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978-0-521-87393-2 - The Politics of Jewish Commerce: Economic Thought and Emancipation in Europe, 1638-1848

Jonathan Karp

Excerpt

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Introduction

This book analyzes the literature on Jewish commerce that emerged in Europe between the mid-seventeenth and mid-nineteenth centuries. It argues that much of this literature is only fully intelligible when viewed against the backdrop of broader controversies within contemporary European society over the effects of commerce on inherited political values and institutions. The works examined here are seen to operate on two levels: on the one hand, they are about Jewish economic life (including some written by Jews) and often aim to influence state policy on the local status of the Jews; on the other, they are concerned with the broader impact of economy, especially those aspects commonly identified with Jews (commerce, exchange, brokerage, and financial activities, particularly moneylending) on the political realm.

The period this book covers, roughly from the Peace of Westphalia to the Revolutions of 1848, was decisive for the Jews' acquisition of citizenship in the West and for the intellectual and spiritual modernization of Jewish life. The expulsions of the late Middle Ages had propelled Jews into North Africa, the eastern Mediterranean, as well as Poland and the New World. Despite the hardships they entailed, these shifts had the effect of expanding the Jews' commercial networks, the general benefits of which Jews were eager to advertise. By the late sixteenth century and throughout the seventeenth, as a result of the growth of their reputation as skilled merchants, brokers, and financiers, small Jewish settlements were reestablished in Western Europe. This sparked fresh debate about the religious, economic, and political merit of the Jews' incorporation into Christian society. The persistence of this debate for the next two centuries, its essential coherence as an ongoing discussion, as well as its given relationship to immediate and local historical circumstances, is what here constitutes "the politics of Jewish commerce."

This study asks how economic thought and ideology informed the discourse on Jewish status, including Jewish emancipation. Jewish historians

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customarily apply the term “emancipation” to the acquisition by Jews of full citizenship rights, something that only occurred starting with the French Revolution. The term “emancipation” was a relatively late coinage, even postdating the Revolution, yet it should be remembered that it was never a formal legal term but always a rhetorical and even a metaphorical one.¹ For instance, in his “On the Jewish Question” Karl Marx used emancipation in its (by then) conventional sense to refer to modern citizenship generally and Jewish citizenship in particular. But he also used it to connote a broader form of liberation, the liberation of all mankind from oppressive market economy, from private property relations, and from commerce. At the same time, Marx employed the German word designating both Jews and Judaism (*Judentum*) as a synonym for commerce. Jewish emancipation, emancipation from Judaism, and emancipation from commerce were all interwoven in his exposition. Although not all of the commentators explored in this book were as rhetorically and philosophically dexterous, Marx’s usage helpfully illustrates a general tendency. Jewish commerce provided a convenient and highly resonant means for analyzing the nature of commercial economy and assessing its social and political significance.²

A central argument of this book is the notion that a specifically *Jewish* commerce served a vital function in Western thought. It served to abstract various types of activities from the generality of economic life and, through their association with stigmatized Jews, make them vehicles for expressing widely felt anxieties about commerce in a manner that was politically safe and psychologically tolerable. This is why the discourse on Jewish commerce can shed light on attitudes toward political economy that are often less apparent from other sources but might nevertheless be regarded as possessing a broad significance. It is legitimate to ask, however, to what degree were these anxieties genuinely reflective of Jews’ economic practices and to what extent were they merely the product of fantasy and prejudice? The answer is that *Jewish* commerce had both real and nominal aspects. There were certainly specific commercial activities that Jews tended to concentrate in, first and foremost money and credit services such as lending, pawn brokerage, minting, tax farming, etc. Jews could also be merchants or traders, of course. But as traders they often functioned outside of existing corporate and guild structures, something that made their activities distinctive and controversial. Jews were conspicuous not only for trading in money and credit but also in information, as brokers, stockjobbers, and middlemen. These were by no means the only Jewish occupations, nor were Jews the only ones to perform them. Still, by virtue of their disproportional and conspicuous participation, these were often the activities associated with a recognizably “Jewish” commerce.³

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Jewish commerce, however, was also a nominal concept. Distinctions between different kinds of exchange have a descriptive utility but not necessarily a functional one. Insofar as moneylending is commerce in money, it is not fundamentally different from commerce in other commodities whose price is determined by the law of supply and demand. Yet in premodern Europe (as in most premodern cultures) the abstract monism of market economy was unthinkable. Rather, the market was punctured by a dualism, a splitting in which activities that involved the buying and selling of money, credit, and information were regarded not as merely a special branch of commerce but as an opposing and negative principle within it. This duality was by no means confined to the contrast between virtuous Christian commerce and dangerous Jewish usury (as in the antagonism of Antonio and Shylock in Shakespeare's "The Merchant of Venice"). In looking at debates over Jewish commerce, it is a mistake to focus exclusively on usury. There were other dualities that at times were equally relevant to the understanding of Jewish commerce: retail versus wholesale trade, or retail versus peddling, guild versus freelance, speculative versus nonspeculative investment, manufacture versus distribution, as well as "useful" versus "nonproductive" labor.

These dualities reflect a powerful ambivalence. But it is not an ambivalence born simply of mental constructions and projections onto despised "others." Rather, it goes to the heart of what commerce is and does. Markets and exchange have always been important in European life, even during the early Middle Ages, bringing incalculable benefits and improvements.⁴ At the same time, markets and exchange have always been threatening, creating instability and potential ruin to settled existence. At once conveying the "lifeblood" to and "sucking the blood" from European society (both metaphors were frequently used), commerce was the object of a sometimes valid and necessary criticism that itself could also pose a threat to a valid and necessary activity.⁵

This precarious circumstance made Jewish commerce a particularly useful construction. Jews were both religiously stigmatized *and* (not coincidentally) concentrated in precisely the types of commerce that attracted the greatest suspicion. For this reason, the protest against commerce could be directed at practitioners who were relatively safe to attack but who also plausibly epitomized its danger. This danger was both to persons (e.g., debtors, competitors, those vulnerable to deception and exploitation) and, on a loftier scale, to regimes. Was there a conflict between the virtuous citizenry a state required and the commerce on which it also depended? Because the cradles of modern political thought were mercantile city-states such as Florence and Venice, these questions were genuine and vexing. The Renaissance pursuit of the ideal polity through such channels as civic humanism (the late medieval and Renaissance

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revival of the classical political theory of Aristotle and Cicero) had to contend with the reality that a commercial revolution was simultaneously occurring in the Mediterranean world. Political theorists had to assess the implications of a globalizing trade for this potential conflict of virtue and commerce.⁶ When Jews became prominent practitioners of this commercial expansion, the same problematic took on added intensity.

It must be emphasized, however, that Jewish commerce did not always have negative connotations. The debate was almost always over what Jews' economic activity implied for the real, imagined, or desired political structure of a given society. In this sense, economic *philosemitism* (admiration and appreciation of Jewish commerce) could be as pronounced as its antithesis. Clearly, the very fact that Jewish readmission and residential expansion did occur, although often under tight restrictions, attests to a widespread perception among political leaders, at least, that Jewish commerce was good for the state. For philosophers if not for practical politicians, the Jews' economic services could also be lauded as helping to resolve the conflict between virtue and commerce, since in the early modern period Jews engaged in trade while renouncing all claims to the political rewards their wealth might buy. It was an effective self-advertisement. In an age when land ownership was central to claims of political participation, Jews could own no land. Although they were considered to be aliens and infidels, they could therefore reasonably claim to pose no political threat. In fact by doing the necessary commercial "dirty work," some Jews argued, they were helping to underwrite the political stability of the regime and society as a whole.

Yet it was not difficult to stand this argument on its head. Jews possessed their own constitution, their ancient Mosaic law with its fiercely segregationist orientation. Political philosophers frequently lauded the Mosaic constitution (it was, after all, the Christians' "Old Testament"). A polity designed by God, legislated by a divinely anointed prophet, imbued with perfect laws that regulated agriculture and trade, established rigorous criteria of virtue for rulers, and provided inspiring models of national solidarity, the Mosaic political blueprint appeared to many political thinkers as the ultimate and ideal "ancient constitution."⁷ But this sacred blueprint was one thing in the hands of virtuous Christians, another in the hands of vile Jews. The original Mosaic laws, such as those found in the middle and later chapters of Deuteronomy, had appeared to shun commerce and embrace agriculture, in part to protect the autonomy of an exclusive religious polity. Yet contemporary Jews were unmistakably mobile and mercantile! To some Christians, postbiblical Jewry had adopted commerce as a weapon to perpetuate the old Mosaic constitutional exclusivity (or misanthropy) through new and more insidious means.

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In their eyes a diaspora population composed of merchants and middleman and animated by Mosaic precepts posed a danger to independent polities. “To receive the Jews . . . into a commonwealth,” insisted the English political writer James Harrington, “were to maim it.”⁸

Although concepts such as the Mosaic Republic showed impressive resiliency, the terms of the debates over Jewish commerce shifted as attitudes toward politics and economics evolved. The debates of the seventeenth and eighteenth centuries had hinged on whether the inclusion of Jewish merchants and financiers posed a threat to idealized constitutional values of independence, frugality, and landownership, or alternatively, helped to expand liberty by weakening networks of entrenched economic power and privilege. In contrast, the eighteenth-century Enlightenment came increasingly to emphasize individual productive utility as the chief criterion of social and political legitimacy. In Enlightenment ideology, commerce was usually seen as a positive force so long as it was granted the freedom to enhance industry and productivity rather than strangle them. Jewish commerce appeared to violate this principle precisely because it was not free but rather imposed on Jews through centuries of prejudicial restrictions. To some *philosophes*, the Jews’ *exclusive* specialization in exchange (that is, their lack of a more diversified occupational portfolio) appeared harmful and outmoded, a monopolistic vestige of the despised medieval order.

Intensifying this trend, the French revolutionary period gave rise to analogies between Jews and European nobilities. These analogies, although they appear counterintuitive today, were grounded in the two groups’ shared association with the corporate structures of the *ancien régime*, as well as their assumed mutual evasion of “productive” labor and physical work. Such parallels, in turn, helped to promote historical investigations into the constitutional sources of the Jews’ commercial orientation. Just as historical inquiry would expose the sources of noble power in the political and economic structures of the feudal order, an examination of Jewish history would reveal the constitutional factors that originally shaped the Jews’ mercantile character. Was there something intrinsic to the Mosaic Constitution, or some later Jewish political incarnation, that led inevitably if paradoxically to commerce? Jews’ evident failure to shift into agriculture and crafts, despite repeated calls and sincere efforts at their occupational reform beginning in the late eighteenth century, suggested that the hold of commerce over them might be deep and inveterate.

The Jews’ seeming resistance to change fed curiosity about the historical reasons for their unshakable commercial orientation (a form of discourse that I term “historical economy”). Jews themselves engaged in such analysis (although gingerly), including the mid-nineteenth-century pioneers

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of *Wissenschaft des Judentums*, the academic study of Jewish history (often wrongly accused of ignoring economics altogether). In part because Jewish commerce was a live issue in contemporary debates of emancipation, these Jewish historians wished at one and the same time to diagnose the source of the Jewish “commercial caste,” assert that its impact had been essentially benign, and persuade the public that only the Jews’ full emancipation would make it dissolve. Less sympathetic minds were prone to different conclusions. In the period when this book concludes, the Jews’ possible role in the formation of European capitalism, a concept just then crystallizing in European thought, was becoming the subject of intense scrutiny. Would capitalism destroy the material basis of Jewish existence by generalizing the Jews’ historically specific economic functions? Or were the Jews really the high priests of this new commercial order? Such questions would underlie a great deal of both antisemitic and internal Jewish politics for decades to come.

This study is primarily an intellectual rather than an economic history. Its concern is not only to gauge attitudes but also to analyze arguments, to understand how they cohere and where and why they break down. The discussion relies on published materials, mostly pamphlets and books produced by contemporary philosophers, preachers, lawyers, theologians, as well as historians and political economists. Although the early modern period was precisely the era when a self-conscious body of economic literature first emerged, eventually developing its own terminologies, dogmas, and authorities, economic discourse remained highly porous. It was still an amateur’s field. Adam Smith was a professor but of moral philosophy not political economy. Lengthy and detailed economic discussion might just as likely be found in a novel such as *Robinson Crusoe*, a travelogue such as Voltaire’s *Letters Concerning the English Nation*, or a Jewish apologetic such as Simone Luzzatto’s *Discourse on the Condition of the Jews* as in a mercantile treatise such as Thomas Mun’s *England’s Treasure by Forraign Trade*. Here, too, a focus on Jewish commerce helps to expand our understanding of what constituted economic discourse, who produced it, and why it became so pervasive and important during this period. This study demonstrates just how profoundly entwined economic concerns were with the broad social and political issues of the day.

Given the quantity of such sources produced over the period of two centuries, my own criteria of selection have been both stringent and subjective. I have concentrated on works that offer extended argumentation and reward close readings, works that are in conversation with one another, either because they directly respond to one another or because they focus on similar questions. Yet scholars of the history of economic thought may find the experience of this book somewhat disorienting; such of their mainstays as David

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Hume, François Quesnay, Thomas Malthus, and David Ricardo, make at most only brief cameo appearances, whereas undoubted lesser lights such as Josiah Tucker and Adam Müller hog the stage. The script is not arbitrary, however. There are many ways to tell a story, and the first obligation in detailing the politics of Jewish commerce is to highlight authors who actually feature Jews centrally or significantly. Doing so makes it possible to ask if those who dealt with Jews evolved economic concepts differently from those who did not, such as Adam Smith. It will then be possible to ask if a politics of Jewish commerce sheds light on and helps to modify the standard narration of the history of economic theory in this period. Even so, though usually relegated to the chorus, throughout this study some familiar “stars” can still be heard.

Although I have strived to examine texts whose influence on emancipation debates is widely recognized (but whose economic dimensions are not), I have inevitably selected ones in languages I can read, French, Hebrew, German, and Yiddish, or in English translation. Because important literature on Jewish commerce also was produced in other languages, particularly Spanish and Portuguese as well as Polish and Russian, this limitation has serious implications for my narrative. Eastern Europe and the Ottoman lands, locales where the great majority of contemporary Jews resided, receive only cursory treatment here. This underscores the complaint recently voiced by Gerson David Hundert, the eminent historian of Polish Jewry, that historians have given too much emphasis to Western Jews.⁹ However, such a complaint forgets that the experiences of Jews in the West and the discourses about them strongly influenced Jewish fate in other lands. It is my hope that this book will help others to trace the specific influences and divergences.

The evaporation in recent decades of the economic ideologies that had formerly animated Jewish politics (such as Zionism and socialism) has left no obvious *Weltanschauungen* to shape an overarching approach to Jewish economic life that contemporary historians might adopt or challenge. This is not entirely a bad thing; although it detracts from the appearance of concentrated effort by a body of scholars pursuing a focused set of critical questions, it allows for a healthy eclecticism too. Jonathan Israel, for instance, has labored heroically to set the study of Jewish economy in early modern times on a solid new foundation grounded in rigorous archival research combined with a comprehensive knowledge of contemporary political and intellectual developments. Readers will find many traces of his influence throughout the account that follows.¹⁰ In contrast, Derek Penslar has pioneered a new field related to but distinct from that undertaken here, the study of Jewish economic “identity.” His *Shylock’s Children* partly intersects with this study in chronology and subject matter. Yet Penslar’s account complements far more than it

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overlaps with mine. Although he in no way neglects the intellectual history of economic discourse on Jews, his is fundamentally a study of Jewish economic self-perceptions rather than of the economic debates over emancipation. In addition, Penslar's focus on philanthropy and "associational Judaism," particularly prevalent during the late nineteenth century, are fascinating and important topics related to Jewish economy that find no counterpart here.¹¹

Finally, J. G. A. Pocock has exerted a major influence on my understanding of this history. His foci on the problematic of commerce in civic humanistic discourse and on the critical importance of historical narrative to the argumentation of political theory have proven apposite to the study of Jews in European political economy. In recent years, Pocock's paradigms have come under repeated assault, hardly a surprising development for a scholar whose work has proven so influential in so many areas. The brunt of the assault (aside from the effort to restore John Locke to preeminence in Anglo-American political thought, a figure whose wide influence Pocock challenged) is to claim that the simple binary of virtue versus commerce seriously underplays the degree to which commerce became broadly embraced in civic humanistic discourse and later related traditions, even well prior to the eighteenth century.¹² Pocock has responded by insisting that the key conflict was not always with commerce per se but with credit, including all the modern instruments of finance that appeared to undermine the fixity of property, especially land, on which man as a political actor was thought to depend.¹³ Suffice it to say that when the issue becomes not just commerce per se but *Jewish* commerce and credit (topics that Pocock himself has not addressed), his approach finds strong confirmation here, as many of the chapters that follow attest.

Chapter 1 of this study introduces the theme of Jewish commerce and its relationship to the constitutional theories of seventeenth-century Jewish and English literature. Its central figure is the Venetian Rabbi Simone Luzzatto, author of the most influential Jewish economic apologetic of the age, the 1638 *Discourse on the Jews of Venice*. Luzzatto's main contribution to the politics of Jewish commerce was to demonstrate the unique utility of Jews as merchants, precisely because their statelessness and marginalized status ensured they would never be tempted to translate their commercial wealth into land ownership and political power. Chapter 2 centers on John Toland's 1714 *Reasons for Naturalizing the Jews in Great Britain and Ireland* and examines its connection with shifting conceptions of the ancient constitution in the party-political milieu of Augustan England. Toland's pamphlet was an unambiguously philosemitic work, strongly influenced in its understanding of Judaism by Luzzatto's earlier treatment. But contrary to the views of most historians, it was not, I argue, animated by simple conviction over the Jews' essential

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assimilability but rather by a secular millenarian faith in their constitutional uniqueness. Although gainsaying divine revelation, Toland still believed that the Jews' ancient endowment, including Jewish civil and religious principles, constituted an especial blessing to the Britain of his day.

Chapter 3 presents an analysis of the political economy of Rev. Josiah Tucker, particularly in reference to Tucker's advocacy of the Jewish Naturalization Bill of 1753 and his concomitant debunking of the ancient constitutional claims of the Bill's opponents. Tucker's philosemitism reflected his view that Jewish commerce could help undercut the monopolistic order that he believed still plagued British society, despite the watershed achievement of the Glorious Revolution, which in his view had ushered in a new commercial age. Chapter 4 shifts the scene to late eighteenth-century Germany and Christian Wilhelm von Dohm's influential 1781 *On the Civic Improvement of the Jews*. Dohm applied many of the same economic criteria utilized by Tucker to his analysis of the Jews, but with dramatically different results. He had absorbed the strong emphasis that economists such as Tucker had given to labor and industry, but Dohm rejected the ethnic division of labor that Luzzatto celebrated and Tucker sanctioned. Although Dohm was among the first European authors to demand the full civic emancipation of the Jews, it was central to his plea that Jews fully dissociate themselves from the commercial roles they had played under an antiquated constitutional regime.

Chapters 5 and 6 focus on the debates surrounding the French Revolution – not in connection with the Jews alone, but in regard to the European nobility as well. Here I explore the analogy between Jews and nobility that was sometimes drawn in the revolutionary period (depicting both as separatist estates whose status had derived from an outmoded feudal constitution and whose future depended on their successful economic regeneration). Yet what began as a set of parallels ended up as a study in contrast; for by the end of the Napoleonic period, nationalist writers were deploying the Jew-noble comparison in defense of noble inclusion and in opposition to Jewish emancipation. They did so by depicting nobles, in contrast to the Jews, as organically linked to the nation. By virtue of their status as a commercial caste acting in accordance with their misanthropic political constitution, Jews remained antipathetic to the *Volk*.

Chapter 7 demonstrates how the new movement of *Wissenschaft des Judentums* (“academic Jewish Studies” emerging in the 1820s) sought to counter these very claims. Jewish historians proposed alternative genealogies to the emergence of a Jewish “commercial caste” by offering a positive portrayal of the Jewish ancient constitution that had recently been attacked by the nationalist historians. They depicted Jewish society as an economically

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modernizing force in European society, albeit one whose capacity to induce positive change had been stymied by the backwardness of the feudal Christian constitution, an order that unfortunately still held sway.

In light of these claims, Chapter 8 considers the early emergence of a notion of “capitalism” in the writings of the young Karl Marx – a notion that Marx appeared to link to Jews and Judaism. Marx’s 1844 “On the Jewish Question” exhibited a version of the basic socialist dichotomy inherited from Enlightenment and French economic discourse between productive and nonproductive activity. By associating Jews with the latter, socialists sometimes suggested that wasteful, exploitative, and unproductive capitalism was essentially “Jewish” in nature and origin. Marx’s own treatment of the “Jewish Question” was an ambiguous one, however. On the one hand, his essay punctuated two centuries of discussion on the relation of Jewish commerce to the political constitution. On the other, the essay was unique precisely in its effort to subordinate the concept of politics to that of economics. “On the Jewish Question” likewise yielded two divergent conclusions on Jews: it suggested, in the first place, that Jews had been responsible for the emergence of the new economic order; yet at the same time, it implied that this selfsame new order had now rendered them obsolete. If commerce were to become the general order of things, then there could be no designated place for a group that presumably defined itself through its unique capacity to perform financial and commercial functions. Similarly, if commerce were to be overcome through the revolutionary eradication of the market system, Jews would finally achieve their liberation from “Judaism,” and Jewish commerce would be no more.

The book concludes with an Afterward in which I demonstrate why the Industrial Revolution, starting its “take off” period in continental Europe by the mid-nineteenth century, provides a fitting terminus for this study. Industrialization appeared to many contemporary observers to demonstrate that production rather than exchange would be the true foundation of future economic life. In this sense it played into the earlier dichotomies that relegated the economic activities of Jews to a secondary or even negative status. It similarly reinforced an image of Jews – who in general terms were not at the forefront of industrial development – as backward and deserving of modernizing and reform. Jews ultimately benefited from industrialization, but ironically in ways that tended to reconstitute and reinforce their middleman orientation.

Most of the debates discussed in this book will seem strange and antiquated to readers today. I have tried to help make sense of them, not in order to justify their points of view but rather to convey why they might have resonated powerfully in their own time. In the final analysis, *The Politics of Jewish Commerce* seeks to contribute to the debates over commerce and economy both in