CHEQUES

The cheque is simply a letter entitling the bearer or individual named to money from the addressee. The origin of the cheque as a financial instrument is shrouded in mystery. Jews and Italians rival one another for the honor but both share the circumstances of introducing its use in daily and in international commerce. If a person in Medieval London had to pay somebody in Frankfurt, the physical transfer of currency was very expensive including as it did the cost of security in those troubled and insecure times. Therefore, the ability to do so by alternative means was a great economic advantage. Because of their religious, communal and often family ties, the Jews in London possessed such ability.

In addition, the Jews had the advantages of a common language Hebrew and of a common legal system of halacha. These are the major reasons for the important roles in international trade and banking which Jewry played then and in other periods of history, despite their lack of national independence or political power or of individual freedom.

BILLS RECEIVABLE & PAYABLE

Basically the question is whether these are financial instruments or simply evidence of debt? Perhaps the answer lies in the t'shuva of the Chatam Sofer regarding devaluation of the Austrian currency. He argued that what made paper currency halachically money was its acceptance by the market place even though it had no or little metallic content. This would mean that these private bills acquire a certain currency nature as long as the market accepts them. Therefore, there would be a marketable value to the bills of some individuals whereas those of others would be valueless.

FOUNDATION STONES

The fundamental foundation of all the financial instruments including paper currencies, is the belief of the markets in the honesty and longevity of the individuals and societies issuing them. In whom we trust is the perpetual and determining question in the market place. Jewish participation in the market place is the best evidence of his honesty and the trust therein. Throughout modern history gentile kings and nobles tended to prefer the alien Jewish banker and merchant to those of his own coreligionists. It is a intriguing and difficult question of how a persecuted, politically powerless and despised community became bakers and financiers to alien kingdoms and societies.

All the instruments are instructions or means of payment without an actual physical transfer of money. This makes trade and finance possible despite distances or easy even under unstable economic conditions.