INTEREST IN THE JEWISH TRADITION: ECONOMIC THEORY AND REALITY – FOUR FACTS

 Four facts dominate the discussion of interest, payments for borrowed money, in the Jewish Tradition

The Prohibition

1.One is a strong disapproval of charging interest stemming from the Bible, but echoed throughout the years as well as in Christian and Muslim traditions. This is a disapproval which is shared by Aristotle and many premodern thinkers in that interest was contrary to nature because money was in essence nonproductive – but this philosophical position has been subject to criticism in modern times and in fact frequently abandoned.

Fungibility

2.The Second is the fact that that from a simple commercial and economic point of view any transaction can be structured indifferently as a sale, an equity investment, a rental, a terms of employment or a loan. If I give you one thousand dollars of goods or services(Euros or bitcoins if you will) you can pay me by giving me a price sooner or latter which is higher or lower than 1000 dollars. You can take the $1000 as an equity investment and give me an equity return that is the same as an interest payment schedule. You can give me the same stream of payments and call it rent. You can pay me a salary for a given period or forever (or for my life) which represents the same stream of payments. Or you can pay off the amount as an interest bearing loan with a similar stream of installment payments. The nominal ownership of the goods and services over the interim may vary, and thus the conceptual and legal frame within which the transaction occurs. Because of this difference in conceptual and legal frame the distribution of risks as distinguished from scheduled payments may differ.

The fungibility of transactions is also the way by which all the major religious traditions have developed avoidance mechanisms which enable their adherents to avoid the rules against interest based transactions but still accomplish roughly comparable results to those permitted by interest.

The Halacha – Post Biblical Jewish Law

Interest is prohibited three times in the Torah and even more negatively viewed in latter Biblical Texts.

This fact of equivalence between interest and many similar charges was clear to the Rabbis of the Talmud which is why they generated a mass of prohibitions against transactions which while nominally sales or rentals are substantially equivalent to loans.[[1]](#footnote-1)

 The restrictions in the Talmud, centered in the Tractate Bava Metzia, cover a remarkable number of bases. Not only do those restrictions forbid the "renting of coins" (with an exception if the coins are exhibited but not used for exchange), they prohibit accepting most benefits from a debtor -- though the precise terms and conditions of who is a debtor and what is a forbidden benefit is infinitely complex. Borrowers cannot even increase the warmth of the greetings they give to their creditors for fear that this resembles interest. Precise details of this prohibition are the subject of much postTalmudic discussion. A borrower cannot give a gift to the lender either before or after the loan.(SA YD 160:06, 161:2) – though the Rema (Rabbi Moshe Isserles, 1520-1572), the standard Ashkenazi commentator, says that such a gift does not have to be returned. Many of these extensions involve a rabbinic extension of interest, the category of “quasi interest,” literally “the dust of interest.” In fact, despite the condemnation of interest and quasi-interest the circumstances under which interest payments have to be returned are themselves complex. Similarly, loans of quantities of goods to be paid in monetary terms which have a price which fluctuates can sometimes not be made, because the fluctuations might be considered quasi interest (SA YD 163:3), though in this case the Shulchan Aruch says the contract for such quasi interest is enforceable because it is an evasion rather than quasi interest (though it should be paid back), while the Rema, the standard Ashkenazi commentator on the Shulchan Aruch, says it is an invalid contract. Even futures arrangements are highly limited though there the situation is even more complex. As we will see historians have typically felt that the Rema and latter Ashkenazi commentators are generally more tolerant of interest like transactions than many earlier authorities, perhaps out of necessity because of their pervasiveness.

The Ancient Temple was largely exempt from the strictures and operated under a sui generis property regime which permitted its agents to pay and receive interest on its behalf. Charitable institutions and orphans are permitted to avoid the strongest of the anti-interest strictures -- those which involve rabbinic prohibitions for things that are like but not the same as biblical interest (as the rabbis conceive it).[[2]](#footnote-2) For examples, orphans who have been left illegally collected interest do not have to repay it.

Interestingly as with several other items like the rules governing slavery -- the Shulchan Aruch puts the interest rules in Yoreh Deah, the section on ritual purity, rather than the Hoshen Mishpat concerned with civil law.  Whereas Maimonides Mishneh Torah puts both in what might seem a more conventional place as part of the law on property.  The logic of the placement reflects a difference about whether interest is a phenomenon which transcends mere commercial utility.  Eventually this becomes an important theoretical difference having its parallel in the apologetic literature (directed toward the nonJewish world) as well as in the legal literature (directed inward to Jews).  If the interest prohibition proceeds from divine will as expressed (three times) in the Torah it has a different salience than if it is an expression of natural and commercial morality.  In the former case it might well be easily permitted with nonJews despite its scriptural condemnation since the Bible explicitly says they may be lent to on interest.

Daniel Feldman in an article in Aaron Levine’s Oxford Handbook cited elsewhere has a perspicacious explanation of the difference between treating interest as a ritual versus a commercial phenomenon.[[3]](#footnote-3) He documents the extent to which the difference goes back in the Jewish legal tradition and the extent to which there are leading names lined up on both sides. The ritualists are concerned that the attitude present in taking interest conflicts with the proper fraternal/familial relations with other Jews -- which explains why interest bearing transactions with nonJews are permitted. To quote Feldman:

“We have seen that the Torah’s prohibition against the taking and even paying of interest far exceeds in scope that which might be included in a general moral interdict against usury.”

For the ritualists interest is an offence against G-d not man. “A ritual categorization may indicate a focus on the obligation of kindness, represented in lending to the needy….”

Interest is Pervasive

3.The Third fact is that interest was widely charged often in defiance of the prohibitions in the tradition. It is clear that the charging of interest was a normal feature of commerce in many countries in which Jews worked. Jews were generally permitted to borrow and lend to nonJews but also often did so to other Jews.

The extent to which Jewish and Islamic commercial practice imvolved interest like transactions was considerable.

Records from 4th century BC Egypt show the Jewish diaspora community there charging interest to each other as do Egyptian records from the second century. Rabbi Isaac ben Sheshet, the RIVASH (1326-1408) explains that though it was in fact a sin for charity trustees to lend their idle funds at interest he did not want to push the issue because he knew they would ignore him..[[4]](#footnote-4)

Philo of Alexandria (20 BC-50AD) was clearly opposed to charging interest as were the majority but not all of the Talmudic sages. The consensus in the Talmud seems to be that lending at interest to nonJews was permitted but this was not universally granted.

The Mishna limits moneylending to nonJews to the learned who would not be led by their moneylending to adopt other inappropriate behavior.[[5]](#footnote-5) But by the time of the medieval European rabbis it was accepted that such lending was necessary for survival for all Jews not only scholars. But whether such lending was really moral is another question as we shall see below.

In fact, interest was looked on with some disfavor in the Muslim dominated countries in which Jewish intellectual activity flourished in the years up to 1300. Nonetheless, interest and interest like transactions were pervasive.

Abraham Udovitch in *Partnership and Profit in Medieval Islam* put Islamic medieval Jewish and Islamic practice into historical context. He points out that there were strong parallels between the Law Merchant, customary law developed and applied by all medieval traders and the development of Sharia thinking. As Udovitch points out we know the Law Merchant mostly from the record of actual transactions entered into, and Sharia commercial law mostly from the theoretical treatises developed by the various schools of Islamic commercial law. To quote Snouck Hugronje, “All classes of Muslim communities have exhibited in practice an indifference to the sacred law in all its fullness quite equal to the reverence with which they regard it in theory.”[[6]](#footnote-6) But the more general comment is that by Leon Goldschmidt as quoted by Udovitch, “the grandeur and significance of the medieval merchant is that he created his own law out of his own needs and his own views.”

 It was in Christian Europe that Jews became particularly prominent as moneylenders to nonJews and almost inevitably some carryover to transactions to Jews occurred and various Rabbinic innovations tried to accommodate these by developing avoidance mechanisms. These mechanisms were highly controversial and typically involved using non-Jewish agents or transactions in non-Jewish debts, or the use of penalty clauses, which are permitted under certain circumstances.[[7]](#footnote-7)

The Shulchan Aruch specifically forbids Jews to act as agents to lend non-Jewish funds to Jews because they might appear to be their own – but not if the Jew is a professional moneylender who generally lends money. Thus presumably a Jewish employee of a gentile bank would be exempt. A Jew is also exempt if he is the overall manager of a gentile’s estate, a common enough situation in seventeenth century Poland.

However, the Talmud itself is conflicted about whether loans to nonJews are a good thing -- and these conflicts as usual have come down in the tradition.[[8]](#footnote-8) Among other concerns was whether if Jews were accustomed to interest bearing loans this would lessen their resistance to making them to other Jews. Maimonides says that lending to nonJews at interest is a positive commandment; that it is forbidden to give them interest free loans.[[9]](#footnote-9) But this particular point is not echoed by most other commentators.

One historical study concentrates on the attempt by St. Louis in France to prohibit Jewish interest lending which attempt was, as in the case of Italy referred to below, a threat to the mainstay of Jewish economic activity in medieval France. Even friendly non-Jewish authorities suggested that Jews cease this lending.[[10]](#footnote-10)

The fact that moneylending was necessary to survival might have been accepted by Jews – but was an important point of criticism from the nonJewish community, and especially the Franciscans.

The apologetic literature is considerable and was directed to a non-Jewish public. It had to address the morality of Jewish moneylending at interest – and in fact the discrimination it might have entailed. Some writers like Joseph Albo (1380-1444) took a completely condemnatory position; but others argued that the moneylending served a useful function for the economy as a whole. Some writers even made a defense of interest in modern terms as the price of money. The text most cited here is Abraham Farissol (1451-1525 probably) who finished his years in Ferrara where he was cantor and is more known for his geographical work.[[11]](#footnote-11)

The issue of "brothers" was particularly raised by Napoleon with his 1807 Sanhedrin who he queried extensively about usury.   The final determination of that body was that Jews and Christians were brothers -- and Jews were forbidden to practice "usury" with Christians or with Jews.

Farissol like other apologists had to deal with two parallel Christian criticisms of Jewish moneylending.  The first centered on the scriptural texts and is connected with the extent to which Christians are "brothers" within the meaning of those texts.  This argument is essentially a pedantic one, and though politically fraught is less interesting.  The second concerns the extent to which interest belongs in a just and efficient economic order, and it is in this context that Farissol is of special interest.  Several accounts see Farissol has one of the first defenders of the market economy in the Jewish tradition.

Ruderman in his biography of Farissol devotes a full chapter to his defence of interest and draws heavily on a short Hebrew text published by S. David Lowinger in Budapest in the 1920s, which unfortunately is not easily available.  (The copy in the Sanford University Rare Book Collection was uncut but Hebrew University gave me a photocopy.)   Ruderman sees Farissol as very much involved with the contemporary Jewish bankers of Italy whose entire economic raison d'etre was threatened by the Christian critique of interest.   There are other sources as cited inter alia by Stern who make the same type of arguments earlier --- that providing interest bearing loans was a valuable economic service to the Christian community.

Siegfried Stern in an article on Jewish Moneylending outlines what he sees as the evolution of Jewish thinking on the matter.[[12]](#footnote-12)

4.Devices to Avoid the Prohibition

The Fourth fact in relation to Judaism and prohibition of interest is the development of avoidance mechanisms.

With the increasing importance of modern finance there were efforts to develop more comprehensive avoidance mechanisms which reached their full extent in the nineteenth century. Depending on who is involved these efforts centered on the use of a proforma partnership arrangement called the Heter Iska, or a recognition of corporate forms as overcoming interest prohibitions or both. The literature is extensive and continues to develop – though one should recognize that the vast majority of Jews, even those who are otherwise compliant with Jewish law, have not paid much attention to it. Nonetheless, obviously for those concerned that their life is centered on Halakha, Jewish Law, the development of appropriate arrangements is critical.

There are several formulations of the Heter Iska which vary in terms of their texts and the precise allocations of the funds involved. The Vilna Gaon ( 1720-1797) objected to the formulation of the Maharam then in use and latter versions respond to his objections.

The Hasan Sofer, Rabbi Shmuel ben David Zvi Ehrenfeld (1835-1883) the grandson of the Chatam Sofer (1762-1839) even says that one may sign documents indicating interest payments for legal purposes provided the actual transaction involves a heter iska or partnership type device.[[13]](#footnote-13) Rabbi Yaakov Yeshayahu Blau (1929-2013)( the author of the Bris Yehudah a standard manual on interest related transactions and a member of the Court of the Ultraorthodox community in Jerusalem (grandson of Moshe Blau (1887-1948), the leader of the Agudah in Jerusalem and nephew of Amram Blau (1894-1974) the leader of the antizionist Naturei Karta) says that one can perhaps rely on more liberal authorities in dealing with corporations and the government, but that those who are stricter are especially blessed.[[14]](#footnote-14)

In traditional circles the problems posed by interest related transactions have led to a large and comprehensive literature. There is even an English Art Scroll Volume, The Laws of Ribbit by Moshe Reisman -- but this draws on two more standard texts in Hebrew -- Bris Yehuda and Minhat Yitzchak. [[15]](#footnote-15) Reissman starts with a story told of the Chofetz Chaim (1838-1933), the pre-eminent Orthodox scholar of the late 19th/early 20th century, who was approached by a shochet, kosher slaughterer, who announced that he wanted to retire because the responsibility of being sure that all his meat was kosher was too heavy. When he told the Chofetz Chaim that he wanted to go into business -- the Chofets Chaim responded that in business the responsibilities were greater and the task more complex than simply insuring the kashrut of meat, because of numerous rules like those against interest or "overeaching" by charging excessive prices. Rabbi Eliezer Henkin of whom there is more below says in a responsa on interest that commercial exploitation of nonJews is more serious than that of Jews becaus it involves “defamation of the divine name” among the nations though concerned with a range of social issues is mostly focused on the prohibition of interest and the duty to make charitable donations and loans.[[16]](#footnote-16)

There is an article about the division among rabbis in Israel as to what extent lenders might be compensated for inflation and participate in indexed transactions.[[17]](#footnote-17)

The Chofetz Chaim’s Ahavat Israel (literally, Love of Israel) though concerned with a range of social issues is focused on the prohibition of interest and the duty to make charitable donations and loans.[[18]](#footnote-18)

More liberal interpreters have focused from an early period on the importance of corporate forms as a reason for avoiding the prohibition on interest – this starts with Joseph Saul Nathanson in the mid 19th century and is echoed by figures like Maharam Schiff.[[19]](#footnote-19) Most of the modern day rabbis assume non Jews can be lent to and borrowed from on interest or at least that is the present consensus -- and there is even a set of rules for what happens if one of these nonJews converts to Judaism while a loan is outstanding. There are some legists who assert that a Jew who has ceased to be observant -- though perhaps not one who was never observant -- comes into the same category as nonJews.[[20]](#footnote-20)

 Rabbi Moshe Feinstein (1895-1986) pre-eminent American Jewish decisor of the previous generation stated corporations could be involved with interest because they were not simply projections of their shareholders and their religious identities. He was violently opposed by S. Z. Auerbach, a leading rabbi of his generation. Moshe Feinstein’s predecessor, Eliezer Henkin (1881-1973) took a similarly liberal position though he argues that proforma Heter Iska are desirable.

For those who do not exempt corporations from the prohibition on interest, the question of defining a Jewish government or corporation is obviously complex. This is particularly salient because it involves Israel government bonds. Some authorities feel that any Jewish equity is an issue, but many look at the question of who owns the predominant or in any case a large portion of the equity. The issue of Jewish executives is actually less of an issue since Jews can be agents for non-Jewish lenders – but there is a concern on the part of some commentators that they may appear to be lending on their own account.[[21]](#footnote-21)

 The most common device to avoid the restrictions on interest among orthodox Jews used today is still the Heter Iska -- a formulation that transforms what might have been a loan into a partially equity investment in a particular transaction.

The concept of the Heter Iska draws on the Talmud but is first specified in the Shulchan Aruch, Yoreh deah 167.1. Its original form by Rabbi Mendel Avigdor was to be used in the place of a promissory note rather than as an addendum to one as normal at present. It is found in the Nachalat Shiva No. 40. It is frequently called the Heter Iska of the Maharam.[[22]](#footnote-22) The Vilna Gaon in his commentary on the Shulchan Aruch was unhappy with the format of the Heter Iska proposed. So others such as Abraham Danzig (1748-1820) changed the arrangements involved perhaps to respond to his concerns.

Israeli banks normally have a standard Heter Iska they invoke for all their transactions. Some American banks and transactions also append Heter Iska. Many Jewish legal experts are unhappy with generic Heter Iska and insist that the underlying transaction must "really" refer to an equity interest.[[23]](#footnote-23) On the other hand most American courts when challenged have treated the Heter Iska as a formality and refused to honor claims that it is a real "partnership", one or two have ruled otherwise, leading some lawyers and banks to be reluctant to be involved in Heter Iska.

A heter iska specifies a fixed amount of profits to be paid from a joint venture. If nothing is earned the receiver of the money can bring witnesses to that effect and does not have to repay the money – or at least the portion which is a partnership investment and not an interest free loan. The Chofetz Chaim even says that if the investor knows that the active partner made a loss he should not collect the money. Even if the money invested was not used for a business venture but for consumption or housing many authorities permit the use of a Heter Iska by recognizing what economists call fungibility – the Heter Iska transaction may free up other funds which can be invested in business. The general extension of a Heter Iska by a corporation, bank or government is obviously yet a further extension. Key figures like Yitzchak Weiss cited above oppose it. Even Blau, for example, opposes taking loans from a Jewish government or corporate entity.[[24]](#footnote-24)

Out of curiosity I also looked up the Ben Ish Chai, a standard nineteenth century source from Baghdad and himself a successful merchant – written by a very successful businessman rabbi. But he is certainly down on interest from Jews. Though he appears to envision Heter Iska’s being used and deals with a number of standard Baghdadi transactions that others might think were tainted by interest payment and rules that these standard transactions are generally permitted.[[25]](#footnote-25)

 Jews are not the only ones to develop devices for accommodating interest prohibitions to modern business necessities. Islamic or Sharia banking is now a large scale phenomenon. This is a whole financial system designed to create a commercial order in conformity with Islamic principles while accomplishing many of the things that normally involve interest. Some countries like Iran and the Sudan in theory have completely Islamic systems, while many countries have so called parallel systems where Islamic and "conventional" banking coexist. Some of the Islamic transactions like Musharika involve, like the Heter Iska, what are formally, and sometimes substantially, equity partnerships. Other devices involve leases in which an Islamic house mortgage, for example, is a lease with option to buy. Despite the fact that bank supervisors normally discourage banks from holding on to the real property they finance, they have permitted these leases because they are only a "formality." Other Islamic financial instruments involve delayed payment for goods (something that would generally not be permitted under Jewish law). The American and UK authorities have also generally been willing to accept the formalistic nature of these transactions and assimilate them for practical purposes to the analogous interest based transactions.

Like Islamic transactions Jewish Legal transactions are also supposed to insure that the participants are not profiting from activities which are illegal under Jewish Law -- nonKosher meat trading, work on the sabbath etc. In the Islamic case the concerns are especially with gambling, alcohol and pornography and sex connected enterprises. Besides avoiding these in credit connected transactions, there are Islamic mutual funds which are certified not to hold shares in companies which "significantly" engage in these Islamically prohibited activities or receive interest. These banned activities so pervade the modern economy that it is impossible to completely avoid them. One Indonesian Islamic bank donates all its interest receipts to charity. I have not done a survey but I assume this is common. Other authorities permit Islamic institutions to receive a maximum percentage of their income from forbidden sources like interest payments for commercial and real estate firms or liquor income for hotels.

 In both the Jewish and Islamic case, and in the comparable Christian one, there is beyond the formal objection to interest a moral one. This moral objection emerges with greater or lesser saliency depending on the writer/commentator. There seems in particular an objection to profiting from a transaction without taking some risk; in fact, even in loan transactions there are a set of risks denominated by bankers as political, economic, credit, and even moral risks. Nowhere in the basic Jewish religious texts - the Talmud, Mishneh Torah or Shulchan Aruch -- have I been able to find this concept that there are risks which need to be compensated for by interest however, though it is referred to in latter texts. Nonetheless, the normal conceptualization of a loan is that its repayment in nominal if not real (i.e. inflation adjusted) terms is not contingent on political, economic, commercial or moral factors. But in both Jewish and Islamic traditions(I am not addressing the Christian parallel but I assume it is the same), to the extent that this moral concern is present there remains an unease with the avoidance devices that have been developed. Harvard Law School under the aegis of Professor Noah Feldman held a seminar trying to deal with all three of these traditions, Islamic, Christian and Jewish in December 2013, but the papers have not been released.

At least in the Jewish tradition, but in much of the Christian and Islamic tradition as well, the animus against interest bearing loans is connected with the connected “obligation” to lend to poor Jews on a noninterest basis. This obligation is highlighted in Maimonides eight levels of charity in which the highest is a loan to enable self support. But there are many other provisions as well such as the rule derived from the Talmud that if an opportunity to lend at interest to a nonJew occurs at the same time that a Jew needs a (noninterest bearing) loan the Jewish borrower has precedence.[[26]](#footnote-26) [Presumably all this is subject to the demands of commercial survival, so that if making the noninterest bearing loan would lead to bankruptcy it is not required, though I do not find this recorded anywhere.]

The charitable loan tradition is also embedded in the various Gemachs (the initials for Gemilus Chasidim, roughly deeds of loving kindness) or Hebrew Free Loan Societies which are characteristic of religious Jewish communities everywhere, but also part of the general apparatus of social welfare in most large contemporary Jewish communities. In the US they emerged in the 1880-1910 period with the mass immigration from Eastern Europe and even today make millions of dollars of interest free loans a year. It is a matter of interest how many of the founders were the first Eastern European Jews to make money in the US; and even the extent to which their third and fourth generation descendents are still occasionally found among the directors. The largest New York free loan society disposes of over $4 million dollars of funds. Wikipedia records an ‘international association” as with “international” trade unions with their membership mostly in the US and Canada, though one Israeli one on the web appears to have more than $20 million outstanding.

The comparable Islamic institution is the “kerz-i-husn,” loan of love, which is a traditional informal form of charity, now often integrated in broader systems of Islamic finance.

Loans, with and without interest, are also a frequently used tool of the Catholic orders who serve the poor. And in the Europe, these have often been transformed into public sector pawnshops, which are occasionally profit centers for public finance. In recent decades a microfinance finance movement has emerged which promotes loans, again with and without interest, as a key antipoverty tool. The interest rates in some of these microfinance programs are in fact fairly high, reflecting the high costs of administration and finance, but a range of academic studies concludes that they assist the poor by giving them a tool to manage their precarious finances.[[27]](#footnote-27)

1. The texts containing these strictures are throughout the Gemara, the Babylonian and Palestinian extension of the Mishnah and referred to passim in the several of the English language articles cited below but are especially found in Chapter V of the tractate Bava Metzia which is explicitly about interest and has “On Interest” as its title. The rules are summarized in the Shulchan Aruch and in latter compendia especially the Bris Yehudah referred to below and in an English language book published by Art Scroll, Reisman cited later. [↑](#footnote-ref-1)
2. Yitzchak Weiis, in his Minchas Yitzchak takes this position. [↑](#footnote-ref-2)
3. Daniel Feldman, “The Jewish Prohibition of Interest: Themes, Scopes and Contemporary Categoires,” in ed. Aaron Levine, *The Oxford Handbook of Judaism and Economics*, NY: Oxford UP, 2010. [↑](#footnote-ref-3)
4. I can’t find this reference again quickly. [↑](#footnote-ref-4)
5. Bava Metzia 71a-b. [↑](#footnote-ref-5)
6. Both this quote and the following one come from Udovitch. [↑](#footnote-ref-6)
7. Hayyim Soloveitchik, Pawnbroking: A Study of Ribbit and of the Halakha in Exile,” Proceedings of the American Academy for Jewish Research 33/39 1970-71 acccessed 25/06/2014. “By silent assumption, by judicial construction and in a circuitous fashion a mute but far reaching cognizance was extended to the unstable world around them.” In this case, a avoidance mechanisms involving trading in the pawns offered to moneylenders. (p. 264) The RI, Rabbi Isaac of Orleans or Dampierre, Rashi’s great grandson, proposes the use of a penalty clause as a way to introduce interest like payments by the backdoor, but he is opposed by the *Mordechai,,* a contemporary legal compendium and especially the Shulchan Aruch and Rema, <http://ubm-torah.org/archive/halak65/14halak/htm>, pp. 5-6 accessed 11.13.2013. This discussion is based on an ambigupous text in Bava Batra 158 which is discussed in the Gemara. [↑](#footnote-ref-7)
8. Bava Metzia reflects this reluctance but some is referred to in this essay as well. [↑](#footnote-ref-8)
9. The point is extensively discussed in the Siegfried Stern article referred to below. [↑](#footnote-ref-9)
10. Robert Chazan, “Proceedings of the American Academy for Jewish Research 41, 1973-1974. [↑](#footnote-ref-10)
11. David Shemuel Loewinger (Budapest), Likkutim Masekta Magen Avraham Shel Avraham Faritzol,” in Hebrew, 1927, photocopy forNational Library of Israel August 2014. David Ruderman, The World of a Renaissance Jew: Life and Thought of Abraham Farissol, Cincinnati, Ohio: Hebrew Union College Press, 1981 esp. Chapter 7, “Champion of Jewish Interests” pp. 45-67. [↑](#footnote-ref-11)
12. Siegfried Stern, www.jewishvirtuallibrary.org/source/judaica/ejud\_0002\_0014\_0\_14120.html. [↑](#footnote-ref-12)
13. Reissman, p. 409. [↑](#footnote-ref-13)
14. Though he cites this three sources who had reservations about even heter iska. [↑](#footnote-ref-14)
15. Yaakov Yeshayahu Blau, Sefer Bris Yehuda Hilchos Ribbis v Iska, Jerusalem: 5739 (1978-1979).

Yitzchak Weiss, Minchat Yitzchak, 1902-1989, was an ultraorthodox scholar from Hungary, resident for many years in Manchester who lived the last years of his life as a judge on the ultraorthodox court in Jerusalem. Despite his generally extreme orientation he was respected because of his attempts to reformulate the law to reflect modern conditions. Supposedly when proposed as a judge in Jerusalem, someone objected that he was not sufficiently zealous, to which one of his supporters, the Satmar Rebbe, said it is easier to make a zealot of a good scholar, than to make a good scholar out of a zealot.

Yisroel Reissman, The Laws of Ribbit, Reissman teaches at Yeshiva Torah V’Daas, has a congregation in New Jersey, and also tends toward more orthodox positions. I notice some strongly antiZionist positions on the web for example. See also, Rabbi Joseph Stern, “Ribis: A Halachic Anthology,” [www.jlaw.com/Articles/ribis1.html](http://www.jlaw.com/Articles/ribis1.html).

For a more modern orthodox perspective see Arthur M. Silver, “The Prohibition Against Interest Today,” Tradition, pp. 97-108, 1988. Several other more modern treatments are in articles in Aaron Levine ed., Oxford Handbook of Judaism and Economics, Oxford UP, 2010. Especially, Daniel Z. Feldman, “The Jewish Prohibition of Interest: Themes, Sccommeriopes, and Contemporary Applications,” pp. 239-253. [↑](#footnote-ref-15)
16. Chofetz Chaim, Ahavas Israel [↑](#footnote-ref-16)
17. Daniel Schiffman, “Rabbinic Responses to Rapid Inflation in Israel, 1973-1985,” in ed. Levine, op cit, pp.445-466. [↑](#footnote-ref-17)
18. Chofetz Chaim, op. cit. [↑](#footnote-ref-18)
19. Michael Broyde and Steven H.; Resnicoff, “Jewish Law and Modern Business Structures: the Corporate Paradigm, Wayne State Law Review Fall 1997 43 Wayne L. Review 1685, [www.jlaw.com/Articles/corporations.html](http://www.jlaw.com/Articles/corporations.html) and www.jlaw.com/Articles/corporations\_notes.html. [↑](#footnote-ref-19)
20. Ref. [↑](#footnote-ref-20)
21. See Bris Yehuda below. [↑](#footnote-ref-21)
22. J. David Bleich, “”Heter Iska, the Permissible Venture: A Device to Avoid the Prohibition Against Interest Bearing Loans, in Aaron Levine, Oxford Handbook of Judaism and Economics, New York: Oxford University Press, 2011, pp. 167-220. [↑](#footnote-ref-22)
23. See Kenneth H. Ryesky, “Secular Law Enforcement of the Heter Iska, ww. Jlaw.com/Articles/heter1.html and Leonard Grunstein, “Heter Iska and U.S. Courts IRR Part VIII, leonardgrunstein.com/2013/07/07/heter-iska-u-s-courts-irr-part-viii. [↑](#footnote-ref-23)
24. Blau, op. cit., Kof Lamed Tet 139. [↑](#footnote-ref-24)
25. Joseph Chayim, Ben Ish Chai, Vaethchanan and Ekev, Second Year. “The Torah permits us to borrow and lend to nonJews at interest; but the Mishnah forbids it unless it is necessary for survival less we learn from their ways; but latter rabbis have permitted it in all cases. An apostate can be lent to but not borrowed from, but if the apostate converts to Islam, which is a monotheistic religion, he cannot be lent to and thus Karaites can neither be lent to or from.” [↑](#footnote-ref-25)
26. Bava Metzia 71a. [↑](#footnote-ref-26)
27. Daryl Collins, Stuart Rutherford, Jonathan Morduch, and Orlanda Ruthven, *Portfolios of the Poor: How the World’s Poor Live on $2 a Day*, 2009. [↑](#footnote-ref-27)