

CAPITALISM AND JEWISH DESTINY

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The history of the Jewish people is unique. Whether settled in the land or dispersed among the nations, they have always been a minority people. As such, their fate has been determined by external forces over which they had very little control.

In the course of their history, Jews have been exposed to four basic systems: (1) pre-capitalist, or traditional; (2) capitalistic; nation-state imperialist; (3) Marxist; (4) capitalistic: developmental and global. Let us analyze the seismographic experience of the Jews to each of these in turn.

The Rise of Capitalism

A pre-capitalist system is one in which the ruling elites are motivated by political and ecclesiastical interests, and not the pursuit of profit as an end in itself. Such elites are very much concerned with wealth, and are very much distressed when it declines, but they themselves are not primarily engaged in wealth production. Such production is assigned to peasants, townsmen, merchants, and fiscal administrators who themselves have little or no political power. As a consequence, all pre-capitalist societies have been doomed to repetitive cycles since they are unable to sustain continual economic growth. Since this system does not encourage technological innovation, especially in agriculture, economic expansion is not sustainable. The system lacks an entre-preneurial class whose interests take precedence over the interests of kings, dukes, barons, and ecclesiastics. In all such societies, Jews have been allowed to settle, prosper, and enjoy communal autonomy during the upswing of the cycle, only to be pauperized, vilified, pogrommed, and frequently expelled on the downswing.

In medieval Europe, the Jews underwent four such cycles; the first in France and England; the second in Germany; the third in Spain; and the fourth in Poland.

Jewish experience with nation-state-imperialist capitalism traced a similar trajectory. The emergence and spread of capitalism from the sixteenth century until the outbreak of World War I was accompanied by an unprecedented breakthrough in economic, social, and political development. Wherever the capitalist dynamic penetrated and consolidated itself, revolutionary upheavals occurred (the Revolt of the Netherlands, the Puritan Revolution, the French Revolution) which restructured the political system so as to facilitate, rather than obstruct, the entre-preneurial spirit. In Germany, under Bismarck's leadership, an equivalent transformation was brought about through a "revolution from above." The outcome was a sort of hybrid system, in which a *modus vivendi* was worked out between the traditional ruling elites and the emergent capitalist elites. Since none of the great capitalist revolutions had made a clean sweep of the old regime, there was no

European state on the eve of World War I which was governed exclusively in the interests of the capitalist class. Nevertheless, Holland, Great Britain, France, Belgium, Germany and Italy were predominantly capitalist states in 1914.

Until World War I the long-range trend line of capitalist development in Europe was steadily upward. As a consequence, in all those countries where significant capitalistic development occurred, Jews were either allowed to resettle and prosper (Holland, England, France) or were liberated from pre-capitalist obstructions to their economic and political development (Germany). Indeed, so positive was this correlation that there was every reason to anticipate that the spread and consolidation of capitalism in Eastern Europe and the Balkans would bring in its wake emancipation of the Jews.

This hoped-for development did not, however, occur. World War I was followed by a basic long-range economic trend line that was plunging downward. The capitalistic system in Europe seemed headed for bankruptcy as even the strongest of capitalist states, Great Britain, was barely able to hold its own. And when the world-wide depression hit in 1929, all the states of Europe reeled, even as Germany collapsed into Nazism. The Jews proved to be as vulnerable to this downward plunge of the capitalist cycle as they had been to the downward drift of the pre-capitalist systems. Antisemitism became endemic throughout Europe as fascism became more and more alluring with its “total” solutions. In Germany, Hitler was already preparing to outdo his medieval forebears by adding extermination to the traditional modes for harassing the Jews.

How are we to account for this tragic downswing? At first glance, it would seem to follow from a failure of the capitalist dynamic itself. The inner contradictions of the capitalistic mode of production and distribution were bound, as the Marxists claimed, to bring about an economic collapse of such cataclysmic proportions that only fascist totalitarianism could preserve any semblance of the capitalist system at all.

The Challenge of Marxism

This explanation, however, is no longer satisfactory, since it is so evident that capitalism was able to chalk up some remarkable economic growth records in the wake of World War II. A more adequate interpretation is that the capitalistic dynamic had been effectively blocked by the division of Europe into sovereign nation-states. The expansive drive inherent within capitalism was blunted by the inadequate markets available within the confined boundaries of the European nation-states. European capitalism was thus diverted from mass production technologies into primary production in the underdeveloped areas of the world. Thus, European capitalism shifted from nurturing economic development into nurturing and sustaining economic underdevelopment. Like the slave-owning planters of the American South, European capitalists sought their profits in primary commodities produced by cheap labor. The advanced capitalistic system of the West thus became dependent for a disproportionate share of its profits on the pre-capitalist systems of Asia, Africa, and the Middle East. The consequences were

tragic: two World Wars, and economic stagnation and breakdown during the years intervening.

The phenomena thus support the following generalization: since nation-state imperialistic capitalism is incapable of surmounting the growth barrier, it shares, with pre-capitalistic systems, a high vulnerability to a long-range downward trend line end-proportions that only fascist totalitarianism could preserve any semblance of the capitalist system at all.

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The Jewish experience with Marxist systems has been different from their experience with pre-capitalist and nation-state imperialistic systems: they have not enjoyed any sustained period of positive interaction. Indeed, the experience was disastrous almost from the very beginning. This is no surprise, since Marxism has no place for the Jews in its theoretical schema. More fundamental is the fact that Marxist systems have been unable to generate sustained economic growth, especially in the agricultural sectors. By any objective measurement, the Soviet Union today is by comparison with the United States, Western Europe, Japan, and even Israel, a relatively underdeveloped country. As a consequence, Marxist systems may be categorized as congealed underdevelopment, since Marxist ruling elites always subordinate the economic sectors to the political. Jews, therefore, have had a rough time in the Soviet Union.

The fourth system to which Jews have been exposed is *developmental* capitalism, which unlike nation-state imperialist capitalism, broke through to the stage of mass-production technologies and even to a level beyond: post-industrialism. Developmental capitalism did not bog down in replicating modes of production and profit-making. It did not harvest its wealth from primary commodities produced by cheap labor, but from the heightened productivity of factory worker and farmer—a heightened productivity made possible by technological innovation and industrial engineering. Nor did it flourish on illiteracy and ignorance. Rather did it foster the emergence of the knowledge industries as the most lucrative source of profit. And far from allowing the nation-state to bar its incessant drive for capital augmentation, it fashioned the multi-national corporation to build the infra-structure for a global economic community.

It was only fortuitous that developmental capitalism emerged in the United States. It was not that American capitalists were any different from the British, French, or German capitalists, but only that the opportunities for profit-making in the United States were not circumscribed by either pre-capitalistic institutions or by limited nation-state markets. American capitalists had a continent open for expansion. Since domestic markets became its prime markets, there was a continuous rising demand for mass-produced commodities. Whereas the automobile industry in Europe was compelled to limit itself to the production of luxury cars, the automotive industry in the United States became a mass production industry spewing out endless cars for a seemingly non-saturatable market. Subsequently, other industries followed, so that when World War II came to an end, most American capital was invested in high technology industries geared to the expansion of sophisticated markets. Consequently, American capitalism needed to upgrade the quality of world-wide markets by pressing for the agricultural and industrial development of the underdeveloped areas of the world.

The Consumer Society

Developmental capitalism has thus far surmounted the growth barrier. It has given significant signs that it may have broken out of cyclicism, for it has already spun off a global spiral of development. By continuously extending the technological frontier upward and outward, and by continuously making knowledge more and more productive, developmental capitalism allows for the transfer of technologies to countries on the lower economic stages of the spiral. Thus, automobile production for mass markets has long since ceased to be a virtual American monopoly, as has the production of TV's, radios, and electronic gear. So long as augmentation of knowledge allows for the tapping of nature's laws for wealth production, there is no reason for prematurely forecasting some future long-range cyclical downturn. The source of the major economic upheavals that we are presently experiencing is in the agonizing struggle between the forces of

developmental global capitalism and the still powerful forces of nation-state imperialist capitalism.

The destiny of the Jew is thus inextricably caught up with the outcome of this struggle, for we have already seen the dire consequences for the Jews when pre-capitalism and nation-state imperialist capitalism failed to surmount the economic growth barrier. We have also seen the sad fate of the Jews under Marxism, which is incapable of generating sustained economic growth. The historical record thus allows for little hope should the Jews once again be exposed to a long-range downward trend line.

Yet there is the other side of the record. So long as the economic trend line has been upward, Jews have enjoyed relatively good treatment. Their experience with developmental capitalism has been especially positive. The Jews of the United States have, since World War II, been among the greatest beneficiaries of the remarkable growth of American developmental capitalism. Indeed, by 1974 more than 80 percent of all Jews of college age were attending college; large numbers of Jews were concentrated in the knowledge industries and Jews were appointed to the most sensitive decision-making posts in American society, including that of Secretary of State. In any meaningful sense, the Jews of the United States had ceased to be a minority and had achieved true integration; i.e., they were not being compelled either directly or indirectly to abandon their Jewish identity as a pre-requisite for equality.

The Dangers of Failure—or Success

The triumph of developmental capitalism thus seems to be essential for Jewish survival, for it offers the only economic system which has thus far surmounted the growth barrier. It holds the promise for the gradual withering away of economic underdevelopment and the degrading poverty that it breeds. It dissolves the economic sources of destructive warfare by generating the trend which allows for peoples and all societies to increase their wealth. It slowly builds the economic infrastructure which makes for more constructive human interaction and for the spread of more humane values.

Should developmental capitalism fail to sustain the upward spiral, or should its drive for a global community founded on the shoals of nation-state imperialism or Marxist totalitarianism, the consequences would be grim indeed. The one absolute lesson which history teaches is that economic breakdown and collapse inevitably brings in its wake war, and famine, and pestilence, and venomous hatred. Though man surely does not live by bread alone, he must have bread to live. The Holocaust is a searing memento of how quickly the dikes give way before the avalanche of man's primordial impulses when he feels himself to be in mortal danger. And lest we forget, Hitler was swept into power *following* on the devastating economic collapse of Germany after 1929.

The destiny of the Jew is thus very much dependent on whether the developmental spiral is indeed irreversible, for if it proves to be irreversible, the Jewish people will no longer be vulnerable and their right to live no longer an open question. On that day, when

physical survival is assured, and each Jew will be absolutely free to choose whatever identity he wishes, without pressure or penalty, will there be Jewish values so alluring and so transcendent that he will choose to be Jewish?