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Suicide Terrorism in the Former USSR

Stephen R. Bowers, Ashley Ann Derrick,
Mousafar Abduvakkosovich Olimov

The Quest for Fiscal Discipline

Among European Union Member States
Anthony Annett and Albert Jaeger

**Communal Values, Cultural Identity and the
Challenge of Development in Contemporary Africa**

Olatunji A. Oyeshile

The Jews and Capitalism: A Love-Hate Enigma

Walter Block

President G.W. Bush and Missile Defense

in the Aftermath of 9/11

Matthew Mowthorpe

Establishing a Moon Base and Exploring the Universe

Herbert F. Mataré

Book Reviews

The Council for Social and Economic Studies

The Jews and Capitalism: A Love-Hate Enigma

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This paper attempts to understand why the Jews, who have benefited so much from capitalism, nevertheless in the main adopt political postures that reject capitalism in favor of its polar opposite, socialism and government intervention into the economy. The author discusses various theories that have been proposed to explain why this group of people, whose socio-economic status might be expected to incline them in the direction of the Republican political party in the U.S., instead vote in overwhelming numbers for Democrat party candidates.

Key Words: Jews; Christians; capitalism; socialism; intellectuals; immigration; political bias.

I Introduction

There is no doubt that at least in some sense, there is a love-hate relationship between Jews and Capitalism.

On the one hand, there is a strong tradition of support for socialism, communism, labor unionism, feminism, and affirmative action within the Jewish community. Names such as Karl Marx, Leon Trotsky, Sigmund Freud, Rosa Luxemburg, Bernard Sanders, Laurence Tribe, Paul Wellstone, Alan Dershowitz, and Russell Feingold spring to mind – but only as the veritable tip of an iceberg which flows deep.

As well, according to the political aphorism, “Jews have the income of Presbyterians, and yet vote like Puerto Ricans.” Jews have a strong tradition of casting ballots for the Democratic Party² and have long taken a supportive interest in groups such as the National Association for the Advancement of Colored People, which is also solidly in the corner of this political party.³

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² Lilla, 2001; Lefkowitz, 1993; Fuchs, 1956:

<http://www.burntorangereport.com/archives/000938.html>

See also appendix 1.

³ It must be emphasized that the phenomenon under discussion in the present paper mainly

On the other hand, there can be little doubt that capitalism has been very good to Jews. Many members of this faith have prospered as businessmen. This would tend to incline most people in such a situation in the direction of support for the marketplace.

Nor can it be denied that several of their numbers have taken on high profile roles in defense of this system. Examples include Gary Becker, Walter Block, Nathaniel Brandon, Aaron Director, Richard Epstein, Milton Friedman, David Friedman, Rose Friedman, David Gordon, Friedrich Hayek, Steve Horwitz, Israel Kirzner, Benjamin Klein, Dan Klein, Peter Klein, Michael Levin, Ludwig von Mises, Larry Moss, Robert Nozick, Larry Parks, Leonard Piekoff, Richard Posner, Ayn Rand, George Reisman, Murray N. Rothbard, Bernard Seigan, Dan Seligman, and Julian Simon⁴.

Nevertheless, despite such exceptions, the overwhelming preponderance of opinion within this community lies in the direction of government interventionism and dirigisme economics⁵. What accounts for this rather exceptionable behavior? Various theories have been put forth in an attempt to explain this phenomenon. The present paper is devoted to discussing and evaluating several of them.⁶

Before embarking on this task, however, we do well to remark on the fact that ordinarily in most analyses of group or individual behavior the analyst does not go too far wrong in relying upon the doctrine of *quo bono*? That is, most human action can be explained in terms of self-interest. But the Jews, it would appear, offer evidence of being a counter-example to this general rule.

Support for affirmative action and gun control on the part of the

focuses on North America in general and the U.S. in particular. The Jewish European experience is not examined in this paper.

⁴ Some might be tempted to include in this listing the high percentage of Jewish names amongst the recently much discussed "neo-conservatives."

⁵ Among the proxy variables used to defend this contention are the identification of Republican voting with free enterprise, and Democratic with socialism. These are of course only rough approximations. Yet, surely, using proxies in this way is more accurate than the other way around; e.g., identifying Republicanism with socialism and Democratism with *laissez faire* capitalism.

⁶ For previous attempts in this regard, see Block 1985, 1990, 1996.

Jewish community are particularly difficult to understand in this regard. When a plan of coerced racial preferences in education is implemented, it benefits groups such as blacks and Hispanics. But who are the people who lose out when such people are chosen? It is hard to avoid the conclusion that Jews are over-represented in this category⁷. As for guns, who has not heard of the Warsaw uprising, and of the repression these people experienced under Nazi rule? Surely, if the Jews of Germany, Poland and other eastern European countries had been heavily armed in the late 1930s, their fate would have likely been less horrific.⁸ And this is to say nothing of attacks suffered by Hasidim in neighborhoods such as Crown Heights in Brooklyn, New York. Surely pistols would be of help in quelling such disturbances. Despite the foregoing, Jews as a group have been adamant in championing policies that, it would appear, are directly incompatible with their own self-interest.

2 Intellectuals

2.1 Overrepresentation amongst Intellectuals

Jews are over-represented among intellectuals (Seligman, 1994)⁹, and intellectuals tend to take on left-wing views on economics.¹⁰ This undoubtedly gives at least some impetus to support for socialism from this segment of the population.

There are several plausible ways in which to define "intellectuals." One is to include those who earn a living through the use of abstract reasoning, or as wordsmiths, or as "second-hand dealers in ideas"

⁷ Seligman, 1994.

⁸ Lott, 1998.

⁹ Seligman (1994) attributes this phenomenon to the higher IQ scores of Jews. Hayek (1990, p. 19, ft. 3) demurs: "... there is little reason to believe that really first class intellectual ability for original work is any rarer among Gentiles than among Jews." However, Hayek (1990, p. 19, ft. 3) continues: "... there can be little doubt that men of Jewish stock almost everywhere constitute a disproportionately large number of the intellectuals in our sense, that is of the ranks of the professional interpreters of ideas. This may be their special gift and certainly is their main opportunity in countries where prejudice puts obstacles in their way in other fields. It is probably more because they constitute so large a proportion of the intellectuals than for any other reason that they seem to be so much more receptive to socialist ideas than people of different stocks."

¹⁰ States Hayek (1988 p. 53): "The higher we climb up the ladder of intelligence, the more we talk with intellectuals, the more likely we are to encounter socialist convictions. Rationalists tend to be intelligent and intellectual; and intelligent intellectuals tend to be socialists."

(Hayek, 1990, p. 5). Examples of this category would be professors, journalists, clergy and writers – those who directly or indirectly mold public opinion. A more inclusive definition would add professions in which a high degree of intelligence is required, but where such people are not typically the source of ideas for others. Mises (1972, p. 16) includes “physicians” under this rubric. Others in this category might be physicists, engineers, pharmacists, accountants, architects, etc. An even wider definition would add to this list all of those who think deeply about current events, read widely, keep themselves informed, etc. An operational definition of this third rung of intellectuals would be those who purchase books, keep them at home, frequent libraries, watch news shows on television, etc.

Hayek (1990) takes great pains to distinguish intellectuals, in any of these three senses, from experts. The latter are in effect the originators of ideas; the former, the megaphone, or transmission device, with which these ideas are transferred to the general public. His illustration of the economics profession is a telling one. Asks Hayek (1990, p. 8): “Yet is it not the predominant views of the experts but the views of a minority, mostly of rather doubtful standing in their profession, which are taken up and spread by the intellectuals?” Although he does not mention him, reading between the lines one can almost see the name “Galbraith.” It is the ideas of this worthy that are transmitted to the average man on the street, even though his views are those of only a small minority within the economics profession, most of whom strongly disagrees with his perspective on socialism, protectionism, and the evils of the capitalist system.¹¹

Whether we choose the narrow, the medium or the wider definition of intellectual, it cannot be denied that in America Jewish people are disproportionately represented in these numbers. As for the first category, they are the “talking heads” on television, the professors, the editorialists – in numbers far in excess of their proportion of the

¹¹ A more modern example of this is former President Clinton, playing the role of “intellectual,” publicly relying upon the “experts” Card and Krueger (1994) to raise the minimum wage level in order to help unskilled workers, despite the fact that this is very much a minority position among economists.

population. As for the second, they dominate the professions of medicine, dentistry, psychology, science, etc. And even in the third, when they have jobs as the proverbial “butchers, bakers and candlestick makers,” they are still well read and involved in current events to a greater degree than those of their counterparts who follow other religious beliefs.

2.2 *Early Educational Experiences*

Why is it that such a high proportion of contemporary American intellectuals, defined as those who engage in the manipulation of political and economic ideas, oppose free enterprise? Nozick (1997) maintains this is due to the fact that these people, when they were in high school, had the highest grades and the greatest official recognition, but the job market relegates them to a far lower position in the pecking order than at that time. The result: resentment of the system responsible for not giving them their due.

Van den Haag (2000/2001, pp 56-57) rejects this thesis on the grounds that, one, the business world does reward people on a basis proportional to intelligence and, two, “Nozick is quite wrong in believing that superior intelligence is readily rewarded in high schools.” Instead, he contends, bouquets are tossed on the basis of athletic prowess.

In my view, Van den Haag’s criticisms fall short of the mark. While it cannot be denied that most high school *students* extol athletics over academics, this is not at all the case for teachers. Further, it is equally true that the brainiacs, nerds and geeks also get their due (if not, perhaps, in inner city high schools, which must be counted as an exception to this rule). There are scholarships, trips to the student versions of the U.N., chess and mathematics tournaments, the debating club, etc. With the advent of Bill Gates, who earns far more than Michael Jordan, the smart kids are coming into their own even more. Van den Haag is of course correct that amongst teenagers, athletes and “tough kids” command more respect in some sense; but this is irrelevant to the point Nozick is making, that the highly intelligent high school student is given a strong ego boost by the adult world. Even when the nerd is being physically bullied, he still has a strong sense of entitlement based on his grade scores and other such recognition.

It of course cannot be denied that there is indeed a positive correlation between intelligence and business success (Murray, 1998), but there are enough exceptions to rile intellectuals. Consider only those in this regard earning a relatively modest salary as associate professors of literature, while the ex-high school class bozo makes it big selling toys or burgers and drives around town in a car far more luxurious than theirs. There can be little doubt that Nozick is telling an important part of the story of the disaffection of the intellectuals when he bases it on their high school experiences.

2.3 *Purposes vs. Effects*

Then, too, intellectuals, particularly those not involved in economics (Frey, et. al., 1984, Block and Walker, 1988), often confuse accomplishments with motives.¹² The *goal* of the businessman may well be to maximize profits, something unsavory in the view of the great (economic) unwashed. But this should be seen as distinct from the *effects* of his actions, which are altogether very salutary, particularly to the poor in advanced capitalist nations. This tendency is exacerbated by Jewish, and indeed most religious people, who focus mainly on intent, not results. There is ignorance of Adam Smith's (1776) great finding of the "invisible hand," which leads people to do good for others even though it was no part of their intention to do so.

Further, intellectuals labor under the implicit premise that the morality of the deed ought to be matched by economic reward. That is, the callings of nurses, theologians, doctors, firemen, moralists, clergymen – and of course academics – are all thought to be imbued with a particular moral grace. And yet with the exception of physicians, they are not particularly highly paid. But this too plays into Jewish and indeed all religious precepts, where morality is given a particularly central role.

2.4 *Too Accurate a Mirror*

Mises (1972, pp. 11-16) puts forth a theory to the effect that intellectuals resent capitalism because it is merciless in revealing their failure

¹² The typical sociologist or religion professor guilty of this confusion may have a Ph.D. in these fields, but is no genius when it comes to economic reasoning.

to make a greater contribution to society. In days of yore, when a man's accomplishments were severely reined in by his place in society, those who failed to garner great wealth or position had a readily available excuse: they were born into the wrong caste, or class, or social position; it was thus not their fault that they rose no higher than they did. None of their fellows, with the same birth disadvantages, likely did any better. States Mises (1972, p. 11, 13): "In a society based on caste and status, the individual can ascribe adverse fate to conditions beyond his own control... Everybody is aware of his own defeat and insufficiency."

Under markets, however, in sharp contrast, none of these excuses held true any longer. "It is quite another thing under capitalism. Here everybody's station in life depends upon his own doing," in the view of Mises (1972, p. 11). A Bill Gates could move from a position of no special prominence to become the richest man in the world. What must his childhood chums think of this meteoric rise?

The stupid ones, Mises (1972, p. 15) tells us, "release these feelings in slander and defamation. The more sophisticated do not indulge in personal calumny. They sublimate their hatred into a philosophy, the philosophy of anti-capitalism, in order to render inaudible the inner voice that tells them that their failure is entirely their own fault." But "the more sophisticated" are precisely the intellectuals we have been discussing. Not for them, merely, a personal attack on the Bill Gateses of the world¹³. In addition, the weaving of a philosophical system which has at its core the evils of the marketplace, where some, e.g., Gates, rise to heights that are clearly "unfair," insofar as they very much put these "intellectuals" into the shade. In summarizing this point, Mises (1972, p. 18) states: "His passionate dislike of capitalism is a mere blind for his hatred of some successful 'colleagues.'"

2.5 Broadway and Hollywood

It is something of a stretch to consider the denizens of Broadway and Hollywood as "intellectuals," even with the broad definition of that

¹³ Although it is indeed tempting to interpret the anti-trust case of the late 1990s as spiteful acting out against the more successful. For an analysis that in part makes use of this motive, see Anderson, et. al. 2001.

term we are employing¹⁴. Truth, accuracy and facts are not their stock in trade, as they are, at least ideally, for the intellectual; rather, imagination, communication skills, emotion and beauty serve as the coin of the realm in these places. Yet, it cannot be denied that quite a high level of intelligence is required to produce movies, plays and literature successfully. In any case, these activities are dominated by members of the Jewish community, and thus come under our consideration for both these reasons.

Mises (1972, pp.31-32) explains the Communist leanings of these communities on the basis of the intrinsic risk of the entertainment industry:

“People long for amusement because they are bored. And nothing makes them so weary as amusements with which they are already familiar. The essence of the entertainment industry is variety. The patrons applaud most what is new and therefore unexpected and surprising. They are capricious and unaccountable. They disdain what they cherished yesterday. A tycoon of the stage or the screen must always fear the waywardness of the public...It is obvious that there is no relief from what makes these stage people uneasy. Thus they catch at a straw. Communism, some of them think, will bring their deliverance.”

This has all the earmarks of a good explanation. There is no truer statement than that “no other American milieu was more enthusiastic in the endorsement of communism than that of people cooperating in the production of these silly plays and films” (Mises, 1972, p. 33). This was no less true at the time Mises wrote than at present. Hollywood and Broadway in many ways represent a crap-shoot, with great losses and great profits for different projects, based on an always-fickle public. Say what you will about Communism, at least it cannot be denied that those who remain in the good graces of the rulers never need fear bankruptcy.

And yet, if it were really true that people in industries facing high risk would be inclined toward economic adventurism because of that fact, then this ought to apply to others as well. For example, wild-cat oil drilling is a notoriously risky business; there are many dry holes found

¹⁴ See footnote 8, above.

for every wet one. There have been many business failures among the dot.com start-up companies. However, the predilection toward socialism correctly pointed to by Mises in the entertainment industry by no means carries through to oil exploration or new computer firms. Thus, the risk of a business appears to be a poor predictor of left-wing ideological support.

2.6 Contempt for Intellectuals

Another factor that at least in part explains the fevered criticisms of capitalism by so many contemporary intellectuals is the contempt with which they are held by the leaders of this system, the businessmen. The derisive “pointy-headed intellectuals with a briefcase” hurled by former Alabama Governor George Wallace at the bureaucrats of Washington D.C. during his presidential election campaign, is only the tip of the iceberg in this regard. The leaders of large firms hold the intellectuals in little esteem, and this perspective has percolated into the society at large. In literature, in films, on the stage, the intellectual is often depicted as absent-minded, ineffectual and physically weak.

In Hayek’s (1990, p. 10) view: “It is not surprising that the real scholar or expert and the practical man of affairs often feel contemptuous about the intellectual, are disinclined to recognize his power, and are resentful when they discover it. Individually they find the intellectuals mostly to be people who understand nothing in particular especially well and whose judgment on matters they themselves understand shows little sign of special wisdom.”

It is only human nature, under these conditions, for intellectuals to play “pay back” with business leaders. If the latter hold the former in contempt, then this sentiment can be returned, with interest, in the form of rejection of capitalism. It is no accident that in the academic and Hollywood worlds, captains of industry should be portrayed as greedy, grasping, avaricious, and immoral.¹⁵ What with strong “political correctness” sentiment opposed to characterizing in a poor light “protected” groups such as blacks, Jews, women, the handicapped, and other such, it is rare that the villain in most movies and television shows

¹⁵ As a case in point, see the movie “Wall Street.”

is other than a white male, pre-eminently a white male businessman¹⁶.

States Mises (1972, pp.19, 20, material in parentheses supplied by present author) in this regard: "What is called 'society' in the United States almost exclusively consists of the richest families. There is little social intercourse between the successful businessmen and the nation's eminent authors, artists and scientists... (the former consider the latter) as people with whom they do not want to consort" and then refers to the "resentment with which the intellectuals react to the contempt in which they are held by the members of 'society.'"

3 Alternative Explanations

The reason we focus so heavily on the effects of intellectualism in determining Jewish criticisms of free enterprise is that there is a serious question as to whether this is a sufficient explanation of the phenomenon. That is, does the intellectualism of the Jewish people swamp their religion, insofar as implications for political philosophy are concerned? To put this in other words, once we have noted that a person is an intellectual and a Jew, does the impetus of the former toward left-wing views exhaust that of the latter? Or, does being a member of the Jewish community add any more explanatory power to socialist beliefs already there? In fact, is the socialist domination of contemporary intellectualism in some part due to the dominance of socialist-leaning Jews within the contemporary Western intellectual world (e.g. the influence of Franz Boas in the development of American anthropology away from its very un-Socialistic origins)?

It is to these questions that we now turn. We will attempt to discern, when we add "Jewishness" to a person who already is an intellectual, does this *further* incline him in the direction of socialism?¹⁷ If so, then Judaism supplies an added impetus to dirigisme leanings that is not already in place on the part of intellectuals. If not, then these religious

¹⁶ In the "Manchurian Candidate" movie of 1962, the bad guys were Commies. In the 2004 version, they were in the main big businessmen (the one exception is the female senator, a white woman). Extrapolating from this one change, we can say that the phenomenon now under discussion is increasing in power and virulence.

¹⁷ I am indebted to my friend and colleague, Bill Barnett, for impressing upon me the importance of this question.

beliefs do not make an independent contribution to market opposition that is not already present in the thinking of the typical leftist intellectual.¹⁸

3.1 Religious Considerations

One hypothesis that could be used to account for Jewish bias against *laissez faire* capitalism is that it is based upon religious considerations. The theory is that the Old Testament, the Bible, the Talmud and other formal written aspects of the religion impart a receptivity toward the left side of the political economic spectrum to its adherents.¹⁹ For example, the admonition to be charitable, *zedakah*, might be used to justify the welfare system. Or the commandment not to “covet” the possessions of others might be considered a warning against “greed,” which, in turn,

¹⁸ There are some who would be inclined to argue that “leftist intellectual” is a veritable contradiction in terms. This is a very tempting interpretation. Given that the market is the most moral and economically efficient system known to man, it is hard to credit the good sense, let alone intelligence of anyone who opposes it. As intellectuals are quintessentially those noted for precisely these characteristics, we arrive at the point where we are tempted to disqualify all candidates from the honorific title “intellectual” who persist in their rejection of *laissez faire* capitalism. But we do not use the term in this manner for the present article. One reason is the fact that a person could reject free enterprise not out of stupidity, but rather evil; this might well leave his claim to intelligence intact. Another is that were we to automatically disqualify all Marxists and their ilk from the rank of intellectuals, we would need another word to describe those who favor socialism and yet write books, give speeches, serve as faculty members of universities, or in any other such way earn a living through the promotion of these ideas. Thus, the term “intellectual” is not a term that necessarily implies accuracy of analysis. Rather, it refers to those who, from *any* perspective, deal with social and economic ideas in their professions. Sowell (1980, pp. 331-332) defines intellectuals “as the social class of persons whose economic output consists of generalized ideas, and whose economic rewards come from the transmission of those generalized ideas. This in no way implies any qualitative cognitive judgment concerning the originality, creativity, intelligence or authenticity of the ideas transmitted. Intellectuals are simply defined in a sociological sense, and a transmitter of shallow, confused or wholly unsubstantiated ideas is as much of an intellectual in this sense as Einstein.” This is precisely my own view. I would only add that the use of Einstein in this example applies solely to his contributions to physics. When it came to economics (Einstein, 1949), his views were the usual confused mish mash of the leftist Jewish intellectual.

¹⁹ For the view that the claims of liberation theologians to the effect that the Old Testament of the Jews was *not* receptive to markets and private property is mistaken, and that this mistaken analysis is due to a reading of these texts divorced from the economic and sociological conditions under which they were written, see Liggio, 1997.

might be seen as the organizing principle of the market. Or the injunction to observe *ona'ah* might be interpreted as opposition to earning profits above a certain level.²⁰

However, the claim that the Talmud is responsible (directly for the religious, and indirectly for the less so) for elevating socialism and denigrating capitalism in this community is countered by the fact that one of the Ten Commandments proscribes theft. If stealing is illegal, it can only be because there is such a thing as a valid system of private property rights; if there were not, it would be logically impossible to engage in any such activity as theft. But private property rights are the bedrock of the capitalist system; if Jewish law promotes this concept, and it most certainly does, then its criticism of markets cannot be a fundamental aspect of the religion.

3.2 Historical Political Considerations

Friedman (1985, p. 403) couches the problem we are addressing in terms of a paradox: "Two propositions can be readily demonstrated: first, the Jews owe an enormous debt to free enterprise and competitive capitalism; second, for at least the past century the Jews have been consistently opposed to capitalism and have done much on an ideological level to undermine it."

He offers two explanations for this paradox. The first one stems from historical conditions prevailing in Europe, and especially France at the time of the French revolution: only the left, not the right, was willing to tolerate Jewish participation in public life. And second, the Jewish reaction to the stereotype of them by the population at large, that they were grasping, greedy and concerned with commerce and money-lending. States Friedman (1985, p. 412) about the Jewish reaction to this charge:

"... to deny that Jews are like the stereotype, to set out to persuade oneself, and incidentally the anti-Semites, that far from being money-grabbing, selfish and heartless, Jews are really public-spirited, generous, and concerned with ideals rather than material goods. How better to do so than to attack the market with its reliance on monetary values and

²⁰ For an analysis of this concept, see Block, 2002a

impersonal transactions and to glorify the political process, to take as an ideal a state run by well-meaning people for the benefit of their fellow man."²¹

I have no doubt that both of Friedman's explanations contain more than just a small amount of truth. However, the historical one must be taken with a grain of salt, since the historical antecedents relied upon by Friedman should not be over generalized²². For all that, it is not easy to dismiss this as *part* of the explanation, precisely Friedman's point.

Second, Friedman posits that the Jews *could* have accepted the stereotype imposed upon them by society as a whole, and attempted to demonstrate that a concern for money, commerce, profits, etc., contrary to the prevailing view, was actually *beneficial* to society. He (1985, p. 413) replies:

"But this reaction was hardly to be expected. None of us can escape the intellectual air we breathe, can fail to be influenced by the values of the community in which we live. As Jews left their closed ghettos and shtetls and came into contact with the rest of the world, they inevitably came to accept and share the values of that world...."

But this response, while a reasonable generalization, is not definitive. Friedman himself is a counterexample. He has for the most part not been "influenced" by the socialist values of the community in which *he* lives²³. If he could do it, why not others, many others, particularly Jews, who have more than average intelligence, and thus at least the potential to see through the popular socialist nostrums? Second, this answer is incomplete, for it leaves open the question of why the Jews, when they

²¹ For a critique of Friedman's thesis, see Frankel (1985, pp. 429-442). Frankel (1985, p. 436) rejects Friedman's mention of the makeup of the French parliament as "a-historical," and objects to his reliance on fighting stereotypes as based upon Sombart's (1913) analysis. Friedman (1985, pp. 443-446) replies that he does not at all rely upon Sombart, and that Frankel provides no evidence to back up his "a-historical" charge. In this debate, I concur entirely with Friedman.

²² We are concerned in this paper mainly with Jewish experience in America. Why are we then discussing France? Because, it can be argued, this French experience nevertheless seared the American Jewish soul.

²³ For an exception to this statement, see Block (1999).

emerged from their ghettos,²⁴ found rampant socialism? Why were they not met with prevailing capitalist ideas?

3.3 *Minority Status, Persecution*

Sowell (1994, p. 231) notes the “remarkable historic achievements of the Jews – a relatively small group of people, spread thinly around the world, and yet so prominent in so many countries and in so many fields that it hardly seems credible that there are fewer observing Jews in the entire world than there are Kazakhs or Sri Lankans.”

There is no doubt that Jews are a minority in virtually every country they reside in. Even Israel, the obvious counterexample, is only so on a superficial basis. For while Jews are a majority of this country, it is tiny compared to its neighbors, among whom the entire nation is in effect a small minority.

Nor is it rare that minorities would be persecuted. Indeed, Sowell (1998) is replete with cases wherein small populations are brutalized by larger ones.²⁵

A thesis, then, that emanates from these considerations²⁶ is that the Jews have been victimized more often and more deeply than other high-earning and intellectually advanced groups, and this biases them in the direction of criticizing markets.

But it is unclear why a victimized minority would cleave to the left. Why not to the right, as have the Mormons, who are also a minority, and also have a history of suffering from persecution. Moreover, while to be sure the state of Israel is a minority among its larger national neighbors, this by no means holds true within that country itself. There, Jews are a majority. And yet the internal economic policies of Israel can hardly be considered market oriented (Gwartney, Lawson and Block, 1996).

²⁴ This word is sometimes used to describe the home of the blacks in American inner cities in the northeast. But this is misleading. The Jews in Europe during those times were prohibited by law from living outside the areas specifically reserved for them. Nothing of this sort applied to blacks in northern American cities, certainly not after 1865.

²⁵ Although, see Diamond (1999), where the exact opposite occurs; namely, small advanced populations overcome ones that are less well economically developed. For a critique of this book, although not on this ground, see Block (2002b).

²⁶ I am not attributing this to Sowell.

3.4 *Intellectuals and Income Maximization*

According to Rothbard (1973, pp. 66-67):

“... why do the intellectuals need the state? Put simply, the intellectual’s livelihood in the free market is generally none too secure; for the intellectual, like everyone else on the market, must depend on the values and choices of the masses of his fellow men, and it is characteristic of these masses that they are generally uninterested in intellectual concerns. The State, on the other hand, is willing to offer the intellectuals a warm, secure and permanent berth in its apparatus, a secure income, and the panoply of prestige.”

And, further, Rothbard (1973, p. 69) declares: “This is not to say that all intellectuals everywhere have been ‘court intellectuals,’ servitors and junior partners of power. But this has been the ruling condition in the history of civilizations....”

This would definitely incline people of the Jewish community toward statism, not so much because of anything intrinsic to their religion, but simply because they are so heavily over-represented among the intellectual classes, and the latter have a predilection in favor of matters governmental. If intellectuals, in general, are drawn toward dirigisme out of considerations of income maximization, and Jews are disproportionately to be found among intellectuals, then this phenomenon alone could account for the leftist bias of that group.

Of course, it cannot be maintained that all employment enjoyed by intellectuals is in the formal civil service, either as professional civil servants or as political appointees. This consideration would lead us, presumably, to the conclusion that even if the direction of causation pointed out above were correct, it would still not explain much of the phenomenon under consideration. For there are other governmental jobs besides those in the bureaucracy. Teachers and professors in public institutions, for example, are intellectuals whose paychecks are based on tax revenues. And even those working in private universities are not totally unconnected to the state. For one thing, academics are dependent upon government largesse for fellowships, grants, contracts, etc. For another, given that with the exception of places such as Hillsdale, Patrick Henry and Grove City Colleges, a significant percentage of the

budget of most ostensibly “private” institutions of higher learning is accounted for by government, it is only a slight exaggeration to say there are no universities not in the public sector.

But the rot spreads further than this, far further. If this explanation imparts to the *weltanschauung* of academia a leftist bias, it will tend to percolate to other intellectual redoubts, even if there is no direct connection between wealth maximization and the espousal of socialist nostrums. For example, take journalism, both reporting and editorial writing. If most academics favor dirigisme policies, then this applies, too, to professors in schools of journalism. If so, then their graduates likely reflect this political-economic perspective. And they, in turn, introduce the general newspaper reading public to this slant.²⁷

3.5 *Nazi Avoidance and Support for Non-white Immigration into Predominantly Homogeneous White Countries*

There can be little doubt that the Jews have been seared by their exposure to Nazism. As a result, the rallying cry “never again” has become the motto of this community. There is one thing that distinguished National Socialist Germany from many countries: it was a predominantly homogeneous, Christian, white country; as a result, the Jews have determined that whatever else the U.S. and other Western countries²⁸ are and may become, they shall not resemble that demographic make-up (MacDonald, 1998). It is in this context that Jewish support for immigration from non-white countries, for multiculturalism, for institutions such as the NAACP, for affirmative action (which comes largely at the expense of male, white Christians as well as their own group) can be explained.

There is of course no necessary connection between this concern and socialism.²⁹ The world might well have been a place wherein the

²⁷ As two small, yet revealing, instances of this phenomenon, consider the fact that about 90% of the journalists covering the Nixon-McGovern presidential election favored the latter, while the former won in a landslide. Further, there is the almost total refusal of crime reporters to mention the race of perpetrators. See on this latter point Levin (1997).

²⁸ This also applies to other nations in which large numbers of Jews reside; e.g., Britain, France, etc.

²⁹ This does not apply to affirmative action when carried out on a coercive governmental basis, as opposed to being adopted by private interests, voluntarily. See on this Epstein (1992),

desire for race-mixing had little or nothing to do with pro- or anti- free enterprise sentiment. To explore the reasons why this should have become a rallying cry of the left, not the right, would take us too far afield. Suffice it to say, however, that in the modern political context, there is little doubt that supporters of international socialism favor such policies, while nationalists do not (although international capitalists and neo-Conservatives do). Thus, this is yet another phenomenon that impels Jews in the direction of socialism, even though it stems from issues far removed from questions of economic freedom.

What can be reasonably said about this hypothesis? In my view, we can only say at this point that the jury is still out. It has at least superficial plausibility, in that it accords with the strictures of *quo bono*. That is, if it were true, this thesis does at least point to a gain that could be garnered by the Jewish community, acting in such a manner.

Speaking as a Jew myself, one who is reasonably cognizant of the events occurring in this community, I can say that I have never heard any reason to believe it is true. This hypothesis will be rejected by some, out of hand, as anti-Semitic. That is not at all the position I am taking. As a disinterested observer, as a social scientist, my role is to get that extra one inch closer to the truth. It is incompatible with this role to reject out of hand *any* hypothesis, no matter how despicable it may sound. All that can be said for this one, at the present time is that while Jews may conceivably have this motive, there is no evidence that they do, or that their actions have been motivated by it.

However, there is something that can be said against it. This hypothesis is rooted in Jewish experience with the long history of expulsions and persecution in so many European countries which reached a climax in Germany during World War II. Yet there are numerous countries that are at least as homogeneously white and Christian as Nazi Germany, and, also, Nordic for that matter, which have not spawned any anti-Jewish holocausts. Iceland, Norway, Sweden, Finland and especially Denmark spring to mind. It is an interesting hypothesis, which cannot be rejected out of hand on a *priori* or "racist" grounds, but that does not mean we must accept it without question.

Block (1982), Block and Walker (1985), Williams (1982).

4 Conclusion

We have come to no firm conclusions concerning the genesis of the support of the Jews for left-wing political economic philosophies. There can be no doubt as to the preference within this community for socialistic solutions to public policy challenges, but the causes thereof are less clear. This is an important issue for all those involved in such questions, since members of this religious group are leaders in the academic and intellectual activities concerned with U.S. domestic and foreign policy. Hopefully, these remarks will spark research into this fascinating area of study, and make some small contribution to eventually shedding more light on it.

Appendix

Percentage of Jewish vote in U.S. presidential elections. Source: L. Sandy Maisel and Ira Forman, Eds., Jews in American Politics (Lanham: Rowman & Littlefield, 2001), p. 153.

<http://www.jewishvirtuallibrary.org/jsource/US-Israel/jewvote.html>

Year	Democrat		Republican		Other	
1928	Smith	72	Hoover	28		
1932	Roosevelt	82	Hoover	18		
1936	Roosevelt	85	Landon	15		
1940	Roosevelt	90	Wilkie	10		
1944	Roosevelt	90	Dewey	10		
1948	Truman	75	Dewey	10	Wallace	15
1952	Stevenson	64	Eisenhower	36		
1956	Stevenson	60	Eisenhower	40		
1960	Kennedy	82	Nixon	18		
1964	Johnson	90	Goldwater	10		
1968	Humphrey	81	Nixon	17		
1972	McGovern	65	Nixon	35		
1976	Carter	71	Ford	27		
1980	Carter	45	Reagan	39	Anderson	14
1984	Mondale	67	Reagan	31		
1988	Dukakis	64	Bush	35		
1992	Clinton	80	Bush	11	Perot	9
1996	Clinton	78	Dole	16	Perot	3
2000	Gore	79	Bush	19		

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