Introduction

FEW TODAY KNOW WHAT bills of exchange are or how they worked. But from the sixteenth through much of the nineteenth century, bills of exchange were ubiquitous across Europe. Around 1615, an English traveler visiting Venice counseled those interested in following his itinerary on how to obtain ready cash in local currency: "Returne thy money in England by bill of exchange that thou maiest receive it againe in Venice."[1] So many used these bills as remittances that they soon acquired metaphorical meanings. An Anglican preacher, for example, declared, "Our prayers are our bills of exchange; and they are allowed in Heaven, when they come from pious and humble hearts: But if wee bee broken in our religion, and bankrouts of grace, God will protest our bills, hee will not bee wonne with our prayers."[2] A century later, in the mid-eighteenth century, this system of payment fueled the darkest side of the booming Atlantic trade: the majority of slave cargoes in the British Caribbean were sold for bills of exchange redeemable in London.[3]

Credit default swaps, an innovation of the 1990s and the target of Buffett's censure, are only the latest creation of financial engineering, developed in order to facilitate both risk management and speculation. The rate of innovation in the financial sector of preindustrial Europe was slower than that seen today, but not imperceptible. Between 1250 and 1650, bills of exchange introduced considerable novelties, which is why they once were a venerable topic in economic and legal history. In those centuries, they boosted long-distance trade and international finance, and they remained the lifeblood of European and colonial commerce even after corporate stocks began to be sold in Amsterdam and London in the early seventeenth century. During the period of their use, bills of exchange garnered considerable attention among enthusiasts and critics alike, not only for their ability to move and generate wealth in seemingly mysterious ways, but also for their potential to trick naïve investors. As such, they epitomized the promise and the peril of early modern commercial credit.

What was so admirable and yet controversial about bills of exchange? Almost everything, especially in the eyes of the inexperienced. Materially, these bills (from the Latin word for "letter," *bulla*) were slips of paper, smaller than today's personal checks, on which someone who was legally or socially recognized as a merchant scribbled a few coded words before adding his (or, more rarely, her) signature. With these coded words, he ordered his agent to pay a specified amount, in a set currency and at a set date, to a third party. The original and principal function of bills of exchange was to transfer funds to distant locations where they could be redeemed in local currency and thus used to purchase goods or pay down a debt. They offered merchants a safe alternative to the transport of minted coins, protecting their wealth from pirates, corrupt customs guards, storms, and landslides. Over time, bills of exchange also came to be used for purely speculative purposes. Experienced and savvy bankers could buy and sell these instruments without any intent of acquiring merchandise but merely to profit from fluctuating currency exchange rates. In this respect they signaled private finance's incipient autonomy from commodity trade.

Bills of exchange were the invisible currency of early modern Europe's "international republic of money."[4] No formal membership was needed to join this commonwealth, which was made up of merchants who cooperated and competed with one another, spoke different languages, and hailed from different regions. A mixture of informal oversight and legal sanctions held this commonwealth together, and after the sixteenth century its boundaries expanded in conjunction with Europe's first period of sustained economic growth since the Black Death and the aggressive overseas expansion that accompanied it. What assured the circulation of bills of exchange among the members of this amorphous republic of money, as an eighteenth-century jurist noted, was "a merchant's reputation, the extent and solidity of his business, the wisdom of the banker ensuring the creditworthiness of those letters."[5] Given how little public information about the assets of private merchants was then available, anyone engaging in transactions involving these bills depended first and foremost on channels of epistolary communication, occasional informers, relatives, and distant friends. A commercial bank chartered in Vienna in 1787 demanded that Greek merchants provide three sound trading houses as guarantors if they wished to cash a second bill of exchange—a measure of the bank's difficulty in ascertaining the solvency of its clients.[6]

By the time their invention was attributed to Jews, bills of exchange were frequently endorsed and passed on from one holder to another. Consequently, they were often confused with money. However, unlike commodity money or minted coins, bills of exchange had no intrinsic value. Unlike paper money designated as legal tender (whether backed by precious metals or land or, more rarely in the early modern period, issued as fiat money), they were secured not by sovereign authorities but solely by the individuals who signed them. While a state that accepts paper money as a form of tax payment can oblige taxpayers to use that same paper money in their private transactions, the circulation of bills of exchange was entirely voluntary, and a merchant retained the right to refuse to pay a bill drawn on his name.

Naturally, bills of exchange had multiple connections to public finance. State agents, such as tax collectors or army suppliers, used them regularly to move funds from one region to another. More importantly, variations in currency exchange rates depended on the bullion reserves in the region, which in turn depended to a significant extent on a state's monetary and trade policy (although private merchants themselves sometimes moved bullion from one location to another in order to alter exchange rates). But unlike state bonds, annuities, and the stocks that financed chartered corporations, bills of exchange were primarily an instrument of private finance, and to study them challenges the conventional nexus drawn by historians between money and sovereignty.

The usefulness of bills of exchange was matched only by their opacity. This combination ensured that they came to symbolize what was most appealing and most anxiety generating about private credit. By moving funds in invisible ways across mountains and oceans, bills of exchange functioned as the lubricant of the "reciprocal commerce" celebrated by many Enlightenment thinkers. At the same time, the lack of transparency with which they fulfilled their functions caused many to worry that cliques of traders possessed undue advantages over others. Moreover, by abstracting value from any tangible referent, bills of exchange amplified widespread fears about social disintegration and the erosion of traditional hierarchies that accompanied the expansion of commerce.

Ultimately, bills of exchange represented the ability of merchants to regulate their own activity. Adam Smith regarded this self-regulation as beneficial to society at large, but he was neither the first nor the last to address the topic. This book examines some of the strongest reactions that bills of exchange, as emblems of merchants' self-regulation, generated among the learned public. It focuses on the metaphorical associations between these bills and Jews because this connection was frequently drawn in expressions of suspicion about the growing expansion and autonomy of private finance in early modern Europe.

Starting in the mid-seventeenth century, a number of authors, first in France and then across Europe, maintained that those Jews who had been expelled from the kingdom of France at various points in time between the seventh and fourteenth centuries had devised bills of exchange in order to evade the confiscation of their properties and to smuggle their wealth abroad. The guile of Jews and the resourcefulness of fugitives in general were the two lessons most commonly extracted from this narrative. From Old Regime France, the legend attributing to medieval Jews the invention of bills of exchange spread widely, with echoes heard as far as Brazil and Russia. Subsequently it was resurrected in the nineteenth century, when it informed some of the most influential narratives about the so-called Rise of the West and provoked harsh reactions among scholars of the Middle Ages during the interwar period.

Today, one is hard-pressed to find anyone who recognizes the existence (let alone deciphers the meaning) of this tale of origins, both within and beyond academia. I know of only one recent attempt to interrogate its significance: an article published in Hebrew in 2004 by Benjamin Arbel. The article's chief goal is to set the record straight and dispel any residual claim that Jews possessed superior financial prowess, although in the process Arbel unearths important and little-known facts about Jews' handling of bills of exchange in the sixteenth-century Mediterranean.[7]

My goal is different. Of course, I stress the lack of any empirical basis for the legend that pointed to Jews as the originators of European financial development. I insist, however, on treating the legend for what it is: a legend. I reconstruct the aspirations and collective fears of those who invoked it, the reasoning of those who contested it, and the agenda of those who reassembled its moving parts into ever more variations on a theme. In so doing, I map changing and conflicting attitudes toward commercial credit and discuss why Jews, who in the legend are figments of the Christian imagination, provided a broad spectrum of tropes through which those attitudes could be articulated.

The legend today is so mystifying that I have felt the need to unpack all its constitutive elements in considerable detail and to recount just how many forms it took and how many authors contended with it. The result is the long journey from the Middle Ages through the twentieth century traced in the coming pages. My larger ambition, put succinctly, is to show the heuristic value of Christian representations of Jewish economic roles for probing long-held narratives about the power and limits of the market to create more equal societies. I am not concerned with the question of whether or not Jews ever had a putatively special relationship with capitalism—a question that, incidentally, I do not believe can be treated separately from its intellectual genealogy. Nor do I posit that in early modern Europe it was impossible to talk about credit without talking about Jews. That would simply not be true. Rather, I draw attention to one consistent assumption that ran through different European cultures from the fourteenth to the twentieth centuries: the idea that Jews were nowhere and everywhere. This idea is at the heart of the legend of the Jewish invention of bills of exchange.

The theme of Jewish invisibility took different forms across time and space depending on the models of interaction with the majority-Christian society to which Jews were subjected: forced conversion, acculturation, or legal equality. After the mass conversions that followed the pogroms perpetrated in Spain in 1391, the difficulty of distinguishing Jewish converts to Catholicism from the rest of the population became the focus of ecclesiastical and secular efforts, which culminated in the "purity of blood" statutes (1448) and the establishment of a modern Inquisition (1478).[8] The decrees ordering the expulsion or forced conversion of Jews in Castile and Aragon (1492), Portugal (1497), and Navarre (1498) escalated the paranoia that surrounded these presumed "crypto-Jews." The legend of the Jewish invention of bills of exchange was born in the one region of Europe other than Iberia where, after the mid-sixteenth century, crypto-Judaism was a de facto reality: the southwest of France. There, Iberian refugees were welcomed as "Portuguese merchants" and, until 1723, were prohibited from practicing Judaism in the open but always suspected of doing so in secret. These so-called New Christians, the wealthiest of whom were concentrated in professions connected with maritime and regional trade, were treated as invisible Jews: their inner religious convictions (whatever they were) had to conform to the outward practice of Catholicism, but their allegiance to Catholicism and to the kingdom of France was constantly doubted; Jews were nowhere to be seen, but their financial power was assumed to be everywhere.

The invisibility of Jews in those port cities of western and Mediterranean Europe where Iberian converts were allowed to make a home as Jews after the late sixteenth century—notably Venice, Livorno, Amsterdam, Hamburg, and, later on, London—was of a different sort. It was neither theological nor complete but the result of a long process of acculturation and deliberate efforts to integrate this group into the fabric of commercial society. In those areas of Europe, Sephardic merchants acquired unprecedented contractual equality in the commercial sphere at the very same time that all merchants who were involved in long-distance trade largely abandoned guilds. The weakness of corporate organizations within the upper echelons of private international trade together with ad hoc policies designed to attract New Christian refugees with fortunes and trading connections meant that Sephardic merchants could now join the international republic of money in ways that they had not been able to do before. They could now enter into contracts with anyone of their choosing, uphold their property rights before secular courts, and even buy state bonds—a privilege that came with financial and symbolic benefits that had earlier been denied to Jewish bankers in medieval Italian city-states with a public debt.[9]

In many other respects, Sephardim continued to endure restrictive legal measures and to serve as the targets of scorn and mistrust. But their newly acquired economic privileges put pressure on existing corporate structures and engendered changes that extended well beyond the economic sphere. In both southern and northern Europe, Sephardic Jews cultivated the collective self-image of a respectable merchant community, subordinated some of their religious norms to the demands of commerce with non-Jews, and drew sharp lines between themselves and other Jewish groups that more visibly conformed to Christian stereotypes. Acculturated by choice or by necessity, these postexpulsion communities of New Christians and New Jews, small as they were, were prized for their commercial skills, better liked than their Ashkenazi brethren (because they were more in tune with the local customs), and yet still not fully trusted to play by the rules of Christian commerical society. As a result, they represented both the progress and the dangers of market exchanges that increasingly transcended the traditional hierarchies of clearly demarcated corporate entities.

After the French Revolution granted Jewish men citizenship rights, making them legally indistinguishable from their peers, Jews' invisibility assumed yet another guise—and the most paradoxical to date. Assimilation bred new fears of Jewish separatism. Indistinguishable from the broader polity but supposedly clannish, Jews were now seen as willing and able to undermine the nation from within in ways that were particularly difficult to unmask. This view soon became the mantra of conservative thinkers, but it appeared with different intensities across a large spectrum of authors and framed the legend's postemancipation meanings. In Old Regime corporate societies, the fears caused by the emergence of an increasingly impersonal commercial world could be pinned on a group that was highly acculturated but still legally and socially distinct from the dominant one. (Marriages between Jews and Christians, for example, required the conversion of one or the other spouse.) Later, in the postemancipation regimes' atmosphere of aspiring universalism, those who did not trust the invisible hand to control misbehavior could resurrect ancient tropes and identify Jews as the obscure force behind economic abuse and corruption. During the democratic age, a new essentialism regarding Jews' collective traits took shape, which, like so-called scientific racism, hardened those hierarchies that legal equality had sought to soften.

The legend of the Jewish invention of bills of exchange emerged and evolved as part of the collective suspicion produced by forced baptism, acculturation, and assimilation—three very different phenomena, but all accompanied by apprehensions about moral contagion and the subversion of the established order. Throughout this book, I will illustrate how easily the anxieties created by Jews' potential invisibility in the marketplace could be mapped onto the increasing abstraction of the paper economy. The legend's myriad threads, in other words, bring to the fore the misgivings that went hand in hand with the rise of capitalism and formal equality as pillars of European modernity.

Turning from topic to approach, I wish to single out three broad historiographical debates on which my analysis impinges. The first is the question of what constitutes "the economy" as a field of inquiry and what is included in the canon we use to access this field, a concern that has become particularly relevant in light of the impact of the digital revolution on the study of Europe's past. The second is the relationship between what we might call "practices" and "representations" and the tendency some scholars have had to pit the two against each other. Finally, the third is the perennial question of periodization, which Jewish history and Christian prejudice toward Jews bring into sharp relief, especially when, as I do, we examine a singular but mutable figure, the Jewish usurer, across several historical periods. The next three sections expand on each of these problems.

The *Ars Mercatoria*: Sources and Canons

I first encountered what I later started to call the legend of the Jewish invention of bills of exchange while rereading Jacques Savary's *Le parfait négociant* (1675), the single most influential merchant manual of early modern Europe. I was looking for something else, but a chapter on the origins of bills of exchange caught my attention. It stated that Jews expelled from France between the years 640 and 1316 had invented these bills as a way of sheltering their assets when fleeing the kingdom.[10] I was surprised. The story was riveting, and in spite of many years spent reading about commerce and Jews, I had never heard of it. *Le parfait négociant* was a blockbuster, so influential and rich in information that it is difficult to imagine an economic historian of preindustrial Europe without at least a cursory knowledge of it. So why had I never heard of this story? Arguably, economic historians ignored it because it was unfounded, while Jewish historians, who might have noticed it, were unlikely to peruse such a source.

Since I was sitting near a computer linked to my university's library system, I typed a few keywords into an online database, *The Making of the Modern World*, to see if I could find other mentions of the story and, ideally, its provenance. It did not take long at all before I identified a title I was not familiar with and that, it turned out, none of the colleagues I consulted knew either: Étienne Cleirac's *Us et coustumes*, a compilation of maritime laws accompanied by extensive commentary printed in Bordeaux in 1647.[11] The first steps of my research went quickly. It took much longer to reconstruct the genealogy of what I now describe as a legend and to unravel its meanings and ramifications.

In 1977, Albert Hirschman opened his *The Passions and the Interests*, a brilliant work that is critically important for my purposes, by noting that during the seventeenth and eighteenth centuries, "with the 'disciplines' of economics and political science not yet in existence at the time, there were no interdisciplinary boundaries to cross."[12] This observation captures not only the spirit of its author, impatient as Hirschman was with all disciplinary strictures, but also the amorphous nature of the sources on which my investigation is based. Today a number of electronic repositories of printed material from early modern Europe permit us to re-create the vastness of the archives that Hirschman had in mind and to mine them beyond the key texts he sampled in support of his influential account of the emergence of the idea that commerce promoted proto-democratic political regimes.

My book is proof that digital libraries can serve as a powerful corrective to anachronism insofar as they broaden the canon of texts and authors that we can scrutinize. Countless scholars before me undoubtedly read the chapter in Savary's *Le parfait négociant* that ascribes to medieval French Jews the invention of bills of exchange. Savary cites no source for this narrative. Short of monstrous erudition or a stroke of good luck, how could anyone trace the roots of his account or its evolution over time? It is thanks to *The Making of the Modern World* that I was able to bring Cleirac's *Us et coustumes de la mer*, a work that few today have heard of, back into the fold of the writings on all things relating to commerce and the economy, or *ars mercatoria*, where it once held pride of place. Inquiries about the boundaries of the canon are certainly not new; traditional bibliographical and reading methods have already yielded consequential insights, and I am hardly the first to rely on digital libraries.[13] But digital collections and their potential grow by the day, and they have been used less in European economic history than in other fields (see appendix 1).

There are, of course, serious limits to the productive disturbance that data-mining tools can produce. In the case of *The Making of the Modern World*, the exclusion of manuscript sources, the overrepresentation of English-language texts, and the imperfection of its optical recognition devices caution us against using it as the referential universe for a statistical analysis of the incidence of certain keywords. For this and other reasons, I chose to cast "distant reading" aside—that is, not to resort to quantitative treatments of published titles but to rely instead on a more conventional combination of close and contextualized reading.[14]

The availability of digital platforms has nonetheless been critical to my ability to map the legend's transmission and sketch the larger labyrinth of textual worlds within which it traveled. Since early modern authors (with the exception of biblical and legal scholars) made sparing use of footnotes or other bibliographical reference systems, full-text keyword searches are crucial to identifying chains of intertextuality. Moreover, to speak of a canon is to refer not only to a set of texts and authors, but also to their classification into schools of thought—in our case, those of mercantilism, anticommercial classical republicanism, *doux commerce*, the Gournay circle, and physiocracy, to cite only the most well-known trends within French economic thought from the late seventeenth century to the Revolution. Of course, many scholars have challenged the stability of these "schools." Scans of searchable digital libraries challenge these traditional interpretative frames even more. References to the legend of the Jewish origins of bills of exchange are sometimes the result of intentional borrowings and other times the byproduct of uncritical copying. They cross genres and widely accepted ideological fault lines to the point of blurring those lines.

Images as Practices, Practices as Images

In addition to questions about sources and reading modalities, I was drawn to this project because the study of both commercial credit and Jewish life in premodern Europe defies the traditional division of labor between intellectual and cultural historians, on the one hand, and social and economic historians, on the other. The so-called "history wars" of the last quarter of the twentieth century raised important epistemological questions about the relationship between discourse, power, and social change, but also built high walls between practitioners of different areas of historical inquiry. The chapters that follow constitute my effort to surmount these walls, even as I am all too aware of the reasons why they exist and the difficulty of meshing dissimilar approaches.

My inquiry began not with any specific interest in the legend of the Jewish invention of bills of exchange, but with a puzzle: early modern merchant manuals and dictionaries of trade aimed at legitimizing commerce and laid out the norms that facilitated engagement in commercial transactions beyond close-knit groups, but they were also peppered with stereotypes about certain communities of traders. Why did these stereotypes multiply alongside the effort to broaden the boundaries of European commercial society? What was the meaning of these biases? Did they inform a proto-sociology of merchants, or did they serve a different function? And what accounted for the attributes ascribed to each group? Savary and many other commentators, as we will see, compared Jewish merchants to those from eastern churches, such as Armenians and Greeks, and even to some groups from Central and South Asia. How did these seeds of Orientalism emerge, evolve, and crystallize in European commercial literature, which sometimes contrasted one group with another and other times lumped all of them together as paragons of economic slyness? What impact did these images have on merchants' strategies? That is, what kind of signals, if any, did labels such as "Jews," "Greeks," and "Armenians" send in competitive marketplaces plagued by a scarcity of information about the creditworthiness of individual actors, especially those coming to town from afar or moving within separate circles?

A related and complementary set of questions concerns the status and credibility of women. In eighteenth-century Paris, for example, it became easier for aristocratic women to obtain credit in the growing number of shops where the latest fashionable garments were sold, even if in reality they were not always in a position to repay their debts—an indication that rank remained a pivot of economic reputation.[15] Contemporary Enlightenment texts often identified women as avatars of luxury and consumption, whether to condemn the volatility and corruption of commercial society or, by contrast, to exalt its expanding possibilities. There are obvious parallels between women and Jews and their respective positions in credit markets, not least because both groups were deprived of legal equality during the Old Regime. There are also many differences in the access that each group had to credit and to legal recourse, as well as obvious differences in the economic power enjoyed by a variety of Jewish and Christian women. In eighteenth-century France, only women who were members of a guild or merchants' widows who were "publically known as merchants" could legally sign bills of exchange, but there is evidence that transgressions of this norm occurred. When and how were women able to obtain commercial credit? How did social perception affect their reputation in the sphere of market transactions? Although I am unable to take up these issues in this book, I spell them out because they animate my broader agenda and might provide the impetus for further comparisons of the legal and social purchase of different marginalized groups.

Cultural constructions of propriety in credit markets do not speak solely to questions of representation but also fulfill regulatory functions, albeit in ways difficult to measure. A merchant's reputation was the black box of premodern commercial credit. It follows that the reputation of Jewish merchants in Christian Europe, like that of other stigmatized minorities, was normally a product of both documented individual behavior and collective stereotyping. The goal of my analysis is not to calculate the degree to which belief in the legend of the Jewish invention of bills of exchange affected credit relations between individual Jews and non-Jews, but to show that the legend's intellectual evolution was nourished by and gave voice to preoccupations that were real and tangible. Rightly or wrongly, an individual's public conduct was usually taken to be a reflection of his or her aptitude and financial standing. But could all individuals control their public image—or were some seen through a collective lens? Who was subjected to this vetting and when?

As a general rule, the greater the uncertainty under which credit relations are established, the more tempting, and arguably sensible, it is for lenders to resort to collective stereotypes in judging potential borrowers. Imperfect as they are in measuring an individual's competence and rectitude, collective stereotypes in premodern societies reflected the existence of segmented communities, each of which was the object of greater or lesser mistrust and more or less able to monitor its members. The notion that collective stereotyping in credit markets is discriminatory is very recent, both culturally and legally. Even in today's markets, which are comparatively more open and freer from overt discrimination, actors often resort to what economic sociologists call "status signals" in order to advertise their performance and products.[16]

A simple fact is indicative of the legend's normative function in the commercial sphere: the tale did not first appear in the sermon of a Franciscan friar, an Elizabethan play, an anti-usury tract, or a Christian polemic against the so-called "errors of the Jews"—all genres that abounded at the time and reveled in antisemitic tropes. Rather, its earliest and principal vehicles were compilations intended to valorize the role of commerce in a feudal society and to offer merchants concrete guidance. Occasionally, we also find mentions of the legend in the everyday documents drafted by French Catholic merchants. A report submitted in 1702 by the Deputies of Commerce, a council of twelve merchants from the kingdom's major cities charged with advising the crown, asked the king to curb the "abuses" committed by tax farmers and state financiers who surreptitiously exported funds by means of bills of exchange. The report was far from an indictment of bills of exchange as such, but by opening with a recapitulation of their supposed invention by the Jews expelled from France "on account of their usuries," it arguably appropriated the legend in order to introduce the notion that there were more and less legitimate ways of handling those bills.[17]

This is a striking example of the fact that we cannot assume that a sort of pragmatic tolerance infused merchant culture. The moralizing and sometimes venomous tone of petitions and didactic literature produced by and/or for merchants had a clear prescriptive value. After all, the parameters of public action that rulers set for different merchant groups responded to the public perception of each of these groups and a generalized distrust of Jews' loyalty to the state and to society. In the absence of a modern conception of separation between church and state, Jews' rejection of Christian revelation cast them in the eyes of elites and the uneducated alike as infidels lacking *fama* and *fides*, that is, public reputation and trustworthiness. For this reason, although the legal status of Jews varied greatly from place to place, nowhere could they hold public office, join craft guilds, or give testimony against Christians in a court of law.

Negative group stereotypes tend to be remarkably impermeable to reality, even as they possess a striking ability to conjure new meanings out of a finite repertoire. This twin characteristic is a distinctive feature of Christian prejudice against Jews and is apparent in the legend under investigation, which fused medieval clichés about Jewish usury and seventeenth-century exaggerated admiration for Jewish commerce. Jewish lending to Christians in the late Middle Ages was largely confined to pawnbroking for the poor and loans to rulers. Bills of exchange, by contrast, were icons of the early modern paper economy, capable of moving funds across distances in invisible ways, yielding profits with no direct connection to the sale of material goods, and proving susceptible to equally mysterious defaults. In spite of new regulations issued after the sixteenth century by municipal, state, and fair authorities, bills of exchange were difficult to monitor, and in the matter of their management, expert merchants somehow always knew better than lawyers, judges, and government officials.

By pointing to Jews as the inventors of bills of exchange, the legend did not identify any specific type of abuse that was occurring but rather cast suspicion on commercial credit in general by playing into widely shared cultural assumptions about Jews' unscrupulous dealings. In so doing, the legend became a substitute for hard-to-define normative criteria for the rightful handling of bills of exchange. Its subsequent adaptations, then, recombined different elements of the sketchy historical narrative on which it was grounded for different ends. Some of these accounts were closer to the original version than others, but all grappled with the aspirations and fears generated by the paper credit instruments' abstraction of wealth from tangible assets.

In this respect, my approach echoes William Sewell, Jr.'s self-consciously oxymoronic quest to write "a concrete history of social abstraction," that is, a history of those practices and institutions that created the conditions for more anonymous market exchanges and were thus part of the process by which the market became a metaphor for a democratic political order.[18] Bills of exchange lend themselves particularly well to this task. As material artifacts, they had no intrinsic value. Their monetary worth was the measure of the credibility assigned to the chains of signatories who backed them, rather than of any sovereign authority. At the same time, because they had to be physically transported from one place to another in order to be redeemed, their circulation depended on concrete communication infrastructures and was embedded in personal networks of recognition, which relied on epistolary exchanges and other verification systems.

But I also insist more than Sewell probably would on the asymmetric nature of the exchanges that these abstract credit instruments promoted. His interest in isolating the social practices that underpinned the eruption of egalitarianism during the revolutionary years has led him, in my view, to overestimate the transparency and openness of Parisian coffeehouses and promenades, which he regards as spaces where men and, to an increasing degree, women disguised their legal identities in ways that subverted a cardinal principle of Old Regime hierarchies: status. Recovering Jürgen Habermas's explicitly neo-Marxist approach (which previous Anglophone appropriations of Habermas had largely eschewed), Sewell overplays the egalitarian ethos of the proto-capitalist classes.[19] I believe that we ought to take his invitation to locate the material bases of emerging social abstraction and democratic politics seriously, but that we cannot overlook the apprehension that anonymity generated or the lack of fairness that plagued competitive markets of the time.[20]

Bills of exchange are ideal objects for this type of analysis because they embody the tension that existed between egalitarianism and oligopolies in early modern commercial credit markets. Their diffusion was greeted by praise of their utility but also denunciations of the potential harm they could inflict. Jonathan Sheehan and Dror Warman have recently argued that the South Sea Bubble of 1720 triggered a Europe-wide intellectual and cultural shift that displaced both providentialism and mechanical materialism in favor of the concept of self-organization in many spheres of intellectual inquiry.[21] There may be an interesting coincidence between the 1720 financial crash and a host of philosophical trends, but in the realm of economic thought, broadly conceived, self-organization had by this time already been recognized as a powerful force. Self-organization is in fact what bills of exchange epitomized and to what the legend of the Jewish invention of bills of exchange responded. Merchants' autonomy and self-organization were both desirable and unsettling. The legend offered no solution to this conundrum but, in most of its permutations, acted as a warning, because Christian observers agreed that to trade bills of exchange "in the Jewish manner" meant something dangerous and unwelcome.

Continuities and Change

Formulated in the mid-seventeenth century as money markets were becoming more and more impersonal, the legend of the Jewish origin of bills of exchange grafted medieval clichés about Jewish pawnbroking onto the early modern reality of new instruments of credit. By the early twentieth century, then, this story became a pseudo-fact in credible academic accounts. This exceedingly long chronology raises questions about the permanence and reconstitution of stereotypes. These questions in turn prompt us to probe the pertinence of labels such as "medieval," "early modern," and "modern" for Jewish and European history at large.

Those scholars of European Jewry who are wedded to a "lachrymose" narrative are also prone to emphasize continuity, in the form of persecution, rather than change (although considerable disagreement exists about whether racialized antisemitism in the second half of the nineteenth century constituted a new phenomenon or a mere evolution of preexisting themes). By contrast, confronted with the variety of manifestations of Jewish life and thought, many historians tend to stress adaptation more or at least as much as discrimination.[22]

Every inquiry into Christian representations of Jews, however, shows that this contrast is overly simplistic. Prejudice is at once tenacious and protean. It builds on motifs from earlier times that are transmitted through both learned and popular culture and at the same time gives voice to tensions that are locally bound and highly specific. This dual nature of prejudice is fully reflected in the legend of the Jewish invention of bills of exchange. That is also why by the mid-eighteenth century, different characterizations of the economic roles played by Jews began to correspond to larger narratives about continuity and change between what today we refer to as the "medieval" and "early modern" periods in European history. Montesquieu's *The Spirit of the Laws* (1748) linked the notion of Jews as forerunners of European capitalism to the view of the medieval church as an anticommercial institution and in so doing cast a long shadow over future scholarly endeavors and lay conceptions alike. For the French philosophe, in the Middle Ages Jews dominated commerce because the church demonized commerce and therefore good Christians shunned it. In his view, Jews invented bills of exchange at the time of Europe's maritime explorations and colonial expansion—the onset of what today we would call early modernity—and thus helped inaugurate a new epoch during which the influence of the church receded and commerce promoted "softer" politics and social mores.

For generations to come, progressive liberal historians seized upon the caesura that Montesquieu posited between a Catholic obscurantist Middle Ages and a secular early modernity propelled by commerce, and branded it into a standard periodization. Marxist and conservative social theorists also embraced the philosophe's discontinuity between the Middle Ages and the sixteenth century, albeit with different cultural and political valences. In the interwar period, however, specialists of medieval Europe challenged this paradigmatic chronology by dating the origins of modern European capitalism to the twelfth and thirteenth centuries and portraying it as a notable achievement of Christian communal civilization, untainted by Jewish influence. Since the 1970s, the marginalization of the sixteenth century—the period when bills of exchange gave rise to new forms of financialization—in the historiography of European economy and economic thought has reintroduced the idea of a sharp break between late medieval and early modern financial institutions.

Through a different set of reflections, scholars of European Jewry have also come to emphasize discontinuity and now recognize three distinct moments in Christian thought about Jews' economic roles across the medieval and early modern periods, each with its own temporal and geographical specificities. The first moment, which coincided with the economic boom of Italian city-states and culminated in the norms issued at the Fourth Lateran Council (1215) to regulate the Jewish presence amid Christians, was dominated by writings on usury by moral theologians and canon lawyers. There are two sides to the thirteenth-century conception of usury, which shaped European representations of Jews and credit for centuries to come. On the one hand, Jews were thought to embody the practice of usury. Having denied the divinity of Christ, they were presumed to feel no allegiance to the Christians among whom they lived and whom they cheated at liberty. As proof and consequence of Jews' theological infidelity, secular rulers assigned to them the function of pawnbrokers and allowed them to charge high interest rates. On the other hand, both religious and lay commentators defined usury (the opposite of charity) as the ultimate antisocial behavior, one that was not a prerogative of Jews. Franciscan friars, in particular, who proved instrumental in devising a Christian ethic for the urban renewal of late medieval Italy, formulated a conception of Jewish usury as a metric against which to measure everyone's conduct. If Jews were programmed to exploit Christians, all economically exploitative behavior could be portrayed as metaphorically Jewish.[23]

After the mid-sixteenth century, in pockets of Europe there emerged a second discourse, which was also linked to a new set of policies, dubbed "philosemitic mercantilism" by Jonathan Israel.[24] These policies favored greater inclusion for Jews on the grounds that they possessed unique commercial skills that could benefit both the state and society in an age of growing competition between European powers for the control of overseas resources and territories. Although far more inclusive of real-life Jews than their medieval antecedents, seventeenth-century doctrines of toleration inspired by philosemitic mercantilism still regarded Jews as a discrete and potentially oligopolistic group that required ad hoc regulation within a corporate social order. These doctrines left no room for ideals regarding the anonymity of the market and all-around free competition. In Bordeaux, where Cleirac lived and wrote, the French crown implemented policies founded on a peculiar version of these beliefs.

Finally, a third discourse on the connection between Jews and the monied economy appeared along the Franco-German border in the last quarter of the eighteenth century. This late Enlightenment discourse is the most familiar to us because it still informs a good portion of modern historiography. It postulates that Jews' hyperspecialization in commerce was the result of historical circumstances rather than nature. According to this account, since the fall of the Second Temple in 70 CE, centuries of persecution and exclusion from other economic sectors imposed by Christian rulers forced Jews to devote themselves to commerce; in the process, Jews came to excel at it. This discourse has been called a "new paradigm" because, unlike previous ones, it relieved Jews of any blame, condemned their oppressors, assumed the reversibility of Jews' economic proclivities, and went further than any existing theory of toleration in advocating Jewish civic and political equality.[25]

There are good reasons to stress the differences among these three discourses, including the rejection of a "lachrymose" narrative of fixed enmity against Jews. At the same time, this tripartite scheme errs on the side of discontinuity, eliding the facility with which elements from each of these discourses migrated from one to the other and were recycled in new syntheses. The fusion of the figure of the medieval Jewish pawnbroker with that of the all-powerful early modern Jewish merchant, for example, became complete in France during the last quarter of the eighteenth century in the course of debates about whether or not to grant equal rights to Jewish men. No cham-