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Credit, Honor, and the Early Modern French Legend of the Jewish Invention of Bills of Exchange

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The history of Europe between 1500 and 1800 is largely a history of the decline of old feudal hierarchies and the rise of new commercial and legal elites. But it is also a history of the multifarious, deeply ambivalent, and ever-contested views that commerce elicited—as the livelihood of humankind and generator of peace, solidarity, and virtuous restraint, or as the corruptor of old mores and source of insatiable desires (to cite only some of the arguments that were rehearsed most often). The role that Jews played in these debates as well as in the concrete economic transformations that accompanied them can shed important light not only on the internal transformation of Jewish societies but also on prevailing notions of the shifting balance between virtue and commerce, between traditional values concerning social order and the growing opportunities for money to erode those traditional values. To cite Jonathan Karp, “the Jews’ commercial identities served as a barometer of shifting general attitudes toward commerce, money, and credit as a whole.” More precisely, “the notion . . . [of] a specifically *Jewish* commerce served a vital function in Western thought. It served to abstract various types of activities from the generality of economic life and, through their association with stigmatized Jews, make them vehicles for expressing widely felt anxieties about commerce in a manner that was politically safe and psychically tolerable.”¹

Scores of social scientists and historians have written about the consequential ways in which private and public credit shaped social relations, economic development, and political institutions in early modern Europe. According to the standard account, the expansion of the market grew hand in hand with the decline of personal ties, oligopolies, and religious discrimination. But just how impersonal was early modern European commercial society? And how were experienced actors and ordinary people able to defend themselves from the perils of impersonal markets, in which dubious business practices could lurk behind anonymity, especially when reliable credit ratings did not exist and tribunals were not always fair or effective? These questions were ubiq-

¹ Jonathan Karp, *The Politics of Jewish Commerce: Economic Ideology and Emancipation in Europe, 1638–1848* (Cambridge, 2008), 19, 2. See also Derek J. Penslar, *Shylock’s Children: Economics and Jewish Identity in Modern Europe* (Berkeley, 2001), 11–89.

uitous in early modern Europe and have left ample traces in court records, legal and political treatises, literary works, memoirs, popular proverbs, and even visual representations. As many scholars have demonstrated, the social, legal, and symbolic dimensions of credit were intrinsically interlinked; they also took specific forms in different contexts.²

I wish to contribute to these investigations by examining a legend according to which Jews expelled from France during the Middle Ages invented bills of exchange. Though few today mention it, this legend circulated widely across Europe in the seventeenth and eighteenth centuries and was endorsed by authors such as Montesquieu. In spite of growing skepticism, it also survived through the early twentieth century, when Werner Sombart gave it a new twist in his notorious *The Jews and Modern Capitalism*.³

Credit can multiply riches or wipe them out. Bills of exchange exemplified the potential benefits and hidden dangers of credit. They allowed merchants to remit payments in foreign cities, to extend short-term credit, and to speculate

² For France, see Laurence Fontaine, *L'économie morale: Pauvreté, crédit et confiance dans l'Europe préindustrielle* (Paris, 2008); and Amalia D. Kessler, *A Revolution in Commerce: The Parisian Merchant Court and the Rise of Commercial Society in Eighteenth-Century France* (New Haven, CT, 2007). For England, see Craig Muldrew, *The Economy of Obligation: The Culture of Credit and Social Relations in Early Modern England* (Basingstoke, 1998); Margot C. Finn, *The Character of Credit: Personal Debt in English Culture, 1740–1914* (Cambridge, 2003); Carl Winnerlind, *Casualties of Credit: The English Financial Revolution, 1620–1720* (Cambridge, MA, 2011).

³ Montesquieu, *The Spirit of the Laws*, trans. and ed. Anne M. Cohler, Basia Carolyn Miller, and Harold Samuel Stone (Cambridge, 1989), 390 (bk. 21, chap. 21); Werner Sombart, *The Jews and Modern Capitalism* (1911), trans. M. Epstein (New Brunswick, NJ, and London, 1997), 65. Albert O. Hirschman, Shmuel Ettinger, Maurice Kriegel, Jerry Z. Mueller, and Michael Ragussis cite Montesquieu's passage attributing the invention of bills of exchange to Jews, but they do not inquire into its authenticity, nor do they unravel its implications except to point to Montesquieu's unusual (for his time and milieu) appreciation of Jews' economic contribution. Hirschman, *The Passions and the Interests: Political Arguments for Capitalism before Its Triumph* (Princeton, NJ, 1977), 72; Ettinger, "The Economic Activities of the Jews" [in Hebrew], in *Jews in Economic Life: Collected Essays in Memory of Arkadius Kahan (1920–1982)*, ed. Nachum Gross (Jerusalem, 1984), 13–24, 17; Kriegel, "Juifs," in *Dictionnaire raisonné de l'Occident médiéval*, ed. Jacques Le Goff and Jean-Claude Schmitt (Paris, 1999), 569–86, 575–76; Mueller, *Capitalism and the Jews* (Princeton, NJ, 2010), 20; Ragussis, *Theatrical Nation: Jews and Other Outlandish Englishmen in Georgian Britain* (Philadelphia, 2010), 89–90. The only scholar who has delved into the subject did so in order to dispute the legend's veracity and to correct predominant interpretations among scholars of Jewish history about the credit practices used by Jewish merchants in the sixteenth century: Benjamin Arbel, "Jews, the Rise of Capitalism and *Cambio*: Commercial Credit and Maritime Insurance in the Early Modern Mediterranean World" [in Hebrew], *Zion* 69, no. 2 (2004): 157–202. My goal is a different one: to grapple with the legend's significance in relation to Christian representations of Jewish economics and the diffusion of new credit practices.

on currency arbitrage—all of this, as I will show, while circumventing bans on usury. The expediency with which these financial instruments combined many useful functions gained them a reputation as one of the marvels of Europe's supposedly unique entrepreneurial spirit. It was once common to see these bills cited along with the compass and the "discovery of America" as the greatest achievements of European inventiveness.⁴ But as bills of exchange became increasingly complex financial tools, lay observers and even some knowledgeable ones were baffled by the ways in which they worked. A seventeenth-century connoisseur opened his *The Stile of Exchanges* by stating that foreign exchange "to many, if not most merchants, remains a mystery, and is indeed the greatest and weightiest mystery that is to be found in the whole map of trade."⁵

Here I focus on France, where the legend about the alleged Jewish invention of bills of exchange was likely born and where it set its deepest roots, and specifically on early seventeenth-century Bordeaux—a city that witnessed some of the most transformative religious, economic, social, and political conflicts of the Old Regime. It is now well established that all strata of French society, from the peasants once believed to be caught in Malthusian traps to the opulent aristocracy once seen as unproductive in its conspicuous consumption, experienced a high degree of commercialization in the seventeenth and eighteenth centuries.⁶ There also exists an ample literature on the philo-

⁴ Montesquieu, *The Spirit of the Laws*, 390 (bk. 21, chap. 21); Cesare Beccaria, "Prolusione letta il giorno 9 gennaio 1769 nell'apertura della nuova cattedra di scienze camerali nelle scuole palatine di Milano," in *Scrittori classici italiani di economia pubblica*, 48 vols. (Milan, 1804), 12:185; Ambroise Marie Arnould, *De la balance du commerce et des relations commerciales extérieures de la France*, 2 vols. (Paris, 1791), 1:21–22; Jean-Guillaume Locré, *La législation civile, commerciale et criminelle de la France*, 30 vols. (Paris, 1827–32), 18:141; *Code de commerce*, 2 vols. (Paris, 1807), 2:34. In this article, I am not concerned with comparisons between credit instruments in use in Europe and elsewhere. I only note that while letters of credit existed since antiquity and instruments combining credit and exchange were known in the medieval Islamic world and in parts of early modern Asia, outside of Europe there existed no international financial fairs dedicated exclusively to the purchase and sale of bills of exchange or equally complex legal norms overseeing these credit instruments. Useful observations and bibliographical references are in Arbel, "Jews, the Rise of Capitalism and *Cambio*," 199–201; and Markus A. Denzel, "The European Bill of Exchange," in *Cashless Payments and Transactions from the Antiquity to 1914*, ed. Sushil Chaudhuri and Markus A. Denzel (Stuttgart, 2008), 153–94, 153–55.

⁵ John Scarlett, *The Stile of Exchange* (London, 1682), preface; also cited and paraphrased in Raymond de Roover, "What Is Dry Exchange? A Contribution to the Study of English Mercantilism," *Journal of Political Economy* 52 (1944): 250–66, 250.

⁶ Philip T. Hoffman, *Growth in a Traditional Society: The French Countryside, 1450–1815* (Princeton, NJ, 1996); Jonathan Dewald, *Aristocratic Experience and the Origins of Modern Culture: France, 1570–1715* (Los Angeles, 1993), esp. 146–73; Philip T. Hoffman, Gilles Postel-Vinay, and Jean-Laurent Rosenthal, *Priceless Mar-*

sophes' profound ambivalence toward Jews and Judaism.⁷ Rarely do these two lines of inquiry intersect.⁸ Several authors have drawn attention to early French formulations of modern political economy but have ignored references to Jews.⁹ My goal is to show that representations of Jews were part and parcel of critiques of commercial credit, particularly as traditional concepts of honor and virtue came under attack in Old Regime France.

I do so by demonstrating that concerns with putatively distinctive forms of Jewish credit and commerce traversed both canonical and minor economic texts. I canvass a heterogeneous body of work that goes under the name of *ars mercatoria* and comprises what today we consider classics of economic thought, as well as dictionaries, how-to books instructing merchants about practical arithmetic, bookkeeping, and related business techniques, volumes of commercial jurisprudence, travel accounts, and histories of commerce from antiquity to the present. France was a leader in this field during the seventeenth century and continued to produce influential works thereafter. Although I can only hint at the legend's dissemination across Europe through the eighteenth century, I document its persistence and evolution. To examine the

kets: The Political Economy of Credit in Paris, 1660–1870 (Chicago, 2000); William H. Sewell Jr., “The Empire of Fashion and the Rise of Capitalism in Eighteenth-Century France,” *Past and Present* 206 (2010): 81–120. Julie Hardwick estimates that “litigation over debt was the single largest category in court case loads” in seventeenth-century France: *Family Business: Litigation and the Political Economies of Daily Life in Early Modern France* (Oxford, 2009), 10.

⁷ Arthur Hertzberg, *The French Enlightenment and the Jews: The Origins of Modern Anti-Semitism* (New York, 1968); Ronald Schechter, *Obstinate Hebrews: Representations of Jews in France, 1715–1815* (Berkeley, 2003); Adam Sutcliffe, *Judaism and Enlightenment* (Cambridge, 2003).

⁸ An exception is an intriguing if all too brief comment by Sarah Maza. In arguing that the French middling sorts lacked class consciousness before the mid-nineteenth century, she adds: “In French culture the bourgeois has had much in common with another socially ambiguous and much reviled type, the Jew”—both were perceived “as despicable and dangerous.” Maza, *The Myth of the French Bourgeoisie: An Essay on the Social Imaginary, 1750–1850* (Cambridge, MA, 2003), 25. Jonathan Karp (*The Politics of Jewish Commerce*, 135–50) emphasizes a different analogy that emerged in the wake of the French Revolution equating Jews with aristocrats: both groups were perceived as parasitical but were now given the choice of assimilating into the new bourgeois nation and participating in its productive economy. This analogy was also widespread in Germany (151–69).

⁹ Jean-Claude Perrot, *Une histoire intellectuelle de l'économie politique, XVIIe–XVIIIe siècle* (Paris, 1992); Hirschman, *The Passions and the Interests*; John Shovlin, *The Political Economy of Virtue: Luxury, Patriotism, and the Origins of the French Revolution* (Ithaca, NY, 2006); Henry C. Clark, *Compass of Society: Commerce and Absolutism in Old-Regime France* (Lanham, MD, 2007); Paul Cheney, *Revolutionary Commerce: Globalization and the French Monarchy* (Cambridge, MA, 2010).

legend's role in discussions about credit and usury in the seventeenth- and eighteenth-century *ars mercatoria* is also a way of testing the assumption that overall this literature expressed an eminently pragmatic and largely secular undercurrent of European culture, shorn of explicit philosophical discussions but also immune to religious dogmatism and prejudice.¹⁰

Through an examination of the legend, the context in which it emerged, and its reverberations, I suggest that its meaning and endurance derived from the continuing and even growing need to discriminate honorable from predatory credit activities. The power of the story consisted in its ability to mobilize ingrained images of Jews as usurers in terms that did not correspond to verifiable phenomena and rarely matched any contemporaneous reality but expressed deeply felt apprehensions about the expansion of credit. As with most legends, this one had shaky empirical foundations. Its plasticity and inaccuracy added to rather than detracted from its evocative power.

I. BILLS OF EXCHANGE BETWEEN THE PERILS AND VIRTUES OF CREDIT

For well over two hundred years after the invention of the stock market in northern Europe, bills of exchange remained the backbone of commodity trading and financial speculation alike. They were instrumental in the expansion of long-distance trade and the rise of credit markets as well as in the boom of urban and regional economies in late medieval and early modern Europe.

Bills of exchange grew out of notarized exchange contracts used in the twelfth century by merchants from Genoa, Siena, and Marseille to transfer funds across the Mediterranean or to the Fairs of Champagne, which were then the center of international trade. Already in the late thirteenth century the order to pay a sum abroad in foreign currency could be given through a letter

¹⁰ "Empiricism" is the word used in reference to this literature by its preeminent scholar: Pierre Jeannin, *Marchands d'Europe: Pratiques et savoirs à l'époque moderne*, ed. Jacques Bottin and Marie-Louise Pelus-Kaplan (Paris, 2002), 290. The availability of new online databases, and especially The Making of the Modern World, which assembles more than 67,000 works on economics and business published in Europe and North America from 1450 through 1850, greatly facilitates new explorations of the *ars mercatoria*. However, even when complemented by other digital collections, such as the Eighteenth-Century Collection Online, the Hathi Digital Library, the ARTFL Project, and Gallica, the entire virtual library does not include all the titles listed in Jochen Hoock, Pierre Jeannin, and Wolfgang Kaiser, eds., *Ars Mercatoria: Handbücher und Traktate für den Gebrauch des Kaufmanns, 1470–1820/Manuels et traités à l'usage des marchands, 1470–1820*, 4 vols. (Paderborn, 1991–2001). At the same time, the possibility of conducting full-text keyword searches enhances considerably our ability to recover texts, authors, and ideas that have fallen out of the canon and yet were once widespread and influential. Paradoxically, therefore, reliance on electronic databases can help historians in their perennial struggle against anachronism.

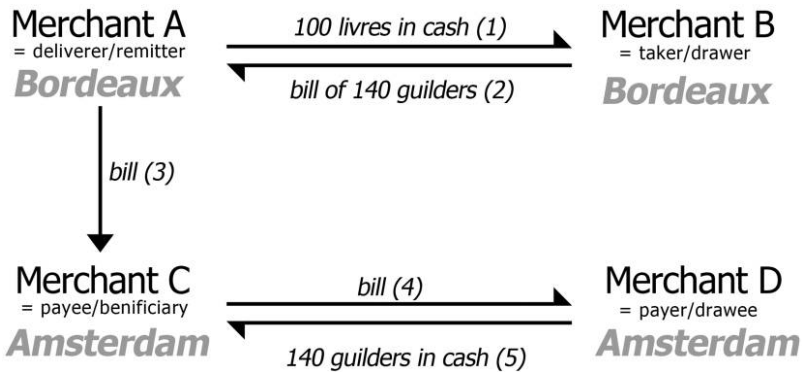


FIG. 1.—A classic bill of exchange

(*bullā* in Latin, hence “bill”) signed by a recognized merchant and without a notary’s seal.¹¹ Jews handled bills of exchange in conjunction with Christian agents as soon as these began to circulate.¹² But they neither invented nor improved them.¹³

The uniqueness of bills of exchange consisted in the fact that they were simultaneously currency exchange contracts and credit contracts (over time, the intervals at which bills came due in any pair of European cities was standardized). The classic bill of exchange (known at the time as “real exchange”) involved four merchants—two principals in one city and two agents in another location. It typically started with a principal (Merchant A in fig. 1) who wished to transfer funds abroad to one of his agents for the purpose of making a purchase: he would lend money to another principal in his city (Merchant B) and receive a bill of exchange in a foreign currency in return. The bill itself was a formulaic letter written by Merchant B to one of his agents in another city (Merchant D) ordering him to pay an exact amount in a specific currency at a set date in the future to the person to whom Merchant A wished to transfer funds (Merchant C). The classic bill of exchange had multiple practical advantages: it allowed merchants to remit payments in distant cities without having to ship coins or bullion (a risky business), to make sure the sums were made available in the desired currency, and to extend short-term credit. In

¹¹ Raymond de Roover, *L'évolution de la lettre de change, XIVe–XVIIIe siècles* (Paris, 1953), 25–40.

¹² Two late fourteenth-century examples are in Reinhold C. Mueller, “The Jewish Moneylenders of Late Trecento Venice: A Revisitation,” in *Intercultural Contacts in the Medieval Mediterranean: Studies in Honour of David Jacoby*, ed. Benjamin Arbel (London, 1996), 202–17, 213. For fifteenth-century Catalonia, see Henri Lapeyre, “Alphonse V et ses banquiers,” *Moyen Age* 67 (1961): 93–136, 123, and 129.

¹³ Arbel, “Jews, the Rise of Capitalism and *Cambio*.”

addition, it permitted merchants to evade the usury prohibition because the interest charged on the loan was hidden in the currency conversion rate.¹⁴

This deceptively simple financial instrument soon developed into a tool for the completion of highly complex transactions that were independent from the physical exchange of goods. Three transformations are particularly important. First and foremost, by the sixteenth century merchants regularly used these bills to speculate on varying currency exchange rates available in different towns. A typical way to speculate was the so-called reexchange, according to which the original beneficiary (Merchant C) purchased a second bill to be collected by the original deliverer (Merchant A). Merchant A would order his agent to initiate this transaction only if he knew that the exchange rates between the cities where the two of them resided were favorable to him. If unforeseen events did not interfere, the reexchange bill would yield a profit (a hypothetical 10 percent profit in fig. 2). These transactions entailed no small risk but generated considerable returns to experienced bankers. Other forms of speculation included the so-called dry exchange, which only involved three parties and was a way to disguise a local loan under the form of a currency conversion, and the *cambio con ricorsa*, through which multiple reexchange bills were traded at financial fairs.¹⁵

These financial fairs were a second important innovation of the sixteenth century. They functioned as clearing houses where exchange rates were set and accounts between bankers settled at fixed dates. These fairs were first held in Lyon and dominated by Florentine bankers; they then relocated to Besançon (1534), Piacenza (1579), and Novi Ligure (1622) under increasing Genoese influence, and more fairs emerged elsewhere. The operations conducted at these gatherings were so elaborate that only a small elite of merchant-bankers had access to them, though ordinary men and women also put their savings into these schemes through expert intermediaries.¹⁶

¹⁴ As it is today, the exchange rate was inflated in favor of the lender. Nevertheless, the risk for the lender was greater than in modern exchange operations because the information technology of the time reduced a banker's ability to predict fluctuations in currency rates. To curb this risk, merchant-bankers relied on their agents overseas and later also on the printing press in order to acquire up-to-date news about economic conditions bearing on exchange rates. As the market for bills of exchange grew larger, specialized brokers made a business of acquiring timely information to serve their clients who wished to trade in these bills.

¹⁵ de Roover, "What Is Dry Exchange?" 261–65; Giulio Mandich, *Le pacte de ricorsa et le marché italien des changes au XVIIe siècle* (Paris, 1953); James Stevens Rogers, *The Early History of the Law Bills and Notes: A Study of the Origins of Anglo-American Commercial Law* (Cambridge, 1995), 72–74.

¹⁶ Modern French scholars speak of a caste of merchant-bankers ("club" in their study's English translation): Marie-Thérèse Boyer-Xambeu, Ghislain Deleplace, and Lucien Gillard, *Monnaie privée et pouvoir des princes: L'économie des relations monétaires à la Renaissance* (Paris, 1986), 19 and passim; Marie-Thérèse Boyer-

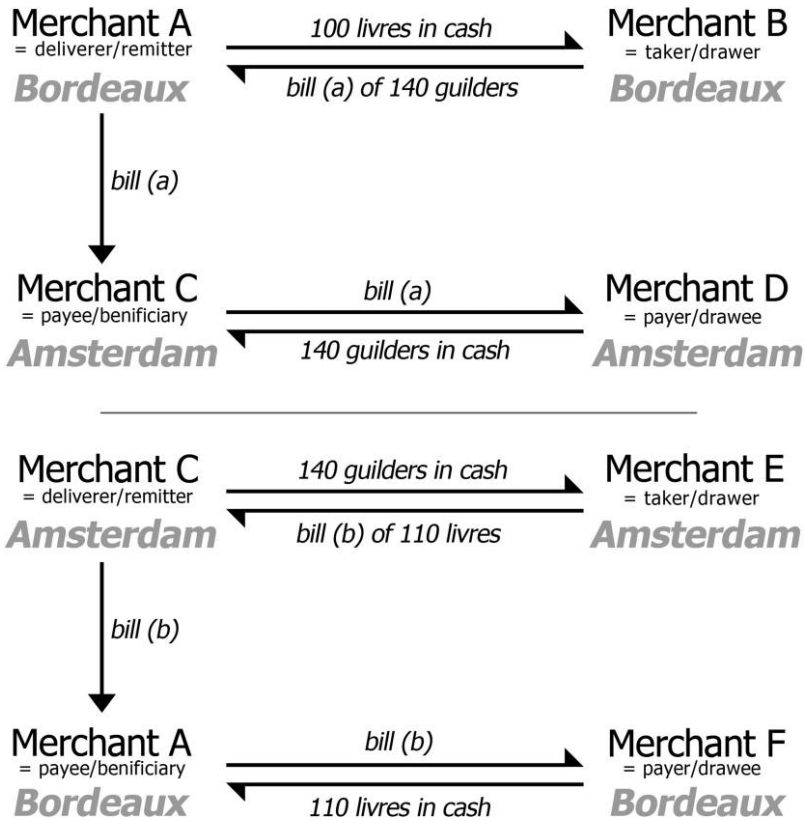


FIG. 2.—A reexchange bill with a hypothetical 10 percent profit

Third, in a development that took place slowly after the late fourteenth century but became common by the early seventeenth century, bills of exchange became transferable—that is, they could be endorsed with a signature and made payable to the bearer, like modern checks.¹⁷ As a result, the

Xamheu, *Private Money and Public Currencies: The 16th Century Challenge*, trans. Azizeh Azodi (Armonk, NY, 1994), 17–18 and passim. On the workings of these fairs, see also de Roover, *L'évolution*, 74–81; Mandich, *Le pacte de ricorsa*; Luciano Pezzolo and Giuseppe Tattara, “‘Una fiera senza luogo’: Was Bisenzone an International Capital Market in Sixteenth-Century Italy?” *Journal of Economic History* 68 (2008): 1098–1122.

¹⁷ de Roover, *L'évolution*, 82–118; Herman van der Wee, *The Growth of the Antwerp Market and the European Economy (Fourteenth–Sixteenth Centuries)*, 3 vols. (Louvain, 1963), 2:340–49; John Munro, “The Medieval Origins of the Financial

circulation of these bills expanded considerably. Eighteenth-century experts even compared endorsed commercial bills to paper money.¹⁸ In fact, bills of exchange never became the equivalent of paper money because all endorsers were liable for a bill's payment. This rule restricted the bill's negotiability somewhat, demanded a modicum of reputational vetting, and, in case of litigation, ultimately delegated a bill's actual payment to the outcome of a court case.¹⁹ But there is no doubt that the ease with which bills could now be transferred enhanced their dissemination. It also facilitated discounting, or the possibility of selling these bills at market value before their maturity.²⁰

Taken together, these novelties point to a twin process whose chronology is also worth remembering in light of what will follow in this article. By the early seventeenth century, bills of exchange had evolved into ever more arcane financial tools whose intricacies escaped not only the majority of the population but also many learned observers. And yet, they were now also more commonly used by larger segments of the population because specialized brokers, transferability, and the possibility of discounting bills increased their circulation. As Amalia Kessler has noted, "the widespread use of negotiable instruments [in eighteenth-century France] forced merchants to confront new fears of market anonymity, bad faith, and usury."²¹

Facing this double challenge (greater financial sophistication and wider circulation of bills of exchange), secular and religious authorities struggled to regulate the private financial sector in ways that determined which types of transactions were licit and beneficial and which hid shadowy deals or lured overly confident investors into making poor bets. In 1608, the Venetian authorities worried about the chain of bankruptcies generated by naive speculators driven to buy and sell bills of exchange hoping to provide sizable

Revolution: Usury, Rentes, and Negotiability," *International Journal Review* 25 (2003): 505–62, 545.

¹⁸ Isaac Pinto, *Traité de la circulation et du crédit* (Amsterdam, 1771), 35; Thomas M. Luckett, "Credit and Commercial Society in France, 1740–1789" (PhD diss., Princeton University, 1992), 9.

¹⁹ Veronica Aoki Santarosa, "Financing Long-Distance Trade without Banks: The Joint Liability Rule and Bills of Exchange in 18th-Century France" (PhD diss., Yale University, 2012).

²⁰ Usury bans delayed the practice of discounting, which was nonetheless widespread in seventeenth- and eighteenth-century France. Paul Harsin, "Le problème de l'escompte des lettres de change en France aux XVIIe et XVIIIe siècles," *Revue internationale d'histoire de la banque* 7 (1973): 191–98; Charles Carrière, "Escomptait-on les lettres de change au XVIIIe siècle?" in *Banque et capitalisme commercial: La lettre de change au XVIIIe siècle*, ed. Charles Carrière et al. (Marseille, 1976), 21–46.

²¹ Kessler, *A Revolution in Commerce*, 189.

dowries to their daughters.²² To monitor specialized dealers also became more difficult. In 1728, a group of Parisian bankers filed a suit claiming to have purchased bills that turned out to be endorsed by nonexistent persons.²³

Furthermore, behind bills of exchange crept the taboo of usury, which persisted well beyond the Middle Ages. The sixteenth-century growth of the European economy and the concurrent upsurge in the use of bills of exchange gave rise to vitriolic intellectual debates about usury and exchange dealings. Calvin was not the only religious figure to introduce new perspectives on usury. Prominent Catholic theologians and canon lawyers came to accept the classic bills of exchange, used for the purpose of remitting funds abroad, as legitimate. A common expedient invoked to this end was to classify bills of exchange as purchase and sales contracts rather than as loans. This solution, however, was not meant to condone all types of bills of exchange. Influential theologians such as Tommaso de Vio, aka Cardinal Cajetan (1469–1534), Martín Azpilcueta, aka Doctor Navarrus (1492–1586), and the Spanish Jesuit Luís de Molina (1535–1600) drew the line at real exchange and condemned all loans disguised as bills of exchange.²⁴ This compromise could in no way contain the sophistication and diffusion of these financial instruments, which grew by the day. Everywhere in Europe except in the United Provinces (where usury was not regulated after 1685), secular governments chose a different path and set the maximum interest rates allowed; but this course too had limited impact.²⁵ By the early seventeenth century, bankers, merchants, and traders handling bills of exchange were rarely accused of being usurers, but the shadow of usury continued to loom large over their financial transactions. Though not numerous, usury trials in France persisted until the late eighteenth century and offenders were punished with public humiliation: culprits were made to kneel in public squares holding signs labeled “manifest usurer.”²⁶

²² Mandich, *Le pacte de ricorsa*, 98.

²³ Luckett, “Credit and Commercial Society,” 20.

²⁴ John T. Noonan Jr., *The Scholastic Analysis of Usury* (Cambridge, MA, 1957), 176–77, 211–17, 312–31; Raymond de Roover, “Cardinal Cajetan on ‘Cambium’ or Exchange Dealings,” in *Philosophy and Humanism: Renaissance Essays in Honor of Paul Oskar Kristeller*, ed. Edward P. Mahoney (New York, 1976), 423–33. Alternative arguments justified certain credit contracts on the basis of the risk they involved (*lucrum cessans* and *damnum emergens*). More rarely were the unpredictable oscillations of currency rates invoked to legitimize bills of exchange: Mandich, *Le pacte de ricorsa*, 48.

²⁵ A summary of the anti-usury legislation in early modern Europe appears in Fontaine, *L'économie morale*, 73–76, 196–211. The 1673 French *Ordonnances de commerce* forbade the concealment of any interest in the principal exchanged via a bill (tit. 6, art. 1), but as a commentary to this text recognized, this rule was infringed on a daily basis: Sallé, *L'esprit des ordonnances de Louis XIV*, 2 vols. (Paris, 1758), 2:392.

²⁶ Jean-Baptiste Denisart, *Collections de décisions nouvelles et de notions relatives à la jurisprudence actuelle*, new ed., 6 vols. (Paris, 1754–56), 4:670–71; Joseph-

In matters of credit and usury, it is too simplistic to argue that early modern pragmatism replaced medieval intransigence. The medieval Church rarely issued blanket condemnations of all forms of lending at interest and wealth accumulation and did not retreat passively before the rise of commercial classes. Doctrinal debates and policies returned over and over to the notion of “immoderate usury” and, by implication, reasonable interest rates, for both Jews and Christians.²⁷ Most important, during the commercial revolution of the twelfth and thirteenth centuries, numerous Catholic theologians (Franciscan friars in particular) and canon lawyers sought to distinguish the sin of usury from credit agreements that were legitimate because they involved respectable individuals and institutions (including ecclesiastical estates) and benefitted the Christian community at large (*bonum commune*). While usury was considered sterile and associated with a vile Jewish practice, commercial credit (including some types of bills of exchange) could be ethical because upright members of Christian society and Church representatives resorted to it.²⁸ This logic continued to inform numerous early modern Catholic commentaries. In 1682, the Parisian priest Jean Le Coreur argued that bills of exchange were not usurious not only because they were not loans but also because the people who handled them were not poor.²⁹ In so doing, he reiterated an earlier distinction between commercial credit and charitable loans. This distinction was crafted in both symbolic and legal terms on many occasions, and after the mid-thirteenth century it often hinged upon the figure of the Jewish usurer.

This figure was often adopted with moralizing intent regardless of its actual referent. In Carlo Ginzburg’s words, “The ‘usurious Jew’ was, and has until today been, above all a mythical figure, to be understood on a metaphorical rather than a literal level. . . . Behind the usurious Jew lurked the Jew as

Nicolas Guyot, *Répertoire universel et raisonné de jurisprudence civile, criminelle, canonique et bénéficiale*, 64 vols. (Paris, 1775–83), 63:8–10. On usury in eighteenth-century France, see also Emma Rothschild, “An Alarming Commercial Crisis in Eighteenth-Century Angoulême: Sentiments in Economic History,” *Economic History Review* 51 (1998): 268–93; and Kessler, *A Revolution in Commerce*, 205–8.

²⁷ Kenneth Stow, “Papal and Royal Attitudes toward Jewish Lending in the Thirteenth Century,” *Association for Jewish Studies Review* 6 (1981): 1161–84.

²⁸ Giacomo Todeschini, *La ricchezza degli ebrei: Merci e denaro nella riflessione ebraica e nella definizione cristiana dell’usura alla fine del Medioevo* (Spoleto, 1989), *Il prezzo della salvezza: Lessici medievali del pensiero economico* (Rome, 1994), *I mercanti e il tempio: La società cristiana e il circolo virtuoso della ricchezza fra medioevo ed età moderna* (Bologna, 2002), 94–131, 227–486, and “Christian Perceptions of Jewish Economic Activity in the Middle Ages,” in *Wirtschaftsgeschichte der mittelalterlichen Juden: Fragen und Einschätzungen*, ed. Michael Toch (Munich, 2008), 1–16.

²⁹ Jean Le Coreur, *Traité de la pratique des billets entre les négocians* (Paris, 1682), 27.

Everyman.”³⁰ Thus, in religious and popular German texts of the sixteenth century, Jewish usury stood alternatively for proof that Jews possessed an innate character leading them to behave as bloodsucking usurers and for a universal critique of greed, be it Jewish or Christian.³¹ Such views were not confined to religious and didactic texts: they also crept into supposedly more neutral genres. A 1585 French manual of practical arithmetic instructed merchants on how to calculate compound interest, although it denounced this practice as “usury of usury” and called it a Jewish habit that Christians considered “abominable.”³² This outcry did not match any actual distinction in credit practices. Rather, it is only one of many examples of the power that language and tradition maintained in shaping images of proper and improper credit.

II. JEWS AND THE EARLY MODERN EUROPEAN COMMERCIAL SOCIETY

Jews had been expelled from the kingdom of France once and for all in 1394.³³ However, in the southwest of France in 1550, King Henry II granted naturalization rights to “those Portuguese called New Christians.” This was the French path to what Jonathan Israel has called “philosemitic mercantilism”: the concession of new or extended privileges, starting in the mid-sixteenth century, to the descendants of the Jews chased from Aragon and Castile in 1492 or forced to convert to Catholicism in Portugal in 1497. Iberian Jews were invited to settle in Ferrara, Ancona, Antwerp, and elsewhere for short periods, but in the late sixteenth century the rulers of Venice, Tuscany, Holland, and Hamburg welcomed these exiles more permanently, as did the ruler of England after 1656, and conferred upon them rights rarely enjoyed by Jews before. Although the French crown recognized them only as New

³⁰ Carlo Ginzburg, “Representations of German Jewry: Images, Prejudices, Ideas—a Comment,” in *In and Out of the Ghetto: Jewish-Gentile Relations in Late Medieval and Early Modern Germany*, ed. R. Po-Chia Hsia and Hartmut Lehmann (Cambridge, 1995), 209–12, 211.

³¹ R. Po-Chia Hsia, “The Usurious Jew: Economic Structure and Religious Representations in an Anti-Semitic Discourse,” in Hsia and Lehmann, *In and Out of the Ghetto*, 161–76.

³² “Esecrable entre les Chrestiens, & seullment en usage envers les Iuifs, nous la reietérons comme chose abominable de nostre Christianisme.” Jacques Chauvet, *Méthodiques institutions de la vraye et parfaicte arithmétique* (Paris, 1585), 338; also mentioned in Natalie Zemon Davis, “Sixteenth-Century French Arithmetics on the Business Life,” *Journal of the History of Ideas* 21 (1960): 18–48, 24 n. 18. Key words belonging to the Christian religious vocabulary hostile to Jews, the terms “esecrable” and “abominable” recur in the *ars mercatoria*.

³³ Small communities only existed in the regions of Lorraine and Alsace, particularly after the Peace of Westphalia (1648). Jews were also tolerated in the Papal territory of Avignon.

Christians (a label that generally assumed covert Jews), that recognition was prompted by similar intentions: the wish to benefit from the proven and perceived economic prowess of Iberian refugees.³⁴

The new toleration policies passed after the 1550s boosted these refugees' economic influence and channeled their activities to the import and export of colonial goods and to the financial sector. Unlike Jews in Christian Europe during the High Middle Ages, who were confined primarily to working as pawnbrokers, the early modern Sephardim of Europe had investments that spanned private commercial credit as well as the public debt and the stock market. Iberian Jews and New Christians did not practice petty money lending in cities where they were accepted after the sixteenth century; in fact, in some places they were explicitly forbidden from engaging in it.

Consequently, commerce became a powerful vehicle of Jewish acculturation and integration into Christian society. Credit relations between Jews and Christians—not a novelty in itself—intensified. At the same time, local merchants invariably railed against Sephardic merchants, whom they portrayed as unfair competitors, especially in times of economic downturn. Discriminatory rules also persisted. No systematic study tells us whether and how religious affiliation affected everyday credit transactions between individuals in different European cities. But ample anecdotal evidence indicates that in the seventeenth and eighteenth centuries Catholics, Protestants, and Jews frequently drew bills of exchange on each other. Jews also resorted to these bills when trading among themselves—so much so that rabbinic authorities, especially but not only across the European Sephardic world, had to relax their ban on lending at interest among Jews. The Venetian rabbi Simone Luzzatto (1582–1663) issued perhaps the most candid approval by a rabbinical authority of Jews handling bills of exchange (including fictitious ones).³⁵

Commercial papers from across western Europe show that an individual's creditworthiness and business proficiency—rather than his confessional mem-

³⁴ Jonathan Israel, *European Jewry in the Age of Mercantilism, 1550–1750*, 3rd ed. (London and Portland, OR, 1998), and *Diasporas within a Diaspora: Jews, Crypto-Jews and the World Maritime Empires, 1540–1740* (Leiden, 2002). The phenomenon of “Court Jews” in Habsburg Germany was not entirely different: privileges were granted to Jewish financiers and their families in exchange for their provisioning and banking services.

³⁵ According to Arbel, who has studied Luzzatto's opinion, the Venetian rabbi reached his revolutionary conclusion under pressure from his coreligionists involved in the city's financial activities (“Jews, the Rise of Capitalism and *Cambio*,” 191). Rabbinic accommodation in financial matters also became a trend among Ottoman Sephardim and Polish Ashkenazim: Matt Goldish, *Jewish Questions: Responsa on Sephardic Life in the Early Modern Period* (Princeton, NJ, 2008); Edward Fram, *Ideals Face Reality: Jewish Law and Life in Poland, 1550–1650* (Cincinnati, 1997).

bership—normally dictated his standing on the private credit market.³⁶ However, the influence of corporate and informal merchant groups did not disappear. Time and again, ethnoreligious networks facilitated the circulation of information and credit, and they could also draw in investment from outsiders. Thus the Bonfils, the second largest Jewish firm in Venice in the last quarter of the eighteenth century, encouraged their Catholic commissioners in Marseille, the prominent Roux business company, to rely on them rather than on Greek competitors in Istanbul: the latter may have charged up to 2 percent less on bills of exchange but often lacked solvency.³⁷ That the Bonfils's higher cost of money was linked to their ties to the Jewish diaspora is not a topic mentioned in their correspondence. But these networks based on religious commonality were also the source of recurrent accusations of overwhelming Jewish financial power. In some European and Mediterranean cities, religious prejudice was inscribed in market regulations. In 1631, Venetian Jews complained about their exclusion from the newly established financial fairs in Verona.³⁸ Many Catholic rulers forbade Jews from working as brokers because, as Piedmontese jurist Giuseppe Sessa explained, that occupation required a degree of trust (*fede*) that they were not deemed to possess and because they could not be counted on to be fair in arbitrating disputes between Catholics and Jews.³⁹ Eighteenth-century statutes of the fairs of Leipzig and Frankfurt specified rules for how Christians should transact bills of exchange

³⁶ Examples of bills of exchange between Jews and Christians from the last quarter of the sixteenth century are cited in Arbel, "Jews, the Rise of Capitalism and *Cambio*," 188. The evidence is more abundant for the eighteenth century because that is the period to which most extant collections of Sephardic and Ashkenazic business records date. Examples can be found in the business letters of Jewish partnerships such as those of David Lindo (1730–41) in Bordeaux (Archives départementales de la Gironde, Bordeaux [hereafter ADG], 7B1590–1612 [I thank Frances Malino for lending me her microfilmed copy of these records]) and Ergas and Silvera (1704–46) in Livorno (Archivio di Stato, Florence, *Libri di commercio e di famiglia*, 1931, 1935–39, 1941, 1945, 1953, 1957, 1960). See also references in Richard Menkis, "The Gradis Family of Eighteenth Century Bordeaux: A Social and Economic Study" (PhD diss., Brandeis University, 1988), 154–245; José do Nascimento Raposo, "Don Gabriel de Silva, a Portuguese-Jewish Banker in Eighteenth Century Bordeaux" (PhD diss., York University, Toronto, 1989), 204–11, 250–61; Holly Snyder, "A Tree with Two Different Fruits: The Jewish Encounter with German Pietists in the Eighteenth-Century Atlantic World," *William and Mary Quarterly* 58 (2001): 855–82, 864 n. 30; Tijl Vanneste, *Global Trade and Commercial Networks: Eighteenth-Century Diamond Merchants* (London, 2011), 93–94, 106–7; Santarosa, "Financing Long-Distance Trade."

³⁷ Giovanni Levi, "I commerci della Casa Daniele Bonfil e figlio con Marsiglia e Costantinopoli (1773–1794)," in *Venezia: Itinerari per la storia della città*, ed. Stefano Gasparri, Giovanni Levi, and Pierandrea Moro (Bologna, 1997), 223–43, 228.

³⁸ Mandich, *Le pacte de ricorsa*, 98 n. 40.

³⁹ Giuseppe Sessa, *Tractatus de Judeis eorum privilegiis, observantia, et recto intellectu* (Turin, 1717), 295–96.

with Jews.⁴⁰ In the 1770s and 1780s influential Ashkenazic merchants in London complained that the Bank of England refused to discount bills of exchange drawn on Jews or charged higher fees to do so.⁴¹

More examples could be invoked to illustrate that credit markets had become more inclusive but not quite impersonal. We should also note that they were contemporaneous with the emergence in the mid-seventeenth century of a renewed topos depicting Jews—initially Sephardic traders in Western Europe and the Mediterranean—as all-powerful puppeteers of international trade and finance.⁴² It was all too common to invoke Jews as scapegoats for any social ill in Christian Europe, and such accusations occurred even in the more tolerant areas of early modern Europe, especially in times of economic crises. The 1637 collapse of the Dutch tulip trade was taken by some to be a punishment from God for the excessive pursuit of profit, while others pointed their fingers at the deceitful dealings of Mennonites and Jews.⁴³ The financial crash of the Amsterdam stock market in 1688 exposed what Jonathan Israel identifies as “a new strain of economic anti-Semitism rooted in the mystique of the stock market.”⁴⁴ The bursting of the South Sea Bubble in 1720 sent shock waves to Holland, where popular plays and pamphlets blamed the financial catastrophe on the reckless and self-interested behavior of Jewish brokers without impugning the virtue of Dutch merchants and commerce in general.⁴⁵ On the other side of the Channel, Tory politicians heralded an analogous association between Jews and manipulative “stockjobbers,” but there too the morality of credit per se was not questioned.⁴⁶ It is against this mixed background of old and new ideas about Jews, usury, and credit that we need to situate the legend about an allegedly Jewish invention of bills of exchange.

⁴⁰ Io. Gottlieb Heineccius, *Elementa iuris cambialis commoda auditoribus methodo adornata* (Amsterdam, 1742), 28.

⁴¹ Ghedalia Yogeve, *Diamonds and Coral: Anglo-Dutch Jews and Eighteenth-Century Trade* (Leicester, 1978), 260–61.

⁴² Salo Wittmayer Baron, *A Social and Religious History of the Jews*, 18 vols. (New York, 1937–83), 2:186; Benjamin Braude, “The Myth of the Sephardi Economic Superman,” in *Trading Cultures: The Worlds of Western Merchants*, ed. Jeremy Adelman and Stephen Aron (Turnhout, 2001), 165–94.

⁴³ Anne Goldgar, *Tulipmania: Money, Honor, and Knowledge in the Dutch Golden Age* (Chicago, 2007), 266.

⁴⁴ Israel, *Diasporas*, 450.

⁴⁵ Margaret Jacob, “Was the Eighteenth-Century Republican Essentially Anticapitalist?” *Republics of Letters: A Journal for the Study of Knowledge, Politics, and the Arts* 2, no. 1 (2010), <http://rofl.stanford.edu/node/66>.

⁴⁶ Karp, *The Politics of Jewish Commerce*, 70–71. A host of middlebrow and lowbrow theatrical and satirical representations show that Jews were frequent vehicles for expressing critiques of rampant social mobility in eighteenth-century England; Ragussis, *Theatrical Nation*, 97.

III. ARCHAEOLOGY OF A FORGOTTEN COMMONPLACE

If this legend existed before the mid-seventeenth century, I found no trace of it. A reasonably complete survey of available sources suggests that its full-fledged formulation appeared in a 1647 compilation of commercial laws annotated by a Bordeaux lawyer named Étienne Cleirac (1583–1657). Today virtually forgotten, Cleirac was an important author of the seventeenth-century *ars mercatoria* who lived through the troubled times of a city marred by religious wars, by armed conflicts between municipal authorities, local nobility, and royal power, and by the escalating Franco-Spanish military confrontation. Biographical details about him are scant, but we know that Cleirac studied at a fine humanistic school (Collège de Guyenne), took his degree in law at the University of Bordeaux, and rose through the ranks of the lawyers of the city's *parlement*, a prestigious appellate court that adjudicated criminal and civil suits, issued legislation (*arrêts*), and oversaw the enforcement of royal decrees over the fourth largest jurisdiction in the kingdom. The inventory of Cleirac's possessions at the time of his death suggests a comfortable household with several real estate properties in town and in the country. It also lists an impressive library of 671 books, whose titles are unfortunately omitted. Like most Bordeaux lawyers and unlike many colleagues in other parts of France, he was not seduced by Reformed ideas.⁴⁷ In fact, the content and (where they exist) the dedicatory sonnets of his works suggest that he was a devout Catholic.

After producing a short and jumbled dictionary of navigation terminology, Cleirac published his most conspicuous work: *Us et coutumes de la mer*.⁴⁸ The latter was a real success: of the five French editions, one was printed in as many as 1,200 copies in 1661,⁴⁹ and an abridged translation in English

⁴⁷ The inventory is in ADG, 3E3212, fols. 690r–715r. See also Laurent Coste, *Milles avocats du grand siècle: Le barreau de Bordeaux de 1589 à 1715* (Lignan-de-Bordeaux, 2003), 72, 124, 149–50. The only scholar to devote a monograph to Cleirac emphasizes his influence on subsequent commercial legislation and jurisprudential treatises: Adrienne Gros, *L'oeuvre de Cleirac en droit maritime* (Bordeaux, 1924). She relays the legend without any skepticism (85).

⁴⁸ Estienne Cleirac, *Us et coutumes de la mer* (Bordeaux, 1647). His *Explication des termes de marine* (Paris, 1636) was reprinted in this and all subsequent editions of *Us et coutumes*.

⁴⁹ Two re-editions appeared in Bordeaux (in 1656 and 1661), two in Rouen (in 1671 and 1682), and one in Amsterdam (in 1788). The 1661 print run is recorded in a notarial deed transcribed in *Archives historiques du département de la Gironde* 25 (1887): 419–20. Still in the eighteenth century, only a few classics of the Enlightenment were printed in between 1,000 and 1,800 copies; Henri-Jean Martin, "Une croissance séculaire," in *Histoire de l'édition française*, vol. 2, *Le livre triomphant 1660–1830*, ed. Henri-Jean Martin and Roger Chartier (Paris, 1984), 94–103, 102. In *L'apparition du livre* (Paris, 1958), 327–34, Lucien Febvre and Henri-Jean Martin give

appeared in 1686.⁵⁰ Finally, the year before he died, Cleirac published a treatise on bills of exchange and usury that interwove technical know-how with Catholic piety.⁵¹ All in all, he was a learned compiler more than an original thinker. His *Us et coutumes* was very well received because it assembled in a single volume some of the most influential European collections of navigation and commercial laws at a time when legal professionals and governments, including the French monarchy, had begun to turn their attention to the subject. Although a section gathering French decrees in matters of navigation is the most novel part of the book, *Us et coutumes* is usually cited because it reprints or translates the rules of Oléron dating from

higher average figures for the earlier period but note that only religious books regularly surpassed 2,000 copies in the seventeenth century (332).

⁵⁰ Guy Miegé, *The Ancient Sea-laws of Oleron, Wisby and the Hanse-towns still in force: Taken out of a French book, intitled, Les us & coutumes de la mer* (London, 1686). This English booklet is often bound together with the many re-éditions of Gerard Malynes's *Law Merchant* (first published in 1622). It did not contain the passage that gave birth to the legend of the Jewish invention of bills of exchange.

⁵¹ Etienne Cleirac, *Usance du négoce ou commerce de la banque des lettres de change* (Bordeaux, 1656). Two more editions of this work appeared in Paris (1659) and Bordeaux (1670). Cleirac also annotated the customary laws of Guyenne sometime after 1636. A nineteenth-century copy of this manuscript survives in the Bibliothèque de droit et sciences économiques, Université Montesquieu Bordeaux4 (hereafter BDB4), Ms. 5. Evidently Cleirac had a profound and perhaps unusual interest in customary and commercial laws. Before the 1673 Ordonnance de commerce, navigation and commercial norms followed regulations issued by corporate organizations, local authorities, and high tribunals. They were thus distinct from, though not always incompatible with, codification. Little is known about the role of French legal professionals in the commercial reforms of the seventeenth century. William F. Church argued that under the absolutist rule of Louis XIV French jurists retreated from the study of political theory and public law and wrestled instead with issues of private law, but neither Church nor others have examined the role of lawyers in the evolution of seventeenth-century French commercial law, which had a direct impact on royal sovereignty. Church, "The Decline of the French Jurists as Political Theorists, 1660–1789," *French Historical Studies* 5 (1967): 1–40. Cleirac's interest in customary norms should not be interpreted as outright opposition to monarchical absolutism, not even during the bloody conflicts that pitched the provincial government of Bordeaux against royal power during his lifetime. On the contrary, he distanced himself from (though eventually pardoned) his son, who was a leader of the antimonarchic local Fronde. See Cleirac's testaments in ADG, 3E12218, fols. 257r–259v and 3 E 12219, fols. 347r–348v, both transcribed in *Archives historiques du département de la Gironde* 25 (1887): 390–99. For an incisive overview of the tension between customary and Roman laws in sixteenth-century France, see Donald R. Kelly, "'Second Nature': The Idea of Custom in European Law, Society, and Culture," in *The Transmission of Culture in Early Modern Europe*, ed. Anthony Grafton and Ann Blair (Philadelphia, 1998), 131–72.

the thirteenth century, the code of Wisby (a Swedish free port), and the norms issued by the Hanseatic League in the 1590s.⁵²

The volume's central part reproduces and annotates the *Guidon de la Mer*, a collection of norms about maritime transport and contracts first compiled in Rouen in the late sixteenth century.⁵³ To the *Guidon's* first article, which defines premium-based marine insurance, Cleirac adds six pages of commentary that plant the seeds of the legend discussed here. He begins as follows: "Insurance policies and bills of exchange were unknown to ancient Roman jurisprudence and are the posthumous invention of Jews, according to the remarks of Giovan[n]i Villani in his universal history."⁵⁴

⁵² Not included in Cleirac's volume is the Catalan Consulate of the Sea, the most well-known medieval collection of Mediterranean commercial customs, likely because it already existed in a French translation: *Le Livre du Consulat* (Aix-en-Provence, 1577). Before Cleirac, versions of the rules of Oléron had appeared in Pierre Garcie, *Le grant routtier* (Poitiers, 1520) and its English translation by Robert Copland, *The Rutter of the Sea* (London, 1557). See D. W. Waters, ed., *The Rutters of the Sea: The Sailing Directions of Pierre Garcie; A Study of the First English and French Printed Sailing Directions, with Facsimile Reproduction* (New Haven, CT, 1967), 38; Marcel Gouron, *L'Amirauté de Guienne depuis le premier Amiral anglais en Guienne jusqu'à la Revolution* (Paris, 1938), 8–12; James W. Shephard, "The Rôles d'Oléron: A lex mercatoria of the Sea?" in *From "Lex Mercatoria" to Commercial Law*, ed. Vito Piergiovanni (Berlin, 2005), 207–53. On the possible originals used by Cleirac for his French translation of the laws of Wisby, see Gros, *L'oeuvre de Cleirac*, 37.

⁵³ The oldest extant edition is *Guidon, stile et usance des marchands qui mettent à la mer* (Rouen, 1608), but Jean-Marie Pardessus dates this text to the years between 1556 and 1584: *Us et coutumes de la mer*, 2 vols. (Paris, 1847), 2:373.

⁵⁴ Cleirac, *Us et coutumes*, 224. All translations from French originals are my own. The adjective "posthumous" likely refers to the longevity that this invention enjoyed. The tale is repeated in Cleirac, *Usance du négoce*, 6. Due to space constraints and in light of the legend's reception, I omit any detailed discussion of the aspects pertaining to marine insurance except to stress that marine insurance also aroused concerns about usury because the 1236 papal decree known as *Naviganti* equated insurance contracts with monetary loans: Decretal V.19.19, in *Corpus iuris canonici*, ed. Aemilius Friedberg, 2 vols. (Graz, 1959), 2:816. The earliest forms of premium-based insurance appeared in Italy in the fourteenth century. After the late fifteenth century, most Catholic theologians and canon lawyers classified marine insurance as a purchase and sale of risk rather than as a loan. Doctrinal changes went hand in hand with the steadfast diffusion and standardization of marine insurance and the institutions that governed it. See Noonan, *The Scholastic Analysis of Usury*, 134–39, 202–3; L. A. Boiteux, *La fortune de mer, le besoin de sécurité et les débuts de l'assurance maritime* (Paris, 1968); J. P. van Niekerk, *The Development of the Principles of Insurance Law in the Netherlands from 1500–1800*, 2 vols. (Cape Town, 1998); Giovanni Ceccarelli, "Risky Business: Theological and Canonical Thought on Insurance from the Thirteenth to the Seventeenth Century," *Journal of Medieval and Early Modern Studies* 31 (2001): 607–58. Questions about the place of marine insurance and bills of exchange in rabbinic law do not concern us here because Cleirac would not have been aware of those debates and because the majority of Sephardic merchants in seventeenth- and

Why Villani? The Florentine Giovanni Villani (d. 1348) was an apprentice and then an investor in two of his city's most important banking and commercial companies, and he suffered from the financial collapse of the early 1340s before writing one of the most famous late medieval chronicles.⁵⁵ The chronicle is filled with details about and praise for Florence's economic activities, but it also exalts Catholic religiosity. Specifically, it furnishes the standard narrative of the miracle of the profaned host that allegedly occurred in Paris in 1290. A pillar of medieval antisemitism, this tale posited a nexus between usury and the Jewish refusal to recognize Jesus's divine nature.⁵⁶ We know that Cleirac read this passage in Villani because he cited it in another work.⁵⁷ However, Villani's chronicle makes no mention of Jews having invented marine insurance or bills of exchange.⁵⁸ Rather, it appears that Cleirac elaborated freely on a statement he had encountered in a then recently published history of Lyon, which cites Villani accurately in order to assert that Florentine Guelph expatriates brought the invention of banking to France and, specifically, to Lyon.⁵⁹

eighteenth-century Europe largely disregarded rabbinic prohibitions in matters of usury. For an introduction to the subject, see Stephen M. Passamanek, *Insurance in Rabbinic Law* (Edinburgh, 1974); Abraham Weingort, *Intérêt et crédit dans le droit talmudique* (Paris, 1979); Haym Soloveitchik, "The Jewish Attitude in the High and Late Middle Ages," in *Credito e usura fra teologia, diritto e amministrazione: Linguaggi a confronto, sec. XII–XVI*, ed. Diego Quagliani, Giacomo Todeschini, and Gian Maria Varanini (Rome, 2005), 115–27.

⁵⁵ Michele Luzzati, *Giovanni Villani e la Compagnia dei Buonaccorsi* (Rome, 1971).

⁵⁶ Miri Rubin, *Gentile Tales: The Narrative Assault on Late Medieval Jews* (New Haven, CT, 1999), 43, 47, 148.

⁵⁷ In annotating the ancient customs of Guyenne (BDB4, Ms. 5, fol. 188r), Cleirac cited the alleged Paris miracle from the *Croniche di messer Giovanni Villani* (Venice, 1537), fol. 94r (bk. 7, chap. 136): "io ti renderò il tuo pegno senza denari, disse il giudeo."

⁵⁸ Giovanni Villani, *Nuova cronica*, 3 vols., ed. Giuseppe Porta (Parma, 1990–93). In consultation with Porta, Passamanek (*Insurance in Rabbinic Law*, 2–3, 27 n. 19) reached the same conclusion. In principle, one cannot exclude the possibility that an annotated copy of Villani's chronicle bore a version of the legend in the margins. But if such a manuscript or printed copy existed or still exists, neither Passamanek nor I have located it.

⁵⁹ Claude de Rubys, *Histoire véritable de la ville de Lyon* (Lyon, 1604), 298, citing from *Chroniche di messer Giovanni Villani*, fol. 60r (bk. 6, chap. 87). In the manuscript draft of Cleirac's *Us et coutumes*, a gloss in the margin of the *Guidon*'s first article attributes the invention of bills of exchange to Florentine Guelph and Ghibelline expatriates. It mentions Villani only as a source of general information about medieval Florentine and Genoese banking and invokes Jews as usurers but not as inventors of bills of exchange or marine insurance (Bibliothèque municipale, Bordeaux [hereafter

Though inaccurate, Cleirac's invocation of Villani fits with the general tenor of his undisciplined commentary. Usury is the central theme in this section of his work, which contains an eclectic assortment of citations tilted toward the Middle Ages and anti-usury statements. It includes only one reference to the specialized literature of commercial law.⁶⁰ By contrast, the thirteenth-century Benedictine monk and English chronicler Matthew of Paris is cited a total of five times for his invective against Jews and usurers more generally and mentioned alongside Dante's analogy of usury and sodomy (*Inferno*, canto 11, lines 49–52).⁶¹

To summarize Cleirac's meandering narrative: the Jews who were expelled from France under the kingdoms of Dagobert (r. 629–34), Philip Augustus (r. 1180–1223), and Philip the Tall (r. 1316–22) invented insurance policies and

BMB], Ms. 381, fol. 117v/p. 236). We are unable to ascertain what role, if any, Cleirac's first publisher, Guillaume Millanges, played in the transformation of the text from its manuscript to its printed form. The Millanges, who had established the premier printing press in Bordeaux and routinely published Catholic religious books, were of converso origins: Théophile Malvezin, *Histoire des Juifs à Bordeaux* (Bordeaux, 1875), 83, 114. The *Us et coutumes*'s second edition was even harsher on the subject of Jewish usury (see n. 61). Gros (*L'oeuvre de Cleirac*, 185, 196) defends Cleirac from accusations that he was a fanciful writer ("fantaisiste") but recognizes that such accusations contain a grain of truth. The puzzle of Villiani's erroneous attribution remains, especially because Cleirac is otherwise fairly accurate in his citations.

⁶⁰ Cleirac cites the definition of marine insurance given by the Genoese high tribunal (the Rota), which averted fears that such contracts might be usurious: Cleirac, *Us et coutumes*, 224; *De mercatura decisiones, et tractatus varii, et de rebus ad eam pertinentibus* (Cologne, 1622), 21, 27–28. Although they did not amount to legal precedents as in a common law system, the Genoese Rota's sentences constituted one of the most authoritative sources of commercial law in the Continent prior to 1673. The first printed collection of such sentences appeared in 1582 and intentionally excluded theologians' views. Rodolfo Savelli, "Between Law and Morals: Interest in the Dispute on Exchanges during the 16th Century," in *The Courts and the Development of Commercial Law*, ed. Vito Piergiovanni (Berlin, 1987), 39–102; Vito Piergiovanni, "Genoese Civil Rota and Mercantile Customary Law," in Piergiovanni, *From "Lex Mercatoria" to Commercial Law*, 191–206.

⁶¹ Dante's parallelism between usurers and sodomites echoes the Aristotelian notion of the sterility of money and also appears in *Usance du négoce*, 7–8. Matthew of Paris is cited from both his *Chronica Majora* (1216–39) and his *English History from the Year 1235 to 1273*. Two passing references to Ludovico Ariosto's *Orlando Furioso* and his lesser-known play, *I supposti*, are little more than a display of humanistic erudition. The *Us et coutumes*'s second edition develops Cleirac's commentary to include condemnations of usury by the Apostle Paul's Epistle to the Ephesians (5:3–5), the Church Father Ambrose of Milan (*De Tobia*, chap. 3), and Canon 67 of the Fourth Lateran Council (*Corpus iuris canonici*, V.19.18), as well as literary references to Horace's *Satires*, Boccaccio's *Genealogy of the Gentile Gods*, and recent compilations by French historians and jurists like Adam Théveneau and Étienne Pasquier.

bills of exchange in order to salvage their goods when fleeing to “Lombardy” (northern Italy). In Italy, Guelphs and Ghibellines, the supporters of the Pope and the Holy Roman Emperor, respectively, found these inventions to be immensely useful every time they were expelled during the wars they waged for control over several city-states. Therefore they exported these new instruments across Europe, and “the square in which currency exchange and second-hand goods are traded in the city of Amsterdam has kept the name of Lombard square until today.”⁶²

Even after combing through all the primary sources cited by Cleirac, we remain in the dark as to the provenance (if there is one) of this story. Every expulsion entailed the confiscation of Jewish individual and communal property.⁶³ In 1492 Iberian Jews sought to smuggle their liquid assets abroad by buying bills of exchange from Genoese merchants.⁶⁴ But at this stage it is impossible to verify whether echoes of such attempts reached Cleirac and stuck in his imagination.⁶⁵

Cleirac’s account weaves together facts and fiction. It also collapses what we now consider to be two distinct chronologies—one medieval and one early modern—and their respective prevailing Christian images of Jewish credit. Most scholars today posit a strong discontinuity between the economic role of

⁶² Cleirac, *Us et coutumes*, 228. The noun and adjective “Lombard” described all Italian merchant-bankers, most of whom came from northern or central Italy (though not necessarily from Lombardy). On the presence of Lombards in fourteenth- and fifteenth-century Amsterdam, see H. A. J. Maassen, *Tussen commercieel en sociaal krediet: De ontwikkeling van de bank van lening in Nederland van Lombard tot gemeentelijke kredietbank 1260–1940* (Hilversum, 1994), 42, 52.

⁶³ On the expropriation of Jewish property and the settlement of Jewish-Christian debts at the time of the 1306 expulsion from France, as well as the analogous events in 1492 Spain, see William Chester Jordan, *The French Monarchy and the Jews from Philip Augustus to the Last Capetians* (Philadelphia, 1989), 200–213; Céline Balasse, *1306: L’expulsion des juifs du royaume de France* (Brussels, 2008), esp. 149–204; Haim Beinart, *The Expulsion of the Jews from Spain*, trans. Jeffrey M. Green (1994; repr., Portland, OR, 2002), esp. 118–206; Miguel Ángel Ladero Quesada, “Después de 1492: Los bienes e debdas de los judíos,” in *Judaísmo Hispano: Estudios en memoria de José Luis Lacave Riaño*, ed. Elena Romero, 2 vols. (Madrid, 2002), 2:727–47; Javier Castaño, “La encuesta sobre las deudas debidas a los judíos en el arzobispado de Toledo (1493–96),” *En la España Medieval* 29 (2006): 287–309.

⁶⁴ Luiz Suárez Fernández, ed., *Documentos acerca de la expulsión de los judíos* (Valladolid, 1964), 479–81; Beinart, *The Expulsion of the Jews*, 218, 291, 317–18; George-Herbert Depping, *Les juifs dans le moyen âge: Essai historique sur leur état civil, comercial et littéraire* (Paris, 1834), 427.

⁶⁵ Three centuries later, Salonika’s rabbi and historian Isaac Samuel Emmanuel speculated that Jews fleeing Spain invented bills of exchange and hid them in their prayer books upon fleeing in order to have them repaid in Venice: *Histoire des Israélites de Salonique (140 av. J.-C. à 1640)* (Paris, 1936), 1:56. Later in the text I mention other Jewish appropriations of the legend.

Jewish bankers and pawnbrokers in late medieval Europe and the involvement of Sephardic merchants in early modern overseas trade and finance.⁶⁶ In *Us et coutumes*, in contrast, the Middle Ages are not a bygone era but the formative period of financial capitalism. Cleirac suggests continuity between money-lending in medieval Italy and financial practices in early modern Amsterdam, even though few Italian refugees settled in what was barely a village in the twelfth and thirteenth centuries and became the center of the world economy only during his lifetime.⁶⁷ At the same time, the Jews Cleirac invokes are phantoms of the past. They have nothing in common with the crypto-Jews he met in Bordeaux or those who lived openly as Jews in seventeenth-century Amsterdam. Rather, they are prisoners of medieval discourses about usury, which he applies to early modern commercial credit.⁶⁸

The absence of a medieval version of the legend (in Villani or elsewhere) reveals the partial novelty of this representation. In the late medieval Italian *ars mercatoria*, bills of exchange are the prerogative of elite Catholic merchant-bankers who are also civic and political leaders; they do not belong to the Jewish economic sphere, which is confined to usurious moneylending and, by the sixteenth century, to secondhand retail trade. For the renowned fifteenth-century mathematician and Franciscan friar Luca Pacioli, “exchange dealers should be blessed instead of being called usurers, Jews, and even worse.”⁶⁹ In sum, Cleirac appropriated medieval themes and reinterpreted them in light of early modern concerns.

⁶⁶ Israel (*European Jewry*) draws a sharp line between the medieval and early modern epochs in Jewish history. He recognizes that in medieval Iberia Jews were involved in a wider spectrum of professions than petty credit, but he stresses the urban and regional character of their commercial activities in contrast to the transoceanic ventures that made early modern Sephardim into protagonists of the European overseas expansion (*Diasporas*, 6).

⁶⁷ See n. 62. Bruges rather than Amsterdam was the medieval center of Italian banking and commerce in the Low Countries: Raymond de Roover, *Money, Banking and Credit in Medieval Bruges: Italian Merchant-Bankers, Lombards and Money-Changers; A Study in the Origins of Banking* (Cambridge, MA, 1948).

⁶⁸ Whatever Cleirac knew about the history of medieval French Jews he likely learned from the numerous “histories of France” that were composed and published during his lifetime. In such works the medieval expulsions are the only episodes concerning Jewish life consistently mentioned (even if the 1306 expulsion decreed by Philip the Fair is invoked more often than the persecutions by Philip the Tall). Myriam Yardeni, *Anti-Jewish Mentalities in Early Modern Europe* (Lanham, MD, 1990), 19. That would account for why Cleirac accurately cites the names of the Merovingian and Capetian kings who drove the Jews out of the kingdom. Seventeenth-century French scholars had considerable interest in the Middle Ages, but they did not develop one single view of that age: Nathan Edelman, *Attitudes of Seventeenth-Century France toward the Middle Ages* (New York, 1946).

⁶⁹ Cited in Raymond de Roover, *Gresham on Foreign Exchange: An Essay on Early English Mercantilism with the Text of Sir Thomas Gresham’s Memorandum for the*

Yet Cleirac was not an obtuse proponent of intransigent anti-usury prohibitions. He cites accurately Doctor Navarrus and Cardinal Cajetan, two highly influential sixteenth-century Catholic theologians and canon lawyers who distinguished between legitimate and illegitimate uses of bills of exchange, and he concludes with them that “banking and insurances that are treated as honorable, upright, and legal activities are greatly useful and helpful to business.”⁷⁰ As noted previously, Navarrus and Cajetan had argued that improper banking activities were those in which bills of exchange functioned as mere speculative instruments, detached from the function of commodity trade. With the increased diffusion of bills of exchange, this criterion faltered even for a Catholic as zealous as Cleirac.⁷¹ What did not falter was the preoccupation with the need to identify what constituted “honorable, upright, and legal” banking.

Cleirac invoked centuries-old associations of Jews and usury to address this conundrum, although via an allusion rather than through verifiable comparisons between Jewish and Christian ways of handling bills of exchange. Since Jews are conspirators, he argues, the bills they devise are “written with few words and little substance,” only intelligible to the initiated.⁷² Cleirac calls

Understanding of Exchange (Cambridge, MA, 1949), 176. Another example is Giovanni Francesco Pagnini, *Della decima e di varie altre gravetze*, 2 vols. (Lucca, 1765–66), 1:126, which cites the legend as relayed in Jakob Friedrich Bielfeld, *Institutions politiques*, 3 vols. (The Hague, 1760–72), 1:275. However, Pagnini also reprinted Benedetto Cortugli’s merchant manual (written in 1458 and first printed in 1573), which in discussing bills of exchange and usury made no reference to the fanciful story. See Benedetto Cortugli, *Il libro dell’arte di mercatura*, ed. Ugo Tucci (Venice, 1990), 165–70, 193–204. No mention of the legend appears in the numerous theological and legal treatises on bills of exchange published during the sixteenth century, that is, when Sephardic communities in Western Europe were not yet institutionally stable.

⁷⁰ Cleirac, *Us et coutumes*, 225. Martín Azpilcueta, aka Doctor Navarrus, *Enchiridion sive manuale confessoriorum et poenitentium* (1552) (Rome, 1584), 467 (chap. 17, no. 284). Tommaso de Vio’s *De Cambiis* (written in 1499 and first published in 1506) is now included in Thomas de Vio Cardinalis Caietanus (1469–1534), *Scripta Philosophica: Opuscola Oeconomico-socialia*, ed. P. P. Zammit, OP (Rome, 1934), 91–133, chap. 5, 110–13. Elsewhere, Cleirac also mentions Charles du Moulin, the critic of usury who preceded Calvin.

⁷¹ Cleirac (*Usance de négoce*, 48–54, 153–54) regards both reexchange bills and the practice of discounted bills as accepted customs in his own time.

⁷² Cleirac, *Us et coutumes*, 226. At least one of the readers of this passage underlined it with his (less likely, her) pen (BMB, P.F. 46485 [Rés.]). Several successive authors returned to the brevity and/or secrecy of bills of exchange: Jacques Savary, *Le parfait négociant* (Paris, 1675), 121; Jean Mouliniér, *Le grand trésor des marchands, banquiers et negocians* (Bordeaux, 1704), 78; Paul Jacob Marperger, *Neu-eröffnetes Handels-Bericht* (Hamburg, 1709), 491; Jacques Savary des

Jews “abominable circumcised people,” guilty of “execrable crimes,” “malicious and infamous men,” and “people without a conscience.”⁷³ But the language he uses for *Lombards* and *Cahorsins*, that is, Christian bankers and moneylenders from northern Italy and southern France who rose to prominence across Europe in the thirteenth century, is no less derogatory. He condemns them as “scoundrels” who “practiced usury and these Jewish inventions [i.e., marine insurance and bills of exchange]” and who were yet, unlike Jews, treated as noblemen.⁷⁴ Guelph bankers appear to him to have been even worse than Jews because they “mastered the art of usury to an even greater extent than Jews did; they became even more evil and malicious insofar as usury and rapaciousness were concerned.”⁷⁵

This comparison suggests a fear that Jews and Christians could become

Brûlons and Philémon-Louis Savary, *Dictionnaire universel de commerce*, 3 vols. (Paris, 1723–30), 2:503; Thomas de Bléville, *Le banquier françois* (Paris, 1724), 22; Louis de Beausobre, *Introduction générale à l'étude de la politique, des finances, et du commerce* (Berlin, 1764), 220 n. 1; Honoré Duveyrier, *Rapport fait au Corps législatif sur le projet de loi intitulé Code du commerce, livre 1er, titre VIII (Séance du 11 septembre 1807)* (n.p., 1807), 3.

⁷³ I render “abominable rataillés” as “abominable circumcised” because the French word *retailé* denoted those who suffered a surgical amputation. See Denis Diderot and Jean d’Alembert, *Encyclopédie ou Dictionnaire raisonné des sciences, des arts et des métiers*, 17 vols. (Paris, 1751–65), 14:198. On the word *abominable*, see also n. 32 and Bracciolini’s quotation below in the text. To call Jews infamous (see also Cleirac, *Usance du négoce*, 6) was to resurrect the medieval notion that they lacked *fama*, i.e., public trust. In *Usance de négoce*, 29, Cleirac even invokes Jews’ *perfidia*, the ultimate Christian theological accusation against Jews who refused Christ’s redemption, as the original sin at the roots of bills of exchanges (Jews’ *perfidia* is mentioned in Canon 67 of the Fourth Lateran Council, which is cited in Cleirac, *Us et coutumes*, 2nd ed. [Bordeaux, 1661], 220).

⁷⁴ Cleirac, *Us et coutumes*, 226. The adjective and noun *cahorsin* (in various spellings and languages, including the German *Kawertschen*) derived from the town of Cahors, not far from Bordeaux, whose merchants and bankers were ill reputed for their moneylending practices. See de Roover, *Money, Banking and Credit*, 99; Kurt Grunwald, “Lombards, Cahorsins and Jews,” *Journal of European Economic History* 4 (1975): 393–98. Both Dante and Boccaccio use *caorsino* for usurer (Dante, *Inferno*, canto 11.50; Boccaccio, *Esposizioni sopra la Comedia di Dante*, chap. 11, par. 39). The word continued to appear in French dictionaries of the nineteenth century (e.g., “Corsin,” in Émile Littré, *Dictionnaire de la langue française* [1872–77]) but fell increasingly out of use during the seventeenth century, as suggested by a keyword search in *The Making of the Modern World*. Here again Cleirac stands out for his recourse to medieval terminology.

⁷⁵ Cleirac, *Us et coutumes*, 226. Note that Bernard of Clairveau (d. 1153) referred to Christian usurers as those who “jew worse than the Jews themselves” (*peius judaizare*). Cited in Robert Chazan, *Medieval Stereotypes and Modern Antisemitism* (Berkeley, 1997), 25.

indistinguishable—a fear that permeated European Christian culture at large but was especially intense in countries like France and pre-1656 England, where Jews were no longer a living presence and yet remained a lingering phantom.⁷⁶ In the southwest of France and in the Catholic milieu frequented by Cleirac, anti-Spanish propaganda exacerbated this fear. Every Spaniard was suspected of being an undercover Jew, and the allegiance to Catholicism and to France of the Portuguese and Spanish merchants living in Bordeaux was perpetually questioned.⁷⁷

Nowhere in Cleirac's works was every merchant regarded as a usurer.⁷⁸ But how could one draw the line between the two? To this difficult question, for which secular authorities sought an answer no less than theologians, Cleirac's narrative offered a pedantic, erroneous, but appealing (for its simplicity) response: cunning speculators are Jews and those Christians who behave like them. Jews here are not the merchants and bankers with whom Cleirac and his contemporaries might have engaged in business, but stand-ins for practitioners of the abhorrent crime of usury. The facility with which an arsenal of antisemitic tropes could be mobilized is less surprising than the fact that the untenable and prejudiced narrative summarized above appears not in the sermon of a Franciscan friar or in an Elizabethan drama, but in a treatise of commercial law. And it was in the *ars mercatoria* that it gained traction.

IV. THE ADVENTURES OF AN ERRONEOUS IDEA

The author who did the most to canonize Cleirac's legend was Jacques Savary (1622–90). His *Le parfait négociant* was the single most influential merchant manual of early modern Europe. First published in 1675, it was immediately translated into German (1676) and soon into Dutch (1683); by 1800 it had appeared in as many as twenty-nine editions.⁷⁹ Savary was also the principal

⁷⁶ James Shapiro traces this fear back to Paul's Epistles, in which Christians are defined as the antithesis of Jews and yet, under certain circumstances, may become indistinguishable from them: *Shakespeare and the Jews* (New York, 1996), 5.

⁷⁷ Myriam Yardeni, "Antagonismes nationaux et propagande durant les guerres de religion," *Revue d'histoire moderne et contemporaine* 13 (1966): 273–84, 277–80. Suspicion ran particularly high during the Spanish siege of Bordeaux in 1596–97; Hertzberg, *The French Enlightenment*, 17.

⁷⁸ The stated goal of Cleirac's *Usance du négoce* is to trace the origins of bills of exchange without offending "honorable bankers," who are said to contribute greatly to commerce, that is, to "the reciprocal and amicable communication between nations," and who should thus not be confused with "Jews, Lombards, Cahorsins, and those who have gone bankrupt" (2).

⁷⁹ Jochen Hoock, "Le phénomène Savary et l'innovation en matière commerciale en France aux XVIIe et XVIIIe siècles," in *Innovations et nouveaux techniques de l'Antiquité à nos jours: Actes du colloque international de Mulhouse (septembre 1987)*, ed. Jean-Pierre Kintz (Strasbourg, 1989), 113–23, 117.

architect of the 1673 *Ordonnance de commerce*, the first European national code of commercial law.⁸⁰

In a chapter devoted to the origin and usefulness of bills of exchange, Savary condensed and sanitized Cleirac's story. He dropped the part about insurance policies, which others later picked up. In keeping with the plagiarism standards of the time, he did not credit his source. In fewer and clearer words, he repeated that the Jews expelled from France in successive waves between the seventh and early fourteenth centuries invented bills of exchange and exported them to Italy, and that Ghibelline refugees brought these bills to Amsterdam. Adding a twist that was destined to last, he maintained that the Ghibellines improved this alleged Jewish invention by devising the so-called reexchange.⁸¹

Savary evidently remained unperturbed by Cleirac's anachronisms and inconsistencies. Like so many other authors of the *ars mercatoria*, he shared his predecessor's concern with the need to distinguish between legitimate and illegitimate credit operations. He stressed that "there is nothing more useful to the State and to the public than the use of bills of exchange." Yet he added a cautionary note: "But it should also be admitted that there is nothing more dangerous than this commerce, which produces more usury and bankrupts when bankers, merchants, and traders practice it with lust and imprudence."⁸² Savary's comment is extremely important: it makes clear that in the seventeenth century the challenge was less to condemn specific operations conducted with bills of exchange than to warn against the potential fallout of mishandling them "with lust and imprudence." The admonition was both firm and nebulous. Bills of exchange appeared as advantageous multipliers of wealth but could just as easily transform themselves into dangerous devices through which wealth was lost.

Savary's authorial credibility ensured that the legend became a staple of the late seventeenth- and eighteenth-century economic literature (table 1). However, a growing number of authors (especially, though not only) outside of

⁸⁰ The preparatory work of the committee charged with drafting this legislation is lost, except for the session of February 4, 1671, when usury was debated. Sorbonne theologians, who were intransigent opponents of usury, were consulted. Their views clashed with those of some committee members, who were inclined to introduce an article setting a ceiling for moderate usury (5 percent). In the end, it was decided to omit all references to usury. Henri Lévy-Bruhl, "Un document inédit sur la préparation de l'Ordonnance sur le Commerce de 1673," *Revue historique du droit français et étranger* 10 (1931): 649–81. See also n. 25.

⁸¹ Savary, *Le parfait négociant*, 121 (bk. 1, chap. 19, "De l'origine des lettres de change, & de leur utilité pour le commerce"). The passages about the origins of bills of exchange appeared, unchanged, in all subsequent editions of Savary's book as well as in its translations.

⁸² *Ibid.*, 122.

TABLE I

PRINCIPAL WORKS PRINTED BETWEEN 1647 AND 1800 THAT MENTION THE LEGEND OF THE JEWISH INVENTION OF BILLS OF EXCHANGE AND/OR MARINE INSURANCE, WHETHER THEY DOUBT IT OR NOT

Author(s)	Title*	Publication Year ^r	Publication Place	Language [‡]	Legend [§]	Doubted	Author(s) Cited
Cleirac, Estienne	<i>Us et coutumes de la mer</i>	1647	Bordeaux	French	BE+MI	N	V
Cleirac, Estienne	<i>Usance du négoce</i>	1656	Bordeaux	French	BE	N	
Savary, Jacques	<i>Le parfait négociant</i>	1675	Paris	French	BE	N	
Savary, Jacques	<i>Der vollkommene Kauff- und Handelsmann</i>	1676	Geneva	German/Tr.	BE	N	
Bornier, Philippe	<i>Conférences des nouvelles ordonnances de Louis XVI</i>	1681	Paris	French	BE+MI	N	V
Toutbeau, Jean	<i>Les instituttes du droit consulaire</i>	1682	Bourges	French	BE+MI	N (BE)/Y (MI)	V/C/S/ Bornier
Savary, Jacques	<i>De volmaakte koopman</i>	1683	Amsterdam	Dutch/Tr.	BE	N	
Savary, Jacques	<i>Parères</i>	1688	Paris	French	BE	N	
Furtiere, Antoine	<i>Dictionnaire universel</i>	1690	The Hague	French	BE	N	
Dupuis de la Serra, Jacques	<i>L'art des lettres de change</i>	1693	Paris	French	BE	Y	
Ricard, Samuel	<i>Traité général du commerce</i>	1700	Amsterdam	French	BE	N	
Gobain, Pierre	<i>Le commerce en son jour</i>	1702	Bordeaux	French	BE	Y	
Forbes, William	<i>A Methodical Treatise concerning Bills of Exchange</i>	1703	Edinburgh	English	BE	Y	
Moulinier, Jean	<i>Le grand trésor des marchands, banquiers et négocians</i>	1704	Bordeaux	French	BE	N	
Ricard, Samuel	<i>L'art de bien tenir les livres de comptes en parties doubles</i>	1709	Amsterdam	French	BE	N	Ricard (1700)
Marberger, Paul Jacob	<i>Neu-eröffneter Handels-Bericht</i>	1709	Hamburg	German	BE	Y	Ricard (1700)

TABLE 1 (Continued)

Author(s)	Title*	Publication Year†	Publication Place	Language‡	Legend§	Doubted	Author(s) Cited¶
Le Moine de L'Espine, Jacques; Lelong, Isaac	<i>Den Koophandel van Amsterdam</i>	1715, 2nd ed.	Amsterdam	Dutch/Tr.	BE	N	
Marperger, Paul Jacob	<i>Beschreibung der Banqven</i>	1717	Leipzig	German	BE	Y	
Gobain, Pierre Savary des Brûlons, Jacques; Savary, Philémon-Louis	<i>Questions les plus curieuses Dictionnaire universel de commerce</i>	1717 1723–30	Bordeaux Paris	French French	BE BE+MI	Y Y (BE)/N (MI)	
Bléville, Thomas de Bouthillier, Thomas de	<i>Le banquier français</i> <i>Le banquier français</i>	1724 1727	Paris Paris	French French	BE BE	N N	
Chambers, Ephraim Manni, Domenico Maria	<i>Cyclopaedia De Florentinis inventis commentarium</i>	1728 1731	London Ferrara	English Latin	BE+MI BE	Y Y	De Rubis/ Dupuis de la Serra
Zedler, Johann Heinrich	<i>Grosses vollständiges Universallexicon aller Wissenschaften und Künste</i>	1732–50	Leipzig	German	BE	Y	
	<i>Allgemeine Schatz-Kammer der Kauffmannschaft</i>	1741–43	Leipzig	German	BE	Y	

Савари де Брюлон Ж [Savary des Brüllons, J.] Montesquieu, Charles de Secondat	Экстракт Савариева лексикона о коммерции [<i>Ekstrakt Savarieva leksikona o komertsii</i>] <i>De l'esprit des lois</i>	1747	St. Petersburg	Russian	MI	N
Dupuis de la Serra, Jacques	<i>Trattato delle lettere di cambio</i>	1750	Venice	Italian/Tr.	BE	Y
Beawes, Wyndham	<i>Lex mercatoria rediviva</i>	1751	London	English	BE+MI	Y
Barrow, John	<i>A New and Universal Dictionary of Arts and Sciences</i>	1751	London	English	BE	N
Diderot, Denis; d'Alembert, Jean	<i>Encyclopédie, ou, Dictionnaire raisonné des arts et métiers</i>	1751–65	Paris	French	BE	Y
Ludovici, Carl Günther	<i>Eröffnete Akademie der Kaufleute</i>	1752–56	Leipzig	German	MI	N
de Forbonnais, François	<i>Eléments du commerce</i>	1754	Leiden, but Paris	French	BE	N
Rolt, Richard	<i>A New Dictionary of Trade and Commerce</i>	1756	London	English	BE	N
Cunningham, Timothy	<i>The Law of Bills of Exchange</i>	1760	London	English	BE	Y
Bielfeld, Jakob Friedrich	<i>Institutions politiques</i>	1760–72	The Hague	French	BE	N
Lacombe de Prével, Honoré	<i>Dictionnaire du citoyen</i>	1761	Paris	French	BE	N
Paganucci, Jean	<i>Manuel historique, géographique et politique des negocians</i>	1762	Paris	French	BE	N

TABLE 1 (Continued)

Author(s)	Title*	Publication Year ^r	Publication Place	Language [‡]	Legend ^s	Doubted	Author(s) Cited ^{ll}
Pothier, Robert Joseph	<i>Traité du contrat de change</i>	1763	Paris	French	BE	Y	S
de Beausobre, Louis	<i>Introduction générale</i>	1764	Berlin	French	BE	N	
Pagnini, Giovanni Francesco	<i>Della decima e di varie altre gravzze</i>	1765–66	Florence	Italian	BE	Y	Bielfeld
Genovesi, Antonio	<i>Delle lezioni di commercio</i>	1765–67	Naples	Italian	BE	N	
Blackstone, William	<i>Commentaries on the Laws of England</i>	1765–69	Oxford	English	BE	Y	
de Forbonnais, François	<i>Elementos do commercio</i>	1766	Lisbon	Portuguese/ Tr.	BE	Y	
Mortimer, Thomas	<i>A New and Complete Dictionary of Trade</i>	1766	London	English	BE+MI	Y	MI: S+S
Steuart, Sir James	<i>An Inquiry into the Principles of Political Economy</i>	1767	London	English	BE	N	
Ludovici, Carl Günther	<i>Grundriß eines vollständigen Kaufmanns-Systems</i>	1768	Leipzig	German	BE	Y	
Targioni Tozzetti, Giovanni	<i>Relazioni d'alcuni viaggi</i>	1768, 2nd ed.	Florence	Italian	BE	Y	M
	<i>De Koopman, of Bydragen ten Opbouw Van Neerlandts Koophandel en Zeevaard</i>	1768–76	Amsterdam	Dutch	BE	N	Le Moine de l'Espine
Beccaria, Cesare	<i>Prolusione letta il giorno 9 gennaio 1769</i>	1769	Milan	Italian	BE	Y	
Beccaria, Cesare	<i>A Discourse on Public Economy and Commerce</i>	1769	London	English/Tr.	BE	Y	

Beccaria, Cesare	<i>Discours . . . pour le commerce & l'administration publique</i>	1769	Lausanne	French/Tr.	BE	Y	
Raynal, abbé	<i>Histoire philosophique et politique des établissements & du commerce des Européens dans les deux Indes</i>	1770	Amsterdam	French	BE	N	
Krünitz, Johann Georg	<i>Ökonomisch-technologische Encyklopädie</i>	1773–1858	Berlin	German	BE+MI	Y	S/BE: M
Nicodème, Paul Joseph	<i>Exercice des commerçans</i>	1776	Paris	French	BE	Y	
Musäus, Johann Daniel Heinrich	<i>Anfangsgründe des Wechselrechts</i>	1777	Kiel/Hamburg	German	BE	Y	S/M/Ricard (1700)/ Dupuis de la Serra V/S
Origny, Antoine Robinet, Jean Baptiste	<i>Dictionnaire des origines</i> <i>Dictionnaire universel</i>	1777 1777–83	Paris London	French French	BE+MI BE	N Y	
de Capmany y de Montpalau, Antonio	<i>Memorias historicas sobre la marina comercio y artes</i>	1779–92	Madrid	Spanish	BE	N	
Weskett, John	<i>A Complete Digest of the Theory, Laws, and Practice of Insurance</i>	1781	London	English	MI	Y	C/S/Lacombe
Émerigon, Balthazard-Marie	<i>Traité des assurances et des contrats à la grosse</i>	1783	Marseille	French	MI	Y	

TABLE 1 (Continued)

Author(s)	Title*	Publication Year ^r	Publication Place	Language [‡]	Legend [§]	Doubted	Author(s) Cited
Rousselot de Surgy, Jacques-Philibert	<i>Encyclopédie méthodique: Commerce</i>	1783–84	Paris/Liège	French	BE	N	
Beckmann, Johann	<i>Beiträge zur Geschichte der Erfindungen</i>	1783–1805	Leipzig	German	MI	Y	C
Baldasseroni, Pompeo	<i>Leggi e costumi del cambio</i>	1784	Pescia	Italian	BE	Y	S
Rousselot de Surgy, Jacques-Philibert	<i>Encyclopédie méthodique: Finances</i>	1784–87	Paris/Liège	French	BE	N	(M)
Fischer, Friedrich Christoph	<i>Geschichte des teutschen Handels</i>	1785	Hannover	German	BE	N	
Jonathan Büsch, Johann Georg	<i>Handlungsbibliothek</i>	1785–97	Hamburg	German	BE	Y	M
Baldasseroni, Ascanio	<i>Delle assicurazioni maritime trattato</i>	1786	Florence	Italian	MI	Y	S+S
Azuni, Domenico Alberto	<i>Dizionario universale ragionato</i>	1786–88	Nice	Italian	BE	Y	M/Targioni Tozzetti
Euler, Martin	<i>Allgemeine Wechselencyclopädie</i>	1787	Frankfurt am Main	German	BE	Y	
Millar, John	<i>Elements of the Law Relating to Insurances</i>	1787	Edinburgh/London	English	BE	Y	S/Bornier
Park, James Allan	<i>A System of the Law of Marine Insurances</i>	1787	London	English	BE+MI	Y	BE: M/MI: S+S
Suárez y Nuñez, Miguel Gerónimo	<i>Tratado legal teorico y practico de letras de cambio</i>	1788–89	Madrid	Spanish	BE	Y	V/S

Grégoire, Henri	<i>Essai sur la régénération. ... des Juifs</i>	1789	Metz/Paris/ Strasbourg	French	BE	N	V
Muzio, Giovanni Francesco	<i>Principi di aritmetica e commercio</i>	1790	Genova	Italian	BE	N	
Kyd, Stewart	<i>A Treatise on the Law of Bills of Exchange</i>	1790	London	English	BE	N	M
Arnould, Ambroise Marie	<i>De la balance du commerce et des relations commerciales extérieures de la France</i>	1791	Paris	French	BE+MI	N	
Gaignat de L'Aulnais, C.-F.	<i>Guide du commerce</i>	1791	Paris	French	BE	N	
Büsch, Johann Georg	<i>Theoretisch-praktische Darstellung der Handlung in deren mannigfaltigen Geschäften</i>	1791–92	Hamburg	German	BE	Y	
Martens, Georg Friedrich von	<i>Versuch einer historischen Entwicklung des wahren Ursprungs des Wechselrechts</i>	1795	Göttingen	German	BE	Y	de Capmany/ Arnould
Püttman, J. L. E.	<i>Grundsätze des Wechsels</i>	1795	Leipzig	German	BE	Y	M
Tisdall, John	<i>Laws and Usages Respecting Bills of Exchange</i>	1795	Philadelphia	English	BE	N	
Beckmann, Johann	<i>A History of Inventions and Discoveries</i>	1797	London	English/Tr.	BE	N	C

TABLE 1 (Continued)

Author(s)	Title*	Publication Year [†]	Publication Place	Language [‡]	Legend [§]	Doubted	Author(s) Cited
Disraeli, Isaac	<i>Vaurien, or, Sketches of the Times</i>	1797	London	English	BE	N	
Cairu, José da Silva Lisboa	<i>Principios de direito mercantil e leis de marinha</i>	1798	Lisbon	Portuguese	BE	Y	

*Several titles are abbreviated.

[†]The first edition alone is cited, unless the legend only appears in a subsequent edition.

[‡]Tr. = translation.

[§]MI = marine insurance; BE = bills of exchange.

^{||}C = Cleirac; M = Montesquieu; S = Savary, *Le parfait négociant*; S+S = Savary des Brdlons and Savary, *Dictionnaire universel de commerce*; V = Villani.

France doubted the odd account. Already in 1693, Dupuis de la Serra's *L'art des lettres de change*, a serious work devoted to bills of exchange that enjoyed considerable popularity, expressed reservations on the grounds that no invention can take eight centuries to emerge and that the medieval expulsions were an unlikely occasion for Jews to thrive.⁸³

The transmission and evolution of the legend across Europe through its reformulation by Sombart will be the object of a separate study.⁸⁴ Suffice it to say that the legend's malleability afforded it more than one interpretation in the eighteenth century and ensured that it was invoked not only with regard to issues of good and bad credit but also in broader debates on the relationship between commerce and toleration. Montesquieu stands out for both embracing the legend and interpreting it as casting Jews in a positive light. In a chapter of *The Spirit of the Laws* entitled "How Commerce Broke through the Barbarism of Europe" (bk. 2, chap. 20), the French thinker describes European Jews as a group associated "with the most shameful usury" and subjected to the violent caprices of tyrannical rulers during the Middle Ages. But he also claims that Jews "invented letters of exchange" and, in so doing, set in motion the process by which European trade "was able to avoid violence and maintain itself everywhere."⁸⁵ He thus sees Jews as instrumental in the emergence of *le doux commerce*, the cornerstone of European civilization.

⁸³ Jacques Dupuis de la Serra, *L'art des lettres de change suivant l'usage des plus célèbres places de l'Europe* (Paris, 1693), 6–7. Note that after 1697, Dupuis de la Serra's treatise was regularly reprinted together with the many re-editions of Savary's *Le parfait négociant* (Jeannin, *Marchands d'Europe*, 378)—another indication that factual consistency was not always a priority in the *ars mercatoria*. Doubts on the legend had already been cast, but only concerning the origins of marine insurance: Jean Toubeau, *Les institutes du droit consulaire* (Paris, 1682), 586, 645.

⁸⁴ For Werner Sombart (*The Jews and Modern Capitalism*, 65), "it is fairly certain that the use of circulating endorsable bills in Venice must have been first commenced by Jews, seeing that we know that nearly all bill-broking in the Adriatic city in the 16th century was in their hands."

⁸⁵ Montesquieu, *The Spirit of the Laws*, 388–89. As a member of Bordeaux's parlement and of the city's literary academy, Montesquieu had easy access to Cleirac's works. His footnote corroborating the statement that Jews invented bills of exchange does not cite Cleirac but follows him closely: "It is known that under Philip Augustus and Philip the Tall, the Jews, driven out of France took refuge in Lombardy and that there they gave the foreign traders and travelers secret letters for those to whom they had entrusted their effects in France, with which their debts were paid" (389 n. 141). The expression "secret letters" appears in Cleirac but not in Savary. Montesquieu's authoritativeness was such that factual evidence had to be marshaled in order to disprove his story. Giovanni Targioni Tozzetti did that much in his *Relazioni d'alcuni viaggi fatti in diverse parti della Toscana . . .*, 2nd ed. (Florence, 1768–69), 2:62–63. Among those who followed Montesquieu most closely was a French Huguenot living in Berlin during the 1760s, Louis de Beausobre, author of *Introduction générale*, 220 n. 1. Citing the legend as relayed by de Beausobre, Myriam Yardeni considers the

It was with pride that at least one eighteenth-century Jewish author, the father of British prime minister Benjamin Disraeli, revived the story.⁸⁶ At the opposite end of the spectrum stands the advocate of Jewish emancipation at the onset of the French Revolution, the abbé Grégoire. While he was among those who argued that Jewish hyperspecialization in commerce and finance was the result of external oppression rather than innate proclivity, he nonetheless depicted Jewish financial dealings in sinister terms and in this guise reiterated that Jews invented bills of exchange.⁸⁷

More commonly, the legend appeared in merchants' manuals, even if, backed by Montesquieu, it also made its way into highbrow texts such as Sir James Steuart's *An Inquiry into the Principles of Political Economy* (1767) and the inaugural lecture delivered by Cesare Beccaria, that most well-known Italian Enlightenment thinker, on the occasion of his appointment as professor of political economy in Milan in 1769.⁸⁸ It was often cited alongside competing hypotheses about the origin of bills of exchange—the two most common pointing either to Florentine expatriates (or Italians in general)⁸⁹ or, as a rationalist explanation made inroads, to the necessities of commerce and human industriousness.⁹⁰ All in all, the legend's resilience is striking. Like so many other texts, Diderot and d'Alembert's *Encyclopédie* cited Giovanni Villani and Savary and expressed skepticism but did not bother to verify

passage to be exemplary of a broader trend whereby the image of Jews among French Huguenots became "more level-headed and perhaps more objective" after their forced exile in 1685. While there is no doubt that Beausobre's characterization of Jews is remarkably shorn of debasing accusations, the legend he cites is hardly "a factual report" (Yardeni, *Anti-Jewish Mentalities*, 246). Here is an example of new readings that a better understanding of the legend can open up.

⁸⁶ Isaac Disraeli, *Vaurien, or, Sketches of the Times*, 2 vols. (London, 1797), 2:233.

⁸⁷ Henri Grégoire, *Essai sur la régénération physique, morale et politique des Juifs* (Metz, 1789), 81–87.

⁸⁸ A Jacobite, Sir James Steuart spent many years in France and, in mentioning the legend, follows Montesquieu's reasoning closely: *An Inquiry into the Principles of Political Oeconomy*, 2 vols. (London, 1767), 2:113 (bk. 4, pt. 1, chap. 3). Beccaria is less sure that Jews invented bills of exchange rather than "had recourse to the invention of bills of exchange" ("Prolusione," 185).

⁸⁹ Like other sociological arguments of the time, this hypothesis links innovation to persecuted minorities in general, not just to Jews.

⁹⁰ Early examples in Cristóbal de Villalón, *Prouechoso tratado de cambios* (Valladolid, 1542), fol. lv; Ludovico Guicciardini, *Descrittione . . . di tutti i Paesi Bassi* (Antwerp, 1567), 117; Bernardo Davanzati, *Notizia de' cambj* (1588), in *Notizie mercantili delle monete e de' cambi* (Venice, 1840), 33; Matthias Bode, *Dissertatio de cambiis* (Marburg, 1646), 14. This argument became more common in the eighteenth century. See, e.g., Carl Günter Ludovici, *Grundriß eines vollständigen Kaufmanns-Systems* (Leipzig, 1768), 194; James Allan Park, *A System of the Law of Marine Insurances* (London, 1787), iii.

Villani's chronicle.⁹¹ Enduring if unarticulated associations between Jews and usury were sufficiently profound to lead even Christian authors who were not fully persuaded by its empirical soundness to mention the legend and not wonder why it existed.

V. BEHIND THE LEGEND'S GENESIS

If the legend found enough intertextual references and conceptual backing to live on, to what should we attribute its emergence in the first place? Without more information about Cleirac's thought process and possible editorial interventions, only speculative answers can be offered. That said, Bordeaux during the first half of the seventeenth century was a likely place for these fanciful conjectures to materialize.

A city of about 30,000 inhabitants and a port with a growing regional and international reach, Bordeaux was the site of heightened political, religious, and social conflict during the first half of the seventeenth century. As elsewhere in Europe, religious toleration was more than an abstract philosophical dispute and rarely a matter of easy accommodation: it was the result of daily negotiations, the source of constant instability, and often the occasion for bloody wars. The proximity to the Huguenot outpost of La Rochelle called for the city's fiscal and military involvement during the siege of 1627–28. In the 1630s, Bordeaux experienced considerable social unrest, and from 1648 to 1654 it was ravaged first by the Fronde and then by its local and bloody sequel, the Ormée.⁹² Its composite urban elite made up of merchants, legal professionals with aspirations to nobility, and a feudal aristocracy had an ingrained sense of municipal autonomy but was also fraught with tensions.

Not yet the Atlantic hub that it became a hundred years later, in the early seventeenth century Bordeaux already bustled with commercial dynamism. Italian merchants had introduced the use of bills of exchange and marine insurance during the sixteenth century.⁹³ Although subjugated to the needs of overseas trade rather than constituting an autonomous economic sphere, the financial market continued to expand in order to support the growth of the import-export trade in wine, sugar, and other colonial commodities as well as fishing expeditions.⁹⁴ It is

⁹¹ Diderot and d'Alembert, *Encyclopédie*, 9:417–20 (entry "Lettre de change").

⁹² Christian Jouhaud, *Mazarinades: La fronde des mots* (Paris, 1985); William Beik, *Urban Protest in Seventeenth-Century France: The Culture of Retribution* (Cambridge, 1997).

⁹³ Bernard Allaire, *Crépuscules ultramontaines: Marchands italiens et grand commerce à Bordeaux au XVI^e siècle* (Pessac, 2008).

⁹⁴ In a distinctive Braudelian fashion, Paul Butel emphasizes the "archaism" that characterized Bordeaux's commercial techniques through the eighteenth century: *Les négociants bordelais, l'Europe et les Iles aux XVIII^e siècle* (Paris, 1974), 9. In fact, the only archaic aspect of Bordeaux's commercial organization was the absence of a

no surprise that educated professionals like Cleirac, who witnessed the everyday expansion of bills of exchange, were both fascinated and alarmed by these unfathomable credit instruments. Not only was it necessary to reconcile their use with the moral tenets of the Catholic Church: it was also imperative to reckon with the mystery of financial dealings themselves. The asymmetry of information between practitioners and observers was likely most acute in the early seventeenth century, when the transferability of bills of exchange began to spread.

Bordeaux also housed a sizable and commercially active community of New Christians whose allegiance to Catholicism was for the most part tenuous. If less economically powerful than Flemish, Dutch, and English merchants, Iberian New Christians were among the foreigners most active in long-distance trade. In the absence of an Inquisition tribunal, after 1550 Bordeaux and other towns in its region (notably Saint-Esprit-lès-Bayonne, Saint Jean de Luz, Bidache, and Peyrehorade) became magnets of *converso* and *marrano* migration.⁹⁵ Contraband went along with the movement of people and goods across the Franco-Spanish border. Some families turned Bordeaux into a temporary stop on their way to Livorno, Amsterdam, and other Sephardic capitals, while more than a few took up residence.⁹⁶ In 1636, 260 Spanish and Portuguese lived in Bordeaux, and in the following decades they grew in number.⁹⁷

During the 1630s, anti-Jewish polemics were rampant on both sides of the Pyrenees. A counselor to the French king mistrusted the Catholicism of the Portuguese of the Southwest.⁹⁸ Opponents of the Spanish plenipotentiary count-duc of Olivares's foreign and domestic policies railed against the alleged impact of his protection of Portuguese New Christian bankers on the moral fiber of the Habsburg monarchy and society. Francisco Quevedo was a particularly venomous

stock market, but this absence was common to the majority of European commercial hubs.

⁹⁵ Periods of relative safety alternated with others (especially between 1615 and 1625) when the royal protection of the New Christians of Bordeaux weakened. Gérard Nahon, *Juifs et Judaïsme à Bordeaux* (Bordeaux, 2003), 39–43, 46–47. *Converso* and *marrano* were terms commonly used in Spain and Portugal, respectively, in reference to New Christians who were regarded as crypto-Jews. Scholars today employ them without any hint at the originally derogative connotation.

⁹⁶ Israel, *Diasporas*, 120–22, 146; David L. Graizbord, *Souls in Dispute: Converso Identities in Iberia and the Jewish Diaspora, 1580–1700* (Philadelphia, 2004); Natalia Muchnik, “Des intrus en pays d’Inquisition: Présence et activités des juifs dans l’Espagne du XVIIe siècle,” *Revue des études juives* 164 (2005): 119–56.

⁹⁷ Nahon, *Juifs et Judaïsme*, 47.

⁹⁸ Pierre de l’Ancre, *L’incrédulité et mescréance du sortilège pleinement convaincue* (Paris, 1622), discussed in Nahon, *Juifs et Judaïsme*, 49. On the French anti-Judaic literature of the seventeenth century, see also J. Caro Baroja, *Los Judíos en la España moderna y contemporánea*, 3rd ed., 3 vols. (Madrid, 1986), 1:270; Hertzberg, *The French Enlightenment*, 28–48.

voice in this crowd. He mixed Catholic accusatory clichés about Jews' handling of money with specific references to an alleged conspiracy of Jewish and New Christian bankers to exploit the financial needs of various European states.⁹⁹ Meanwhile, the Spanish Inquisition renewed its campaign against alleged crypto-Jews and held some exemplary trials ending with brutal executions, including several that targeted individuals with close connections to the Southwest of France, like the Saraiva brothers.¹⁰⁰ After Olivares's fall from power in 1643, with royal protection weakened and Inquisitorial persecution on the rise, more refugees took the road to Bordeaux.

There the privileges granted to "Portuguese and Spanish merchants" protected the refugees against the king's right to seize the property of a deceased foreigner (*droit d'aubain*) and even allowed them to acquire the status of *bourgeois*—a fiscal and legal condition which, in theory if not in practice, put them on equal footing with someone like Cleirac.¹⁰¹ Religious dissimulation was the norm but, as the Portuguese Jesuit Antonio Viera acknowledged, "in popular parlance, among most of the European nations, 'Portuguese' is confused with 'Jew.'"¹⁰² Only in 1723 was a Jewish community officially recognized in Bordeaux. Until then, a mixture of inclusion and suspicion surrounded the presence in town of New Christians. In 1647, the year when *Us et coutumes* was published, the French diplomatic envoy in Lisbon invited Cardinal Mazarin to place the region of Bordeaux under surveillance because it was infested by "the Jewish plague."¹⁰³

We cannot be sure how the presence of New Christians affected Cleirac's view of Jews, but a telling detail surfaces from his hazy biographical profile. In the

⁹⁹ Francisco de Quevedo, *Execración contra los judíos*, ed. Fernando Cabo Aseguinolaza and Santiago Fernández Mosquera (Barcelona, 1996), 34–35, and his *La hora de todos y la fortuna con seso*, ed. Jean Bourg, Pierre Dupont, and Pierre Geneste (Madrid, 1987), 339. Quevedo explicitly targeted Olivares's policies. Other Iberian authors were less politicized but nonetheless virulently Judeophobic. Vicente da Costa Mattos turned a common argument on its head when he advocated the expulsion of "apostate Jews" and "Judaizing Jews" from Portugal in the name of "the reason of state," in *Breve discurso contra a heretica perfidia do Iudaismo* (Lisbon, 1622), fols. 183r–186v. The work also appeared in a Castilian translation by Father Diego Gavilan Vela, *Discurso contra los Judios* (Salamanca, 1631). On usury as a theme in Spanish anti-Jewish polemics of the period, see Caro Baroja, *Los Judíos*, 2:27; and Juan Ignacio Pulido Serrano, *Injurias a Cristo: Religión, política y antijudaísmo en el siglo XVII (análisis de las corrientes antijudías durante la Edad Moderna)* (Alcalá Henares, 2002).

¹⁰⁰ Caro Baroja, *Los Judíos*, 2:67–68, 74. In 1638, a Portuguese *marrano* handed to the Toledo Inquisition (which had jurisdiction over Madrid) a list of 155 crypto-Jews residing in or traveling back and forth to the Southwest of France (3:364–71).

¹⁰¹ Cleirac obtained the status of bourgeois in 1616: *Le livre des bourgeois de Bordeaux, XVIIe et XVIIIe siècles* (Bordeaux, 1898), 32.

¹⁰² Cited in Miriam Bodian, "'Men of the Nation': The Shaping of Converso Identity in Early Modern Europe," *Past and Present* 143 (1994): 48–76, 60.

¹⁰³ Nahon, *Juifs et Judaïsme*, 48.

preface to his *Usance du négoce*, Cleirac recounts that he was appointed a royal officer (*procureur du roi*) during the lengthy and delicate negotiations that followed the shipwreck in the gulf of Bordeaux of eight Portuguese ships returning from India in January 1627.¹⁰⁴ It was a shipwreck of extraordinary proportions: two enormous vessels loaded with diamonds, pepper, cloves, Indian textiles, ebony, ivory, Chinese furniture and porcelain, Asian spices, and other luxury goods, as well as six armed galleons with some of the finest Portuguese nobility on board. A Portuguese historian of the time described it as the worst loss Portugal had sustained since king Sebastian's disappearance in Morocco (1578) had led to the country's annexation to the kingdom of Castile and Aragon (1580–1640).¹⁰⁵ The stakes in this disaster were high for both the French and the Spanish crowns. In late January 1627, Richelieu was seeking to enlist Spain's support against the English and the Huguenots at La Rochelle.¹⁰⁶ In order to succeed (which he did), he had to accommodate Spanish claims over whatever of the precious cargo (and the cannons in particular) could be recovered from the poor peasants looting the shores and oppose the claims of Jean-Louis Nogaret de La Vallette, duc d'Épernon (1544–1642), the all-powerful governor of the Garonne region, as well as those of a few feudal lords who still retained power in the patchy kingdom of France.¹⁰⁷ South of the Pyrenees, in January 1627, Olivares sidelined the Genoese bankers who had been financing the Spanish public debt for seventy years in order to begin recruiting Portuguese New Christians in their place. He could not risk alienating the latter's interests, which extended over much of the cargo from the two sunken commercial ships.¹⁰⁸

¹⁰⁴ Cleirac, *Usance du négoce*, 4.

¹⁰⁵ Manuel de Faria e Sousa, *Ásia Portuguesa* (1666–75), 6 vols. (Porto, 1945–47), 6:284. More details about this shipwreck may be found in Gouron, *L'Amirauté*, 377–79; Yves-Marie Bercé, "L'affaire des caraques échouées (1627) et le droit de naufrage," in *État, marine et société: Hommage à Jean Meyer*, ed. Martine Acerra et al. (Paris, 1995), 15–24; Jean-Yves Blot and Patrick Lizé, eds., *Le naufrage des portugais sur les côtes de Saint-Jean-de-Luz et d'Arcachon (1627)* (Paris, 2000). References to this shipwreck appear in Cleirac, *Us et coutumes*, 125–26, 472.

¹⁰⁶ J. H. Elliott, *The Count-Duke of Olivares: The Statesman in an Age of Decline* (New Haven, CT, 1986), 301–35.

¹⁰⁷ The negotiations conducted by Richelieu's envoys with the governor of Guyenne and the coastal lords are documented throughout vol. 2 of Pierre Grillon, ed., *Les papiers de Richelieu: Section politique intérieure, correspondance et papiers d'État*, 6 vols. (Paris, 1975–85). Direct correspondence between the Spanish and French courts over this matter can be found in Archives des Affaires étrangères, Paris, *Correspondance politique: Espagne*, 15, fol. 67r; and Archivo General de Simancas (hereafter AGS), *Secretaría de Estado (Francia)* (hereafter *SEF*), K.1459, nos. 33, 40. In his memoirs, Richelieu recalled this tragic event as evidence of Spain's supremacy on the sea at that time: *Mémoires du Cardinal de Richelieu*, 10 vols. (Paris, 1907–31), 7:25.

¹⁰⁸ Surviving documents produced by royal authorities on both sides are predictably discreet about the involvement of Portuguese New Christians. However, evidence of the latter's ownership of portions of the cargo surfaces in AGS, *SEF*, K.1434, nos. 47,

Cleirac was not among the top-ranked French officials appointed by Richelieu to resolve this most delicate affair. But whatever role he played, he sided with the royal authorities and had to confront two issues that are reflected in his writings. The first was the need to devise a clearer set of maritime laws that would facilitate the resolution of conflicts over property rights. Rights over sunken cargoes were traditionally governed by customary norms (*droit de naufrage*) that privileged local coastal powers. Forgotten by most scholars of French absolutism, maritime issues such as shipwrecks were not beyond Richelieu's purview.¹⁰⁹ Moreover, although we know little about Cleirac, during this episode he likely saw the Portuguese merchants' economic influence up close and could easily have blown it out of proportion.

This major incident is not the only reason why mid-seventeenth-century France, and Bordeaux in particular, offered fertile ground for the idea that Jews may have been the first to introduce bills of exchange. The presence of crypto-Jews heightened the anxieties created by the erosion of social hierarchies caused by the expansion of commercial credit. In France, the stigma against trade and manual labor was even stronger than it was elsewhere in Europe. In the sixteenth century, a law (*loi de dérogeance*) sanctioned the loss of privileges, including dearly held fiscal privileges, for those noblemen who "trafficked in merchandise."¹¹⁰ This prohibition came under attack during the second half of the sixteenth century and was formally abolished in 1629 (Code Michaud).¹¹¹ But laws rarely

65, and ADG, C.3904, fols. 55, 57, 116. These hints are congruent with the role of Portuguese New Christians in the private trade with India uncovered by James C. Boyajian, *The Portuguese Trade in Asia under the Habsburgs, 1580–1640* (Baltimore, 1993).

¹⁰⁹ Following the 1627 shipwreck, the cardinal commissioned a study to reform the French *droit de naufrage* (Archives Nationales, Paris, AB XIX, 3192, dossier 3). See also Gouron, *L'Amirauté*, 64–65, 302; Bercé, "L'affaire des caraques"; Erik Thomson, "France's Grotius Moment? Hugo Grotius and Cardinal Richelieu's Commercial Statecraft," *French History* 21 (2007): 377–94.

¹¹⁰ In his 1610 *A Treatise of Orders*, the jurist Charles Loyseau put merchants one step below judges and lawyers in the non-noblemen hierarchy and emphasized that commerce derogated from nobility. Charles Loyseau, *A Treatise of Orders and Plain Dignities*, ed. and trans. Howell A. Lloyd (Cambridge, 1994), 110–11, 178–79.

¹¹¹ Richelieu's principal objective in abolishing this legislation was to encourage noblemen to invest in state-owned overseas trade companies and thus to contribute to the royal coffers. In fact, most noblemen who availed themselves of the new legislation preferred to invest in private enterprises. Henri Hauser, *La pensée et l'action économiques du Cardinal de Richelieu* (Paris, 1944), 68; Davis Bitton, *The French Nobility in Crisis, 1560–1640* (Stanford, CA, 1969), 65–75; Laure Chantrel, "Notion de richesse et de travail dans la pensée économique française de la seconde moitié du XVIIe et du début du XVIIIe siècle," *Journal of Medieval and Renaissance Studies* 25 (1995): 129–58, 156–57. The 1629 edict was reiterated several times—a sign of the

change society overnight. Indeed, the prejudice against commerce and mechanical arts persisted and represents one of the great cultural and social struggles of the Old Regime.

It is not a coincidence that the legend discussed here appears in works that made a strong plea in favor of the nobility of commerce. In the preface to his *Le parfait négociant*, Savary insisted that an aristocratic pedigree ought not to impede a career in commerce. The descendent of a family that had lost its noble status after engaging in commerce since the sixteenth century, he had accumulated a considerable fortune as a wholesale merchant before joining the royal administration.¹¹² Savary meant his work not only to have pedagogical purposes but also to legitimize the merchant profession as both useful and honorable (“si utile & si honorable”). He praised the quest of profit and the desire to better oneself (“le desir de s’élever”).¹¹³ These new principles clashed with the old aristocracy’s wish to harden social hierarchies following the rise of moneyed elites and legal professionals during the sixteenth century.¹¹⁴ Even advocates of the nobility’s involvement in commerce had to compromise. A certain François Marchetty of Marseille, for example, suggested means of distinguishing noblemen engaged in long-distance trade (“nobles marchands”) from regular merchants (“simples bourgeois & des autres negociants”).¹¹⁵ Rather than subsiding, the conflict had escalated a full century after Cleirac’s death. In a short treatise of considerable fame, an obscure abbot named Coyer (1707–82) praised the beneficial effects of overseas trade and ignited a flurry of debates for exhorting aristocrats to abandon ancient preconceptions and engage in it.¹¹⁶

opposition it encountered; Guy Chaussinand-Nogaret, *The French Nobility in the Eighteenth Century: From Feudalism to Enlightenment*, trans. William Doyle (Cambridge, 1985), 92.

¹¹² Henri Hauser, “Le ‘parfait négociant’ de Jacques Savary,” *Revue d’histoire économique et sociale* 13 (1925): 1–28, 2–3.

¹¹³ Savary, *Le parfait négociant*, 1–2.

¹¹⁴ George Huppert, *Les Bourgeois Gentilshommes: An Essay on the Definition of Elites in Renaissance France* (Chicago, 1977). By the late seventeenth century, elite merchant-bakers (*négociants*) appropriated the notion of aristocratic “honor” to distance themselves from ordinary traders. Junko Thérèse Takeda, *Between Commerce and Crown: Marseille and the Early Modern Mediterranean* (Baltimore, 2011), 50–51.

¹¹⁵ François Marchetty, *Discours sur le négoce des gentilshommes de la ville de Marseille* (Marseille, 1671), 7.

¹¹⁶ Abbé (Gabriel François) Coyer, *La noblesse commerçante* (London [Paris], 1756). On 156, following Montesquieu (*The Spirit of the Laws*, 388), Coyer decries the fact that during the Middle Ages commerce was left solely in the hands of Jews, who were “a nation covered with infamy.” But unlike Montesquieu, he does not praise Jews for the invention of bills of exchange. On the debate sparked by Coyer’s short treatise, see Jay M. Smith, “Social Categories, the Language of Patriotism, and the Origins of

In short, to establish a culture in which the pursuit of profit was compatible with older notions of honor and merit proved neither simple nor fast. Financial creditworthiness did not ensure social reputation. Needless to say, anxieties about money's power to corrode the moral and social fabric were hardly new. In mid-fifteenth-century Florence, debating the meaning of nobility, the humanist Poggio Bracciolini had one of his interlocutors raise the specter of what would happen if "even moneylenders, no matter how wicked and abominable, would be noble just by being rich and holding public office."¹¹⁷ Two centuries later, it had become even more difficult to pinpoint wicked and abominable moneylenders. Petty traders and the urban middling sorts, not just expert and recognizable international traders, had begun to use bills of exchange.¹¹⁸ These credit instruments became more and more esoteric precisely at the time when their use was spreading socially and geographically and when legal norms and social conventions were eroding old hierarchies.

The status of New Christians in Bordeaux further blurred social and religious boundaries. As happened anywhere in Christian Europe that Iberian refugees were allowed to settle, the men shaved their beards (against the prescription of Jewish law) and dressed in ways that made them indistinguishable from their Christian peers. In the streets and on the docks of Bordeaux, individual New Christians were undoubtedly known as such to everyone, but their legal identity allowed them not only to conduct commercial and financial operations on the same terms as did local Catholics but also to intermarry and climb up the social ladder.

The last two centuries of the Old Regime brought about a crisis in social legibility. Nobles could now be merchants and merchants (including New Christians) could become nobles.¹¹⁹ New Christians' perceived dissimulation of their true religious allegiance added new dimensions to this fluidity. In this context, the

the French Revolution: The Debate over Noblesse Commerçante," *Journal of Modern History* 72 (2000): 339–74; and John Shovlin, "Toward a Reinterpretation of Revolutionary Anti-nobility: The Political Economy of Honor in the Old Regime," *Journal of Modern History* 72 (2000): 35–66. After the French Revolution, by social convention if not by law, commerce was still incompatible with the highest public offices; J. M. Pardessus, *Cours de droit commercial*, 4 vols. (Paris, 1814–16), 1:64.

¹¹⁷ Poggio Bracciolini, "On Nobility," in *Humanism and Liberty: Writings on Freedom from Fifteenth-Century Florence*, trans. and ed. Renée Neu Watkins (Columbia, SC, 1978), 121–48, 123.

¹¹⁸ On the diffusion of bills of exchange across social strata in the seventeenth century, see Jeannin, *Marchands d'Europe*, 293; and Romuald Szramkiewicz, *Histoire du droit des affaires* (Paris, 1989), 173. For eighteenth-century Paris and the apprehension that this diffusion generated, see Kessler, *A Revolution in Commerce*, 193–231.

¹¹⁹ At least one instance of a Jew acquiring a noble title is known to have occurred in Bordeaux in 1774. Hertzberg, *The French Enlightenment*, 136.

expansion of credit awoke disquieting questions. How was it possible to set respectable merchants apart from fraudulent speculators? The legal and normative directives offered by secular and ecclesiastical authorities only went so far. More and more people in the seventeenth and eighteenth centuries could issue and endorse a bill of exchange. Fears of fraud and treacherous speculations grew together with increased dependence on these financial instruments. To these pressing problems Cleirac offered a crude answer with gripping appeal: at least symbolically, fraudulent speculators were “Jewish.”

VI. CONCLUSION: JANUS-FACED CAPITALISM AND ITS ITERATIONS

The 2008 global financial crisis revealed that even our modern regulatory systems struggle to find ways to separate noxious derivatives from the healthy stocks that sustain our hopes for a comfortable retirement. The need to identify legal, social, and cultural criteria to distinguish between financial deals that are legitimate, beneficial, and honorable and those that are shady, harmful, and stigmatizing has been one of the great, if Sisyphean, struggles of European civilization since the thirteenth century.

I have sought here to bring back to life one seventeenth-century iteration of this struggle that had fallen into oblivion. By all accounts, the legend analyzed here was neither the only nor the most common way of speaking about Jews in Christian Europe at the time. Nor is every ill-founded legend worth a close investigation. And yet we are struck by the many well-known and lesser authors who grappled with a fanciful story conceived by an obscure French provincial lawyer. Upon closer examination, the legend’s circulation exposes facets of the transformation of European commercial society that are otherwise hard to discern, such as the evolution and persistence of medieval Christian views of Jewish credit in the early modern period and the coexistence of mercantile pragmatism and religious prejudice.

We are accustomed to reading about the power of commerce to generate more tolerant and secular attitudes. Indeed, in pockets of Europe during the seventeenth and eighteenth centuries it was not difficult to find Christian and Jewish bankers endorsing bills of exchange to each other on the basis of proven individual credit solvency. But the legend Cleirac put into circulation reminds us that these forms of business cooperation across religious groups did not necessarily translate into more benign collective views of Jews. More to the point, the tale of a medieval Jewish invention of bills of exchange appeared precisely when New Christians and Jews were integrating more and more into the everyday fabric of commercial society. And it figured not in doctrinaire disquisitions about usury or in texts that decried the corrupting power of commerce (of which there was no scarcity in seventeenth- and eighteenth-century France) but in the very literature that sought

to give not only technical tools but also ethical, political, and cultural foundations to that same commercial society.

Cleirac's Jews bear no resemblance to the "port Jews" of recent historiographical fame, harbingers of modernity, secularism, and acculturation in the century or so before the advent of legal emancipation.¹²⁰ On the contrary, they are prisoners of a medieval past that conjures up images of Jewish usury reminiscent of the legacy of medieval figurations of Jews in the early modern European imagination. In the *ars mercatoria* and the political economy of the seventeenth and eighteenth centuries, however, the entrenched association of medieval Jews with usury was shed of its most violent overtones, notably ritual murder.¹²¹ It blended together old, medieval stereotypes of Jews as usurers with new, or at least magnified, early modern fears of Jews as domineering in long-distance trade and international finance. It did not wrap Jews in an exclusively negative mantle; rather, it attributed to them a didactic function. By depicting Jewish bankers as sly and insatiable, the legend expressed a critique of the expanding boundaries of early modern European commercial society by setting an elusive symbolic standard for honorable banking activities.

Even in Montesquieu, whose *Spirit of the Laws* put a positive spin on the allegation that Jews invented bills of exchange, we detect a lingering ambivalence. The French thinker famously lashed out against the Inquisition and denounced the absurdity of claims that medieval Jews poisoned wells.¹²² However, in his *Persian Letters* (1721) he let his fictional character Usbek rehearse a tired and less than flattering cliché: "wherever there is money, there are Jews."¹²³ This and other passages were rendered familiar by the widespread Christian trope of Jews' "tenacious obstinacy," which insisted, among other things, on Jews' immutability as eternal merchants (and greedy ones to boot) and which eighteenth-century French philosophes (Voltaire most notoriously) did little to dispel.¹²⁴

Paradoxically, in Bordeaux before 1723 Jews were both obstinate and

¹²⁰ Lois C. Dubin, *The Port Jews of Habsburg Trieste: Absolutist Politics and Enlightenment Culture* (Stanford, CA, 1999); David Sorkin, "The Port Jew: Notes towards a Social Type," *Journal of Jewish Studies* 50 (1999): 87–97.

¹²¹ On the connection between Jewish moneylending and ritual murder, see Kenneth Stow, "The Good of the Church, the Good of the State: The Popes and Jewish Money," in *Christianity and Judaism: Studies in Church History*, ed. Diana Wood (Oxford, 1992), 237–52, 241; David Biale, *Blood and Belief: The Circulation of a Symbol between Jews and Christians* (Berkeley, 2007), 175–79.

¹²² Montesquieu, *The Spirit of the Laws*, 193, 490–91.

¹²³ Montesquieu, *The Persian Letters*, trans. Margaret Mauldon (Oxford, 2008), 78 (letter 58). In the same letter, Montesquieu has Usbek repeat another cliché, this time about the unchanging nature of Jews, regardless of the environment in which they live: "nothing resembles an Oriental Jew more than a European Jew" (78). But Usbek also claims that "Christians are beginning to abandon that spirit of intolerance which formerly inspired them" (79) and thus to tolerate Jews more benignly.

¹²⁴ Schechter, *Obstinate Hebrews*.

invisible—they were New Christians always suspected of clinging to their Jewish identity in secrecy. In Cleirac's narrative, *le doux commerce* did not soften their nature. Nor did the image of Jews that the legend propagated have anything to do with the New Christians and Portuguese merchants in flesh and bone whom Cleirac encountered in the market place and courts of his city and who did not engage in medieval forms of pawnbroking and moneylending. Rather, the legend resurrected deep-seated notions of Jewish usury in order to channel local resentment at Jewish influence in long-distance trade and finance. This resentment was powerful in Bordeaux but was hardly confined to that city: it voiced broader concerns with the creative and destructive power of commercial credit. Not only did "interests" not win easily over "passions" in eighteenth-century France: images of Jewish usury played a deeper role in the struggle between the two than is normally acknowledged.