

# H-Net Reviews

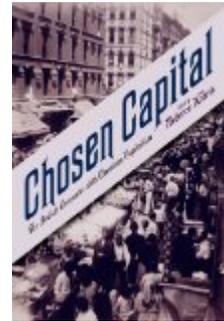
in the Humanities & Social Sciences

Rebecca Kobrin, ed. *Chosen Capital: The Jewish Encounter with American Capitalism*. New Brunswick: Rutgers University Press, 2012. 288 pp. \$26.95 (paper), ISBN 978-0-8135-5308-5.

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## The American Economy and American Jews: A Symbiotic Relationship

In the late nineteenth and through the middle of the twentieth century there were extraordinary positive developments in the American economy. There were also extraordinary developments for the American Jewish community, from mass immigration (1881-1920) to an unprecedented increase in their economic status, particularly as entrepreneurs. American capitalism and American Jews interacted in such a way that both were forever transformed. This was a symbiotic relationship that substantially benefited both.

Rebecca Kobrin is the editor of *Chosen Capital*, a collection of twelve essays and an introduction by the editor. Many of these essays were prepared for a conference she organized on this topic. Of the thirteen authors, eleven are historians, one is a political scientist, and one (co-author) is an economist, but all have had substantial experience writing about the Jewish experience in the United States or abroad.

This is neither a broad economic or business history of the American economy emphasizing the Jewish role, nor one of American Jews. Rather it is a set of separate essays, many on the niches in the economy that Jews founded and/or promoted. It is an excellent set of case studies that when collected in one volume, demonstrate the extraordinary entrepreneurship of American Jews not merely in identifying business niches, but also in sometimes developing them into major industries that transformed the American economy and American Jewish life. As Kobrin indicates, the volume ad-

resses three questions: Which niches did Jews develop and when? How did Jews develop these niches? How did the American economy alter the “practice and experience of Judaism itself” (p. 4)?

The first essay by Ira Katznelson is a thoughtful overview of the interaction of Jewish entrepreneurship and the American economy. Katznelson notes the paucity of data and studies of the economic position of Jews in the United States. He writes of the 1936 *Fortune* magazine article on Jews, of Werner Sombart’s anti-semitism, and of Salo Baron’s thoughtful analyses. The work of Simon Kuznets and Arcadius Kahan do not get the attention that they deserve. Katznelson writes with disappointment: “Within the discipline of economics, economic history ranks low in prestige, and the field is not populated by scholars concerned with Jewish history. Ethnic studies, in sociology and other disciplines, rarely makes the Jewish past or present a central concern. As the group has become more integrated and less threatened, it also has become less interesting. Furthermore, historians of the Jews, whose numbers are flourishing, largely lack the requisite economic and statistical competence” (p. 19). He acknowledges correctly the importance of the case studies in this volume. Yet, he calls for more research with a stronger empirical base that explores the reciprocal relationship between American Jews and the American economy, comparative analyses with other immigrant and minority groups in the United States, and comparative analyses with other Jewish communities in the Americas.

Part 2, "Jewish Niches in the American Economy," includes separate chapters on the Jewish garment industry (1849-1940), the real estate development of the New York garment district (1920s and 1930s), Midwest Jewish scrap metal and secondhand goods dealers (1890-1930), and liquor merchants. It closes with two chapters on the interaction of Jewish entrepreneurs and disadvantaged American racial minorities in two enterprises—the production and marketing of black "race music" (rhythm and blues) and the marketing of American Indian "curios" (artifacts). These are well-written and richly documented analyses of some of the niche industries in which American Jewish immigrants and their offspring became predominant entrepreneurs. Another important niche industry, in which Jews played a dominant role but is not covered in this volume, is the motion-picture industry, but that has been treated elsewhere.

Part 3, "Jews and the Politics of American Capitalism," in particular focuses on Jewish socialism. The Russian Jewish immigrants fleeing conservative anti-semitic tsarist Russia were inclined toward socialism as a political movement that promised economic opportunities and freedom from prejudice. In the United States, where life was much freer, they initially experienced tenement housing, low wages, hard work, and long hours. Yet even though their economic conditions improved quite rapidly, in terms of both housing conditions and their labor market and entrepreneurial opportunities, their tendency towards socialism diminished only slowly and persists today in the form of "liberal" ideology. They were strong proponents of trade unions (consider the International Ladies Garment Workers Union, among others) and opponents of racial and ethnic discrimination. Jews also debated whether the American capitalist system, which emphasized individual initiative, was compatible with Jewish communal life.

The last part, "Selling Judaism: Capitalism and the Reshaping of Jewish Religious Culture," includes two essays. One focuses on the marketing of a celebrity cantor (Yossie Rosenblatt). Rather than viewing American capitalism as competing with the Jewish religion, the essay uses the celebrity cantor to demonstrate that there is no necessary contradiction. Already a prominent cantor in Europe, Rosenblatt moved to the United States in 1913 at the age of 31, and his fame grew through his recordings and cantorial concerts. He also garnered high fees for

his cantorial service on the High Holy Days. Although he mainly sang religious songs, he did so in both secular and religious settings. The final chapter is entitled, "How Matzah Became Square." This is a fascinating chapter by Jonathan Sarna as to how Behr Manischewitz transformed matzah from the traditional, locally handmade round or oval matzah into machine-made square matzah that was packaged and sold over long distances. To do so his company needed to develop machinery, use advertising to alter Jewish attitudes as to what was proper matzah, and garner rabbinical support in Palestine for the Kashrut of its matzah. The family succeeded masterfully.

This volume's individual essays on the relationship between Jewish entrepreneurs and the American economy each tell an interesting story, describing several niches that Jews entered, if not created. Jewish entrepreneurial talents focused on innovation in the management, distribution (retailing), and marketing aspects of business, as was also the case in the motion-picture industry. There is a gap in the literature, however, on the "invention" side of Jewish business—that is, creating new products or making old products in new ways (the chapter on matzah being a notable partial exception). It would be interesting to have a study that contrasts the role of Jewish entrepreneurs in "tinkering" (invention), as distinct from their roles in business management.

What is missing from *Chosen Capital* is a synthesis that ties together the essence of the findings here (and elsewhere in the literature) on the achievements of American Jewish entrepreneurs. Jewish immigrants and their children were willing to work and study hard, to take financial and business risks into new ventures. Not all were successful, but they had an extraordinary ability to identify and develop profitable niches in the economy. These niches were generally in new or expanding industries in competitive sectors of the economy, did not require large capital investments to get started, and exhibited little or no discrimination against Jews. Some of these niches attracted Jews as self-employed entrepreneurs, but in others they used the same entrepreneurial talents as salaried employees or independent professionals. The Jewish immigrants were an extraordinary people who entered the United States at an extraordinary time of opportunity and economic expansion. This worked to the mutual advantage of both Jews and the American economy.

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