

# HERE'S *my* STORY

## "THE RAND WILL GO UP"

**RABBI NACHMAN BERNHARD**

**A**fter becoming the rabbi of the Oxford Shul, I started the first religious primary school in South Africa which, after a time, became an official Lubavitch school. The school was very successful and quickly outgrew the classrooms at the shul, so I had to find a property that would be able to house the school and accommodate its future growth.

I looked around and somebody told me about a large disused property that had once housed a convent. It consisted of twenty-two acres and was located in an area that was developing as a main center of Jewish life. The owner, a prominent businessman in South Africa, had no interest in it, and was renting it out in bits and pieces, for storage and so on.

The proposal was for us to purchase half of this property. But the Rebbe, upon being told of the plan, advised that I take on the whole thing.

So together with Rabbi Mendel Lipskar, the Rebbe's chief emissary to South Africa, I went to see the owner about buying his property. This was during the 1970s; the economy and property values were going through a dip, and we arrived at a deal with him. A lot of money was involved, but it was a very good price, owing to the fact that the market was low at the time.

After we bought that property, we turned part of it into a very nice school. We did a little bit of new building, and it became a great hub of Jewish activity.

Now, in the late 1970s, the Lubavitch Foundation was given permission by the South African Reserve Bank to borrow quite a large sum of money overseas at low interest which we could then reinvest in South Africa in approved, high-interest-rate blue-chip organizations. We had done well with this. We were



actually flush, and we were able to help other institutions and other Chabad places and so on.

But as we moved into the 1980s, with the world standing up against South Africa's apartheid policies, the financial situation suddenly became very dicey. There came a time when almost overnight nobody would accept South African paper, guarantees, *gornisht*. And, as a result, the Rand, South Africa's currency, didn't just fall, it plummeted.

But once the Rand crashed, we were left owing a fortune because our debt overseas virtually tripled. We ended up owing something like 160 million Rand, and we were being threatened by the government with losing our property.

Now the Rebbe was fully aware of what was happening, and he advised us to remind the government that they had given us permission to do this, as they had given permission to others as well. A lot of businesses and even government bodies had also invested overseas, and now, they were also hit by the crash of

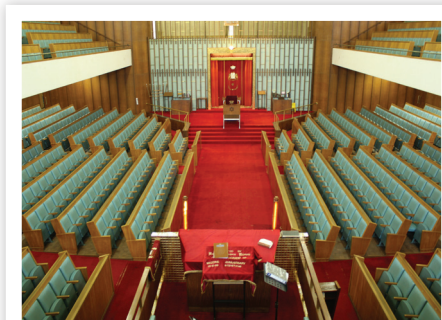
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MY ENCOUNTER  
with the **REBBE**

*An oral history project dedicated to documenting the life of the Rebbe, Rabbi Menachem M. Schneerson, of righteous memory. The story is one of thousands recorded in the 800 videotaped interviews conducted to date. Please share your comments and suggestions. [mystory@jemedi.org](mailto:mystory@jemedi.org)*

the Rand. The Rebbe told us to point out that the same thing that happened to us was happening to them.

But we had one major disadvantage – we couldn't trade out of it, which businesses could do. So we were hanging in there, while trying all kinds of things to climb out of debt. We went overseas to raise the funds and we had some success, but not enough to make a real difference.



All the while, we kept the Rebbe very much abreast of what was happening with the situation... and we kept asking him for a *bracha* that the Rand should go back

up. He did not give it, but said, "Listen, stop telling G-d how He should help you. Just ask that things should get better. It's not for you to tell G-d how to do it."

Then, on one night in November, Rabbi Lipskar and I were visiting a congregant of mine who needed some spiritual advice, when the phone rang. It was Rabbi Leibel Groner, the Rebbe's secretary, with a message for me from the Rebbe. Now, this was doubly strange because I hadn't asked the Rebbe anything new at this point. Out of the blue, the Rebbe suddenly took the initiative.

"*Karov l'vadaai, she'b'karov, yaaleh shaar haRand.* It's a virtual certainty that the value of the Rand will soon go up." That was it.

Now, I understood that if the Rebbe had Rabbi Groner track me down that late at night to tell me this, there had to be something he expected me to do about it.

So, we immediately went to see the chap in the Reserve Bank, who at that time was in charge of Foreign Exchange and whom we knew well, and we asked to buy forward cover, which locks the price of the Rand. We said to him, "Listen, when we took out this big loan – which you allowed us to do – you didn't let us take forward cover. So you've seen how much we've lost for no reason at all because the economy crashed. Let us buy forward cover now."

He knew us well, and he said, "But gentlemen, why waste your

money? What's the point of it?" And he pulled out his charts to show us how low the Rand was, which we knew all too well, and then he said, "How much further can the Rand fall? What are you worried about?"

To which we said, "Actually, we have a feeling that the Rand is going to go up. Humor us, please. Give us permission to cover forward." So he said "Okay, if you want to."

We immediately contacted the banks and told them to cover forward. They didn't ask questions. They covered forward, and two months later, at the beginning of January, the Rand shot way up!

After the Rand went up, we made substantial repayments at the lower value which we had locked in two months earlier. That played the key to our survival; that the Rebbe could say with virtual certainty that shortly the Rand would go up. And it did.

*Rabbi Nachman Bernhard served the Oxford Shul in Johannesburg, the largest Jewish congregation in South Africa, for over three decades, beginning in 1965.*

## This week in....

- > **5693—1933**, in wake of the Nazi uprising, the Rebbe and Rebbetzin move from Berlin to Paris, taking up residence there. *15 Adar*
- > **5726—1966**, at the end of the Purim Farbrengen the Rebbe suddenly announced '*kol haposhet yad, nosnim lo* - whoever requests will receive' and proceeded to pour *l'chaim* to everyone present. As word spread, crowds began to converge on 770. The Rebbe continued pouring *l'chaim* upstairs near his office, then beside his car, and even in front of his house until each person received. *14 Adar, Purim*
- > **5736—1976**, the Rebbe announced that men begin to don *Rabbeinu Tam's tefillin* from the age of thirteen, urging them to do so without requesting the Rebbe's special dispensation.<sup>1</sup> *14 Adar, Purim*

<sup>1</sup>. *Sichos Kodesh 5736, p631.*

*In loving memory of*

**Shmuel ben Moshe**  
Yahrzeit 29 Shevat, 1945

*By Shmuel and Esther Lieblich*

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