged ambitious young men to embrace risk rather than hard work.

role. While many scholars and writers chart and celebrate the rapid ascent of Jewish immigrants, like Henry Lehman or Sender Jarmulowsky, into America's middle and upper class, Jewish immigrant failure, particularly in the world of banking, has received relatively little attention.

As historian David Hollinger recently pointed out, the failure to conduct a "straightforward historical and social-scientific study of what enabled immigrant Jews to economically succeed so quickly in the United States has perpetuated the mystification of Jewish history and subtly reinforces invidious distinctions between descent groups in American society." Indeed the virtual erasure of the Jarmulowsky family from the annals of American Jewish history exemplifies the desperate need for such analysis because this family and their bank dominated East European Jewish society in New York for over four decades, reshaping not only the landscape of the Lower East Side but the hopes and dreams of its inhabitants.

Sender Jarmulowsky embodied the Horatio Alger myth for the millions of Jews living on New York's Lower East Side at the turn-of-the-20th century. Born in Tsarist Russia, Jarmulowsky graduated from the famed Volozhin Talmudic Academy and earned his first fortune by betting that Jews' dissatisfaction with the Tsarist empire would lead to mass migration. Working for the Hamburg-American line, Jarmulowsky opened a "passage and exchange" office in Germany, where he bought steerage passages in bulk and extended credit to East European Jews so that they could leave Europe. Arriving in America in 1873, he developed a system by which these same customers could "pay out" the cost of bringing their European relations to America, exchanging hard-earned greenbacks for the red-backed Russian rubles. By extending credit, operating in the foreign currency markets, and branching out to take deposits, Sender Jarmulowsky was able to build the largest Jewish commercial bank on the Lower East Side, holding the deposits of over 60,000 East European Jewish immigrants. With the fortune he amassed he soon became one of the greatest philanthropists of the Lower East Side, overseeing the erection of the Eldridge Street Synagogue (1887), the founding of the Orthodox Union (1898), and the reestablishment of the Jewish Theological Seminary of America (1902). Upon his death in 1912, one widely popular Yiddish newspaper asserted that "Jarmulowsky was living proof that in America one can be a rich businessman but also be a true, pious Jew."* Leaving his bank to his sons, Louis and Meyer, Jarmulowsky believed they would continue his legacy of financial prowess and generous philanthropy.

But his son Meyer had different ideas; he saw the bank's assets as a stepping-stone to a new career in real estate development. Buying up 37 buildings in Harlem during a decade in which real estate speculators, known in Yiddish as *realestateniks*, drove up housing lot prices from $50/lot to over $3000/lot, Meyer believed he would easily make millions by quickly reselling his purchases. But events in Europe thwarted his plans. Upon hearing of the outbreak of war in July 1914, thousands stormed the bank, demanding their deposits so that they could send money to relatives in Europe. Unable to return their deposits (more than 1.75 million dollars were tied up in mortgages), the bank was forced to close its doors. A riot erupted and deeply frightened city officials assigned the city's revered judge, Billings Learned Hand, to settle the claims. The 37 buildings Meyer Jarmulowsky had purchased were placed in escrow, provoking myriad court cases and precedent-setting judicial decisions. New York State bankruptcy law was forever changed by this event. City officials quickly closed down other immigrant banks and crafted new legislation to protect New York from becoming infected with "speculitis," a disease that all agreed was transforming not only New

* "Yarmulowski gebrakht tsu kevurah mit groys kavod," *Morgen Zhurnal,* June 4, 1912, p.1.

Upcoming in Sh'ma

Gender Education and Boys

Beyond the Seminary & Academy: Staying Alive and Lively

Philanthropy & Controversy: Allocations & Agendas

The Jewish Body

The Jewish Home: All our Rooms in Twenty Pages

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York but America itself.

The rise and fall of the Jarmulowsky banking dynasty sheds light not only on the economic dimensions of the American Jewish past but also contributes to the larger debate on the interrelationship of American character and capitalism, a literature that rarely grapples upfront with the roles played by Jews. The discomfort of the Protestant elite of New York with Jewish speculators, as seen by the popular press's response to the Jarmulowsky bank failure, was rooted in a general anxiety with the role speculation played in America's rapid advance as a world economic power. While America's founding fathers explained American affluence as rooted in celebrated Protestant values of hard work, saving, and methodical planning, those closer to the world of banking quickly recognized that thrift and circumspection were not rewarded. Speculation was the engine driving America's economic expansion in the first decades of the 20th century, as its "frontier spirit" had driven America's geographic expansion in the previous generation. As social gospel preachers warned, in this new America, the nexus between banking and speculation was dangerous; it directly challenged the country's celebrated Protestant ascetic roots as it encouraged ambitious young men to embrace risk rather than hard work.

At the present moment, the outcome of the current crisis is still unclear. But revisiting the collapse of the Jarmulowsky bank — and grappling with Jewish financial disasters — demonstrates that Jews have been instrumental in shaping the ever-shifting contours of American capitalism. Indeed, in a nation that worships success it is critical to appreciate the historical importance of failure as well.

Banking as Moral Hazard

SCOTT A. SHAY

Jarmulowsky's Bank filed for bankruptcy months before the Federal Reserve Banks (the Fed) opened their doors and two decades before either the Federal Deposit Insurance Corporation (FDIC) or the Securities and Exchange Commission (SEC) came into being. Since their inception, these regulators have issued myriad regulations and amassed great powers and resources. Even the trend toward mild deregulation, which began during the Clinton Administration, has not significantly changed the climate of strong federal regulators. Yet despite these regulators, the current financial mess is worse than the "Panic of 1907."

The key to understanding the current crisis is a concept periodically mentioned, though quickly passed over and referred to as "moral hazard." Pervasive, deep, and accepted financial immorality played a role greater in this crisis than ever before. A more accurate term for the behaviors leading to this crisis, then, would be "moral transgression." Let's examine the moral transgressions that caused the current situation and then look at them through the lens of Jewish tradition.

While I am oversimplifying for the sake of brevity, it is fair to say that the following chain of moral transgressions led to the current crisis. After the technology bubble burst and the economy was shaken by the events of 9/11, the Fed tried to prop up the economy by lowering its Fed Funds rate to one percent for much longer than was prudent; a popular Fed chairman who keeps rates low is more appealing than an unpopular one who worries about the long-term consequences of doing so (arguably just bad judgment but perhaps a moral transgression). Further, in this permissive environment, Congress protected FNMA (Fannie Mae) and FHLMC (Freddie Mac) because they were such potent political powers and donors (second moral transgression). This protection allowed FNMA and FHLMC to buy subprime and Alt-A mortgages several multiples beyond their capital base in order to have greater profitability and handsome bonuses (third moral transgression). Bond buyers did not care that the mortgage giants were buying risky mortgages because the debt they were buying was implicitly guaranteed by the government (fourth moral transgression). Meanwhile, the big banks found it difficult to compete in buying prime mortgages and therefore invested more heavily in riskier subprime and Alt-A loans (the risk was securitized away). These big banks paid less and less attention to whether or not the loans were creditworthy since their investments led to better bonuses for traders and ultimately senior management (fifth moral transgression). The rating agencies were persuaded to close their eyes by the tremendous fees generated by the investments (sixth moral transgression). As the public caught on, the bubble expanded even more. People with no experience in real estate

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suddenly started buying additional "primary residences" with FNMA/FHLMC or bank securitized mortgages with the hope of flipping these homes as quickly as possible (seventh moral transgression). If they could not qualify for a regular loan mortgage, brokers would arrange for consumers to take out no verification stated income/stated asset (SISA) loans — known as "liars' loans" (eighth moral transgression). Appraisers offered higher values in order to keep their flow of business (ninth moral transgression). Meanwhile, mortgage brokers and others arranged mortgages that new homeowners would never be able to afford even as the bubble burst in 2007 (tenth moral transgression).

Unfortunately the victims of all of these moral transgressions include many innocent people. At any point along the line, a dose of financial morality might have stopped this slow-motion train wreck. Yet the sad fact is that neither our political leaders (in either party) nor anyone in the mortgage origination chain acted against or spoke out loud anything about these immoral practices.

We might draw on talmudic sources to better understand this sort of immoral behavior. For example *Brakhot* 32a cites the story of a pampered and inebriated young man led to temptation; the parable encourages us to recognize and assume responsibility when we are part of creating an environment that enables moral transgressions. And *Brakhot* 5b recounts the story of Rav Huna's rationalization of underpaying a worker. The Talmud even recognizes that earning one's living through business may lead to banditry if normal business dries up (*Kiddushim* 30b). Behind the famous talmudic dictum to teach children a trade lies a debate between the sages as to whether individuals should choose a more dependable, less risky profession.

Many of our prophetic teachings and our daily prayers also point out that detailed laws and regulations alone will not encourage moral action. Every day before we recite the *Sh'ma*, we ask that the Merciful One "put into our hearts to have insight and understanding." We ask for love and fear of the Almighty and of the Torah so that we will act righteously when tested. Observance of specific commandments emerges from this core behavior of *menschlechkyte*. Many of our blessings include the formulation *kidshanu b'mitzvotav* — we are holy in our actions. Lying on a loan application becomes a lot harder to do in the context of Jewish teaching; it becomes an unholy action.

Rahm Emanuel, President Barack Obama's White House chief of staff, is known for pointing out that it is a shame to waste the opportunity of a crisis. So let us follow the Jewish way in responding to crises. Rambam, in *Hilchot Ta'aniyot*, writes that it is an obligation to call a fast when a calamity befalls a community. On such fast days, we are to look both toward heaven for help and within ourselves for moral failings. Given the moral causes of our present financial crisis, our rabbis should declare a public fast day in which we, as a community, look inward and join other faith communities in responding to this severe moral failure. Our future might be even more dire if we pass through this financial downturn without acknowledging its source in immorality at the political, corporate, and personal levels. No amount of regulation can prevent the circumvention of laws and rules if our hearts are not in the right place.

As this article goes to press, word of Bernard Madoff's arrest and apparent gargantuan fraud has just been made public. A disaster for the Jewish community on so many levels, the repercussions will dwarf the Jarmulowsky bank failure. As with the mortgage crisis, this fraud took place in a regulated entity (an SEC-supervised broker-dealer) and was enabled by approval from multiple fiduciaries all supposedly exercising careful due diligence. Yet all of the controls failed because either the hearts of those entrusted were in the wrong place or the temptation to make a high "risk-free" return was so great. There were many warning signs but moral hazard kept most people silent.—Scott Shay

Reflections from the Eye of the Storm

JOEL R. FOGEL

Joel R. Fogel is a principal at Archer Capital Management, a New York-based alternative asset management firm.

The weather outside is frightful. I wonder if Sammy Cahn and Jule Styne intended the double entendre. These lyrics are from 1945.

In 2001, my then-managing director, an esteemed distressed-real-estate investor in his own right who had successfully navigated several economic cycles, sat me down in his office and stared me dead in the eye. With strong conviction he observed, "Young man, now is our time. The overleveraging of the private real estate sector has reached its peak. Pricing can only fall from this point forward [and investor yields rise]. We will profit handsomely from this decline." The implications of this assessment, and the seven years of debt-driven expansion that followed, have now begun to shake the economic foundations of our country to its core. If you feel that is hyperbole, consider yourself blissfully unaware.

During the month of October, the S & P 500, a widely followed index of large cap American stocks, swung one percent during 86 percent of that month's trading days, including thirteen days on which the index swung three percent (up or down). That volatility exceeded all previously recorded measures, but for the month of November, 1929. Those of us who work in finance and invest across all types of markets have effectively been riding in a car careening wildly out of control for over a year. For a generation of investors that has not participated in a significant down cycle, this has been, at best, traumatic.

It wasn't always this way. In fact, for most young finance professionals, the road to the top of the mountain was straight and only moved in one direction — up, with certain critical, though rare, exceptions. Today's search for a culprit for this current economic crisis is ludicrous — as if any one person, firm, or industry could possibly have caused an upending of a generation of economic growth, all on its own.

A crisis of confidence is concurrently affecting the young legions of bankers, investors, and other finance professionals who chose to specialize in a field they were quite convinced was where the best and brightest made their mark. One can have success without money but money surely does make it easier. This thesis led thousands of talented high-achieving men and women to work in a field where everyone was upwardly mobile and where the potential for success was limitless.

From the epicenter of the crisis it has been apparent for several months that we are all engaged in a tectonic shift that will fundamentally alter the way in which America, and perhaps the world, conducts business, produces cars, purchases homes, pays for education, and budgets discretionary spending. It will also change the aspirations and career choices of many young men and women, along with the general lifestyle and economic expectations of America's workers. For many, it will change their relative definition of success and perhaps, happiness.

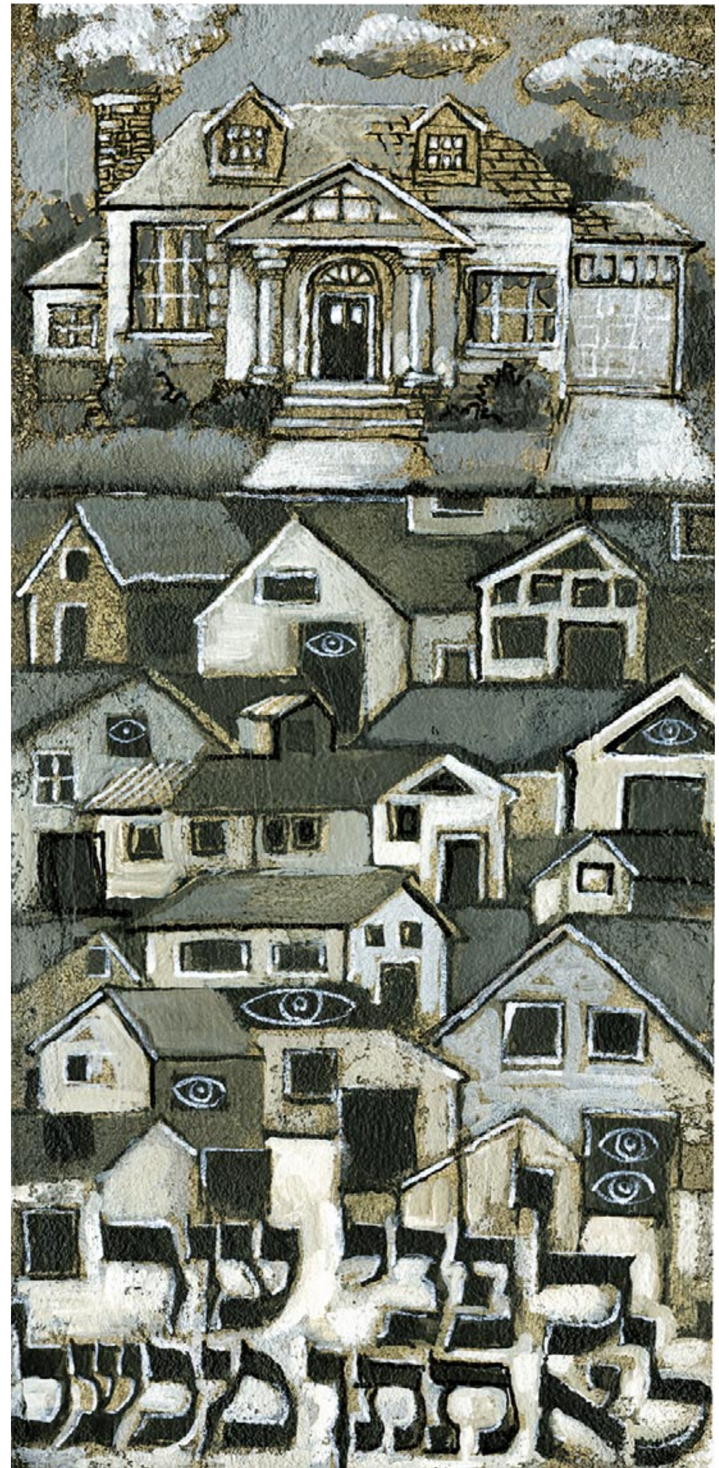
Sh'ma שמע

נשמע

NiSh'ma
LET US HEAR

David Wander
Stumbling Block
acrylic on wood

In considering the current economic crisis I think back to the years I worked in a hospital teaching drawing and visualization. I witnessed many people drawing houses — each with a path and a chimney, smoke emanating from it. I take this to be some hard-wired image of security and peace. The current mortgage and bank failures bring a different image to mind than that of a secure house with a light on inside. That same image of security was misused by mortgage brokers and contributed to the current economic insecurities. The foreclosed houses form an impenetrable maze of walls with no lights on, haunting eyes that witness today's crisis.



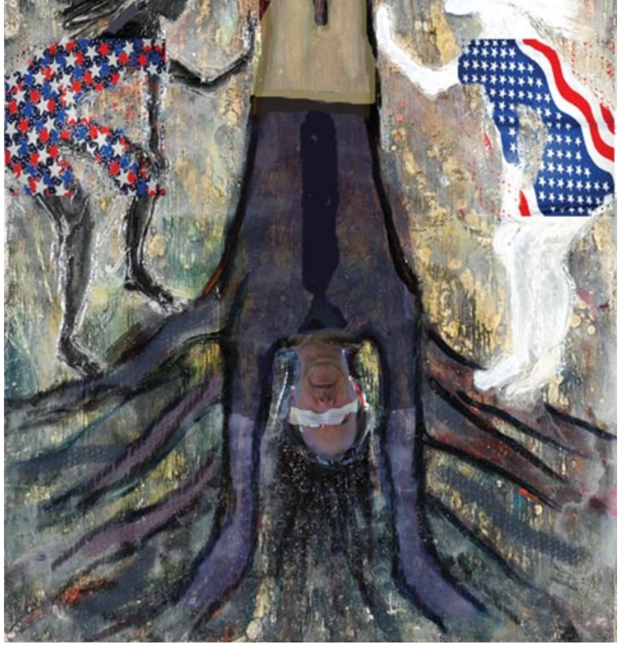
לפני עור לא תתן מכשל
In front of a blind person do not put a stumbling block.
— Leviticus 19:14

Carol Buchman
Stealing from the Blind

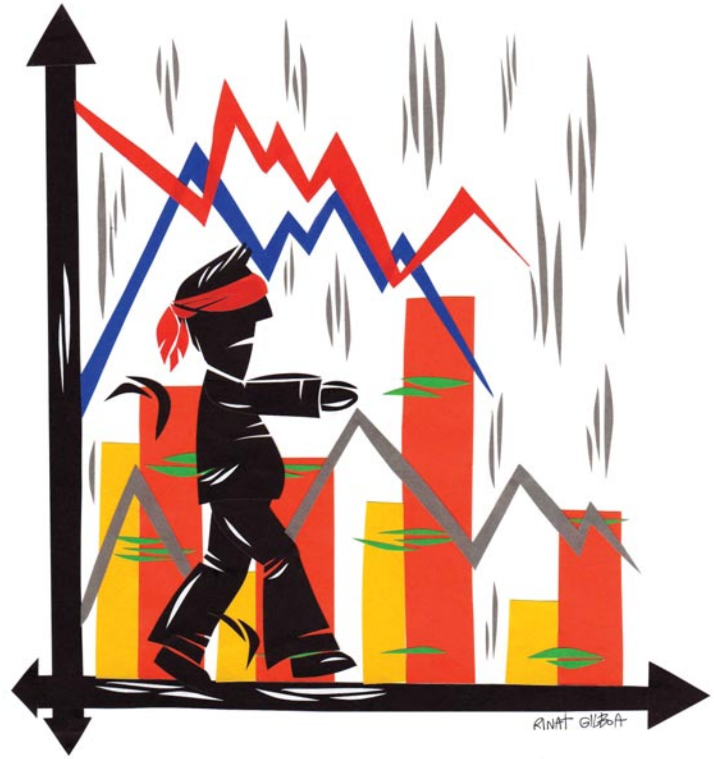
These ambiguous figures represent a *yetzer hara/yetzer hatov*: one figure is the seductive touch of greed, materialism, and trickery, which has blinded our country; the other is the healer's touch. The man, a tree of life, is upside down.

David Wander's landscape works

Orleans, is currently studying fine arts and anthropology at Brandeis University. • **Carol Buchman**, who lives in Memphis, has been exhibiting her work since the late 1980s. Her work has been commissioned, collected, and exhibited nationwide and can be viewed at carolbuchman.net.

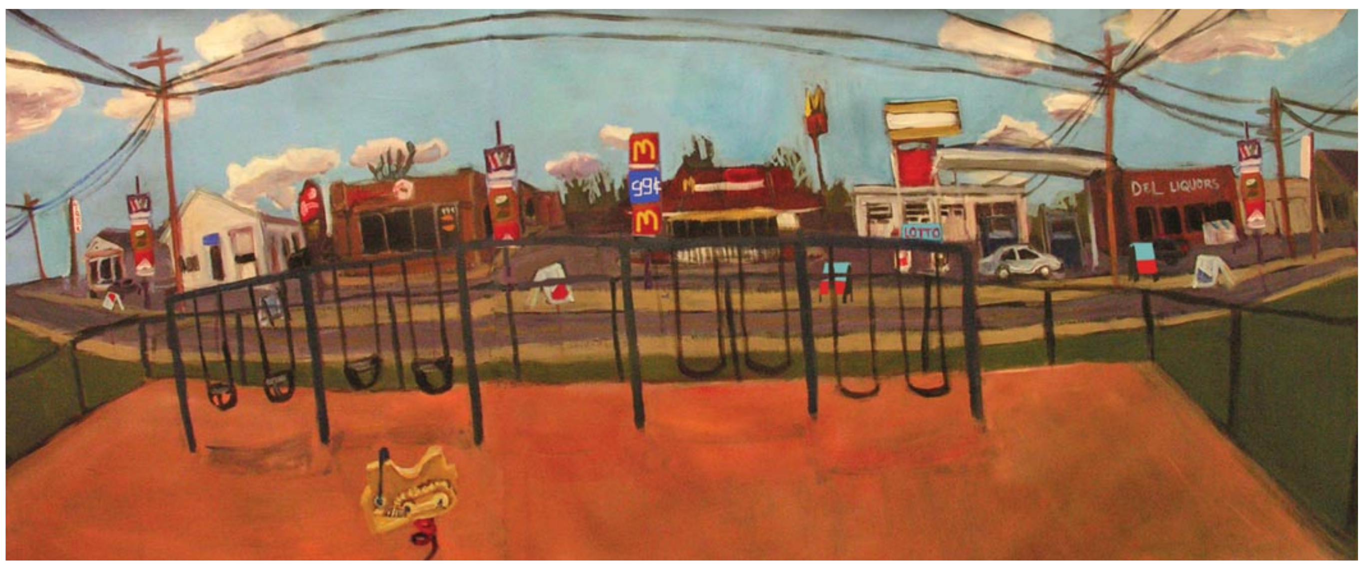


Rinat Gilboa
Blindness & Economy
paper cut



The image expresses the chaos that an economic crisis causes. The man in the image is stumbling, and the graph represents a thunderstorm. David Wander's image reminded me of a labyrinth — and inspired me to create this work, which combines economic symbols and the common human reaction to the economic situation.

In some way, we're all blind. Sometimes we are unaware or unsuspecting or naïve; when we are, we become susceptible to stumbling blocks that prey on our blindness. Children are the ultimate "blind" group both because they lack experience and because they cannot recognize stumbling blocks when they come across them. In this piece, I explore how advertising can become a stumbling block. I constructed a landscape of drawings I made around the town of Waltham, where I live. I placed the viewer inside a playground because children are the most susceptible to the advertising and consumerism that plague and distort our everyday environment.



Hannah Chalew
Preying on the Blind
acrylic on paper

...s are in collections throughout the country. He also illustrates and makes handmade accordion books of Jewish texts, including *Haggadah in Memory of the Holocaust*, which was shown in Yad Vashem among other venues. His works "Jonah Drawing" and the series, "The Whole Megilla," were shown at Hebrew Union College in New York. To see more work please go to davidwanderstudio.com.

Rinat Gilboa lives in Jerusalem. As an illustrator, she works with several newspapers and book publishers. http://rinatgilboa.carbonmade.com.

Hannah Chalew, a young artist from New

The Jewishness of *Jews Without Money*

PAUL BUHLE

Perhaps the most remarkable feature of the 1996 edition of *Jews Without Money* (originally published in 1930) was how the political wrangling of the past had slipped into history, leaving behind one of the most magnificent of Jewish-American sagas. Alfred Kazin's introduction to the new edition almost skipped over Michael Gold's better-known reputation as polemicist for the *Daily Worker* and its literary counterparts through some thick and much thin, all the way to Gold's death in 1967. *Jews Without Money* had been written as Gold's own personal story of Jewish slum life with a heroic-political ending as brief and irrelevant as the ending of a Hollywood melodrama. The real thing was the rest of the saga.

> "America is so rich and fat, because it has eaten the tragedy of millions of immigrants."

And what a saga! The Yiddish short-story writer and dramatist Leon Kobrin became known, mainly by virtue of his stories in the *Forverts*, as the "Jewish Zola," chronicler of misery and impoverishment. If the sobriquet had not already been earned, Gold would have had the best claim. Original Sin is not the problem of the Lower East Side inhabitants; poverty sinks into every corpuscle of their collective blood. The Sin is real, but it belongs to the bullies and the braggarts. Generations before Woody Allen's *Crimes and Misdemeanors* roasted the hypocritical figures among the Jewish-American arrivistes, Gold lacerated the diamond-wearing matrons, the slum lords, the sweatshop kings, and others who had scant mercy for their own people (and wanted to be accepted by the Gentiles, preferably rich Gentiles, more than anything).

Not all the villains were Jews, by any means. Gold was keen on the Irish cops of New York who took pride in drawing blood with their clubs at any Jewish labor activity, especially if they could bash a young radical woman. He took in the others, boxers to politicians, who were part of Jewish life but not of it. But Gold was more interested in human consequences. In one of his famous phrases, "America is so rich and fat, because it has eaten the tragedy of millions of immigrants."

Gold wrote, in his own introduction to the book, that he could not accept America's gods because he had his own idol: his mother. If this sounds amazingly saccharine for an avowed atheist and revolutionary, it is nevertheless the deepest sentiment in the novel and the one that rings the truest after all these years. A wife: a "buttinski" and reformer, self-sacrificing for anyone in trouble, literal midwife for home births, defender of neighbors threatened by drunken husbands, also proud to be Jewish in no small part because antisemitism showed how low and animalistic the haters were — all this thanks to a marriage broker. Jewish also because the

Paul Buhle's latest project is *Yiddishland*, a comic art volume collaboration with Harvey Pekar and others.

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memory of Europe, the relatives left behind in Europe, one might suggest the 800 years of *Yiddishkayt*, was inextricably part of her sense of family and self. What would a Jew be without that memory, or the generosity of spirit toward the poor that his mother represented?

Jews Without Money, the testimony of Michael Granich aka Mike Gold, is alive as long as Jewish-American immigrant history plays a vivid role in collective memory — and that shows no sign of dissipating. For all Gold's particularities, it's certain that the election of Barack Obama with the overwhelmingly enthusiastic support of Jewish voters is one more reminder that if poverty is the real sin, reform offers redemption. Mike Gold knew it a long time ago.

Jewish Women as Industrious Earners

ALLISON SCHACHTER

Between 17th-century Europe and contemporary American Jewish culture, the representations of Jewish women and money have reversed. In traditional European Jewish culture, a woman was valorized if she could earn enough money to support her family, allowing her husband to devote himself entirely to studying Jewish texts. By the late 19th-century, however, Jewish intellectuals embraced European bourgeois gender norms, and perceived Jewish women's roles as economic providers as backwards. Once valued as industrious earners, Jewish women were now to be relegated to the domestic sphere, while Jewish men transformed themselves into ideal breadwinners. By the mid-20th century in America, Jewish women were stripped of their once-admired economic utility and portrayed as predatory spenders or parasitic consumers — as overbearing mothers or Jewish American princesses.

This negative turn in the cultural representation of Jewish women as greedy consumers is a recent phenomenon. In the 17th-century, Glückel of Hameln authored one of the earliest known Jewish memoirs, detailing the rise and fall of her own fortunes. A 54-year-old woman with business acumen, her obsession with money was practical: widowed with eight of her twelve children unmarried, she took over her husband's business to ensure her children's future. In the memoir, Glückel lovingly describes her marriage as a business partnership, boasting that her husband would turn only to her for business advice.

While Glückel unselfconsciously proclaimed her business smarts in 17th-century Prussia, by the 19th-century women's economic power became a source of Jewish cultural anxiety. In his satirical epistolary novel, *The Letters of Menakhem-Mendl and Sheyne-Sheyndl*, Sholem Aleichem portrays a very different gendered economy. Menakhem-Mendl, the prototypical Jewish *luftmentsh*, absconds with his wife's dowry to Odessa where he plays the commodities exchange. In letters home to his wife, Sheyne-Sheyndl, he spins tales of markets he barely comprehends and describes the marble tables of Café Fanconi and elegant displays of gold jewelry and women's clothing. His wife's letters, however, provide a different tone. Sheyne-Sheyndl does not care about fancy cafes or shop windows; she understands the value of a ruble and how far it will go to pay for medical care. In increasingly angry letters, she pleads with her husband to sell his holdings and return home. Whereas Glückel's husband respected his wife's financial advice, the fictional Menakhem-Mendl ignores his wife's urgent pleas.

By the mid-20th century in America, Jewish women were stripped of their once admired economic utility and portrayed as predatory spenders.

Sheyne-Sheyndl's fears of abandonment and her economic vulnerability mark a turning point in the representation of Jewish women. A Jewish woman's practical concern for her children's welfare and her fears of abandonment, by the end of the 19th century, are dismissed, disparaged, and satirized. While Sheyne-Sheyndl frets, it is her husband who fantasizes about fortunes, seduced by the unattained decadence and luxury of the urban arcades.

In 20th-century American Jewish culture we see the culmination of a dramatic reversal in the representation of Jewish women. Jewish men become economic heroes — the shrewd accountants and business executives — while Jewish women are the wasteful consumers, who pine after great fortunes and the fashionable items on display in America's shopping malls.

Allison Schachter is assistant professor in Jewish studies and in the department of English at Vanderbilt University. She is completing a book, *Itinerant Modernisms: Hebrew and Yiddish in the Twentieth Century*.

Sh'mitah and *Tu B'shvat*: A 21st-Century Call

MELISSA BOTEACH & STEVE GUTOW

Shortly after a new president and congress are sworn into office, Jews will be celebrating *Tu B'shvat*. While today we think of *Tu B'shvat* as "Jewish Arbor Day," in its initial iteration in the Talmud, the holiday celebrated not just ecological sustainability, but the economic sustainability of the society. This day constituted an established time to determine the annual contribution of fruit to tithe, which in early Jewish society provided necessary sustenance for the religious classes and the poor.

In addition to *Tu B'shvat*, the Jewish agricultural calendar included a concept wherein every seven years Jews were commanded to forgive all debts and to make the fruits of the field readily available to the poor. This "*sh'mitah*" (sabbatical) cycle presented a Jewish *structural* model in ancient times wherein no one was allowed to fall too far behind and the poor were able to meet their needs with dignity.

Our Jewish moral framework grates against the economic reality that characterizes our current employment landscape in America.

Largely unnoticed, the Jewish calendar commenced a new seven-year *sh'mitah* cycle in the heat of the 2008 elections. As we enter into the first 100 days of a new administration, what contemporary meanings can we derive from the *sh'mitah* values of sustainability and interdependence? How can the concepts of *Tu B'shvat* and the *sh'mitah* inform our activism as we seek modern-day programs and policies that provide opportunities for the poor?

While tithing and giving tzedakah offer some relief in these difficult economic times, it is critical to examine structural issues of poverty, including a concern for those at the bottom rungs of the labor ladder. The most recent business cycle ending in 2007 had the distinct dishonor of being the only economic expansion on record in which poverty rates were higher and median wages were lower despite growing profits and increased productivity on the part of America's workers. Many of these new poor are working parents stuck in low-wage jobs, hardly a model that the Judaism of *Tu B'shvat* or the *sh'mitah* year would endorse.

The recent financial crisis has exposed and exacerbated these problems. Unemployment rates are currently at 6.7 percent, with 7.3 million additional people in America who are *under*employed. These numbers continue to rise. For those who are employed, the labor market looks bleak. Less than one in four jobs in America is a "good" job," defined as employment that pays at least $34,000/year and provides some type of health insurance and retirement benefits. Moreover, almost 30 percent of all jobs in the U.S. are "bad" jobs, meaning that they meet *none* of these criteria.* Wage theft is rampant, as 2 million workers are not even paid the minimum wage, and millions more are illegally denied overtime or misclassified as "independent contractors" to avoid payment of benefits. Nearly half (48 percent) of private-sector workers — and nearly 80 percent of low-wage workers — do not receive paid sick days to care for their own health.

Judaism asserts that the highest form of tzedakah is providing someone with a job, helping a person to reach the point where tzedakah is no longer necessary. Decent treatment of workers, fair payment of wages, and a concern for those who have a difficult time earning a living are part and parcel of the mandate of Judaism's holy texts. A religious tradition that asserts these principles cannot ignore those left behind in our economy; our Jewish moral framework grates against the economic reality that characterized our last business cycle and characterizes the current employment landscape in America.

A modern interpretation of the laws of *sh'mitah* and *Tu B'shvat* suggests that we develop contemporary structures designed to promote self-sufficiency in the workforce for those who are most in need, to advocate on behalf of the marginalized in our labor market. We now have an opportunity to translate these values into sound public policies through legislation expanding the Earned Income Tax Credit; stimulating the economy through extended unemployment insurance; or creating new green jobs that will lift millions out of poverty. As we celebrate sustainability and communal responsibility this *Tu B'shvat* and begin a new *sh'mitah* cycle, our focus must be on helping to create a livable work environment for those who are most vulnerable. Legislative advocacy and personal responsibility for employees under our supervision are twin pillars of a modern society informed by our ancient values.

Melissa Boteach is poverty campaign coordinator at the Jewish Council for Public Affairs, and **Rabbi Steve Gutow** is its president.

* *The Center for Economic and Policy Research*

Balancing Work and Life

SHIFRA BRONZNICK & DIDI GOLDENHAR

Michelle Obama has named *work–family balance* as one of her top priorities as First Lady. "We're struggling to figure out how to *balance it all*," she has said. "When I say that phrase, every woman — working outside or inside the home, and [regardless of] her race or political affiliation — gives me that knowing smile. I want to be a voice for figuring out how we provide more support, so that families aren't just *surviving* — they're *thriving*."

We couldn't agree more. And balancing between the personal and professional is not just for families — it is for everyone. Working people — women and men, single, partnered, of all ages, on every professional rung, and in every sector — are pursuing careers while juggling individual and family responsibilities. For dual-career couples, single-parent households, and the "sandwich generation" caring for both children and aging parents, these conflicts are intensified. Women assume two-thirds of all household and caregiving responsibilities; however, the challenges of navigating life and work stretch across gender.

Given our deep commitment to caregiving, family, and community, we might expect Jewish organizations to offer "best practices" when it comes to work-life issues.

To assess the Jewish community's readiness to play this role, Advancing Women Professionals (AWP) recently sponsored a nationwide survey of 229 Jewish organizations, including major institutions, local federations, JCCs, and family service agencies, as well as some of the newer social justice and cultural groups. This survey is the first initiative in AWP's Better Work–Life Campaign. By 2010, the campaign plans to enlist 100 Jewish organizations that are willing to improve parental leave and flexibility policies.

Preliminary results from the survey reflect the Jewish community's ambivalence toward work-life issues. We learned that just under 30 percent of the organizations surveyed offer formal flexibility policies. The more encouraging news is that nearly 90 percent of these organizations allow some degree of flexibility — telecommuting, part-time schedules — on an informal, individual basis.

These data quantify what we have heard at AWP in hundreds of interviews with Jewish women professionals. Many women choose careers in Jewish organizations because of their receptivity to family life — adjusting work hours to accommodate the needs of younger children or being permitted to work at home on Fridays.

While this informal flexibility, typically granted on a case-by-case basis, is better than none, qualitative research demonstrates that without formal policies, the decision to grant flexible schedules rests with individual supervisors. While informal flexibility may benefit individuals and their families, women professionals who take advantage of these *ad hoc* arrangements may find themselves derailed from the leadership track. As one woman commented in our study last year, "This is a good place to work as a parent but not to advance."

People would work smarter, not harder.

The survey data confirm that most Jewish organizations have not yet addressed the fundamental challenge related to work-life balance. This kind of challenge calls for a more profound conversation, about how to live our values in the workplace.

Work-life issues stir deep conflict in Jewish organizations. Our Jewish values encourage us to live multidimensional lives, with time for family, spirituality, education, culture, and community. From this angle, workplace flexibility makes good sense — whether the time is spent caring for a newborn baby or enrolling in a seminary class, coaching the JCC soccer team or training for a marathon, helping an aged parent or volunteering with seniors.

On the other hand, because the success of Jewish organizations depends on building a network of personal connections, "face time" often becomes a primary measure of staff performance. This performance metric is embedded in the antiquated notion that the "ideal" worker is always available.

The corporate world has recognized that organizations that expect a 24/7 commitment will be restricted to a less qualified talent pool. Younger professionals — women and men — are entering the workplace with explicit demands for work-life balance. As a result, corporations use flexibility as a tool for recruitment and retention, and as a strategy for advancing

Shifra Bronznick and **Didi Goldenhar**, along with Marty Linsky, co-authored *Leveling the Playing Field: Advancing Women in Jewish Organizational Life*, now available on Amazon or at www.advancingwomen.org.

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high-potential women.

Common sense suggests that Jewish organizations can compete for top talent by creating workplaces where professionals pursue fulfilling careers and contribute their best *because* they are leading decent, meaningful, personal lives. The current economic recession presents a stumbling block to that line of reasoning since many Jewish organizational leaders may feel compelled to cut jobs and ask the remaining staff to step up and do more.

An alternative scenario is to see this economic crisis as the cue for a serious conversation about the structure and goals of our work. What if every Jewish organization could shift the measure of value, from time commitments to task commitments? Performance would be measured by results rather than face-time. People would work smarter, not harder. Colleagues might collaborate more effectively within departments and as cross-functional teams. In this scenario, senior executives might view flexible schedules and job shares as a pragmatic approach — to keep more professionals employed and allow more women to stay viable in the leadership pipeline. Above all, we would begin to see the Jewish community as a model for intelligent work-life policies and as the reflection of our deepest moral values.

Book Recommendations for the President

On the occasion of the presidential inauguration, Sh'ma *invited an array of thinkers to share a book with President Barack Obama. You can post your suggestions on shma.com.*

B'reisheet

The first book of the Torah establishes the principles of civilization: God created all; the universality that human beings are created in the *Tselem Elohim*; the particularity, that the children of Abraham and Sarah are chosen to bring special blessing to the world and given the land of Israel; the obligation to pursue *tsedek u'mishpat*; and the responsibility of civic leadership to implement these principles.

Rabbi Yehiel E. Poupko is Judaic Scholar at the Jewish United Fund/Jewish Federation of Metropolitan Chicago.

Too Close to Call: The Thirty-Six Day Battle to Decide the 2000 Election

by Jeffrey Toobin

Too Close to Call recounts — no pun intended — the five-week Floridian drama that made George W. Bush president. Lucidly written, with a lawyer's attention to detail, Toobin's book reminds us that history often turns on a needle's edge — 537 votes, one Supreme Court justice — and, thus, that seemingly inconsequential actions and events can reverberate well into the future.

Ben Birnbaum, a senior at Cornell University, is writing his honors thesis on John McCain's comeback in the 2008 Republican presidential primaries.

"If I am not for myself, who will be for me? If I am only for myself, what am I?"

The best Jewish wisdom is not even in a book but rather in Hillel's twin questions above. In part a recipe for personal balance, these questions are also a north-star for leadership — reminding our president to simultaneously and aggressively advance interests that compete with each other: self and other, party and nation, America and the world. The challenge is to keep them all top of mind, even as they contradict, never indulging the extremes of any of them.

Kinney Zalesne is co-author of the best-selling *MICROTRENDS: The Small Forces Behind Tomorrow's Big Changes*.

The Holocaust Is Over, We Must Rise From Its Ashes

by Avraham Burg

In 2006 I visited an antifascist squat in Erfurt, Germany, based inside the factory where the crematoriums had been manufactured. I was enamored with the work of these activists, having devoted themselves to preserving historical memory of the Germans' perpetration of the Holocaust and fighting the resurgence of antisemitism in Germany's east. However, I was also disconcerted by the fact that these squatters had employed a rule under which no criticism of Israel was permitted to be voiced on the premises of their squat. Having traveled to Germany from Israel shortly after the summer's Lebanon war and Gaza incursion, I explained to them that Israel has many enemies and detractors, but far fewer friends that offer admiration, respect, and a compassionately critical voice.

Israel needs friends who care for it deeply, but not blindly. It is for that reason that I recommend the latest work by Avraham Burg, the former speaker of the Israeli Knesset and chairman of the Jewish Agency. Burg's book offers a brave assessment of Israel's self-destructive intellectual tendencies and a clear pathway out of such darkness and into the light. To be a true friend to Israel and the Jewish people, President Obama should read this work to understand the predicament of the Jewish people and the means to address the challenges we face.

Daniel Sieradski, former publisher of Jewschool.com and JTA's Director of Digital Media, is an activist writer and filmmaker devoted to exploring alternative forms of Jewish cultural expression.

few years, give the book to your daughters so that they will begin to know the redemptive grace of friendship and love. Then, read it again for the sheer pleasure of absorbing a brilliantly crafted and intimately drawn story whose characters will stay with you long after you read the last page.

Susan Seely, a community activist in Newport Beach, CA, works and lives with her husband Arie Katz, founder of the Orange County Community Scholar Program.

The Book Thief
by Marcus Zusak
Read *The Book Thief* and understand how an otherwise good and decent populace can become so beguiled by hate and aggression that they find themselves swept into war. Share the book with your administration so that they might wield more responsibly the power of their words — to build and to destroy, to shatter and restore. In a

"If Not Higher"
by Y. L. Peretz
In what kind of topsy-turvy world is an inconsequential Yiddish language instructor invited to suggest reading selections to the U.S. president? Only in America does such chutzpah exist. So, of the vast stores of Yiddish literature that could be of use to President Obama, I'd suggest Y.L. Peretz's "If Not Higher." This story recounts a Hasidic rabbi whose believers imagine his liturgical abilities to be so powerful that when he prays he is transported directly to heaven. A skeptical Litvak decides to follow him and finds that the rebbe is actually disguising himself as a common worker to help the poor and infirm, an act that convinces the Litvak of the rabbi's holiness and moral rectitude. The simple moral of Peretz's story is that moral action is more important than words, even prayer. And God knows we could use some action — moral and otherwise.

Eddy Portnoy teaches Yiddish language and literature at Rutgers University.

Ostrich Feathers and Global Commerce

Plumes: Ostrich Feathers, Jews, and a Lost World of Global Commerce
Sarah Abrevaya Stein (Yale University Press, 2008, 256 pp, $30)

REVIEWED BY SHULAMIT REINHARZ

One day, Sarah Abrevaya Stein, an historian and private collector of illustrated works in Yiddish, came across a book by Leybl Feldman (1940) with the grandiose title, *Oudtsboorn, Yerushalayim d'Afrike*. How could Feldman imply that this small town in the South African province of the Western Cape deserved comparison with Jerusalem, Stein wondered. Was it because Oudtsboorn had its own Diaspora — in North Africa, the Ottoman Empire, France, Great Britain, and the United States — wherever ostrich feathers flew?

Stein's study is much more than this charming story. For various compelling reasons, it is a historic breakthrough. As she informs us, "Economic historians…*have not interrogated* the involvement of ethnic communities…in the shaping of individual commodity chains. Cultural historians… *have…avoided* the terrain of supply. Historians of modern global commerce, colonial economics, and consumer culture…*have neglected* Jewishness as a category of analysis. And, finally, scholars of Jewish culture *have been understandably wary* of linking Jews to the global market in luxury goods — or to the proliferation of capitalist markets in colonial settings — for fear of reinforcing anti-Semitic stereotypes." (7-8) The result? "*Little serious research* on Jews' involvement in transnational or trans-hemispheric commerce…." (8) [italics added] Until *Plumes*. Stein is not interested in standing alone, however. She argues forcefully that "we must dispel the stigma associated with linking Jews to capital and international exchange," (8) and get on with the studies.

In her lively introduction, Stein enumerates how "Jewishness was an asset to many in the feather trade." (9) But she also argues that "it would be misleading to pin Jews' success in feather commerce on [their] general traits." (9)

Shulamit Reinharz is Jacob S. Potofsky Professor of Sociology, director of the Hadassah-Brandeis Institute, and director of the Women's Studies Research Center at Brandeis University.

Many Jews in the trade failed, of course, and yet remained Jews.

Many other factors also played a role in the plume boom: modern forms of communication and transportation, increasing consumer demand for exotic fashion, and the actions of nation-states. Nevertheless, Jews were overrepresented in the feather trade because "they had a background in similar industrial and mercantile trades, because they had contacts across the Anglophone Eastern European and Mediterranean Diasporas, and because many were immigrants poised to move into new or expanding industrial niches." (12)

The time was right. Mass immigration brought Eastern European Jews to New York and Western European cities where they were ready for new pursuits just when feather trading was opening up. The movement of Jews throughout the world meant that businesses could develop far-flung branches headed by brothers or other family members. By page 17, Stein presents what she calls one of her central arguments: "Jews brought certain elements of human capital to the ostrich feather trade: background in like industries, contacts of kith and kin within and across sub-ethnic diasporas and political and oceanic boundaries, copacetic relations with the reigning authorities, geographic mobility, and, no less important, economic need." Each subsequent chapter spells out these elements in sumptuous detail.

But what about the demand side of the equation? As it turns out, women of impeccable taste were drawn to ostrich feathers between the 1860s and World War I for a number of reasons: First, the feathery fashion statement emanated from Paris, the city that defined style. Moreover, women's magazines, as today, marketed particular choices, including ostrich plumes, intensively. But most important, ostrich plumage was not tied to a season; nor was the fashion associated with the age of the woman, her size, or complexion. "With at least fourteen varieties and countless grades available, ostrich feathers' appeal also crossed class lines." Coming as they did from Africa, they represented colonial conquest as well. And, best of all, they were considered sexy, a symbol of emancipation and mobility, because the feathers — and by implication, the women — moved freely. The ideal product: "colonial booty and cosmopolitan trope" combined to create a voracious market. (21)

For every boom there is a bust, and Stein explains why the allure of ostrich feathers did not persist. Today they are an anachronism.

While one might predict that a book of this sort could explain how Jews affected the trade, it may come as a surprise that Stein reminds us how "deeply trans-hemispheric currents of capital, bodies, and goods affected modern Jews…." (27) By asking both questions, she intends to blur the line that divides economic and cultural history.

Discussion Guide

Bringing together myriad voices and experiences provides Sh'ma *readers with an opportunity in a few very full pages to explore a topic of Jewish interest from a variety of perspectives. To facilitate a fuller discussion of these ideas, we offer the following questions:*

1. Has greed played a role in the recent financial failure?

2. How is the free market limited by moral sensibilities?

3. What core Jewish values guide us in making economic decisions?

Ethics *continued from page 20*

housing crisis, not making a particular loan might impoverish the individual. For many people who are facing foreclosure, all of their savings/wealth is tied up in their homes. From the standpoint of tzedakah, one of the criteria for granting redress might be the number of (meaning, how few) other financial assets the person has.

Finally, the wellbeing of the community *as a whole* is an essential Jewish value. Everyone loses when homes are foreclosed: neighborhoods deteriorate and property values decline, especially in poorer neighborhoods. The economy as a whole will not recover from a recession until the housing market becomes healthy. Jewish texts offer clear guidelines about how to confront today's economic crisis — how to use resources to renegotiate and sometimes subsidize mortgages. The strategic use of public funds today will cost the taxpayer far fewer dollars than allowing mass foreclosures.

***Sh'ma*—a journal that invites a plurality of voices to thoughtfully engage matters critical to contemporary Judaism.**

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Each month, *Sh'ma* creates a "conversation-in-print" — that is, it brings together an array of voices that cross the spectrum of Judaism: secular and religious, communal and nonpartisan, engaged and dispassionately scholarly. We raise relevant questions thoughtfully and wrestle lovingly with Jewish concerns as we attempt to navigate the intellectual, communal, and spiritual challenges of contemporary Judaism. Our focus is on ideas — their complexity, their range, and their power. *Sh'ma* is a vibrant intellectual arena that hosts intelligent and creative conversations about ideas that reside outside of any particular institution. Our readers open *Sh'ma* to find what they cannot find elsewhere — concise, accessible, informative, and intelligent discussion of Jewish issues. Sometimes focusing on personal belief, other times on communal policy issues, we look to *Sh'ma* for incisive articles that illuminate a range of opinions.

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Yehudah Mirsky, Fellow at the Van Leer Institute in Jerusalem.

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Ethics
Sigi Ziering

This year our Sigi Ziering column focuses on the ethics of homelessness. Each month an esteemed guest columnist wrestles with what Jewish texts and our interpretive tradition teach us about the parameters, and limits, of Jewish responsibility to those without shelter. The column is sponsored by Bruce Whizin and Marilyn Ziering in honor of Marilyn's husband, Sigi Ziering, of blessed memory. Visit shma.com to view the series of columns with responses, as well as a series of paintings by artist Pat Berger on the homeless of Los Angeles.

The Housing Crisis: Who Should Be Helped?

MORDECHAI LIEBLING

In *Mishneh Torah* 9:6 we learn: "A person who owns houses, fields, and vineyards that if sold during the rainy season would fetch a lower price than during the summer, should not be made to sell them; rather, [the person] should receive out of the proceeds of the poor person's tithe [community tzedakah fund] up to half the value of the properties, so that the person should not be forced to sell at the wrong time."

In last month's column about the housing crisis, John Weicher proposed that we help individual homeowners on "the basis of objective information: the current financial situation of the homeowner and their efforts to meet their obligations," and that deciding to help them on the basis of their motivations for borrowing the money is a "moral and practical mistake." I certainly agree with this last statement. I also suggest that we use Weicher's text above as a guide for approaching current challenges in the homeowner mortgage crisis.

The *Mishneh Torah* takes into account current market conditions in order to protect the homeowner and promote long-term stability in the real estate market. An agricultural economy depends on loans and the easy availability of credit; in that era a law would not be made that impeded the flow of credit (note Hillel's famous *prosbul* negating the nonrepayment of loans made in the later years of a seven-year cycle in order to ensure credit). Our society, too, depends on the easy availability of credit.

The current economic climate is reasonably equivalent to the rainy season mentioned in the first paragraph. With housing values at a low point, a person who cannot make his or her mortgage payments ought to be helped from communal funds. The rule, though, protects the community by setting a cap; the resources of the community need to be balanced with the needs of the poor. Without sufficient public funds to bail out every mortgage, some criteria must be established.

For example, the ability to pay is an important criterion, but how much? Many of the current questionable loans are considered predatory — made in violation of the principle of "*gnivat daat*" — exercising truth in advertising or financial transactions. Tens of thousands of hardworking people who were able to pay initial mortgages cannot pay the recalibrated mortgages that were aggressively sold to them with false marketing. These loans need to be renegotiated. There are both traditional and contemporary rules about fair lending practices and appropriate interest rates. Furthermore, low-income homeowners are less likely to default if they borrow from community development financial institutions with whom they have direct relationships.

The halakhah from the *Mishneh Torah* is also sensitive to economic cycles. With unemployment currently high and predicted to rise over the next year, perhaps "ability to pay" needs to be understood as a person's ability to pay over time, perhaps in two or more years.

We may also find guidance in *Mishneh Torah* 10:17, which outlines the eighth, or highest, degree of tzedakah: making a loan or entering into partnership with a poor person to help that person become self-reliant. In today's

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Rabbi Mordechai Liebling is vice-president for Strategic Initiatives at Jewish Funds for Justice, which includes TZEDEC, an economic development program that lends money to community development financial institutions.

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