

JEWS AND THE EARLY MODERN  
ECONOMY

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Neither in the Middle Ages nor during the early modern period was every Jew a merchant. Across early modern Europe and the Mediterranean, the majority of the Jewish population was occupied in small-scale urban trades and crafts; tiny segments continued to derive their sustenance from agriculture; and many more scraped by, living barely above the subsistence level. Nonetheless, there are good reasons to focus on long-distance commerce in a chapter entitled “Jews and the Early Modern Economy.” In many important ways, commerce affected the daily and institutional life of entire Jewish communities. It inspired more inclusive policies of toleration and intensified interactions between Jews and non-Jews. Overseas trade is also often better documented in historical records and the secondary literature than other economic sectors.

This chapter focuses on the period between 1500 and 1700 and devotes special attention to the western Sephardim – that is, those Jews who, after leaving Iberia, settled in western Europe rather than the Ottoman Empire. Until 1630, it was not always easy to distinguish between the Sephardim of Europe and those of the Ottoman Empire. Some families had relatives scattered along both the northern and southern shores of the Mediterranean. The language of government documents granting Sephardim the right to settle in Italian port cities sometimes made a distinction between “Levantine Jews” (those arriving from the Ottoman Empire unambiguously as Jews) and “Pontine Jews” (those fleeing Iberia as practicing Catholics). The distinction was more intended to assuage the anxieties of the Roman Catholic Church regarding New Christians (baptized Jews and their descendants) and to keep the Inquisition at bay than it can be taken to be an accurate description of the inner lives, or even the collective identities, of those to whom these designations were applied.

In demographic terms, the western Sephardim counted at most some 20,000 individuals at any given time. However, they experienced some of the most transformative changes affecting Jewish people, institutions, and culture during the early modern period, and commerce was largely

responsible for those changes. The expulsion and forced conversion of Iberian Jews in the 1490s coincided with a time of unprecedented European overseas expansion. The rise of Sephardic trading networks in the Mediterranean and the Atlantic, with links across the Indian and Pacific oceans, was an entirely new phenomenon that would have been hard to predict at the closing of the fifteenth century. In examining the rise and decline of the Sephardic trading diaspora, what follows also points to parallel, divergent, and intertwined trajectories in the economic life and institutions of other Jewish groups.

Three interrelated themes are paramount in this analysis: (1) the relationship between changes that were under way in the commercial and legal arena of early modern European societies at large and the transformation of Jewish economic activities; (2) the degree of autonomy, insularity, and self-sustenance of Jewish trading networks, and their integration into larger communities of merchants; and (3) the question of whether and to what extent the pursuit of profit that drove all merchants, regardless of their religious backgrounds, gave rise to more benign attitudes toward Jews.

#### FROM MONEYLENDING TO COMMERCE

At the close of the Middle Ages, the rise of a Sephardic trading diaspora that would span all corners of the globe during the sixteenth and seventeenth centuries was anything but a foregone conclusion. The legal status, social integration, and economic dynamism of Jews across Europe and the Mediterranean had deteriorated after the twelfth century. In central Europe, violent attacks against Jews accompanied the launching of the First Crusade in 1095; new and widespread massacres followed the accusation that Jews spread leprosy in the 1320s and the bubonic plague in 1348–9; and in the fifteenth century, most German cities expelled their Jewish population. The same fate had already befallen the Jews of England and France, who were banished from there in 1290 and 1394, respectively.

The Iberian and Italian peninsulas contained the largest Jewish populations of Christian Europe during the Middle Ages: some 200,000 and 50,000, respectively. There, too, conditions worsened. In Spain, a spiral of massacres and forced conversions starting in the fourteenth century preceded the creation in 1479 of a modern Inquisition, which aimed to eradicate Judaism and Islam from the kingdoms of Castile and Aragon. Throughout these travails, many Italian cities and regional states gave shelter to Jewish refugees from other parts of Europe. However, they also imposed ever more restrictive sanctions. In addition to issuing policies

affecting Jews' daily lives, such as the obligation to wear a distinctive sign, the Roman Catholic Church and secular governments across the peninsula also assaulted Jewish economic activities. During the fifteenth century, Franciscan friars sought to displace Jewish pawnbrokers and foment hostility against them by setting up rival credit institutions for the poor (Monti di pietà).

In this period, moneylending and petty trade in second-hand goods were the two principal economic roles performed by Jews in the Italian peninsula and in those German territories where Jews still resided. Gone was the wide range of commercial, artisanal, and agricultural activities in which they had engaged during the early Middle Ages (although recent scholarship has reassessed the degree to which Jewish merchants dominated European and Mediterranean trade before the twelfth century).<sup>1</sup> More and more frequently, Jews were permitted to settle and worship in Christian territories on condition that they extended financial services to the state (sometimes an individual ruler) and to the poor.

The situation changed during the sixteenth century in response to the growing competition for the control of European overseas commerce. Some states north and south of the Alps began to devise fresh policies of toleration and invited Jews to take on new roles in inter-regional and inter-continental trade. In 1550, the French king allowed "Portuguese called New Christians" to reside in the southwest of France and exempted them from the punitive *droit d'aubain*, which accorded to the crown the assets of all foreigners who died in the kingdom. As a result, small enclaves of New Christian merchants flourished in Bordeaux and its surroundings. They carried out licit and illicit trade across the Franco-Spanish border, particularly during the Spanish embargo against English goods (1585–1604) and after Spain reinstated the embargo against Dutch ships in 1621; later, especially during the eighteenth century, they participated in the growth of French shipping and commerce in the Atlantic. The new charters issued in Venice (1589) and Livorno (1591–3) to woo families of Sephardic merchants were even more explicit than the French decree. Not only did they encourage New Christians to settle openly as Jews by offering them considerable protection from the Inquisition, but they also explicitly prohibited Sephardim from dealing in second-hand goods

<sup>1</sup> Michael Toch, "The Jews in Europe, 500–1050," in P. Fouracre, ed., *The New Cambridge Medieval History*, vol. I (Cambridge, 2005), 547–70, 872–8; Toch, "Jews and Commerce: Modern Fancies and Medieval Realities," in Simona Cavaciocchi, ed., *Il ruolo economico delle minoranze in Europa, secc. XIII–XVIII (Atti della XXXI Settimana di Studi, Istituto Francesco Datini, Prato)* (Florence, 2000), 43–58.

and created the institutional incentives for them to engage in long-distance trade. In so doing, the Venetian Republic and the Medici grand dukes also set the new arrivals from Iberia apart from the Italian and Ashkenazic Jews who already resided in their territories, whose economic activities remained confined to retail trade and local banking. These charters, together with the increasing relocation of Iberian New Christians and Jews to Atlantic Europe, created the basis for the transition from moneylending to international commerce and finance.

Through the early modern period, Jews across Europe remained barred from becoming members of craft guilds. This prohibition did not cut them out altogether from artisanal activities. In many cities, they developed manufacturing operations alongside those controlled by corporate organizations, whether illicitly (as did many tailors in Rome) or legally (as did diamond cutters and polishers in Amsterdam). In Poland, in particular, the growing Jewish population underwent a process of occupational diversification, especially during the eighteenth century, in part to serve a large Jewish internal market. But it was in the realm of long-distance trade and finance that the economic activities of European Jewry changed the most during the early modern period. Profound legal transformations within both gentile and Jewish societies facilitated the inclusion of Jewish merchants in the commercial society of western Europe. These transformations were slow in the making and often incomplete, but, taken together, they amounted to a considerable reconfiguration of Jewish–Christian economic relations. Three, in particular, should be highlighted.

First, during the late Middle Ages, beginning in Italy, commercial papers signed by individuals who were known as “merchants” (normally because they belonged to a merchant guild) acquired legal validity (*publica fide*) even if they did not carry the seal of a notary or another public authority. This legal innovation increased merchants’ ability to expedite their business. With the decline of merchant (though not craft) guilds during the sixteenth century, the definition of who was a merchant in most European cities ceased to be tied to membership in a corporate body. As a result, Jewish merchants, too, could sign private contracts – for example, in the form of business letters – that had full legal standing before a secular court. Not only did business letters facilitate the circulation of information within Jewish networks, but the legal validity of commercial papers also assisted the development of Jewish–Christian credit relations. In many European cities, Sephardic merchants were entitled to enter into contract with any other merchants and to use all available types of contract, as well as to uphold their private agreements before local and appeals courts. This is not to say that, during the Middle Ages, Jews and Christians lacked the

means to enter into contract with each other. After all, the principle according to which Jews accepted the law of the land as law (*dina d'malkhuta dina*) was not new. But state institutions, more than the informal infrastructure of commercial credit, had overseen Jewish–Christian relations in medieval Europe. In Roman-law countries, the public notary remained an essential institution for the purpose of conferring legal validity upon private documents. In fourteenth-century southern France, Jews and Christians litigated on the basis of notary deeds drawn up by Christian notaries.<sup>2</sup> Common law, by contrast, required the creation of special offices. In twelfth-century England, the Exchequer of the Jews preserved and ratified all economic deeds transacted by Jews (debts, pledges, mortgages, IOUs, rents, purchases, sales, quittances, and the like), and particularly those contracts in which Jewish lenders declared that their Christian creditors had fulfilled all their payments. Unless the Exchequer ratified them, contracts written by Jews had no legal standing.<sup>3</sup> By the seventeenth century, this oversight was no longer necessary. A Jewish merchant in Amsterdam, London, or Livorno (or a New Christian merchant in Bordeaux) could simply submit before a tribunal a letter addressed to him by a Christian or a Jewish agent as evidence of existing contractual obligations between them. Bills of exchange no longer needed to be notarized, and through this instrument of commercial credit, it became easier for Jews and Christians to borrow money from one another without collateral. Jews were now also allowed to fund the public debt – unlike in the late medieval Italian cities where the public debt had first been introduced – and thus gained an additional form of economic and symbolic belonging to the urban community at large.

A second and related change concerns the transition from the collective to the individual legal responsibility of Jews. In the Middle Ages, Christian authorities routinely assigned collective blame to an entire Jewish community for the wrongdoings of one of its members, whether the crime was real or imaginary (as in the case of blood libels). The fear that an individual's malfeasance, including economic misconduct, could bring legal reprisal or simply bad reputation to the community at large haunted Jewish leaders well into the early modern period. Collective punishments continued to occur at least occasionally during this period. In 1515–19, the Holy See imposed the payment of a tax on all its Jewish subjects, in both Rome and Ferrara, in retaliation for the financial mismanagement by one among

<sup>2</sup> Joseph Schatzmiller, *Shylock Reconsidered: Jews, Moneylending and Medieval Society* (Berkeley, 1990).

<sup>3</sup> Israel Abrahams and H. P. Stokes, eds., *Starrs and Jewish Charters Preserved in the British Museum*, 2 vols. (Cambridge, 1930).

them.<sup>4</sup> As Venetian–Ottoman hostilities escalated, fears of a Jewish plot against the Republic led to the expulsion of all Jews living in Venetian overseas territories in 1568, and in the wake of the battle of Lepanto, in 1571, the Senate briefly considered a general expulsion of all Jews from Venice.<sup>5</sup> As a rule, however, in those western European cities where Sephardim were admitted to conduct business after around 1550, a regime of individual rather than collective legal responsibility prevailed.<sup>6</sup> This is not to say that Jewish merchants ceased to worry about their collective reputation in the eyes of Christian authorities and competitors. In 1688, community leaders forbade congregants from dealing in stocks in the vicinity of the Portuguese synagogue in order to fend off accusations that Jewish brokers had caused the financial crash of the Amsterdam stock market. But in seventeenth-century Holland, even the worst “antisemitic phantasies” did not lead to any collective sanction.<sup>7</sup> The situation was somewhat different in the Polish–Lithuanian Commonwealth, where the elders of the community (*kahal*) were often held responsible for the debt of other congregation members. Consequently, they were keen to oversee commercial transactions with non-Jews and devised harsh punishments for those members who went bankrupt.<sup>8</sup> Overall, they may have exerted a tighter economic discipline than the leaders of Sephardic communities.

A third important transformation swept across the Jewish world in both western and eastern Europe: most rabbis relaxed halakhic norms in economic matters, including in matters of lending at interest. By choice and by necessity, rabbinical leaders of the newly created Sephardic communities of western Europe displayed particular leniency, in part because the new politics of toleration invited Jewish merchants to participate in the gentile commercial world, and in part because adherence to Jewish law was often incomplete among descendants of Iberian converts. In northern Europe and Italy, moreover, not rabbis, but lay leaders, who were themselves merchants and bankers, were in charge of the community’s administration, which included the task of regulating disputes over economic obligations. Rabbinic opinion in this

<sup>4</sup> Léon Poliakov, *Les banquiers juifs et le Saint-Siège du XIIIe au XVIIIe siècle* (Paris, 1965), 171.

<sup>5</sup> Benjamin Arbel, *Trading Nations: Jews and Venetians in the Early Modern Eastern Mediterranean* (Leiden, 1995), 62–3, 74–6.

<sup>6</sup> The same rule did not apply to German-speaking lands, where Emperor Leopold expelled Jews from Vienna in 1669 and Maria Theresa expelled them from Prague in 1745.

<sup>7</sup> Jonathan I. Israel, *Diasporas within a Diaspora: Jews, Crypto-Jews and the World Maritime Empires (1540–1740)* (Leiden, 2002), 450–5.

<sup>8</sup> Gershon David Hundert, “The Role of the Jews in Commerce in Early Modern Poland–Lithuania,” *Journal of European Economic History* 16, 2 (1987), 245–75, esp. 263–6.

sphere ranged widely. As late as 1559, Rabbi Yehiel Nissim da Pisa, a scholar and a banker himself, compiled a compendium of anti-usury Jewish laws and condemned all forms of lending at interest, including bills of exchange (which, he claimed, were rarely used by Jews anyway).<sup>9</sup> In contrast, the Venetian Rabbi Simone Luzzatto (1582–1663) issued the most candid approval of Jews' handling of bills of exchange to date by a rabbinical authority.<sup>10</sup> Accommodation became a trend among the Sephardim of the Ottoman Empire and the Ashkenazim of Poland as well.<sup>11</sup> In spite of multiple injunctions by Polish rabbis against the trading and drinking of non-kosher wine or of wine touched by non-Jews (*stam yeynam*), both practices expanded after the sixteenth century in parallel to the growing role of Jews in the administration of rural estates and wine retail – so much that, in some instances, rabbis explicitly condoned these practices. Meanwhile, in Poland, the use of promissory notes payable to bearers (known as *mamran*, from the Latin word for parchment, *membrana*) spread even in dealings between Christians and Jews. Although these credit instruments infringed upon talmudic prohibitions, they became so common that halakhic disputes concerned some of their features but did not question their overall legitimacy.<sup>12</sup>

Finally, intensified commercial relations with gentiles also led Jews to infringe more and more the prohibition on bringing their lawsuits before non-Jewish tribunals. Wherever there is trade, there is litigation; and records show that Jews appeared before non-Jewish courts on a regular basis, and often by choice even in cities like Livorno, where the Jewish community was granted unusually ample jurisdictional autonomy and where the law did not allow lawsuits between Jews to be brought before secular courts in the first instance, but only on appeal. In Holland, where Jews had a much lower degree of jurisdictional autonomy than in Livorno, municipal and appeals courts, including Holland's Supreme Court (the Hoge Raad van Holland en Zeeland), heard countless cases involving local and foreign Jews. Even away from the bustling centers of international trade, ordinary Jewish men and women turned to secular courts to sort out small quarrels and serious disputes in economic matters. By the late eighteenth century, even the relatively insular

<sup>9</sup> Gilbert S. Rosenthal, ed. and trans., *Banking and Finance among Jews in Renaissance Italy: A Critical Edition of "The Eternal Life" (Haye Olam) by Yehiel Nissim da Pisa* (New York, 1962), 127.

<sup>10</sup> Benjamin Arbel, "Jews, the Rise of Capitalism and *Cambio*: Commercial Credit and Maritime Insurance in the Early Modern Mediterranean World" [Hebrew], *Zion* 69, 2 (2004), 157–202, esp. 191.

<sup>11</sup> On the Ottoman Empire, see Matt Goldish, *Jewish Questions: Sephardic Life in the Early Modern Period* (Princeton, 2008). On Poland, see Edward Fram, *Ideals Face Reality: Jewish Law and Life in Poland, 1550–1650* (Cincinnati, 1997).

<sup>12</sup> Fram, *Ideals Face Reality*, 131–5.

Jews of Metz found reasons to plead before secular rather than rabbinic courts.<sup>13</sup>

### JEWES AND THE POLITICAL ECONOMY OF EARLY MODERN EUROPEAN STATES

Propelling the transformation of the Jews of Europe from moneylenders to merchants and financiers was a host of new policies promoted by several states, which altogether amounted to a new phenomenon that Jonathan Israel suitably labels “philosemitic mercantilism.”<sup>14</sup> The fierce economic competition that pitted European states against each other in the arena of long-distance trade, and the need to contain the destructive forces of religious conflicts, provided the impetus behind these initiatives. Their impact was most visible in western Europe, where, after the expulsion from Castile and Aragon, the geography of the Jewish diaspora was altered radically in the 140 years between the creation of the ghetto in Venice in 1516 and the readmission of Jews to England in 1656. Considerable changes also occurred in the Holy Roman Empire and especially in the Polish–Lithuanian Commonwealth, where, after the mid sixteenth century, Jews took on new economic roles.

During the first century after 1492, Sephardic settlements across the Mediterranean and Atlantic Europe grew in number, size, and economic relevance, but still remained precarious. Initially, the Ottoman Empire offered the safest haven. The bulk of Spanish émigrés settled there, mostly in Constantinople and Salonika (modern-day Thessaloniki). Two principal axes began to develop within the Sephardic trading diaspora: one centered on the eastern Mediterranean and connecting Venice to the Levant, and one branching out to northern Europe and connecting Iberia first to Antwerp and then to Amsterdam and Hamburg, and from there to the Atlantic and beyond.

After a new Inquisition modeled on that of Spain was created in Portugal in 1536, New Christians (those Jews who had been compulsorily baptized en masse in 1497) saw their personal safety and properties in ever greater peril. In growing numbers, they left for northern Europe (notably Antwerp) and those Italian cities that granted them protection (Ferrara in

<sup>13</sup> Frances Malino, “Competition and Confrontation: The Jews and the *parlement* of Metz,” in Gilbert Dahan, ed., *Les Juifs au regard de l’histoire: mélanges en l’honneur de Bernhard Blumenkranz* (Paris, 1985), 327–41; Jay R. Berkovitz, “Acculturation and Integration in Eighteenth-Century Metz,” *Jewish History* 24 (2010), 271–94.

<sup>14</sup> Jonathan I. Israel, *European Jewry in the Age of Mercantilism, 1550–1750*, 2nd edn. (Oxford, 1989), 56.

1538, Ancona in 1547, Florence in 1548, and Nice, too, then part of the Duchy of Savoy, for a brief interlude from 1572 to 1574). But their condition remained insecure until the Tuscan grand duchy and the Venetian Republic issued durable and comprehensive charters in favor of Sephardic families and provided them with an environment conducive to their commercial activities – the Tuscan grand duchy tentatively in 1551 and resolutely in 1591 and 1593, and the Venetian Republic in 1589. Further north, in 1549 Charles V ordered the expulsion of those New Christians who had recently arrived in Antwerp (previous settlers were permitted to remain in the city, but in 1550 the establishment of the Inquisition in the Low Countries threatened resident New Christians).<sup>15</sup> After the blockade of the city by the Dutch forces in 1585, the most entrepreneurial segment of the Portuguese population moved to Amsterdam, where it gave birth to what was to become the largest Sephardic hub in Europe. Amsterdam was also the only city in Europe that set no restrictions on foreigners engaged in any type of commercial and financial activity. The Senate of Hamburg, by contrast, drew up a formal charter in 1612 detailing the conditions under which Sephardic families could reside and conduct their trade.

Poland–Lithuania was the other magnet for Jewish immigration during the early modern period, welcoming refugees from central Europe and from the most impoverished Italian communities. Faced with the opposition of town guildsmen and wealthy merchants in cities like Danzig and Warsaw, Jews found their protectors initially in the crown and later in feudal lords, who looked to inject capital and better management into their rural estates. In 1539 and 1549, “the king transferred to the nobles jurisdiction over Jews living on the nobles’ private estates.”<sup>16</sup> Following this measure, Jews moved progressively eastward, particularly after the merging of the kingdom of Poland and the grand duchy of Lithuania in 1569. In the eastern regions, they leased and managed large parcels of lands on behalf of absentee landlords. Everywhere they assumed a prominent role in local and regional trade and manufacturing, particularly in liquor distilling, soap making, and fur processing. They also handled a share of the international trade in commodities other than grain, including the export of fur and wool and the import of textiles, wine, and colonial goods.<sup>17</sup> All in all, Polish Jews stood out for their trading and entrepreneurial activities within

<sup>15</sup> J. A. Goris, *Étude sur les colonies marchandes méridionales (portugais, espagnols, italiens) à Anvers de 1488 à 1568: contribution à l'étude des débuts du capitalisme moderne* (Louvain, 1925), 576–7.

<sup>16</sup> Bernard D. Weinryb, *The Jews of Poland: A Social and Economic History of the Jewish Community in Poland from 1100 to 1800* (Philadelphia, 1973), 120.

<sup>17</sup> Moseh Rosman, *The Lords' Jews: Magnate–Jewish Relations in the Polish–Lithuanian Commonwealth during the Eighteenth Century* (Cambridge, MA, 1990).

a deeply rural society. Rather than serving the central state, they served the interests of the feudal class, which controlled the largest land holdings and their staple exports. In contrast, the state played a considerable role in boosting Jewish economic entrepreneurship in the Holy Roman Empire. Even in the largest communities, such as Prague and Frankfurt, after the readmission in the 1570s most Jews worked as tradesmen and craftsmen. Yet during the Thirty Years' War (1618–48), their influence grew substantially, thanks to the ability of a few well-to-do Jews to supply both the emperor and local princes with key financial services and military provisions.

The initial rise of the Sephardic trading diaspora was linked to the role of its members as intermediaries between the territories under Venetian and Ottoman domination in the eastern Mediterranean. Throughout the fifteenth century, in keeping with its strictly protectionist economic policies, Venice banned all foreigners and Jews from shipping goods from and to its port – a measure that was meant to reserve the lucrative trade with the Levant for the city's patricians and "citizens" (who were second only to the patricians in the social hierarchy). Jews residing in the Venetian colonies of the eastern Mediterranean – such as Corfu, Crete, Cyprus, Koroni, and Methoni – were free to engage in regional trade, but the latter never amounted to much.<sup>18</sup> Confronted by early signs of waning commercial power and mounting military expenses, in 1516 the rulers of Venice for the first time officially allowed Jews to reside in the city (and allotted them an island on the outskirts of town that was soon named the "ghetto") in return for paying high taxes and the delivery of banking services to the poor. Not long after, in 1524, the Republic relaxed its policies by opening the trade with continental Greece to everyone, including the increasing number of Ottoman Jews who were active in the area. In 1541, following a humiliating peace with the Turks, the Senate invited "Levantine" (i.e., Ottoman) Jews to settle in the ghetto and granted them favorable exemptions from customs duties. In so doing, it sought to undermine Ottoman commercial power both in the Levant and in the Black Sea, from where the sultan banned all non-Ottoman subjects until 1774. As always in the pre-modern maritime world, authorities could not easily ascertain the 'nationality' of merchants, sailors, and mariners, but Ottoman Jews could now serve the interests of Venetian trade better than the Republic's noblemen and citizens. In this and other instances, Jews thus acted as middlemen across political frontiers.

<sup>18</sup> Eliyahu Ashtor, "The Jews in the Mediterranean Trade in the Fifteenth Century," in Jürgen Schneider, ed., *Wirtschaftskräfte und Wirtschaftsweg: Festschrift für Hermann Kellenbenz*, vol. I: *Mittelmeer und Kontinent* (Stuttgart, 1978), 441–54, esp. 448).

Some of the Levantine Jews trading with Venice mobilized immense capital. When one of them, Ḥayyim Saruq, went bankrupt in 1566, his investments alone nearly matched those of the entire community of Venetian merchants residing in Constantinople.<sup>19</sup> In order to entice the most entrepreneurial among Ottoman Jews, the Venetian government established a clear separation along economic lines between Levantine and Italian/Ashkenazic Jews residing in the ghetto: the former were to specialize in Mediterranean trade while the latter were confined to money-lending and the retail of used clothing (*strazzaria*). This line of demarcation shifted again after 1589, when Ponentine Jews arriving from Iberia were welcomed in the ghetto and given freedom to trade in all Venetian territories.<sup>20</sup> The economic influence of these Ponentines soon eclipsed that of all other Jewish groups, although some Levantine families were quick to cooperate with the new immigrants.

Economic rivalry between Christian and Muslim powers also shaped Ottoman policies. Until the third quarter of the sixteenth century, the Ottomans wielded considerable commercial power. A great many Jews expelled from Spain in 1492 found refuge in Ottoman territories. There they engaged in trade, acted as customs collectors, and invested in various manufacturing sectors. By the 1520s, Salonika became the only city with a majority Jewish population and was a leading producer of woolen cloths. Jewish refugees from Iberia, Sicily, and Provence introduced new techniques that enhanced the local production, and became the primary exporters of Salonika's cloths to Italy. According to recent estimates, in the mid sixteenth century Salonika produced approximately 40,000 pieces of woolen cloth per year, and thus was one of the most important exporters of this product in the Mediterranean.<sup>21</sup> By the last quarter of the century, however, diminishing supplies of raw materials, a heavier tax burden, and increased competition from the English "new draperies" curtailed the size and profitability of the Salonika industry.

Among the wealthiest New Christian families that sought refuge in the Ottoman Empire were the legendary Mendes/Nasi. Heading the family in Lisbon and Antwerp were Francisco and his brother (and business partner) Diogo (d. 1543), who controlled a large share of the imports into Portugal of pepper and Asian spices, and their redistribution to northern Europe.

<sup>19</sup> Arbel, *Trading Nations*, 24–5.

<sup>20</sup> Ibid.; Benjamin Arbel, "Jews in International Trade: The Emergence of the Levantines and Ponentines," in Robert C. Davis and Benjamin Ravid, eds., *The Jews of Early Modern Venice* (Baltimore, 2001), 73–96.

<sup>21</sup> Benjamin Braude, "The Rise and Fall of Salonika Woollens, 1500–1650: Technology Transfer and Western Competition," *Mediterranean Historical Review* 6 (1991), 216–36, esp. 221.

On Francisco's death, his wife Beatrice, better-known as Doña Gracia Nasi (c. 1510–69), joined Diogo in Antwerp. Chased by the Inquisition, she and her skillful nephew Joseph (João) were able to flee to Venice. Initially, the local authorities turned a blind eye to their crypto-Judaism but soon ordered the confiscation of half of their assets. Once again, Beatrice engineered a flight and succeeded in bringing her fortunes to safety in Ferrara. There, for the first time, she embraced Judaism openly and began to sponsor a widespread network of agents who helped poor Marranos (Jews forcibly converted to Catholicism) find their way out of Portugal. The fate of this family was of concern to several states. An agreement sealed between Venice and the sultan's emissaries dictated the terms of Beatrice's transfer to Constantinople, from where she continued to act as the head of a commercial house and as a philanthropist. Her wealth gave her unparalleled political influence. She persuaded the sultan to demand the release of the New Christian merchants of the Adriatic port city of Ancona, who had been arrested following the 1555 bull *Cum nimis absurdum*. The papal authorities ruling the city nonetheless proceeded to burn twenty-four of them at the stake. Doña Gracia rallied support across Jewish and Ottoman elites to organize a boycott of Ancona and divert its rich traffic with the Levant to the nearby town of Pesaro. Conflicts within Jewish society finally brought this daring protest to an end.<sup>22</sup>

During the seventeenth century, Jewish trade in the eastern Mediterranean declined markedly as the French and English supplanted Venice as the principal Christian powers in the region. The loss of Crete to the Ottomans after a protracted war (1645–69) was a major blow to Venetian sea power. In the seventeenth and eighteenth centuries, while they continued to supply crucial services as translators and brokers, Ottoman Jews no longer carried on direct trade with Venice and other European ports. This shift was most visible in Smyrna (modern-day Izmir), which became a principal Ottoman hub of international trade and soon fell into the English orbit. The role that Levantine Jews had played in the sixteenth century was now taken over by a host of Sephardic families based in Livorno and, to a lesser extent, Venice, who sent off their young kin to the Levant and North Africa. Their activities developed in conjunction with the French and represent a revealing case of the types of alliances and rivalries that could develop between Jewish merchants and state authorities. Until at least the mid eighteenth century, traders and sea captains from Marseille profited from the cargoes of Asian staples that the Sephardim

<sup>22</sup> Cecil Roth, *Doña Gracia of the House of Nasi* (Philadelphia, 1948); Miriam Bodian, "Doña Gracia Nasi," in *Jewish Women: A Comprehensive Historical Encyclopedia*: Jewish Women's Archive, <http://jwa.org/encyclopedia/article/nasi-dona-gracia>.

placed on their ships; the latter, in turn, benefited from the diplomatic protection that the French provided them in the Ottoman territories. This marriage of convenience did not lead to the readmission of the Jews in Marseille but did nevertheless enrich both parties. Aleppo and Tunis became the principal nodes in the networks that Italian Sephardim wove in the Muslim Mediterranean and demonstrate the continued vitality of Mediterranean trade throughout the eighteenth century.

The European trans-oceanic expansion fostered new forms of cooperation and competition between Jewish entrepreneurship and state-sponsored commercial ventures. The expulsion of Jews from Iberia coincided with a new expansionist phase in the formation of European overseas empires, particularly in the Atlantic. In spite of its missionary goals, at the turn of the sixteenth century the Portuguese crown allowed New Christians to trade with its territorial holdings in India and Brazil, only to revoke those policies once it consolidated its commercial power. While royal contracts governed the import and re-export of Asian spices, naval officers and ship workers on the *carreira da Índia* were allowed to carry on board small quantities of goods and sell them outside of the royal monopolies. There is ample evidence that New Christians took advantage of these privileges and so acquired control of a considerable portion of the import of precious stones from India and their re-export to Antwerp, where the cutting and polishing industry was located.<sup>23</sup> After the union of the Portuguese and Castilian crowns in 1580, the role of New Christian merchants across the Iberian Atlantic grew significantly. Lured by the opportunity to infiltrate the trade with Spanish America, many Portuguese Marranos relocated to Madrid and Seville, from where they engaged in both colonial commerce and banking.

Spain's ambition to control every aspect of its transatlantic trade proved impossible to achieve, less because of the weaknesses in the transport infrastructure than because of the difficulty involved in raising capital and monitoring the movement of people, goods, and information. Contraband was congenital to Atlantic trade. Greater and lesser New Christian families crisscrossed the Atlantic in search of better fortunes. Some attained a grip on the slave trade and the sugar plantations in Brazil and the Caribbean in the late sixteenth century. Among them, Manuel Bautista Pérez stood out until his arrest by the Inquisition of Lima in 1635. After an apprenticeship with his uncle in Peru, he rose to the top of a small family clan that, through blood and marriage ties, wielded considerable economic influence across vast distances. Pérez and others smuggled large quantities of Peruvian silver down to Portuguese Brazil and thus subverted

<sup>23</sup> James C. Boyajian, *The Portuguese Trade in Asia under the Habsburgs, 1580–1640* (Baltimore, 1993).

the internal organization of the Iberian empires (on paper, even if ruled by the same king between 1580 and 1640, Spain and Portugal were supposed to manage their respective empires independently). At the height of its activities, the commercial house led by Pérez in partnership with his brothers-in-law Pedro and Sebastian Duarte and his uncles Diego Rodriguez and Simon Dias Pinto counted as many as eighty regular correspondents across Portugal, Castile, the African Coast, New Spain, and the Caribbean.<sup>24</sup>

Back in Madrid, Portuguese New Christians began to arrive in greater numbers after the crowning of Philip III in 1621. The king's plenipotentiary, Count-Duke Olivares, courted New Christian bankers as part of his efforts to strengthen the Spanish economy. Starting in 1627, he awarded them more and more of the contracts to run royal finances (*asientos*), which had previously gone to Genoese businessmen. Principal among these contracts were those for the transport of American silver to Europe and its delivery to those locations where the crown most needed it for its military enterprises. By handling these contracts, some New Christians, like Jorge de Paz Silvera, accumulated among the largest fortunes in the kingdom. The crown also farmed out other monopolies, including the sale of tobacco, salt, cacao, and pepper, as well as the collection of customs duties on inland trade (*puertos secos*) and foreign trade (*almojarifazgos*), and New Christians competed for the management of some of these.<sup>25</sup>

What Fernand Braudel called “the ‘age’ of great Jewish merchants,” which in his scheme followed the age of the Fuggers and that of the Genoese, began to falter in the 1640s. Under pressure from internal opposition and disastrous military campaigns in the Low Countries and northern Italy, Olivares was removed from his position in 1643, and with him the influence of Portuguese bankers at court all but disappeared. A year earlier, a series of trials conducted by the Inquisition in Mexico City crushed what Israel calls “a vast transatlantic clandestine diaspora” – the formidable network of New Christian merchant families that moved European textiles, American silver, Chinese porcelain, African slaves, and other colonial goods across the Atlantic and the Pacific.<sup>26</sup> After the bankruptcy of the Spanish crown in 1647, Amsterdam overshadowed Madrid as the premier site of Jewish banking and trade.

<sup>24</sup> Daviken Studnicki-Gizbert, *A Nation upon the Ocean Sea: Portugal's Atlantic Diaspora and the Crisis of the Spanish Empire, 1492–1640* (Oxford, 2007), 102.

<sup>25</sup> Carlos Álvarez Nogal, *El crédito de la monarquía hispánica en el reinado de Felipe IV* ([Castile and León], 1997).

<sup>26</sup> Israel, *Diasporas within a Diaspora*, 97.

From its small beginnings in the 1590s, the Sephardic community of Amsterdam grew into the largest and wealthiest Jewish settlement in Europe by the mid seventeenth century. The Twelve Years' Truce (1609–21) between Spain and the United Provinces had benefited the Sephardim of Holland. After the embargo against Dutch ships in the ports of Castile and Aragon was imposed for a second time in 1621, commerce between Iberia and northern Europe was diverted to Hamburg for a period of two decades. As a result, diamonds, sugar, indigo, cochineal, and silver enriched the Hanseatic city. But, by then, Amsterdam had become the capital of the world economy and the pivot of far-flung Sephardic networks that spanned the globe. During the years when the United Provinces controlled Northern Brazil (1630–54), the oldest synagogue in the Americas began to operate in Recife and its members to invest in sugar, which was shipped raw out of Pernambuco to be refined in Amsterdam. Although the Dutch state chartered a West India Company in 1621 to counter Iberian power in the Atlantic, after 1638 the Company's monopoly was restricted to African slaves, war munitions, and the red natural dye known as Brazil-wood; and after 1648 it was further eroded. Dutch Sephardim were thus instrumental in transplanting sugar from Brazil to Curaçao and Surinam, where they thrived as planters as well as engaged in profitable contraband with the English Caribbean.<sup>27</sup> In Amsterdam, the arrival of Ashkenazic refugees from the Thirty Years' War and the pogroms of eastern Europe increasingly challenged the Sephardic dominance within the Jewish community. In the diamond industry, a social-economic hierarchy developed whereby Sephardic owners employed Ashkenazic workers. By the mid eighteenth century, a role reversal was slowly under way, and a few Ashkenazic Jews themselves became important diamond dealers and producers.

Nowhere in early modern Europe did Jews exert as wide an economic influence as they did in Holland during its Golden Age. By contrast, the diamond trade was the only niche of the English economy in which Jews held a significant (if not dominant) position after the readmission to England in 1656. The English (and later British) Atlantic – the fastest-growing European commercial sector in the eighteenth century – was open to all subjects of the kingdom (with the exception of the profitable but limited domains chartered to the Hudson's Bay Company and the Royal African Company). But only a minority of prosperous Jews residing in England at the time went through the expensive process of acquiring the status of crown's subjects or a so-called letter of endenization, which conferred second-class citizenship in the Empire. While some, including

<sup>27</sup> Jonathan I. Israel, *Dutch Primacy in World Trade, 1585–1740* (Oxford, 1989), 156–70, 236–40; Israel, *Diasporas within a Diaspora*, 511–32.

the Salvador family, played a role in the trade with North America, Jewish families never secured a position comparable to that of the most influential English, Scottish, and Quaker merchants.<sup>28</sup>

When compared to the Jews of England and Holland, those in the German and Polish territories were less urbanized and lived in a more precarious situation. Glückel of Hameln (1646–1724) and her first husband ran a small but successful jewelry business across central Europe. They did well enough to marry off one of their daughters to a rich Amsterdam Sephardic and to come close to arranging for their son to marry the daughter of the great Viennese banker Samuel Oppenheimer (1630–1703). Yet on numerous instances they felt hunted by unsympathetic political authorities or by the Christian populace.<sup>29</sup> The fate of the upper echelons of German Jewry was tied to public finance, and thus also to the arbitrariness of sovereign rulers. The Thirty Years' War (1618–48) intensified this process, which hinged on the so-called Court Jews (*Hoffjuden*). In return for large loans and military supplies, both the Habsburg emperors and local princes granted rights of residence and ad hoc privileges to a handful of Jews. According to Jonathan Israel, we should not draw too sharp a contrast between the Ashkenazic Court Jews and the Sephardic elite of Amsterdam and London. In Holland, Iberian Jews began to serve the Estates General as diplomats, to replenish the state's coffers, and to provision the army as early as the 1640s, and continued to fulfill these functions through the end of the War of the Spanish Succession in 1713.<sup>30</sup> Surely there is a parallelism between Samuel Oppenheimer, the most important Jewish army supplier and a close aide, first, to the elector of the Palatinate and then to the Emperor, and the group of Dutch Sephardim who sustained the military campaigns of William of Orange (1672–1702), the *stadhouder* of the United Provinces who ascended to the English throne in 1688. However, there are limits to this analogy. Overseas trade figured more prominently in the lives of Sephardim than in those of their brethren in the Holy Roman Empire. Moreover, service to the state played a different role in different parts of the Sephardic diaspora itself: in Amsterdam and London, Jews served as diplomats or army contractors to a greater extent than in Livorno and Venice. Finally, even those German Court Jews who climbed to the top of the economic and

<sup>28</sup> J. M. Ross, "Naturalisation of Jews in England," *Transactions of the Jewish Historical Society of England* 24 (1970–3), 59–74; Edgar Samuel, "The Jews in English Foreign Trade – A Consideration of the 'Philo-Patriae' Pamphlets of 1753," in J. M. Shaftesley, ed., *Remember the Day: Essays on Anglo-Jewish History Presented to Cecil Roth by Members of the Council of the Jewish Historical Society of England* (London, 1966), 123–43.

<sup>29</sup> Marvin Lowenthal, ed., *The Memoirs of Glückel of Hameln* (New York, 1977), 95–9, III (on business and marriages), 9, 195–6 (on discrimination).

<sup>30</sup> Israel, *European Jewry*, 108–9, 124.

social ladder could suffer persecution, as demonstrated by the notorious trial of Joseph Süß Oppenheimer in 1737.

Across western and central Europe, the overall economic influence of Jews declined in the course of the eighteenth century. In 1713, the Treaty of Utrecht assigned to Great Britain the exclusive right to supply the Spanish colonies in the Americas with African slaves – a branch of trade previously dominated by the Amsterdam Sephardim. In addition, during the 1720s the Iberian Inquisitions launched what were arguably the most violent campaigns to eradicate all remaining New Christians.<sup>31</sup> Across and beyond Europe, a growing intervention of the state in economic affairs curtailed the role of both Sephardim and Ashkenazim, whether because the rise of militarized and territorial European colonialism curbed the need for private merchants who acted as intermediaries and interlopers or because the incentives to build new manufacturing plants displaced Court Jews. By the mid eighteenth century, the majority of German Jews lived in poverty and the Dutch communities subsidized the emigration of their growing number of poor families. The crashes of the Amsterdam stock market in the 1770s and the Napoleonic occupation of Livorno in 1796 undermined the two most vibrant Sephardic hubs in northern and southern Europe.

#### THE WORKINGS OF A TRADING DIASPORA

Europe's commercial expansion during the early modern period was aided by the military, diplomatic, and financial support of the state. Jewish merchants lacked their own state as well as the ability to form exclusive companies chartered by the sovereign authorities (in England, they could not even join the top governing boards of the companies chartered by the crown). How, then, did they succeed in exerting a significant influence over commercial routes that spanned the globe? Their specific strategies are hard to discern because few private business records of Jewish traders survive. This documentary dearth frustrates our attempts to gain a full picture of Jewish commercial activities. Most of the business papers of New Christian merchants from Spain and Portugal are preserved in the Inquisition files of the late sixteenth and seventeenth centuries, and were often purged according to the criteria for which the Inquisition was collecting them. In Bordeaux and Livorno, a few precious collections of business letters are preserved but date only to the eighteenth century.<sup>32</sup> In Amsterdam, such collections are scarcer,

<sup>31</sup> Israel, *Diasporas within a Diaspora*, 574–83.

<sup>32</sup> On Bordeaux, see Richard Menkis, "The Gradis Family of Eighteenth-Century Bordeaux: A Social and Economic Study" (Ph.D. thesis, Brandeis University, 1988); José do Nascimento Raposo, "Don Gabriel de Silva, a Portuguese-Jewish Banker in

and the economic strategies of Jewish investors have to be gleaned through notarial records.<sup>33</sup> Private records of merchants operating in the Habsburg and Polish–Lithuanian territories are even rarer.<sup>34</sup>

Some conclusions nonetheless emerge from reading official records against the grain, and from the extant business papers. First, although they drew considerable financial and logistical resources from kith and kin, Jewish merchants also developed durable trading relations with non-Jews in order to expand the range of their activities. Second, Jewish merchants as a whole worked both in collaboration with and to circumvent or undermine state institutions.

Economic historians debate the degree to which legal or social factors helped investors curb the risks of long-distance trade in the early modern period, when means of communication and legal enforcement were considerably weaker than they are today. Secure property rights, cheap and reliable economic information, as well as accessible and impartial tribunals for foreign traders are generally considered the essential ingredients for the rise of impersonal markets. Seventeenth-century England and the Netherlands were leaders in all these areas. This is not to say that regions where legal and economic institutions were less advanced did not continue to provide highly profitable opportunities for trade or were always subsumed in a semi-colonial state of exploitation. Regrettably, no detailed study exists that compares the business organization of Jewish firms in different parts of Europe or the degree to which recourse to civil and commercial tribunals affected the strategies of Jewish merchants. More detailed comparisons of the ways in which Jewish merchants conducted their financial and trading activities across Europe, the Mediterranean, and the Atlantic would not only enrich Jewish economic history but also advance our understanding of early modern commercial capitalism more generally.

Eighteenth-Century Bordeaux” (Ph.D. thesis, York University, Toronto, Ontario, 1989). On Livorno, see Francesca Trivellato, *The Familiarity of Strangers: The Sephardic Diaspora, Livorno, and Cross-Cultural Trade in the Early Modern Period* (New Haven, 2009).

<sup>33</sup> Beginning in 1967, English summaries of all notary records concerning Portuguese New Christians and New Jews registered in Amsterdam from 1595 to 1639 have been published as an appendix to most issues of the journal *Studia Rosenthaliana* under the title “Notarial Records Relating to the Portuguese Jews in Amsterdam up to 1639.”

<sup>34</sup> A valuable addition to the literature is a recent study based on several fragmentary sources: Cornelia Aust, *The Jewish Economic Elite: Making Modern Europe* (Bloomington, 2018).

Family and group solidarity, it is often maintained, was the glue of Jewish commercial networks. But family and group solidarity was not a given, nor is it a sufficient explanation for the working of Jewish networks. Economic as much as cultural reasons explain the persistence of family partnerships among Jewish merchants. Endogamous marriages (especially those between uncles and nieces and between first cousins) facilitated the circulation of wealth and the monitoring of misconduct among allied families. At the same time, reliance on kith and kin was by no means synonymous with economic insularity. To begin with, there never existed one single Jewish commercial diaspora. A multiplicity of “diasporas within a diaspora” (to borrow another felicitous phrase from Jonathan Israel) developed among the Sephardim alone, because of the willingness of families and individuals to relocate in response to push and pull factors and as a consequence of the diversification created by marital and economic alliances across the diaspora. Moreover, both Sephardic and Ashkenazic Jews engaged in protracted credit relations with non-Jews and thus expanded their circles of suppliers, customers, agents, and partners. A central question confronting historians of Jewish economic activities concerns the formal and informal means through which traders and entrepreneurs secured the cooperation of coreligionists and gentiles.

What most characterized the first century and a half of the early modern Sephardic commercial experience was the risky cooperation between those who lived as New Christians in Iberian territories and those who had embraced Judaism elsewhere, and the fluid religious identity of many among both groups. Economic historians have been the least interested in issues of religious identity. This neglect has unfortunately resulted in an oversimplification of prevailing explanations of the sources of solidarity that governed the collaboration between various merchants of Iberian descent. Somewhat provocatively, Daviken Studnicki-Gizbert has suggested that we sideline questions of religious belief and accept instead the existence of a composite “Portuguese Nation,” in which sincere converts to Catholicism, committed crypto-Jews, and individuals with interchanging religious affiliations regularly sealed business deals with each other. Through face-to-face interaction and letter writing, all of them probed the proficiency and solvency of prospective customers and seasoned agents alike. Epistolary collections seized by the Inquisition show that New Christians vouched for each other’s reputation across the Atlantic but also slandered those who betrayed their confidence.<sup>35</sup>

Available scholarship throws only a dim light on the sources of trust that linked those crypto- and professing Jews who did business together in the

<sup>35</sup> Studnicki-Gizbert, *A Nation upon the Ocean*, 84–6.

sixteenth and seventeenth centuries, when crypto-Judaism was a widespread phenomenon in Iberian territories and in the southwest of France. We know that individual merchants occasionally switched religious allegiance and that members of the same family could embrace different confessions. We also have ample evidence that *conversos* operating across the Franco-Spanish border and the Atlantic cooperated with Jews in Amsterdam, Hamburg, Venice, and Livorno, particularly until the 1640s, when the Spanish Inquisition cracked down on *converso* networks in both Iberia and colonial America, and before the Dutch lost their possessions in northern Brazil in 1645. Thus, when the Twelve Years' Truce expired in 1621, the Amsterdam Sephardim turned to Portuguese New Christians, rather than to gentile Flemish and Dutch merchants in Lisbon and other Iberian ports, in order to bypass the Spanish embargo. Together they established a profitable network of smugglers who carried silver and wool to northern Europe via Navarre and Bayonne through the 1630s.<sup>36</sup> The risks were many, because the Inquisition remained vigilant, but since contraband reduced the chances of making recourse to a tribunal, solidarity across the New Christian – New Jewish divide likely worked to prevent misbehavior, or, when necessary, to punish it through extra-legal sanctions.

Wherever Jews had or developed communal institutions, these contributed – in different forms and to different degrees – to monitoring the business integrity of their members. Although not prominent, rules about economic conduct and punishments for those who infringed upon them figure in the statutory norms of several communities (*askamot*); rabbis and lay judges regularly sorted out minor and major disputes over economic matters, whether in courts or via arbitration. As mentioned, the Ashkenazim were particularly concerned with the economic conduct of their fellow Jews because of the legal retaliations that infractions entailed. But the Sephardim were hardly insensitive to this issue. Their degree of jurisdictional autonomy varied greatly – virtually none in Venice, weak in Amsterdam, and considerable in Livorno. Most of these communities' leaders were merchants and bankers themselves, and thus displayed a vested interest in preserving the collective reputation of their fellow Jews.<sup>37</sup>

Anecdotes about the travails met by Jews appearing before gentile courts abound. Glückel of Hameln relays that her father-in-law sued his son in a secular court, incurring considerable expense and no

<sup>36</sup> Israel, *European Jewry*, 107.

<sup>37</sup> On the community structure of Amsterdam Sephardim, see Yosef Kaplan, *An Alternative Path to Modernity: The Sephardi Diaspora in Western Europe* (Leiden, 2000). On Livorno, see Trivellato, *The Familiarity of Strangers*.

resolution to their quarrels, before resorting to the mediation of the rabbis in Frankfurt.<sup>38</sup> Only systematic research will establish the patterns of Jewish merchants' reliance on formal courts. For now, it is essential to note two trends that are only in apparent contradiction with one another. On the one hand, Jewish merchants had ever more frequent recourse to civil and commercial tribunals to enforce their business contracts with other Jews and with non-Jews. Whether in the bustling Atlantic and Mediterranean ports, the Hanseatic towns or at the fairs in the Habsburg territories, public authorities gave local and foreign merchants access to legal forums for the adjudication of disputes over property rights in an effort to sustain commercial exchanges. The expansion of international trade also favored the standardization of contractual forms used across political lines, even if no universal legal codes or systems of arbitration were ever devised in the early modern period. On the other hand, merchants continued to rely on informal reputational control to minimize their recourse to formal tribunals. This apparent divergent trend is easily explained. Certain economic contracts (marine insurance policies, short- and medium-term bills of credit, and freight contracts, for example) were more easily enforceable in courts than others. In contrast, the delegation of economic decisions to distant agents remained a central feature of long-distance trade, and yet disputes between commissioners and agents were not always best served by appeal to a judicial forum. It was expensive to hire legal representatives to appear before a judge in a distant location; not every town had courts that were fair to Jews; and, at any rate, commission agency was a highly incomplete type of contract for which legal remedies were rarely a solution.

By the early eighteenth century, the Sephardim of Livorno trading with Lisbon preferred to hire business agents who were not New Christians. They entrusted Florentine, Genoese, and others with multiple tasks but especially with the sale of their Mediterranean coral in India and the import of diamonds and precious stones, which were then for the most part re-exported to Amsterdam and London. Florentine and Genoese merchants in Lisbon, in turn, availed themselves of the services of a host of Hindu traders in Portuguese India, where Jews were proscribed. Certain written contracts were of great help in facilitating business across these vast distances and between these religiously diverse groups. Thus, Livorno Jews sent along copies of powers of attorney and bills of lading to be presented to any customs officials or insurance underwriters who disputed a claim. But access to formal litigation was costly and not necessarily effective. As in other niches of early modern

<sup>38</sup> Lowenthal, *The Memoirs of Glückel of Hameln*, 29–30.

trade, business letters offered a most useful tool for forging alliances and monitoring agents, not only within a closed diaspora but also with agents who were cultural outsiders.<sup>39</sup>

### MONEY AND JEWS BETWEEN CHRISTIAN IMAGINATION AND MARKET PRACTICES

Nowadays, rarely do economic historians examine ideas about the market and its actors in their studies of concrete market institutions. Such omission is unwarranted when we write about the economic activities of Jews in early modern Europe. More often than not, Christian theological views of Jews suffused policies of economic segregation enacted by Christian secular governments. Jewish pawnbroking in the late Middle Ages is a case in point: the identification of Jews with usury led authorities to relegate real-life Jews to the role of moneylenders. But even as the range of commercial and financial activities in which Jews were engaged expanded considerably after the sixteenth century, other forms of exclusion persisted. Baptism remained a prerequisite to join a craft guild; laws governing real estate and land ownership often discriminated against Jews; and even in the most commercially oriented societies, such as eighteenth-century England, Jews were barred from certain branches of overseas trade. All in all, the European economic expansion of the early modern period provided Jews with growing opportunities to interact with non-Jews and prompted several governments to expand the privileges that regulated the presence of Jewish communities in their territories. At the same time, commerce and religious toleration did not evolve along a singular, progressive trajectory.

In the early modern Christian imagination, the juxtaposition of Jews and money gave way to two opposite figures: that of all-powerful plutocrats and conspirators, and that of the parasitical poor. Both figures drained resources from the Christian commonwealth.<sup>40</sup> Sometimes the two collapsed into one, as when Christian traders perceived even the poorest among Jewish shopkeepers, salesmen, and peddlers as competitors, and lamented their excessive economic power, as shown by the “Petitions of the Estates to the Great Elector” in Brandenburg-Prussia, submitted in 1672.<sup>41</sup> In the European cities where Sephardic families settled, wealthy financiers

<sup>39</sup> Trivellato, *The Familiarity of Strangers*.

<sup>40</sup> Derek J. Penslar, *Shylock's Children: Economics and Jewish Identity in Modern Europe* (Berkeley, 2001), 22.

<sup>41</sup> Stefi Jersch-Wenzel, “Jewish Economic Activity in Early Modern Times,” in R. Po-Chia Hsia and Hartmut Lehmann, eds., *In and Out of the Ghetto: Jewish–Gentile Relations in Late Medieval and Early Modern Germany* (Cambridge, 1995), 91–101.

loomed larger than life in the Christian public imagination. The identification of New Christians with wheelers and dealers was so pervasive as to give way to a terminological slippage. The Portuguese expression for businessmen, *homens de negocios* (and its Spanish equivalent, *hombres de negocios*), became synonymous with New Christians. Not only did the expression carry a derogative connotation because it assumed that all New Christians were crypto-Jews, but it also inaccurately described all New Christians as involved in high-level commercial and financial transaction (*negocios*). In fact, when brought before the Spanish Inquisition, many New Christians described themselves as *mercadores de todos generos*, that is, as traders in all sorts of goods, an expression that encompassed petty traders and itinerant merchants selling tobacco, linens, and only a few luxury products like saffron.<sup>42</sup>

Jewish and Christian authorities alike mobilized these enduring stereotypes to advance their respective interests. In 1612, the Senate of Hamburg ultimately quashed the opposition of local merchants and the Lutheran clergy who, for different reasons, opposed the admission of New Christians and Jews to the city. In Marseille, by contrast, the royal government had to cede to the Chamber of Commerce (which represented the interests of local wholesale Christian merchants, financiers, and ship-owners) and issued a decree of expulsion in 1682. In a bold and effective move, some Jewish leaders turned prevailing negative stereotypes to their advantage. Deploying the trope according to which Jews excelled in trade, they advocated the expansion of rights conferred onto Jews and extolled the economic contributions they could bring to Christian states and societies. Venetian Rabbi Simone Luzzatto's *Discorso circa il stato degl'ebrei* (1638) provided the model for this type of early modern Jewish economic apologetics. Luzzatto wrote in the wake of a corruption scandal that endangered the status of Jews in the ghetto. To counter Christian fears, he presented the Venetian Senate with an inflated portrait of the customs duties that Jews paid to the impoverished coffers of the Republic.<sup>43</sup> When the Amsterdam Rabbi Menasseh ben Israel set off to promote the readmission of the Jews to England in 1655, he reasoned along the same lines in his *Humble Addresses* to Cromwell.<sup>44</sup>

<sup>42</sup> David L. Graizbord, *Souls in Dispute: Converso Identities in Iberia and the Jewish Diaspora, 1580–1700* (Philadelphia, 2004), 54–5.

<sup>43</sup> Simone Luzzatto, *Discorso circa il stato degl'ebrei* . . . [Venice, 1638] (anastatic reprint, Bologna, 1976); Benjamin Ravid, *Economics and Toleration in Seventeenth-Century Venice: The Background and Context of the Discorso of Simone Luzzatto* (Jerusalem, 1978); Giovanni Favero and Francesca Trivellato, “Gli abitanti del ghetto di Venezia in età moderna: dati e ipotesi,” *Zakhor: Rivista di storia degli ebrei d'Italia* 7 (2004), 9–50.

<sup>44</sup> *The Humble Addresses* in Lucien Wolf, ed., *Menasseh Ben Israel's Mission to Oliver Cromwell* (London, 1901), 82–9; Benjamin Ravid, “How Profitable the Nation of the

That these appropriations proved effective is evidence that stereotypes lived on in spite of the considerable intermingling of Jews and non-Jews in the marketplaces of early modern Europe and its overseas empires. The cultural effects of this intermingling were multi-faceted. On the one hand, business letters and merchant manuals bear evidence of a growing indifference to religion in the everyday practices of trade. A few Sephardic Jews translated how-to books written by gentiles or even authored their own with no distinctive Jewish features.<sup>45</sup> Merchants of different confessions and faiths also attended each other's religious ceremonies and exchanged greetings on religious holidays one of the parties did not celebrate. On the other hand, the incorporation of Jews in broader trading networks often generated a cultural backlash. Exaggerated images of Jewish influence on long-distance trade and finance were nearly ubiquitous. Meanwhile, the increased sophistication and diffusion of arcane financial instruments intensified anxieties about how to distinguish between legitimate and fraudulent credit practices. These anxieties, in turn, nourished new fantasies in which presumptions about a Sephardic domination of international trade mingled with older associations between Jews and usury.<sup>46</sup>

## CONCLUSION

With few exceptions, the principal role of Jews as economic actors in early modern Europe was one of commercial suppliers, distributors, and intermediaries rather than producers of agricultural or manufacturing goods. Eighteenth-century commentators began a vivacious debate about the causes of this specialization: whether it resulted from external constraints – namely, the discriminatory norms imposed by dominant societies – or from an innate proclivity, possibly fostered by the condition of

Jewes Are': The *Humble Addresses* of Menasseh ben Israel and the *Discorso* of Simone Luzzatto," in Jehuda Rainharz and Daniel Swetschinski, eds., *Mystics, Philosophers, and Politicians: Essays in Jewish Intellectual History in Honor of Alexander Altmann* (Durham, NC, 1982), 159–80; Jonathan Karp, *The Politics of Jewish Commerce: Economic Ideology and Emancipation in Europe, 1638–1848* (Cambridge, 2008), 12–66.

<sup>45</sup> Josua Sarfatti Pina, *De lichtende Koopmans* (Amsterdam, 1682); Jacob de Metz, *Sendero mercantile, que contiene 240 preguntas fundamentales con sus respuestas, para saber distinguir entre deve a hade aver* (Amsterdam, 1697); Gabriel de Souza Brito, *Norte mercantil y crisol de quentas*, 2 vols. (Amsterdam, 1769–70); Abraham Meldola, *Traduccion de las cartas mercantiles y morales de J. C. Sinapius: en español y portuguez* (Hamburg, 1784).

<sup>46</sup> Benjamin Braude, "The Myth of the Sephardi Economic Superman," in Jeremy Adelman and Stephen Aron, eds., *Trading Cultures: The Worlds of Western Merchants* (Turnhout, 2001), 165–94; Francesca Trivellato, "Credit, Honor, and Representations of Jews in Old Regime France," *Journal of Modern History* 84, 2 (2012), 289–334.

exile or, according to some, by religious ethics. At several points in time, this debate took on inflammatory tones and cast a nefarious shadow on the question itself (most famously in the work of Werner Sombart). Today, it continues to inspire an internalist approach to Jewish economic history.<sup>47</sup> This question, however, is hardly the only significant one that can be asked about the economic activities of the Jews in the early modern period.

Here, I have highlighted the continuities and innovations in the economic roles of Jews in different regions and asked in what ways and to what effect Jews participated in the increasingly competitive arena of early modern European long-distance trade. Their status as a “stateless diaspora” put them at a disadvantage in a world in which sovereign states negotiated trading privileges, chartered oligopolistic companies, and invested in large manufacturing plants. At the same time, precisely their ability to channel people, goods, and capitals across political borders often put Jews in an advantageous position. Whether in the German principalities, the Iberian and Dutch Caribbean, or the eastern Mediterranean, Jewish economic activities developed alongside economic enterprises backed or run by European states. Overall, during the early modern period, European states proved more dependent on Jews in the beginning phases of their fiscal and commercial expansion, and increasingly sidelined Jews as they consolidated their national and imperial political economies. Jonathan Israel considers this trajectory particularly apt to describe the experience of the Sephardim, whom he regards “as simultaneously agents and victims of empire.”<sup>48</sup> Jews exploited opportunities created by new political economies of commerce in different European states. They did so by deploying both informal and semi-formal resources (kinship ties that extended across space, communitarian organizations that provided some degree of conformity and oversight, and so forth) but also availed themselves of the legal services, technological infrastructures, and financial tools developed by the state, whether in dealing with their coreligionists or with non-Jews. More comparative studies are needed in order to identify the specific combination of informal and formal sanctions and incentives at work among various segments of the Jewish diaspora and to establish whether Jews, or some among them, relied on trust more than other merchant communities, and in which instances. These issues are central to a better understanding of ethnic minorities in the rise of capitalism.

<sup>47</sup> Aaron Levine, ed., *The Oxford Handbook of Judaism and Economics* (Oxford, 2000); Maristella Botticini and Zvi Eckstein, *The Chosen Few: How Education Shaped Jewish History, 70–1492* (Princeton, 2012).

<sup>48</sup> Israel, *Diasporas within a Diaspora*, 1.

Contrary to what is often believed, commerce did not consistently weaken the corporate structures of early modern Jewry. In fact, on numerous occasions and in various contexts, merchants relied on those very structures to enforce their contracts, pursue a less than diligent associate, or signal the incentives for an outsider to invest in their ventures. Legally and socially, in the corporate societies of pre-emancipation Europe, a Jewish merchant was always simultaneously a merchant and a Jew. When, where, and how legal and social discrimination affected their economic strategies is an important issue that remains to be fully explored in a comparative perspective. Overall, after the mid sixteenth century, commerce favored new forms of toleration for Jews across most of Europe, but it is important to stress that these forms of toleration were tailored to the segregated social and political order of the Old Regime more than they paved the way to emancipation. When Jewish men in France were granted equality in 1790–1, a new era was inaugurated, one that also affected the economic roles of Jews.

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