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 Institute for the Study of Jewish
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**The Andrea and Charles Bronfman Center for Media of the Jewish People
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The Information Center has developed a computerized research library with an on-line database of some 110,000 articles and newspaper clippings published in the Jewish and Israeli media from 1989 onward, updated daily. Topics include the functioning of the Jewish print and electronic media; relations with governmental, public, legal and economic networks; the mutuality between media and society; and information on media figures. A special section contains a wide range of bibliographic materials on the history of Jewish media in Israel and throughout the world. The Center also houses several collections of current and historical exemplars of the Israeli and Jewish press, including special issues, books, video cassettes and photographs. Opening hours: Sun-Thu 10.00-16.00.

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INTRODUCTION / Michael Keren

This issue of *Kesher* is dedicated to the memory of the late Ya'akov Grauman, editor of the daily *Haboker* and essayist on economic and social affairs. The publication of the present issue has been made possible by a grant to Tel Aviv University from Mrs. Malka Grauman, widow of the deceased, to whom we are grateful. The issue begins with a profile of Ya'akov Grauman by his son-in-law, Aryeh Shilo, and an article written in 1950 by the late Mr. Grauman describing the dilemma between socialist control of the economy in Israel and the stimulation of free enterprise.

This is followed by a symposium held in March 2001 with the participation of both university-based economists and economic commentators on "The Economy as Reflected in the Media."

In the same vein, the articles that follow deal with various aspects of the link between economics, journalism and the media. Gideon Kouts describes the economic and organizational difficulties of the early Hebrew newspapers in Europe and their attempts to solve them, for example by means of commercial advertisements.

Yossef Lang traces the story of the Hirschensohn family of publishers in Jerusalem during 1882-1908 and their relationships with partners, editors, readers and the Ottoman authorities.

Mordecai Naor sketches a profile of *Haboker* which illuminates the gap between its image as the newspaper of the "civil circles," who were perceived as monied, and its actual condition.

Ouzi Elyada examines the economic functioning of *Ha'aretz* during the 1920s and '30s as reflected in documents preserved by its editor then, Dr. Moshe Gluecksohn.

Yitzhak Greenberg analyzes trends in the development of Israel's *Economics Quarterly*, founded in 1953 and reflecting the outlook of Hevrat Ha'ovdim, by exploring its minimal influence on economic thinking and policy in relation to its founders' expectations.

Hagar Hillel surveys how the Jewish press in Egypt was funded, focusing on the rise and fall of the Zionist organ, *La Revue Sioniste*.

Neil Rubin, in a study of the complex and multi-faceted world of the economics of the Jewish press in the U.S., focuses on the problematic relationship between this press and the Jewish federations.

Yehiel Limor and Hillel Nossek posit a model of economic censorship based on blocking the publishing of information that could harm the economic/financial interests of the initiator of such censorship, or that could promote the economic/financial interests of competitors. Warning against this force, the authors propose ways of dealing with it even when it is unseen.

Gideon Doron, former chairman of Israel's Channel Two Broadcasting Authority, addresses criticism of public supervision over Channel Two by analyzing the legal, economic and political aspects involved in the establishment and operation of the channel. He argues that from a normative economic point of view, Channel Two belongs to the public and not to the franchisers who are invested in it.

In the concluding three articles, Dan Giladi describes the reaction of the Israeli press to Minister of Finance Levi Eshkol's announcement of the devaluation of the Israeli lira in 1962; Eitan Burstein sketches profiles of journalists who worked as bankers in the early years of the Anglo-Palestine Bank; and Shlomo Netzer describes the economic "earthquake" caused by the shift of columnist Moshe Justman from the daily *Moment* to the daily *Heint* in Poland in 1925.

We plan to devote *Kesher* No. 31, scheduled to be published in May 2002, to the various formats of Zionist and post-Zionist discourse in the media in Israel and the Jewish world, including newspapers, periodicals, the Internet, books, film, plays, academic conferences and radio and TV discussions. The Editorial Board welcomes proposals for articles on this topic.

YA'AKOV GRAUMAN, JOURNALIST, ECONOMIST, PUBLIC SERVANT / Aryeh Shilo

A renaissance man, Ya'akov Grauman (1920-85), who was brought to Eretz Yisrael from Germany at age 4, began his working life at the daily *Hayom*, later to become editor of *Haboker* and a highly respected journalist in economics and public affairs. He was a member of the board of the Journalists Association and eventually vice-chairman of the Editors Council.

Thereafter, Grauman shifted to the field of banking, becoming director of the Ya'asur Mortgage Bank and of the Mishkan Bank. He served as information advisor to Minister of Commerce and Industry Peretz Bernstein, and assisted Minister of Finance Pinhas Sapir in organizing the War Loan following the Yom Kippur War.

Remarkably public-spirited, he assumed many other roles as well, serving as council member of the City of Ramat Gan on behalf of the Liberal Party, member of the board of the Diaspora Museum, and chairman of the boards of the Zionist Organization of America House and the Abba Hillel Silver Youth Village. He was also a board member of the Jewish National Fund and the Israel Lands Administration.

As a teenager, he revealed an instinctive concern for public affairs, founding the Youth Committee of the Society for Entrenching the Hebrew Language. His love of Hebrew, a reflection of his deep Zionist commitment, is evident in all his published work.

Other facets of his wide-ranging activity included leadership in the Israeli Scouts movement and membership on the boards of the Israel Opera, the Broadcasting Authority and the Kupat Holim Me'uhedet Health fund. He was also a leader of Rotary in Israel, where he organized volunteer guard duty to assist the kibbutzim and moshavim in border areas.

The following extract is from an editorial written by him in *Haboker* on July 28, 1950, presenting a cogent argument for a shift away from a statist economy:

It was clear, when the state was established two years ago, that difficult times were in store, and anyone who could think logically knew that the great test which the state would face would be in the economic realm. This was obvious from the start... especially because the building of the state was linked with the absorption of massive immigration. Still, there was

the impression, and the hope, that the difficulties and suffering foreseen for the state during the period of creation would pave the way for economic stability, abundance and a standard of living befitting a progressive country...

Reality has greatly disappointed the optimists. It is two years since the establishment of the state, and the distress of the public as a result of shortages, limited supplies, an inflationary market and a declining standard of living is growing. The austerity program, which was supposed to be a temporary measure to prevent the wastage of food and water and utilize them efficiently and productively, has essentially turned into a goal in itself – a program of excessive intervention in private life and in the economy, and a brake on any productive economic initiative not introduced by the government. The main point is that what has been achieved thus far is remote from filling the needs of the state during its period of great growth both in territory and population. The growth of the economy is far from keeping pace with the growth of the state, and this gap takes a great toll on us.

...The administration's most serious failure is precisely in the most vital area: investment. About a year and a half went by until the state instituted the Law for the Encouragement of Investment, and even it is timid and equivocal, but what good will the law do if the reality drains it of content? During the year and a half preceding the passage of the law, potential investors had difficult and disappointing experiences in their encounters with the government system and came to negative conclusions when they witnessed the attitude of the authorities to local entrepreneurs up close.

...Today, it is possible and necessary to draw far-reaching conclusions from the harsh and threatening reality, and to comprehend that this road leads to poverty and suffering and lowers our standard of living substantially.

...A change is essential. The only question is whether the change will be accomplished by means of the encouragement of free enterprise or by more complete dominance of the economy by the state with the intention of "saving" it. It seems to us that the experience of the last two years has proven that the results of a policy of government control and intervention cannot be worse. Could better results be obtained, perhaps, from the other method?

SYMPOSIUM: THE ECONOMY AS REFLECTED IN THE MEDIA /

**Niv Ahituv, Hagai Golan, Ze'ev Hirsch, Sever Plotzker,
Asaf Razin, Efrayim Reiner, Nehemia Strasler**

Abstract of a round-table discussion by academic economists, journalists and economics commentators held at Tel Aviv University on March 20, 2001, under the auspices of the Institute for the Study of Jewish Press and Communications at the Andrea and Charles Bronfman Center for the Media of the Jewish People. The symposium was dedicated to the memory of Ya'akov Grauman, journalist, economist and public servant.

Introduction, Prof. Michael Keren: The journalistic treatment of economics is fascinating because it presents highly complex topics in a way that is comprehensible to the layman, thereby facilitating decision making. The question that arises is how to achieve order out of the chaos that surrounds us as producers, distributors, commentators and consumers in the domain of economic information. We have a rare opportunity today to hear a discussion on this vital subject by leading economists and economics editors in Israel today.

Prof. Niv Ahituv, Moderator: Few economic topics make headlines in Israeli news. Most economic news is relegated to economics columns or to the tail end of news programs. Is this justified? Moreover, how can a complex economic topic be explained in a popular yet intelligent fashion to the broad public? Additional questions are: Should an economic reporter be an economist? How is economics perceived by the Israeli press? Lastly, do the print and electronic media have different roles to fulfill?

Nehemia Strasler: An economic reporter must indeed have a strong theoretical background – a B.A. in economics at a minimum – in order to grasp and discuss the economic developments of the day and offer informed opinions about them. That the exposure of the public to economics is minimal is true. However, this is because our state is in an abnormal and tense situation politically. The good part is that every daily newspaper today allocates a given amount of space to economic matters, an achievement attained after years of pressure. Similarly, the post of economics editor has become entrenched in every large newspaper, and the editor is generally given latitude.

Paradoxically, economic journalists are often accused of

writing lies, errors or material they don't understand. At the same time, economic reporters are often reproached for not covering one or another topic, thereby failing to bring it to the attention of the authorities and getting them to improve the performance of the economy.

Curiously, the American media consistently quoted analyst Abby Joseph Cohen's predictions that the market would continue to rise, and after the market plummeted, her prediction of a rebound was again widely quoted. Once again, this failed to happen, yet she still makes headlines and continues to be quoted. This would not happen here. There would be accountability regarding such grave analytic errors.

To be on the safe side, economics professors in Israel today do not generally express themselves in public on topics that could be unpopular, especially regarding populist economic legislation, deficit budgeting, strikes and so forth. This was not the case in the past.

Efrayim Reiner: One of the most successful innovations of modern times is the interrelationship between business, market economics and the media: a sheet of paper is filled with information written by journalists who receive a salary for this work, and what they write finances the newspaper and enables the media to fulfill their sociological role as defenders of democracy. Once, politically sponsored newspapers fought for the ideologies of their owners, who were not business people but politicians. However, the formula of financing newspapers by means of market economics has proven to be the winning one. Not that market economics and democracy are necessarily Siamese twins. However, if the press is given complete freedom from political shackles and the opportunity to maintain itself by means of market economics, it can fulfill its role. In the case of Israel, despite the cross-ownership of

Fishman, Mozes, Nimrodi and Schocken [Israeli media moguls], in my mind, better three publishers than two secretary-generals of any political party.

Prof. Emeritus Ze'ev Hirsch: Radio and TV in Israel do not deal with economic news in a particularly interesting or comprehensive way. The public barely sees any economic news on TV, except when the topic is sensational, such as the fall of Nasdaq. The press, by contrast, discovered the range of possibilities in economic news in recent years and has been presenting them in an interesting way. Megalomaniacs in the business world are no less interesting than political megalomaniacs. The journalistic coverage of this area is in its early stages, and I hope for more.

Another topic that I would like to see covered more fully by all the media is globalization, a phenomenon that has far-reaching consequences for growth worldwide, the distribution of income, unemployment, ecology, economic sovereignty and political sovereignty. At the moment, this topic remains unexplored by our media.

Additionally, the topic of foreign (guest) labor demands attention. It is a phenomenon that is growing at an incredibly rapid pace throughout the world, including in Israel, yet we hardly know anything about it. Who are the foreign workers? How do they live? This is a phenomenon that is altering the world order, but it is being ignored.

Hagai Golan: The question of the exposure given to economics by the media must be differentiated between the electronic and the print media. In the former, exposure is indeed minimal. Regarding the latter, the appearance 17 years ago of Israel's first financial daily, *Globes*, stimulated coverage of economic topics by the rest of the press as well. *Globes* showed that there is an audience for this field. *Ha'aretz*, in particular, expanded its economic reportage to the point that its financial section is a kind of newspaper in itself. Even (the mass-circulation) *Yediot Aharonot* devotes generous space – sometimes surprisingly so – to economic topics. Today, economic writers are not ordinary reporters. They are analysts capable of evaluating financial statements and market indicators professionally. This is one of the best developments to occur in the financial media in recent years.

Regarding the silence of the professors, I regret having to disappoint some people, but the press, and ultimately the pub-

lic, is less interested in the opinions of a professor on economic policy than in that of business leaders. Businessmen are more colorful, more to the point. Moreover, today the making of money has acquired legitimacy in Israeli society, as compared to 15 or 20 years ago.

On the issue of the cross-ownership of newspaper owners, I agree with Efrayim Reiner that this situation is still preferable to political intervention. The cross-interests in the media are neutralized by one another because of the existence of several media groupings.

Sever Plotzker: I agree with Hagai Golan that the space devoted to economic matters in the daily press in Israel today is actually excessive. *Yediot Aharonot*, for example, puts out a 24-page daily financial supplement, as well as two weeklies on economic topics, in addition to many articles on economic matters in the main body of the paper. I know of no other newspaper in the world with a circulation the size of *Yediot's*, or indeed of any large general newspaper at all, that allocates such a large proportion of space to economics. This is excessive, especially in the realm of micro economics in the business sector. By contrast, exposure in the electronic media is lacking. Conceivably, this situation may be corrected with the forthcoming opening of a news channel in Israeli TV.

The enormous changes in our economy in the last decade have presented great challenges to economics journalists. With the blurring of the boundaries between economics and technology, and the leap forward in the realms of both micro and macro finance, the role of the journalist has become highly complex. The challenge that faces us is to make all this comprehensible to the public.

Prof. Asaf Razin: A consideration of the basics is needed in the discussion of market economics. The topic has three important aspects: the coordination of the various global elements that go into the manufacture of a product; the intellectual underpinning necessary for economic innovation, and the importance of nurturing it; and the balance between efficiency and the distribution of income. These complex interrelationships impact on the determination of interest and monetary policies. The economic commentator, in turn, must be a well-informed analyst and not merely an information supplier, with the responsibility not to mislead the public.

In light of my 30 years in the field, I can say that the influ-

ence of academic economists on molding economic policy is slight. What they can do, however, is apply the principles of evaluation and interpretation regarding what is known abroad to what is required here. This instruction could be utilized beneficially by economic commentators as well.

One of the roles of the economics media is that of watchdog vis-a-vis the government, the Knesset, governmental companies and large publicly owned concerns. The media has performed well in this area. One example is the exposure by

Nehemiah Strassler in *Ha'aretz* in 1987 of the inflated pension given to Bank Leumi Chairman Ernst Jafet. However, the media has been ignoring the implementation of the government's stated policy on inflation for a number of years now. The target set by the government was 3-4% annually, but in the year 2000 it was 0%, and in the past months still less. I am concerned that the media have not pressed the governor of the Bank of Israel for accountability.

ECONOMIC AND ORGANIZATIONAL ASPECTS OF THE EARLY HEBREW NEWSPAPERS IN EUROPE / Gideon Kouts

The transition from a press of private journalists to suppliers of mass journalism was particularly difficult for the Hebrew press in Europe of the second half of the 19th century. The difficulty was partly conceptual, as the Hebrew-language journalist, in perpetuating Jewish national and cultural identity, had an elevated status. Moreover, the Jewish press served as a kind of substitute for formal political institutions that were inaccessible to the Jewish community because of its unequal or unstable condition. The Jewish press, including the Hebrew press, led solidarity drives and charity campaigns for far-flung Jewish communities in distress and for the establishment of medical and welfare institutions. It also served as a forum for debate on broad communal issues, such as religious reform. Spin-offs, such as publishing houses, were generated by the Jewish press. In an effort to circumvent censorship, Jewish newspapers were sometimes published in a country outside their primary circulation domain, especially in the case of Russia.

The earliest Hebrew weeklies in Europe relied on a built-in infrastructure of Hebrew publishing houses devoted primarily to religious books, while in Eastern Europe a large number of Hebrew publishing houses cropped up (over 60 in Poland alone) and non-Jewish establishments were sometimes used as well. In most cases, backing for Hebrew newspapers came from patrons, so that the papers were subject to various pressures, in addition to government constraints. The papers established their own presses relatively quickly: *Hamagid* ("The Herald"), the first Hebrew weekly, published in Lyk, East Prussia, had its own press from the start (1856); *Halevanon*

(1863) established one in 1869; *Hamelitz* ("The Advocate"), founded in Odessa in 1860, established a press, which also printed its owner's Yiddish newspaper, *Kol Hamevaser* ("Voice of the Messenger," 1862-73).

The newspapers were distributed by means of subscriptions promoted by a network of agents, primarily in Czarist Russia, which had the prime audience for this press. Some of the agents also wrote for the paper, with their distribution work constituting a form of payment.

The importance of the Hebrew press cannot be measured in subscription figures, for each copy was read by many readers, especially in central meeting places. *Hamagid* had 1,800 subscribers at its height, losing 800 of them to *Hacarmel* (Vilna, 1860) upon its appearance. In 1881, *Hamagid* distributed 1,000 copies, including 700 in Russia and 100 in Germany. *Hamelitz* had 2,500 subscribers, which dropped to 1,200 when it relocated in 1871 from Odessa to Peterburg. Its losses were covered by its Yiddish supplement and, thereafter, by a Russian supplement. *Hamelitz* peaked at 4,000 subscribers in 1882. *Hatsfira*, established in Warsaw in 1862, had 1,500 subscribers that year. The first Hebrew daily, *Hayom* ("Today," Peterburg, 1886), initially distributed 2,400 copies, but this declined to 1,600 a year later. Perhaps surprisingly, both *Hamagid* and *Hamelitz* made comfortable profits in the 1880s and 1890s.

The close of the 19th century witnessed the height of the Hebrew daily press circulation. *Hatsfira* reached 10,000 subscribers during 1897-98, the period of the Dreyfus Affair. The Warsaw-based *Hatsofeh* ("The Observer"), launched in 1903,

had 12,000. The combined subscription figure in Russia for the three Hebrew dailies (including *Hazman* ["The Time"]) in 1905 was over 20,000. This, however, was less than that of the circulation of a single Yiddish newspaper, *Der Fraynd* ("The Friend").

Although the Hebrew press emerged at a time of technological advances in printing, financial problems and the circulation limitation imposed by its linguistic distinctiveness were obstacle to success. The Hebrew weeklies were one-man operations, launched by ambitious Jewish public figures or public-spirited businessmen who sought communal influence. The publisher was also the editor in chief. Expenses were kept to a minimum. Writers in the early days were not paid – the honor of appearing in print was sufficient. Editorial assistants, who, inter alia, also wrote articles, were overburdened and paid meagerly. These "assistants" included such talented literary figures as David Gordon (*Hamagid*), Y. L. Gordon and Nahum Sokolov (*Hatsfira*).

The first role separation between publisher and editor occurred in the Haskalah (Enlightenment) movement newspaper, *Hamelitz*, when it became a daily in 1886. Although the new arrangement was organizationally beneficial, it lasted only a year, as income failed to cover expenses. The paper was then transformed into the official organ of the Hovevei Zion ("Lovers of Zion") movement, and circulation increased after the rival *Hayom* collapsed, although work relations deteriorated. *Hatsofeh* was the first Hebrew paper to pay for every

article it published, setting this standard for the other dailies thereafter.

The publisher was not always the financier. Sometimes, several investors were found to back a newspaper. In the case of the Vilna-based *Hazman*, 20 backers invested 500 rubles each. When the paper ran into difficulty, it turned over its advertising to an agency, marking another step in the modernization of the Hebrew press.

Advertising, however, was skimpy in the early years, the result of the limited readership of the Hebrew press. As in the Yiddish press, advertising was geared to the particular needs of a Jewish audience – books, religious articles, special foods, etc. With the entrenchment and enlargement of the Hebrew press, the range of advertisers expanded to include more general consumer products and services offered by both Jewish and non-Jewish establishments. All this presented a linguistic dilemma. While Hebrew was considered legitimate for discussions of religious, literary and even scientific issues, it was viewed as inappropriate for mundane daily concerns. In as much as the Hebrew-language printers were religious Jews engaged in publishing religious books, rabbinic approval was needed to use these presses for other purposes and to gain communal acceptance generally. A type of advertisement that quickly took root in this press was that submitted by *agunot* (women whose husband's whereabouts were unknown and who wanted to remarry), whose search was facilitated by the wide reach of Hebrew as the Jewish lingua franca.

THE HIRSCHENSOHN FAMILY OF PUBLISHERS IN JERUSALEM, 1882-1908 / Yossef Lang

The Hirschensohn family played an important role in the development of the Jewish press in the Yishuv (the Jewish community in Eretz Yisrael) from 1882 until the Young Turk Revolution of 1908, which ushered in a period of hostility in the Ottoman Empire. Several members of the family became prominent in Jewish intellectual and public life in the Yishuv and abroad. However, few historic accounts mention their significant contribution to the publishing industry in Jerusalem and to the revival of Jewish cultural life in Eretz Yisrael.

In 1848, Rabbi Jacob Mordecai Hirschensohn (1818-89) immigrated to Eretz Yisrael from Russia with his wife, Sarah Beila, and young son, Isaac, settling in Safed, where he estab-

lished a yeshiva. He also acquired German citizenship, an important asset under the Ottoman system of rule. Thereafter, around 1863, he moved to Jerusalem and established a yeshiva there. A scholar of the Talmud, the Kabbalah and the Hebrew language, subjects about which he wrote several books, Jacob Hirschensohn took an interest in rare manuscripts, which he prepared for publication. He was also deeply committed to furthering Jewish settlement in Eretz Yisrael, inspired and supported by two noted figures in this movement, Rabbis Zvi Kalischer and Elijah Gutmacher, and passing on this impetus to his descendants.

His son, Isaac (1845-96), was sent from Eretz Yisrael to

yeshivot in Russia and in Amsterdam for his education and was ordained as a rabbi. Upon his return to Jerusalem, he assisted his father in the running of the yeshiva, and was then sent to Europe again to raise funds for the yeshiva and for the Jerusalem community. Isaac met with influential communal leaders and men of letters in France and Germany, while also familiarizing himself with modern printing methods, at his father's urging, with an eye toward establishing a press in Jerusalem. While in Berlin, he applied to the German authorities for assistance in obtaining a *firman* (decree) from the Ottoman administration to allow him to operate a press and publish a newspaper, thereby initiating a six-year-long bureaucratic process that resulted in the granting of the permit in 1882.

Hirschensohn's press, opened a year later, printed Eliezer Ben-Yehuda's Hebrew weekly, *Hazvi* ("The Deer"), as well as some 40 books. However, Ben-Yehuda was a problematic client. His progressive ideas and his sharp opposition to the rigid attitudes and life style of the Old Yishuv engendered his excommunication by that community and caused discomfort and a loss of trade to his publisher, Isaac Hirschensohn. Financial dealings were not smooth either. Nevertheless, Isaac continued publishing *Hazvi*, partly because his possession of the all-important *firman* was invaluable to his customer.

Isaac's younger brother, Hayim Hirschensohn (?1855 ?1858 ?1859-1934), became a scholar of the Kabbalah and was also drawn to Enlightenment literature and philosophy, writing extensively in these areas. During the late 1870s and the 1880s, he acquired rabbinic ordination in Russia, taught in Lithuania, and began publishing a scholarly religio-nationalist periodical in Germany, *Hamisdarona* ("Toward the Corridor"). Returning to Jerusalem in 1884, he became a teacher and *mashgiach* (kashrut supervisor) at the Lemel School orphanage. He also sought to continue publishing his periodical, but, lacking the hard-to-obtain *firman*, resorted to publishing *Hamisdarona* as a series of books (which did not require a permit) in a print shop of his own, having brought back modern printing equipment from Germany. He published books by other writers as well.

Hayim attracted prominent Jewish scholars and thinkers as contributors to *Hamisdarona*, including Azriel Hildesheimer, Dr. Abraham David Berliner, Meir Ish Shalom and M. J. Berdyczewski. However, it was Hayim, together with his father, Mordecai, who wrote most of the articles, with the inten-

tion of eventually compiling a Talmud encyclopedia. Articles ranged over *halakhah* topics, Jewish thought and the Hebrew language. The periodical also included responses to topics dealt with in previous issues. Orthodox circles in the Old Yishuv, critical of *Hamisdarona's* Enlightenment tendencies, had the periodical banned. Hayim, however, arranged to have it distributed in Galicia and Bukovina. He published a total of approximately 50 issues of the periodical between 1885 and 1889, discontinuing the series after his father's death.

Hayim had a close association with Ben-Yehuda, whose devotion to the revival of the Hebrew language evoked his admiration. Both men were excommunicated in 1887 by Orthodox circles in Jerusalem. Their association was enhanced by their joint involvement, along with other Enlightenment supporters, in the establishment of the B'nai B'rith office in Jerusalem (1888) and by Hayim's important role in founding the *Safah Brurah* ("Plain Language") society for the promotion of spoken Hebrew (1889). He was also engaged in various public efforts to encourage immigration to Eretz Yisrael and to develop communal life.

Hayim's Enlightenment and nationalist views and his high profile in public life elicited relentless character defamation by the Old Yishuv community. In 1895, he became entangled in a failed effort to purchase the Western Wall, and lost all his assets. Leaving Jerusalem, he settled in Constantinople, where he founded a school in which he pioneered the "Hebrew into Hebrew" method of instruction. He also supported the establishment of a Hebrew-speaking kindergarten and wrote several Hebrew textbooks. He attended the sixth Zionist Congress in Basel in 1903 as a delegate from Constantinople, and thereafter moved to the U.S., where he served as a rabbi in New Jersey, was active in communal support for Eretz Yisrael, and continued publishing scholarly works.

Yiddish publishing was another area of the family's activity. In 1890, in partnership with two editors, Isaac launched a short-lived Yiddish weekly, *The Eretz Yisrael Jud* prompted primarily by the anticipation of profits not only in the Yishuv audience but that in Eastern Europe. The effort was bitterly criticized by the Enlightenment community, which was struggling to entrench Hebrew as the spoken language. An anonymous Yiddish effort, titled *Hamoriah*, was launched in 1892 but was discontinued after three issues. Its typography revealed that it was printed at the Hirschensohn press.

Hazvi Lebeit Ya'akov ("Deer of the House of Jacob"), a

Yiddish biweekly devoted to women, appeared during 1892-93, edited by Haya Ben-Ya'akov – probably Hava Hirschensohn (1861-1932), wife of Hayim, and if so the first woman editor in Eretz Yisrael. Fluent in Hebrew, she, too, was devoted to Ben-Yehuda's cause of reviving the language, an aim that was explicitly reflected in the extensive use of Hebrew in her periodical. The content, which revolved around current affairs in Jerusalem and issues concerning the Jewish people, was infused with a nationalist spirit. In contrast to the negative reaction to Isaac's earlier Yiddish newspaper, *Hazvi Lebeit Ya'akov* was generally well received in the Enlightenment community, conceivably because of its palpable national aims. The paper closed after some 25 issues, possibly because of friction between the Hirschensohn brothers.

Other Hirschensohn efforts included a weekly Torah-study supplement to Ben-Yehuda's *Hazvi*, published by Isaac and

titled *Hame'asef* ("Literary Organ," 1896), which soon became an independent monthly; and a short-lived religious Zionist weekly, *Tehiyat Yisrael* ("Revival of Israel"), published in England by Yehuda Leib Hirschensohn, son of the ailing Isaac, who was living there. As formal holder of the Hirschensohn *firman*, Yehuda Leib was involved in various leasing arrangements under which *Hazvi*, by then a daily, along with another newspaper edited by Ben-Yehuda, *Hashkafa*, were published on alternate days.

The Hebrew press in Eretz Yisrael faced formidable obstacles on the form of the suspicious Ottoman authorities and the implacable opposition of the ultra-Orthodox community in Jerusalem. The sustained publishing activity of the Hirschensohn family, despite economic hardship and family disputes, marked an important milestone in the passage of this press into a new age of ideological commitment side by side with a profit-making incentive.

"HABOKER": A CENTRIST NEWSPAPER IN PRE-STATE AND POST-INDEPENDENCE ISRAEL / Mordecai Naor

The daily *Haboker* ("This Morning"), published during 1935-65, was, as were most of the Yishuv (the Jewish community in Eretz Yisrael) newspapers, and later the Israeli press, a politically sponsored paper. Geared to the center and the non-Revisionist right, it was the organ of capitalists, the upper middle class, industrialists, private (as distinct from cooperative) farmers, and what was called the "civil circles" (as distinct from the working class). As such, *Haboker* ought to have had a strong financial underpinning. In reality, however, it was poorly financed and frequently on the brink of closure.

It was launched during a period of relative prosperity in the Yishuv stemming from the large-scale immigration of Jews from Germany in the 1930s, who brought in an unprecedented amount of capital. The "civic circles," whose spokesmen were Tel Aviv Mayor Meir Dizengoff and Deputy Mayor Israel Rokach, sought to mold the development of the Yishuv along the centrist lines espoused by the General Zionist "B" Party. An article of faith then was the necessity for every political party or movement to sponsor its own newspaper, preferably a daily.

In the mid-1930s, only a single Hebrew daily was economically viable – *Davar*, sponsored by the Histadrut – General Federation of Labor. Three others struggled for existence: the rightist *Do'ar Hayom* ("Daily Mail"); the Revisionist *Hayarden* ("The Jordan"); and the veteran non-party *Ha'aretz* ("The Land"), which the "civil circles" considered too sympathetic to the left.

The immediate impetus for launching the paper was the municipal elections in Tel Aviv scheduled for the end of 1935. Well-received initially, on October 11, 1935, *Haboker* soon encountered the inevitable problems of a daily with three to four competitors in a total population of barely 350,000. Its first editor in chief was the respected critic and translator, Samuel Perlman, and the staff consisted of noted writers and critics. Perlman soon resigned to return to the literary world, and was replaced by two co-editors: Joseph Heftman, a talented and experienced editor, lyricist and veteran Zionist activist in Poland and in the Yishuv; and Peretz Bernstein, formerly a Zionist leader in Germany and Holland.

Oppositionist from the start, *Haboker* took aim at three

separate political fronts: the British Mandate government, the Jewish self-government establishment, and the labor movement. The British kept a tight rein over all newspapers, both Jewish and Arab, especially after the outbreak of the Arab revolt of April 1936. *Haboker*, as the other Jewish papers, was closed down frequently for several days or longer for its criticism of Mandatory regime commissions and omissions. The paper's criticism of the Zionist leadership stemmed from the exclusion from power of the sectors that comprised its readership. The entrenched Yishuv leadership consisted of the heads of the labor movement, viewed by the center-right as rivals. When the Jewish Agency requested the Hebrew press to present a unified stance on sensitive issues, *Haboker* did not always comply, although, like the entire Jewish press then, it was a staunch proponent of the Zionist cause. The paper's third target was the labor movement and its parties, especially Mapai, the party in power. Its opposition was systematically reflected both in editorials and in the presentation of the news.

The paper pursued a centrist course during the Second World War years on the sensitive relationship between the Yishuv and the British. It criticized terrorist acts carried out by the Etzel and Lehi underground movements, yet it would not allow itself to become a mouthpiece for the Zionist establishment, for example criticizing what it regarded as the Jew-

ish Agency's excessive secrecy.

The paper was conscientious in the pursuit of scoops; in adopting a modern, immediate and informative journalistic style; in introducing the first daily sports column; and in employing and training beginning reporters (partly because it paid them less). Heftman's death in 1955, however, marked the beginning of *Haboker's* decline. His professional expertise, alongside his status as a popular public figure, appeared to have been irreplaceable. The paper's final decade (1955-65) witnessed a dwindling circulation (from 13,500 in 1950 to 4,000-4,500 in 1965). Although industrialists, business leaders and financial firms were identified with the General Zionists (later the Liberal Party), they did not provide backing for the party organ, probably because of its small readership. Consequently, the paper could not compete with the largest dailies – *Ha'aretz* and *Davar* – who introduced innovations and expanded in size. Moreover, its poor financial situation did not enable it to retain talented staff. When it closed in 1965, it was widely regarded as old-fashioned.

In retrospect, the closure of *Haboker* heralded the beginning of the end of the party-sponsored, or ideological, press in Israel, the result both of spiraling publishing costs and the changing taste of the public.

“HA’ARETZ,” 1918-1937: FROM AN ESTABLISHMENT-SPONSORED TO A COMMERCIAL NEWSPAPER / Ouzi Elyada

Ha'aretz began as a British government-sponsored newspaper in the service of the British army (1918-19); became a hybrid commercial paper in 1919 supported by the Zionist movement and private benefactors; and turned into a cooperative (1922) with continued philanthropic support. In 1933 it became a shareholders concern, thereby heightening its profit-making impetus. Bought out by the Schocken family in 1936, it became, finally, a full-fledged commercial newspaper, detached from not-for-profit funding.

Begun as a newspaper distributed free of charge to Jewish soldiers serving in the British army during World War I, *Ha'aretz* also sold copies to the population of Jerusalem and Jaffa in order to bring in extra revenue. In 1919, a third element entered the picture – the Zionist movement – which

granted the newspaper a subsidy, thereby enabling it to pay writers a good wage. This triangular financial arrangement soon came to an end when the British army proposed selling the paper to the Zionist movement, an offer that became viable with the financial backing of a noted Zionist benefactor with publishing experience in Russia, Isaac Leib Goldberg (see article about him in *Qesher* No. 16). Shortening its name from *Hadashot Meha'aretz* (“News of the Land”) to *Ha'aretz*, the Jerusalem-based paper was transformed from a military to a civilian publication, identifying itself as an independent enterprise belonging to Ha'aretz Company Ltd. Goldberg was the publisher, while the manager was another businessman with publishing experience from Russia, Solomon Saltzman. Goldberg committed himself to covering anticipated start-up

losses (because of the small population and the depressed economic situation in the country) of E£130 monthly.

From the start, the premise was that profits were earmarked solely for promoting the ideals of the Zionist movement. As such, the management of the paper saw no reason not to seek philanthropic aid in times of need for the sake of sustaining the work of the paper. With this, the lead article in the first issue defined the aim of *Ha'aretz* as devoted to honest journalism based on economic independence.

In the event, the paper struggled desperately for most of the period under review, its management forced perpetually to search for additional sources of support. The main challenge to its viability came from the rival Hebrew daily, *Do'ar Hayom* ("The Daily Mail"), also launched in 1919, edited by Eliezer Ben-Yehuda and his son, Itamar Ben-Avi. A sensationalist daily, it attracted a large readership and a good advertising base. Both papers carried on a relentless war of mutual defamation.

Ha'aretz's daily circulation during the early 1920s was only 2,000. By 1922, unable to sustain its losses, the *Ha'aretz* company disbanded. Immediately thereafter, however, efforts were made to find a way of reviving it, and 11 days later, management of the paper was transferred to the staff as a cooperative, on condition that a public personality of stature with the capacity to attract funding head the paper. Such a figure was Dr. Moshe Gluecksohn, a noted Hebrew writer and editor, also from Russia. Gluecksohn demanded, and received, a fixed monthly subsidy of P£50 for the paper from the Zionist movement. He also moved the paper to Tel Aviv, which he felt harbored the true audience for it: Zionist, secular and liberal. As the founders of the paper, he, too, viewed *Ha'aretz* more as an elitist cultural enterprise than a commercial venture.

Goldberg, ever the benefactor, helped fund the construction of a new building for the paper in 1925, although *Ha'aretz* continued to struggle for viability. The sensationalist *Do'ar Hayom* was still the circulation leader in the Yishuv during the 1920s. Another rival was the new daily *Davar*, backed by the Histadrut (General Federation of Labor), which appeared in 1925. A revolutionary step taken by *Do'ar Hayom* in 1928 – dropping the price of a copy from 1 *piaster* (which all the dailies charged) to 1/2 *piaster*, while also improving morning delivery time – was another blow to *Ha'aretz*. A year later, it

was forced to drop its price in half as well. The paper continued to function in financial straits throughout the 1920s.

The Arab riots of 1929, and the arrival in Palestine of the Shaw Commission of Inquiry, created a sharp rise in demand for newspapers in the Yishuv. *Do'ar Hayom* promptly began putting out an evening edition in addition to its morning edition, a step immediately copied by *Ha'aretz*. Furthermore, *Ha'aretz* decided to adopt a lighter, more narrative writing style in the evening edition, while also introducing serialized stories. The experiment, however, did not improve the paper's financial condition, and the evening edition was discontinued. Besides Goldberg, two important backers were Tanhum and David Cohen of Berlin, who had contributed the land and most of the building costs for the *Ha'aretz* building. In the early 1930s, however, the Cohens' financial situation declined, resulting in a worsening financial situation for *Ha'aretz*.

In 1933 the paper ceased operating as a cooperative and became a shareholders company headed by David Cohen. Its financial situation gradually improved. It resumed publishing an evening edition and its circulation increased, reaching 17,000 by the time the Schocken family took over the company in 1936. Income in 1935 was P£27,240 and expenses were P£25,854, leaving a profit of P£1,386. The paper employed 70 workers and operated two print shops.

Control of the shareholders company shifted from Cohen to Salman Schocken in 1936, a year that showed a loss of P£6,159 after its modest profit of the previous year. The loss reflected salary raises granted by the new owner and increased paper and rental costs. However, if previously the response of the management had been to seek assistance in the form of contributions from Zionist supporters, the new owner plainly intended to run the paper as a self-supporting business. *Ha'aretz* underwent a rigorous process of financial rehabilitation that included reducing the number of pages, tightening the format, dismissing untenured workers and monitoring expenses closely. Changes in content were also introduced to widen out the readership base, including the addition of sports and financial columns. The paper's veteran editor, Gluecksohn, was retired in 1937, to be replaced in 1939 by Gershom Schocken, under whose leadership *Ha'aretz* became profitable while retaining its high standards of reportage and editorial commentary.

ISRAEL'S "ECONOMICS QUARTERLY": FROM IDEOLOGICAL PLATFORM TO SCHOLARLY JOURNAL / Yitzhak Greenberg

Begun in 1953 by a group of prominent officials in the Histadrut and the Labor government establishment, the *Economics Quarterly* initially reflected Israeli labor-oriented economic thinking and policy. Significantly, its launching coincided with the period of struggle in Israel to absorb the massive immigration that began in 1948, which more than doubled the country's population. The stated aim of the publication was to act as a public platform to air economic issues. For a long while, however, its agenda focused on explaining and justifying the dominant labor-inspired economic ideology, which blended national goals with socialist values, i.e., equality, social solidarity and mutual responsibility.

The founders of the journal were Heschel Frumkin (1896-1974) of Hevrat Ha'ovdim (the Histadrut holding company); Avraham Zabarsky (1897-1981), director-general of Bank Hapo'alim; Yehuda Horin (1895-1987), director-general of the Yakhin Company; Hayim Halperin (1895-1973), director-general of the Ministry of Agriculture and a professor of economics at Hebrew University; and Joseph Ronen (1911-88), Ministry of Finance information officer and later an independent accountant. Contributors to the quarterly also included many other economic decision-makers in a variety of areas.

Tellingly, the publication reflected an abiding suspicion of the free market and of the principle of competition, and skepticism regarding the ability of private capital to advance the economy and meet the grave challenges facing the state, namely immigrant absorption, the diffusion of the population, and accelerated economic development. Public control

of capital, the writers were convinced, was the surest way to accomplish these ambitious goals. While the stated intention of the periodical was to act as a forum for constructive debate, its point of view reflected the labor orientation of its founders.

A small number of academicians joined the editorial board from 1969 onward, beginning with Professors Hayim Ben-Shahar and Eitan Berglas, but they did not significantly alter the thrust of the journal. Public debate that began in Israel in the 1970s over reducing inflationary pressures, reining in the soaring defense budget and addressing socioeconomic pressures was carried on by academic economists such as Prof. Michael Bruno in the daily press, not in the *Economics Quarterly*. Not only did the quarterly skirt these issues, the academicians favored the forum of the daily press because of the wide exposure it offered.

Only during the 1980s and early '90s did the tenor of the publication gradually change. An academic panel of reviewers was added, and more academicians began to appear as contributors. The transformation was completed in 1993 with the formation of a new editorial board which had prominent academic representation, and with the appointment of Prof. Asaf Razin as co-editor. Razin had advocated an academic approach ever since joining the board in 1979. In undergoing this metamorphosis, the quarterly reflected major economic changes in Israel, especially in terms of the decline of the Histadrut and Hevrat Ha'ovdim, and a growing reliance on professional rather than ideological analyses of socioeconomic issues.

THE ECONOMICS OF JEWISH JOURNALISM IN NORTH AMERICA / Neil Rubin

The article is based primarily on the author's survey of 14 Anglo-Jewish newspapers in communities of various sizes, as well as on his personal experience as an editor in this field. The community newspapers examined are located in Atlanta, Baltimore, Birmingham, Boston, Chicago, Cleveland, Detroit, New York, Palm Beach, Philadelphia, Phoenix, Pittsburgh, San Francisco and Seattle.

The Jewish press in the United States emerged in the mid-18th century. By 1765, most of the colonies had one or more

Jewish newspapers, generally four-page weeklies, with the last two pages devoted to advertisements. While these publications were created to provide a written bulletin board for the community, economics would soon be a driving characteristic of their existence. Those that could not pay for themselves by means of advertising and circulation, languished and eventually disappeared.

A century later, between 1850 and 1860, the American Jewish population jumped from 50,000 to 150,000, and Jewish

immigrant papers proliferated. Their financial success rose and fell with the cohesiveness of the community, and, by the second half of the 20th century, with the entrenchment of Jewish federations, Jewish community centers and other community-wide institutions. Notably, most of the Jewish papers in print today had their roots in this period. Some were regional, such as the *Southern Israelite*, originally based in August, Ga., and today in Atlanta.

Today, Jewish journalism in North America is a profession in its own right. Editors and reporters are often sought by professional employment recruiters. The American Jewish Press Association hosts professional conferences addressed by such public figures as Sen. Joseph Lieberman and Prof. Alan Dershowitz; maintains a website; and, with other minority publication groups, lobbies Congress about issues of concern through the Coalition of Religious Press Associations.

Many Jewish publications sell over several million dollars a year in advertising. Almost all are weeklies. Today, they no longer need to "Americanize" new immigrants. Rather, the goal is to maintain a broad sense of community, and to be honest purveyors of the news. The vast majority are in English, but specialty publications exist in Russian, Hebrew and Persian, and the *Forward* has a Yiddish as well as a Russian weekly edition. They are staffed by trained journalists, not the passionate community activists that once formed the core of the Jewish press. They compete with secular publications both in terms of content and advertising. At times, the economic competition between them is fierce, especially in large Jewish communities such as in New York and south Florida.

The World Wide Web has brought a new sense of timeliness to the gathering of Jewish news. Virtually every Anglo-Jewish newspaper has, or is developing, a website, often updating local stories throughout the week and providing daily updates via the Jewish Telegraphic Agency. Moreover, since the advent of the Web, publishing has gotten substantially cheaper. This has opened new opportunities. For example, the *Baltimore Jewish Times* web page sells advertising and essentially pays for itself. Some impressive operations, such as jewishfamily.com, exist solely on the web. That company publishes a host of Web-only publications, such as FamiliaJudia.com, Jbooks.com, JVibe.com, GenerationJ.com, InterFaithFamily.com, SocialAction.com, Shma.com and JewishSports.com.

However, mass publishing – Jewish or otherwise – is not

inexpensive. Distribution costs can run into hundreds of thousands of dollars a year or more. More money is spent on marketing than ever before. In the past decade, numerous papers have opened a marketing/circulation department. This effort can pay off. The more successful publications can gross over \$10 million a year. As such, they need quality staff who earn good salaries. A handful of top people on advertising staffs can earn over \$100,000 a year.

The existential dilemma of the Anglo-Jewish press, however, is always close to the surface: the task of spreading good news about the community's social service, religious and other initiatives, while also upholding the traditional role of journalism as watchdog. This is a complex challenge when newspapers are owned by the establishment itself (the Jewish Federation); when major advertisers have to be approached with great sensitivity; and when the journalist is a community journalist to the extreme. The Jewish journalist must be accessible. He/She becomes a communal leader. There is not one editor of a quality Jewish newspaper who has not had a serious clash with a Jewish Federation director.

Jewish newspapers fall into two categories: privately owned or Federation owned. Some of the privately owned papers are family owned. In the past decade, wealthy Jewish communal leaders have entered the Jewish journalism fray with force. In particular, the *Forward* (New York) and the *Jerusalem Report* are underwritten, respectively, by Michael Steinhardt and Charles Bronfman. While the latter is seen as an "Israel publication," it makes substantial efforts to market itself in North America, and aggressively seeks advertisement there. Both publications lose money. Yet, they are quality periodicals whose resources enable them to attain a certain buzz in the Jewish world, along with some of the profession's top staff. The result is that they are among the most prestigious and widely read Jewish publications.

Numerous Jewish newspapers are owned and operated by Jewish Federations, the large philanthropic central agencies that are the linchpins of every American Jewish community of size. Some of these papers produce excellent articles, particularly on social needs. The *Philadelphia Jewish Exponent*, the *MetroWest Jewish News* and the *JUF News* (Chicago) are prime examples. However, these newspapers will rarely if ever conduct a serious investigation of their federations, agencies or major donors. With this, there is a strong positive side to Federation ownership. The editor of Chicago's *JUF News*,

a monthly owned and operated by the Jewish United Fund/Jewish Federation of Metropolitan Chicago, reports that the paper reaches about 50,000 homes, or more than 50% of the metropolitan market. The editor notes that while there may be some stories that his staff will not write, they refuse to exaggerate or print false material.

Besides newspapers, well-established monthly and bi-monthly journals also make their mark. Some are house organs that produce serious journalism in articles not directly related to their organization but of interest to the broad Jewish community. They include the *B'nai B'rith International Jewish Monthly* and *Hadassah Magazine*, which are profitable as well. Newer, independent magazines, such as *Moment*, are answerable to their publisher alone. There are also a plethora of smaller academic, intellectual or spiritual journals, including *Sh'ma* (an American Jewish thought magazine), *Lillith* (Jewish feminism), *Tikkun* (liberal) and *Commentary* (a conservative publication which, although published by the American Jewish Committee, is editorially independent). While these magazines often have circulation figures lower than community weeklies, they make an economic impact in both advertising and editorial content because of their national circulation area. They often keep operating expenses relatively low

by using freelance writers.

Advertising revenue is a central factor in the economics of the Anglo-Jewish press. If the publication is independently owned, it sinks or swims on its own. If Federation-owned, it has a solid base but will try to sell ads to expand its news section. Some editors and publishers estimate that between 80% and 90% of their funds come from advertisements.

In recent years, numerous publications have started spin-off publications, usually in slick, glossy format, appearing six or seven times a year. These range from being primarily Jewish totally secular in content. These separate publications play an important and often overlooked role in the larger newspapers by enabling sales staff to make substantial additional money. This means that Jewish publications can attract quality sales staff in a field where that commodity is quite rare.

A strong Anglo-Jewish weekly makes a difference in the health of the community. With all their inherent tensions, American Jewish newspapers remain an informal meeting place for every Jew at least once a week. There, through articles, letters and columns, they share ideas, register complaints and simply learn about one another's life. The economics of how all this comes into being is as complex as the Jewish people in America themselves.

THE ECONOMIC FOUNDATIONS OF THE EGYPTIAN JEWISH PRESS BETWEEN THE WORLD WARS: THE CASE OF "LA REVUE SIONISTE" / Hagar Hillel

Although most of the Jewish press of the period in Egypt, as the rest of the press, was ideologically rather than commercially inspired, it was economics that ultimately accounted for the viability or failure of these newspapers. This was the case for such publications as *La Revue Sioniste*, *L'Aurore*, the Hebrew and Arabic editions of *Israel* (see article on this newspaper in *Kesher* No. 27) and *La Tribune Juive*.

Records of *La Revue Sioniste* (1918-23), the Cairo-based semi-monthly organ of the Zionist Federation of Egypt, illuminate the struggle for survival waged by this non-profit newspaper, especially by such Zionist activists as Leon Castro, Albert Staraselsky, Lucien Sciuto and Albert Mosseri. The lessons learned from the paper's turbulent experience, namely

that even a not-for-profit newspaper required a sound economic footing and professional management, may have guided these Jewish communal leaders in their later endeavors as founders of successful Jewish publications.

Initially, the Zionist Federation was able to pave the way for the establishment of *La Revue Sioniste*, obtaining a government permit for it and providing offices in its own premises. The Federation assumed that the running expenses of the paper would be covered by advertising and subscriptions, as the Jewish audience public was largely urban, well educated and comfortable. This premise, however, was not realized. Advertising revenues fell far short of expenses. Circulation was sometimes inflated artificially to serve the publicity goals of

the Zionist movement, and did not reflect actual subscriptions. As a result, the paper closed down periodically, losing reader loyalty. At one point, the management of the paper was turned over to an outside entrepreneur, but this experiment failed as well. Competition in the form of the trilingual *Israel*, launched in 1920, was another factor.

The difficulties in publishing *La Revue Sioniste* prompted the Zionist Federation to seek alternative methods of conveying its message. It inserted paid articles in the Egyptian press, both Jewish and non-Jewish, promoting the Zionist program.

It also subsidized privately published Jewish newspapers, such as *L'Aurore*, edited by Sciuto, and later *Israel*, when it was managed by Albert Mosseri's widow, Mathilda. From the second half of the 1930s onward, most of the French-language Jewish press in Egypt received ongoing subsidies from the Zionist Federation, a type of political patronage that was widespread in the Egyptian press generally. In return, the newspapers were expected to publicize Zionist events and support Jewish Agency policy. With this, the size of these subsidies was insufficient to extricate failing newspapers from insolvency, as the case of *La Revue Sioniste* illustrated.

UNSPOKEN CENSORSHIP: ECONOMIC CENSORSHIP AND THE MASS MEDIA / Yehiel Limor and Hillel Nossek

Censorship, a phenomenon as old as human history, has traditionally been applied in the realms of politics, religion/morality and security. Recently, however, developments in global communications have engendered a new type of censorship – economic censorship, which is emerging today as the enemy of freedom of the press and of the right of the public to know. It aims to prevent the publication of information that can harm the economic interests of its owners or that can promote the economic interests of its competitors. Unlike censorship of the past, economic censorship does not necessarily emanate from the state, and in any event is not controlled by it.

Economic censorship stems from the changing relationship between mass communications and economics in three arenas: the interrelationship between mass communications on the one hand and state and society on the other; the development of mass communication technologies; and the structure and functioning of communications.

The weakening status of the nation as a result of the growth of large politico-economic blocs (e.g., the European Community or the Club of Eight) and the trend toward privatization, has resulted in the proliferation of thousands of broadcasting stations throughout the world. State supervision of these media has been forfeited or is minimal. Moreover, the one-dimensional notion of nationhood has gradually shifted to a multi-cultural perception that encourages societal diversity and discourages censorship.

New technologies blurred the traditional boundaries not only between mass communications and inter-personal communications (telecommunications) but also between the communications media themselves. For example, the home computer also serves as a medium for watching TV, listening to the radio, reading a newspaper, hearing music and speaking on the telephone. In this, technology also opened new economic horizons for private investors who perceived the inter-linkage of the communications media and telecommunications as a supranational industry.

Structurally, mass communications underwent a process of centralization, with ownership of the various media concentrated in fewer hands. If at the start of the 20th century there were approximately 2,000 daily newspapers in the U.S., nearly all under separate ownership, by the end of the century there were 1,700, owned by some 400 publishers only. Research shows that in the early 1980s, the media market in the U.S. was concentrated in the hands of some 50 conglomerates; by the end of the century, the number had shrunk to six. This phenomenon was evident in Israel as well, where the media market became concentrated in the hands of five or six families. Moreover, another process – media cross-ownership – was pronounced in Israel, with several media “barons” controlling most of the country’s newspapers, TV stations, the record industry, publishing and outdoor advertising.

The concentration of ownership also resulted in the blur-

ring of boundaries between the communications industry and other industries and services owned by the same conglomerate. In controlling both content and medium, these mega-media owners moved beyond the classic task of content "gatekeeper" to content censor in the channels under their ownership.

Ultimately, country-wide media groups began to be swallowed up by international conglomerates, further weakening national or local particularity. This was reflected, inter alia, in the weakening of the public communications media, namely the politically sponsored press and public broadcasting. Furthermore, in the interest of maximizing profits, the boundary between news and entertainment became blurred, with "soft" news replacing "hard" news. Content became reliant on advertising profits, abandoning the controversial or the sectoral in the process.

All these elements have led directly or indirectly to eco-

nomic censorship. The competition for audiences of viewers, listeners and readers is economic in essence. Content is merely a means to attain economic ends. The owners, intent on eliminating every obstacle to these ends, will eliminate obstacles in the field of content as well, i.e., economic censorship. A classic example in the U.S. was *Time* magazine's censorship in 1985 of a report about the dangers of smoking in a special supplement on health matters in which tobacco companies advertised.

Countering the threat of economic censorship requires heightened public awareness; reinforcing the public media, especially public broadcasting; a careful consideration of how to amend the legal status of the commercial mass media as both private entities and public assets; and reinforcing the professional status of media journalists to help them deflect economic censorship pressures.

THE ECONOMIC IMPRINT OF THE MASS MEDIA: THE CASE OF ISRAEL'S CHANNEL TWO / Gideon Doron

The establishment of Israeli TV in 1968 was essentially an ideological and political decision made at a time when Israel's economy was still largely molded by politicians. Their perception of the mass media as a vital governmental tool was reflected in the political structure of the Broadcasting Authority Council and in the involvement of the Ministry of Finance in its budget. This format has been retained to the present time. However, the impact on the public of the original single Israeli channel – today Channel One – was greatly reduced with the establishment in 1993 of a second general channel.

While the state-sponsored Channel One is underwritten by taxation, Channel Two is funded by franchisers who receive a return on their investment from the sale of air time advertising. The importance of this alternative channel is that it supports the vital elements of competition, efficiency and profitability. However, from a normative economic point of view, Channel Two belongs not to the franchisers but to the public, as it, too, is tightly controlled by law. This legislative control was the outcome of political compromises unrelated to economic considerations.

In addition to the allocation of air time to three franchisers,

the channel was also required by law to allocate time to a news company and to Educational TV. In order to guarantee that no single economic body gained excessive control, each investor was restricted to a maximum of a quarter of the shares in the franchise group with which it was affiliated. With this, the law permitted major media conglomerates, such as Yediot Aharonot and Ma'ariv, to invest in the franchises, thereby stimulating cross-ownership and the emergence of Israeli media moguls. Moreover, in the interest of encouraging competition, the law forbade any inter-franchise cooperation in the programming area, which might have reduced production or acquisition costs.

Another element that reflects economic incongruity is the incorporation of Educational TV in Channel Two. Educational TV is a branch of the Ministry of Education and is supported by government funds. Its staff are civil servants. As such, this entire element is non-competitive. Moreover, Educational TV is also allowed air time on Channel One and on one of the cable channels. This creates a murky financial picture in the area of profitability.

Yet another troublesome aspect of the Channel Two struc-

ture is its 15-member Broadcasting Authority Council, which is politically appointed. Its members have the right to intervene in the messages projected by the channel, along with the right to examine the affairs of the franchisers. Thus, even though the government ostensibly privatized Channel Two, passing on the task of production to private hands, it did not relinquish its responsibility to the public for the finished product. The Channel Two Law defines the privatization conditions for the franchisers, tasking the Broadcasting Authority with monitoring the franchisers so as to guarantee that basic national values are promoted in a positive way. Yet, the government could do away with this approach by simply hiring the services of Channel Two for the public-education portion of the channel's programming, while retaining Channel One as the main conveyor of its messages.

Channel Two penetrated the media market so quickly, that it soon overtook Channel One as well as the new cable channels. Essentially, it had no competitors. Remarkably, even its coverage of the national elections in 1996 attracted more viewers than the veteran Channel One. This rapid penetration into the marketplace evoked major economic changes both on the macro and the micro levels. Moreover, it evoked a change in the public mindset. New norms of competitiveness and economic viability were established, with the aim of achieving both effectiveness and efficiency. The end product was gener-

ally more attractive to the public and less costly to produce than the programs on Channel One. As a result, pressure mounted on the government to permit the establishment of additional commercial TV channels. A government study in 1997, the Peled Commission, recommended opening such an additional channel, along with a news channel and four sectoral channels to serve Arab, Russian, religious and Sephardi audiences, all based on advertising revenue. The implications went beyond economics: the integrationist norm of Israeli society was being shelved in favor of a multi-cultural reality.

As anticipated, print media advertising declined in the wake of the rapid success, i.e., profitability, of advertising on Channel Two. However, the print media "barons" had no complaint, as they were compensated by their franchise TV interests. Ultimately, the profitability of TV advertising contributed to increased market demand, stimulating the entire economy, including the media. Additionally, by law, Channel Two was obliged to fund news programs and original local programming, stimulating this industry while also contributing its share of taxes on profits to the government, to the benefit of the public.

Conceivably, expanded broadcasting capacity by means of digital technology will allow for new TV channels with less governmental supervision, while the state can retain one or two channels to transmit programming of public value.

LEVI ESHKOL, MEDIA FAVORITE / Dan Giladi

Levi Eshkol (1895-1969), before becoming prime minister, served as minister of finance for 11 years – longer than any previous finance minister. While the post in Israel, as elsewhere, is traditionally unpopular, Eshkol was singularly well liked, evoking no hostility either from any segment of the public or from the media, even though the economic situation during his early years in the post was difficult. He never tried to paint the situation as rosy, or gloss over problems. On the contrary, he stressed the need for belt-tightening, placing the responsibility for developing the economy and increasing work productivity not only on the government but on the public as well.

His plain-spoken manner, innate tolerance, and a tendency to seek compromise evoked a sympathetic response from the public and the press alike. The three non-party dailies –

Ha'aretz, *Ma'ariv* and *Yediot Aharonot* – were relatively restrained in their treatment of him, even when he issued draconian decrees.

An example was his announcement of the new economic policy of February 1962. This took the country by surprise, both because word of it had not been leaked, and the economic situation at the time seemed satisfactory in the public perception. Development was proceeding rapidly, with the GNP growing by an average of 10% annually and production rate per capita rising by 5%, rates paralleled only by Japan. Unemployment was down, and labor shortages existed in some fields. Foreign currency reserves were rising significantly, as was domestic consumption.

The problem, however, lay in a balance of payments defi-

cit, which grew significantly from \$280 million in 1959 to \$335 million in 1961. A rise in exports and a drop in imports were needed to prevent a further imbalance. This appeared urgent in light of an anticipated drop in German reparations payments, which were coming to an end, along with a decline in contributions from the United Jewish Appeal in America. Additionally, the Ministry of Finance and the Bank of Israel were concerned that the fixed rate of exchange of the Israeli lira was unrealistic. The lira, they decided, must be devalued and government subsidies reduced.

Eshkol, in a radio address announcing these reforms, assured the public that the standard of living would not substantially decline, emphasizing that the government would continue supporting programs designed to relieve the distress of the underprivileged. When prices began to rise in the wake of the devaluation, he worked out compromise arrangements with various sectors of the population: manufacturers, farmers and the underprivileged. At the same time, he appealed to the public

to show confidence in the government's aims by holding back from panic buying. He also met with various newspaper editors and other opinion molders, asking them to give the policy a chance.

Ultimately, the markets, and the public, did not panic, despite a widespread sense of uncertainty. The sharpest press criticism came from the party-sponsored newspapers of both wings of the political opposition: *Al-Hamishmar*, the left-wing Mapam daily, and *Herut*, the right-wing daily that represented the party of the same name. Both attacked the new policy as evidence of the failure of the government's performance. Their dire predictions of unrest, however, did not materialize, despite price rises in certain areas. The non-party press, by contrast, analyzed the new policy fairly objectively.

On the whole, the press was relatively sympathetic to Eshkol, an attitude that was to be retained over a number of years.

JOURNALISTS AS BANKERS: JOURNALISTS, EDITORS AND AUTHORS IN MANAGERIAL POSTS IN THE ANGLO-PALESTINE BANK / Eitan Burstein

Bank Leumi, founded by Theodor Herzl as the Anglo-Palestine Bank in 1902, constitutes a curious link between journalism and banking in Eretz Yisrael a century ago. Ironically, the bank was the target of criticism by the press because it withheld credit from Zionist projects that it did not deem viable. Nevertheless, records show that the bank played a significant role in the founding of Tel Aviv, in supporting the Jewish Yishuv during the First World War period, and in the establishment of the monetary system in the State of Israel – activity that was by nature removed from the spotlight.

Moreover, nearly all the bank's managerial officials during the founding period were personally involved in the press. Herzl himself, known as the father of the Zionist movement, was a writer, playwright and journalist by profession, whose coverage of the Dreyfus Affair in Paris reinforced his belief in a political solution to the Jewish problem. The establishment of a Zionist movement bank was first broached by him in his newspaper, *Die Welt* ("The World"), in an article titled "Jewish Colonial Bank" (1897). As with others of his ideas, journalistic elaboration was a prelude to realization. In this case,

the title of the article was to actually become the name of a financial body: the Jewish Colonial Trust. "The Jewish settler in Eretz Yisrael needs credit, not charity," Herzl wrote, in an oblique criticism of previous approaches to maintaining Jewish life in Palestine. Pursuing this idea with characteristic vigor, he fixed the capital investment in founder shares at £2 million – an unrealistic sum then, although, in the event, nearly £250,000 was raised.

The first chairman of the board of the Anglo-Palestine Bank, during 1904-23, was Jacobus Henricus Kann, a Dutch Jewish banker who in 1909 published a book of descriptions of Palestine, *Erez-Israel – Das Jüdische Land*, based on a visit there. The first director of the Anglo-Palestine Co., Zalman David Levontin, was a prolific contributor to the Jewish press and the author of a four-volume autobiography, "To the Land of Our Forefathers." The Russian-born Levontin, a founder of Rishon Lezion, opened the first branch of the bank in 1903 in Jaffa, managing it until the outbreak of the First World War, when he was banished by the Ottoman authorities. He relocated in Alexandria, Egypt, where he opened another branch

of the bank. Returning after the war, he continued to oversee the Jaffa bank and the network of newer branches until his retirement in 1924, serving on the board until his death in 1940.

Levontin wrote his autobiography in Hebrew and conducted the bank, and all its paperwork, in Hebrew as well, a singular achievement considering that the bank was registered in London as an English company, and the proceedings of the various official Zionist bodies were conducted in German. He also made an important linguistic contribution to the revival of Hebrew by writing a book in Hebrew on the rules of accountancy and business administration, linking his devotion to the language with his banking expertise.

Jerusalem-born Eiyahu Sapir (1869-1911), an authority on Ottoman land laws, managed the Jerusalem branch (1904) and eventually the Jaffa branch (1910). He published a lexicon of ancient and modern settlements in Eretz Yisrael, titled *Ha'aretz*; a book on Eretz Yisrael and Syria; and numerous articles.

Yehuda Grasoovski-Goor began his career with the Anglo-Palestine Bank in Beirut (1906), eventually becoming manager of the Jaffa branch until his retirement in 1929. His literary and journalistic career, however, overshadowed his banking record. He was a regular contributor to *Hashilo'ah*, *Hazvi*, *Hamelitz* and *Hapo'el Hatza'ir*, among other Hebrew periodicals, writing hundreds of articles, mostly under pseudonyms. He also wrote several dozen textbooks in a large variety of subjects, and was a co-editor of the first juvenile newspaper in Hebrew, *Olam Katon* ("Small World"). His major undertaking, however, was in the field of dictionaries. Inter alia, he compiled the "Dictionary of the Hebrew Language" (1935) and the "Dictionary for the Pupil and the Immigrant" (1944, at age 87).

Isaiah Karniel, who joined the Jerusalem bank in 1906 and

became manager of the Safed branch in 1914, was a Hebrew translator of Shalom Aleichem's works and a journalist. Leaving the bank in 1918, he joined the founding staff of *Do'ar Hayom* under Itamar Ben-Avi in 1920 and became its editor in 1933-34.

Yehoshua Barzilai (Eisenstadt), arriving from Russia in 1887, wrote for *Hamelitz* and *Hatsfira*. Later, he joined the bank in Jaffa, eventually becoming manager of the Jerusalem branch. An ardent Zionist, Barzilai entered into confrontation with the bank over its caution in extending credit to risky projects and was dismissed, an event that evoked widespread criticism in the press then. He continued to write extensively for the Hebrew press in the Yishuv and abroad.

Berlin-born Aharon Barth, who arrived in Eretz Yisrael in 1933, was an active Zionist in the religious Mizrahi movement. After a period as an attorney in Haifa, he joined the bank there in 1938 and became manager. He was one of the signatories of the first currency bills of the State of Israel, which were issued by the bank. He also wrote articles and books in German and Hebrew on economic topics and on Jewish thought. His best-known work, "Our Generation and the Question of Eternity," appeared in 1954.

Two other journalists who were affiliated with other banks were Yosef Aharonovitch, a labor movement leader and editor of *Hapo'el Hatza'ir* for many years, who was appointed the first director of Bank Hapo'alim in 1921; and Issachar Dov Bar Drora, a writer and later editor of *Do'ar Hayom* in the 1930s, editor of the weekly *Hayishuv*, and contributor to *Haboker* and *Bustana'i*, who in the 1920s served as director of the B'nei Binyamin Bank founded by the private farmers of the Yishuv.

THE READERSHIP THAT FOLLOWED A COLUMNIST TO A RIVAL NEWSPAPER: AN ANECDOTE IN THE YIDDISH PRESS OF POLAND, 1925 / Shlomo Netzer

Can a journalist determine the circulation of a newspaper? Generally no, but sometimes yes. The story of Moshe Bunem Justman, whose pen name was B. Joshson, and who was called by thousands of readers "Itcheleh," shows that this kind of thing can happen.

The setting was Poland in 1925, when Justman, who wrote a popular column titled "*Politische Briefen*" ("Political Letters") in the Yiddish daily *Der Moment*, made a drastic decision to shift to the rival newspaper, *Heint* ("Today"). The primary reason was because an article of his had been vetoed, although there were other reasons, too.

This caused an earthquake in the world of the Jewish media in Poland then, when the Jewish population numbered over three million. Justman, who had been writing for *Moment* from the time it was founded, in 1910, had an especially large following, his column widely read out to the whole family around the Sabbath table on Friday evenings.

According to several estimates, some 5,000 to 10,000 *Moment* readers followed him to *Heint*. Justman continued writing his column for *Heint* until the last day of the paper's existence, on September 1, 1939. He managed to escape from Poland and arrived in Eretz Yisrael in 1940, where he lived until his death two years later.

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