

Discourse Upon Usurye

by
Henry Swabey

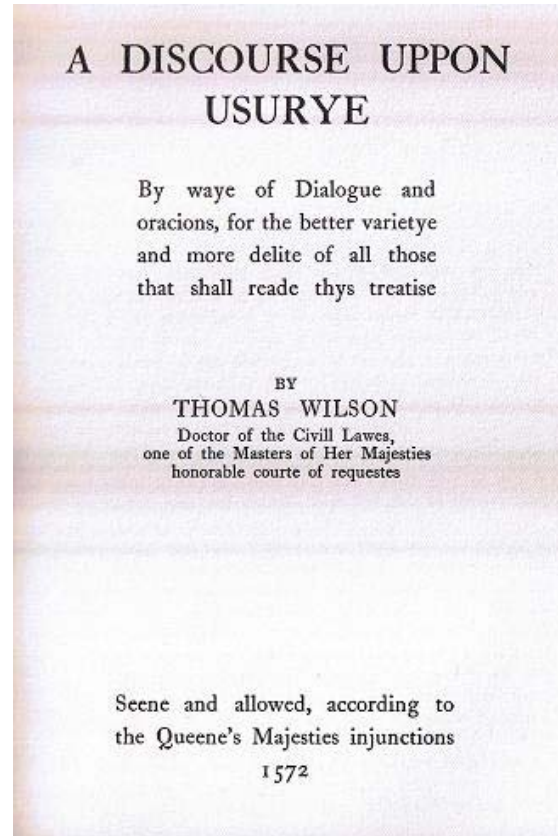
Appendix IV in Usury and the Church of England

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'The 17-page introduction by R.H. Tawney that Lord Sudeley mentioned to me in our brief conversation at the *House of Lords* last month turns out to be eleven essays that take up 169 of the book's 390 pages. So what Rev. Henry Swabey has led us to are Tawney's background essays to *Religion and the Rise of Capitalism* published the following year (1926). Attached are jpg files of G. Bell & Sons 1925 edition table of contents and the title page from the original 1572 edition of *A Discourse Upon Usurye*.'

Peter Etherden to Anton Pinshof (2008)

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Appendix IV. Discourse Upon Usurye by Henry Swabey¹

The author, Dr. Thomas Wilson, was a *Doctor of Canon Law* who in a long and active life had been a *Diplomat* and a *Member of Parliament*.² He addresses his *Preface* to a *Statesman*, the Earl of Leicester, who studied *Constitutions* and *Laws* in Latin and Italian. In his preface Thomas Wilson reminds Robert Dudley that: 'the world is made for man and man is made for God', and asks him to recall men to *Justice* who are so ready to 'wallowe in syn lest the *Antichrist* himself be *Lord of the Harvest*'.

Wilson's *Discourse upon Usurye* was written in 1569 and published in 1572. It takes a similar form to Socrates' *Symposium* and is attended by the *Preacher* Okerfee, the *Merchant* Gromelgayner, a Genevan pettifogging *Lawyer* and *The Civilian*. In Wilson's view they were living in an age when usury was 'more rampant in England than in any other place in *Christendom*'. This opinion was shared by many of Wilson's contemporaries.

Thomas Wilson's *Discourse Upon Usurye* is under six heads: (1) What is usury; (2) Why is usury evil; (3) Exchanges; (4) Interest; (5) Punishments; (6) What to Do. He portrays the clash between the *Patriot*, who still holds to the line of Edward I and III, who desired the welfare of his own land; and a new *International Class of Profiteers* who had sold their *Natural Loyalties*.

After the wide circulation of Wilson's treatise in *Church* and *Parliament* as well as at *Court* and in the *Country* at large, *Parliament* passed a law in 1571 that is regarded by historian as a weak compromise between the *Patriot* and *Profiteer* factions. As such they see it as a victory for the *Usurer's* ratchet.

Dramatis Personae at Wilson's *Symposium* are *The Preacher*, *The Merchant*, *The Lawyer* and *The Civilian*. An *Apprentice* also puts in an appearance. Following the *Preacher's* sermon against Usury, the *Merchant* Gromelgayner invites the *Preacher Okerfee* to dinner, exclaiming that 'by Saint Marys, you have shotte your arrowe to the marke'. He also invites *The Lawyer*, a colleague from Geneva who was also present at the sermon.

The *Merchant* and *Lawyer* remark on the progress of the times, but the *Preacher* rebukes the lack of *Charity* and spread of usury but accepts that:

"Lawful *Trading* and *Adventure* to bring in our *Want* and carry out our *Plenty* hath ever been allowed, and without such traffic no *Country* nor *Kingdom* could flourish,"

The *Lawyer* complains of *Monopolists* and the *Merchant* of the *Customs*. The *Merchant* adduces as evidence of England's purity the whipping of *Beggars* and carting of *Whoremongers*. "But," says the *Preacher*, "in other countries they are more unwilling to offend against the *Common Weal* and there are fewer *Usurers* elsewhere than are here in England."

The *Lawyer* sets out the faults of other nations, but the *Preacher* would have England 'most perfect and without any fault where *'valet fides in Christo quae per charitatem operatur'* - faith in Christ that works in *Charity* is vigorous. However the *Merchant* confesses that he would rather keep his treasure in a chest 'with the key about me' than in *Heaven*. "Store, syr, is no sore," he declares. The *Lawyer* challenges the *Preacher* as to the nature of usury for:

"...not all that receive money for money are *Usurers*, but they that are biters and oppressors of their neighbours with extreme and unmerciful gain".

The *Apprentice* remarks that it is better to have a *Fixed Rate* than the uncertainties of *Adventure*. The *Lawyer* adds that even 'good men hoyden of the country' will lend a shilling at a penny a week. The *Civilian* joins them for the *Preacher's* *Oracion*, which begins by giving a typical case of a *Poor Man* borrowing from a rich one:

"In mony, which is very seldom, or in wares, which is the common use of the most, to a certain value, and entreth into good bandes, and often times layeth a gage better than the goods borrowed, and payeth without mercy much as I am ashamed to name."

This is against *Charity*. He adds that usury is a fraudulent and *Crafty Stealing* under colour of *Law* against the *Owner's* will. He quotes *Exodus*, *Ezekiel*, the *Psalms*, Our Lord - on lending, St. Augustine, St. Jerome - 'usury is an overplus in anything, not in money only', St. Ambrose - 'it is ruin, extortion, pillage', St. Chrysostom - 'it is like the biting of the serpent *Aspis*,' and St. Bernard, for whom usury is 'a thief in law'. St. Ambrose says:

¹ A search of *ABE Books* on 8th May 2008 produced the following result. *A Discourse upon Usury by way of dialogue and orations, for the better variety and more delight of all those that shall read this treatise* [1572] by Wilson, Thomas with an Introduction by R.H. Tawney. Bookseller: *Any Amount of Books*, 56 Charing Cross Road, London. Price £55. Book Description: *G. Bell and Sons*, London, 1925. First edition. Hardback. No dust-jacket., 1925. 8vo. Original publisher's dark blue cloth lettered gilt on spine and on front cover. pp ix, 392. slight sunning, fore-edges slightly spotted otherwise handsome vg+ with prize label from *London School of Economics* (*George Unwin Memorial Prize*).

² Though a layman, Wilson ended his days as *Dean of Durham*. [Ed]

“He fighteth without weapon that taketh usury [and] there is no cunninger way to undo a man.”

St. Paul had said “men must not do an evil that good might come.” So the *Christian Fathers* did not allow usury to be employed for *Alms* or the *Relief of Orphans or Widows*. Its source is *Covetousness*, it is *Idolatry*, making money their god. The *Covetous* only minds his money, and is like a ‘dog in a neymowe’. Usury is ‘hell insatiable [and] a bottomless sack’. *Scripture* is vehement against this, as are the *Proverbs* and the *Prophets*³.

Diogenes said of Anaximenes:

“No man's life is in the abundance of that he hath...Is it not a shame for him to have so many things alone to himself, and hath not yet himself?”

It was said by the *Oracle* that only covetousness would destroy Sparta.

Rome was another example where *Private Commodity* was better esteemed than the *Common Wealth*. The *Preacher* mentions the many exhortations in *Scripture* to relieve the *Poor*, the idleness of the *Usurer*, and says prison is preferable to the *Darbyes Bonds of the Usurer*, the cause of divers *Bankruptcies*.

He cites a gentleman who was born to five thousand, borrowed a thousand and soon found he owed the five thousand. ‘Such caterpillars on earth’ who sell *Time* so dearly are surely accursed of God who gives *Time* and *Air*. They are *Traitors* to the *Creator* and rebels to their *Country*.

A *Thief* who steals but one penny is still a thief, and there is no meaning in this vice.

“*Avarus nil recte facit, nisi cum moritur.*”

the miser does nothing right except when he dies.

A ‘universal murrain of all the *Usurers* of England’ would be the greatest blessing, and such ‘brute carons’ deserve a ‘caonious death’.

Lending for gain, in the *Preacher's* view, was turning a most beautiful *Virtue* into a most filthy *Vice*. Usury he counted worse than any other sin, yet those are:

“...judged godly wise men that having great masses of money by them will never adventure any jot thereof in lawful occupying, either to carry out our plenty or to bring in our want, as good *Merchants* use to, and ought to, do.”

At this point in the *Preacher's* oration, Wilson makes a clear distinction between *Usury* and *Partnership*.⁴ The *Usurer* is the *Drone*, and his offence worse than that of *Thief* or *Murderer*, for they devour up whole countries, and should be subject to the *Death Penalty*. The *Jews* were hated and expelled for usury, but *English Usurers* exact even harder terms. He ends with a prayer for forgiveness of sins.

The *Lawyer* retorts that all commonwealths in the *Christian World* are governed ‘otherwise than you preach’, so he cannot have expounded the *Scriptures* ‘according to the very meaning of the *Holy Ghost*’. *Preachers* cannot judge precisely what usury is. *Public laws* are the *Ordinances of God* and the *Magistrate* his minister.

Then the *Lawyer* gives his *Oracion*. This, and the words of the *Merchant* are significant for they show the outlook of the *Business Man* of the last half of the sixteenth century. Here are the significant extracts:

Christ was only capable of fulfilling the *Law of Love*. Usury is only hurtful ‘when it byteth’. He mentions *lucrum cessans* and *damnum emergens*.⁵ No man should love his neighbour better than himself - *charitas incipit a se*. He distinguishes *Gifts*, *Bargaining* and *Lending*, but muddles *Usury* and *Partnership*: a clever touch by Wilson.

He answers the argument that all usury is *contra natura* - against nature, by the permissive clause about lending to a stranger; the double standard of morality which is allowed by St. Justin. The *Hard Man* in *St. Luke's Gospel* also gets a mention.

He confuses *Consumables* and *Non-Consumables*, *Rent Charge* and *Usury* and makes the rhetoric claim that ‘lending for gain is better than starvation’. *Interest* is touched on.⁶

“Where *Charity* is not hindered, no usury is committed.”

³ Some *Christian theologians* prefer to translate the word *prophets* as *poets*, who devote themselves to *poesy*, a word whose etymological roots is ‘putting it all together’. [Ed]

⁴ This distinction is also fundamental to *Islamic Law*. See, for instance, *Halal Mortgages* by Thomas H. Greco Jr. [Ed].

⁵ *lucrum cessans* - gain that is foregone; *damnum emergens* - loss that arises.

⁶ The idea of *Interest* is to take on increasing importance in *Roman Catholic* eyes.

Usury is a biting, as its etymology shows. The Tigurine translation of *Exodus* is cited. *Non inferes morsum fratri tuo* - do not inflict a bite upon your brother. Furthermore it is unreasonable to lend to a rich *Merchant* on the same terms as to a *Beggar*.

Much of *Scripture* cannot be taken literally; *omni petenti abs te dato* - give to any who asks you. And besides, the practical result of the *Prohibition of Usury* was that no *Loan* was obtainable under twenty or thirty percent.

The *Lawyer* disapproves of Henry VII's *Law against Usury*, which gets around the usury prohibition by devices like *Chevisance* and the use of *Brokers* who have the benefit of *Mortgaged Lands* while the *Loan* is unpaid. He mentions *Damages*, and the pathetic case of a widow and young children.

“And well do I allow for the use of London for *Orphanes* money to be yearly paid.”

There is more special pleading. He recommends lending £ 88 and taking a bill of £ 100 that:

“*omnis mutatio plerumque damnosa eoque meretur recompensationem*”
the *Casualty of Loss* be recompensed with the *Certainty of Gain*.

The *Merchant* says the prohibition of all usury would bring *Trade* to confusion and standstill, as well as *Bankruptcy*. The *State* could hardly stand without the *Usurer*. In fact they lend not for usury but for *Interest* and *Exchange*. *Bills of Exchange* are essential and:

“Hope of gain makes men industrious.”

Wilson makes clear the process of driving a wedge between *Religion* and *Monetary Affairs*, which were to be left to such as the *Merchant* and *Lawyer* in a special amoral compartment. ‘A bargain is a bargain’, and takes the place of the *Just Price*. The *Merchant* then advances the notion that a man should get what he could for his *Wares*, even by *Deception*.

The *Merchant*, like the *Lawyer*, used the same *Cunning* to confuse what the *Church* had sharply defined. His claim that custom was a reason for his practices suggests that already *Merchants* had emancipated themselves from *Just Price* regulations. The *Preacher* replies that even a penny theft is still robbery and that the theft of twelve pence - even if not ‘biting’ - carries the *Penalty of the Gallows*.⁷

Usury is sin. ‘Give them an inch and they will take an ell’. Rich men are often ruined by it. He admits damages - as long as there was no covenant for gain - *quantum tua interest* - up to ten or twelve percent and he reaffirms *Partnership*, saying you must be content to ‘bear with all losses that might occur’. It is not usury in this case:

“where the gain is uncertain and none assured contract made beforehand.”

It is commonly better to sell *Land* outright than to obtain the so called *Relief* of the *Usurer*. It is no argument that usury was permitted to rob the *Egyptians*, nor is it a *Reward* but a *Compulsory Debt* and *Bad Bargain*. He disagrees with the laws tolerating usury. He mentions *Edgar's* prohibition of all usury and *Edward I*:

“...who did send out of this *Realm* as well such *Bankers* as came from Pope Gregory X called *Causini*, and were brought in by one *Stephan*, the Pope's chaplain, in the time of his father King Henry III, as all manner of *Jews* at that time, with whom the *Realm* was marvellously pestered and oppressed also with usury, their proper art and profession wherever they dwell, who surely do very well observe their law.”

The *Preacher* maintains that:

“the purpose and right function of *The Law* is to prevent *Coercion* and *Deceit*.”

He brushes aside the argument about *Plate* by restating the traditional distinction between ‘*things that wear and get broken*’ and ‘*money*’⁸; between *commodatum* - lending to a *Banker* - and *mutuum*.

⁷ In similar manner to the widespread present-day misunderstanding of the application of *Sharia Law*, death sentences were rarely carried out in practice except as *Public Spectacles pour encourager les autres*. Instead sentences were commuted to *Transportation* to populate the colonies and remove undesirable and potentially rebellious elements from England. [Ed].

⁸ Modern *Monetary Reform Movements* talk of the need for *Biodegradable* and *Non-Biodegradable Money Systems* that are designed, not by issuing debt at interest as presently occurs, but by techniques discussed by Silvio Gesell in his classic *The Natural Economic Order* (1934). Henry Swabey was a *Gesellist* who in his journal *Voice* published many articles by Ezra Pound focused on *Gesellian Economics* written under a variety of pseudonyms. In a letter to Dallom Simpson, the publisher of the American journal *Four Pages* Pound explained to Simpson that: “...the journal is not mildly *Gesellite* but vigorously *Gesellite*...we are for public issue of the public money, with graded controls that leave a proper proportion of issue to *Central Government*, and a proper proportion to local and intermediate division.” (1950). James Robertson in a recent publication for the *Schumacher Society* entitled *Transforming Economic Life* (2003) calculated that *nationalising seignorage* would allow the *UK Government* to reduce the *income tax* from twenty-one pence in the pound to seven. [Ed].

Lucrum cessans he evidently regards as a cloak for usury. It is sinful to do what we should now call exploiting the necessities of others. Indeed, usury itself causes dearth by raising the *Price*, and they deserve the words addressed to Crassus:

“*aurum sitisti, aurum bibe*” - you who have thirsted for gold, drink gold.

There is a difference between a dog and a flea bite, but the flea still bites after its kind. And ‘what a world in which sin is likened to a flea bite’. Picking is as much forbidden as spoiling.⁹ The *Preacher* is contending against what is now called violating the laws of nature. No text in *Scripture* does other than condemn usury and he disapproves of the *London Orphans' Money* and asks if there is no *Farm* that could be bought for them. The *Thief* might as well say that he has no other *Trade* and *Usurers* should be outlawed.

He tells the *Merchant* to ‘remember God in the midst of your occupying’, for a *Usurer* is worse than a *Pick-purse* in that you are never rid of him. He destroys *Trade* and abuses *Light* and *Time*. There is such *Inequality* between *Borrower* and *Lender*. The man who buys dear must sell dear or be undone. The wealth of the world ‘comes to the hands of a few idle wretched caterpillars, who eat up *Towns, Countries* and *Kingdoms*’.

The *Preacher* is a true prophet of the *Monopoly of Credit*. It is poor *Christianity*, he continues, if there is no lending freely. *Usurers* in fact do not help the *Prince* but ‘bring him behindhand with taking twelve or fourteen in the hundred’. They are unnatural subjects, who will have such gain for their own safety and welfare.

Usury, he considers, was the chief cause of the *Northern Rebellion* and he prays that in the ‘general audit in the latter day’ Englishmen may be able to say what St. Ambrose in his funeral oration on Theodosius pictured him as saying: *Dilexi* - I have loved.

The *Exchange* was not used lawfully, but as a cloak for usury:

“the most devilish device that was ever invented to undo all *States* and *Countries*.”

The *Covetous* re-grades *Gold* and *Silver* into his own hands to make *Scarcity*, and extracts *Excessive Return*.

This is exactly what was to happen with most tragic results some years later. These points are all valuable as showing the connection of the *Old World* when usury was a *Sin* and the *New World* in which it has been considered irrelevant. The *Preacher* concludes that:

“In buying and selling, *Gain* is not certain, while the *Usurer* is sure to gain.”

A *Merchant* indeed is an honourable calling, not an unnatural monstrosity like usury.

The *Merchant* is not unmoved by the eloquence of the *Preacher*. We now come to the heart of the *Treatise*, which is the *Civilian's Oracion*. Wilson himself speaks under a thin disguise, and his arguments - those of a *Doctor of Law* supplement theological wisdom.¹⁰

*Usura*¹¹ consumes a man's goods as poison wastes the body. It is usury when *Lending* and the *Increase in Welfare* are together. It is *Certain Gain* agreed by *Covenant*.¹² St. Bernard had called it lawful theft. It is also called the *Price of Time*. Melancthon said:

“Usury or fenory is a gain demanded above the *Principal*, for the sole benefit or pleasure shewn in lending.”

By this definition *Receiving* above the *Principal* is not always usury. He instances the *Merchant* who lends £100 and it was hurtful to him. It is not quite clear in the text if this is *damnum emergens* or *lucrum cessans*. The case against usury was being weakened in so far as its detractors relied more on emotion than on accurate definition. But nonetheless the *Loss* had to be proved and he says more on this topic under the heading of *Interest*.

There cannot be usury without *Lending*, which may be in number, weight or measure. In *mutuum*, ownership is transferred. Usury is in such things as may be consumed or spent by use. In *Hiring* there is no transfer of ownership. In *locatio* or *Letting*, ownership is not transferred, and losses fall on the *Owner* - by fire, theft, etc.

In *commodatum* there is ‘lending without alteration of property’. Usury shows lack of *Charity* and its only desire is that ‘the wealth of the world might be in a few men's hands’. It has been forbidden in all ages and by

⁹ Antoninus said that not profiting from misfortune such as shipwreck applied to the state too. So the *State* should not profit.

¹⁰ Swabey specifically mentions Lancelot Andrewes who he regards as perhaps the greatest Archbishop of Canterbury this country has never had. Abbot was appointed in his stead. Swabey devotes several sections in Chapter IX on the legalization of usury to Andrewes' rearguard (and ultimately failed) campaign to hold the theological line. [Ed].

¹¹ tokos, neshek

¹² We may compare the doctor's definition with that of the *Council of Vienna* in 1311.

almost all laws: in *Scripture*, *Canon Law*, the *Decrees*, the ‘*Decretals in Sexto* and in the *Clementines*’, with great penalties attached.

Nor were any *Usurers* to be ordained. In 649AD Pope Martin decreed in his *Council* that any *Priest* who committed usury or took *centesimam usuram* was to be put out of the *Clergie* forever”And in 448AD Leo had forbidden the *Laity* from taking *Usurers’ Alms*.

The *Civilian* is against the abrogation of all *Canon Law*. Alexander (1061-1073) forbade all usury to *Laity* as well as to *Clergy*. Gregory X’s *Sextus Decretalium* of 1274 reads as follows:

“We, being desirous to stop the gulf or whirlpool of usury committed, which devours souls and utterly wastes wealth, command upon the threatenings of God’s curse, that the constitution of the latter council against *Usurers* be fully and wholly observed without any violation.”

No *Corporation*, *College* or *University* is to let a house ‘to any strange *Usurer*, being born in another country’. In the canon of Clement V, (1205) all laws for maintaining usury are abrogated. He translated the statute of the Christian Emperor Leo (given by Hermonopolus) against usury, who in the eighth century forbade it utterly and proclaimed it valid.

He points out that the *Jews* were expelled for usury, but that other *Usurers* are as bad or worse. He is an *Idler* who does nothing to advance his *Country*, and if all were *Usurers* ‘the ground should lye untill’d’. In no other occupation can the *Worker* be sure of a gain of twelve percent. He gets this ‘let the world go which way it will’ while bringing *Dearth* and forcing up *Prices*.

The *Borrower* must recover his *Costs*, which include usury, and so the *Usurer* is a prime cause of *Bankruptcy*. A thousand thieves are not so bad for a country as a hundred *Usurers*, who:

“...bears the countenance of an honest man and is commonly taken to be the best man in his parish, and is often in authority.”

It is a great grace of God if a man, once in, ever gets out of a *Usurer’s* net. The poison of the *Aspis* gives a ‘certain pleasant itch whereby he falleth asleep and dies’. The *Commonwealth* is weakened, good houses decay, the people are wracked.

An interesting comment is that the *Usurer* is responsible for the other great evil of the time, *Depopulation* of the *Countryside*. Social historians who see no connection between the two plagues should note this passage:

“For when they have got whole *Manors* and *Towns* into their hands, they are sorry that any should live there but themselves. And so they rid away in time the poor *Tenants* and suffer them to beg and die of hunger; and for tillage use sheep gates where no men are maintained...And instead of houses, desert places are to be seen, and wild solitariness for beasts to range in and feed on, cattle and sheep occupying the places of many a good honest-meaning man.”

The country is made a kind of forest by usury, and many flocks of sheep and herds of cattle range, and the countryside is brought to decay by *Dis-peopling* of men. His observations are a remarkable anticipation of those of William Cobbett¹³ two centuries later.

Usury is against nature, for money was ordained to be a “just measure and proportion in bargaining.” Aristotle calls usury an ‘ugly beast bringing forth monsters from time to time that are not in nature’. Suidas in Aristophanes’s *In nubibus* - *Clouds* - calls it:

“a swelling monster contrary to nature, order and all good reason.”

The *Evenhode* or *Equality* of *Justice* is upset. God gives, the *Usurer* withholds. He condemns the *montes pietatis* of Italy although this only exacted three or four percent.

The *Civilian* deals interestingly with *Evasions*. There is the *double stoccado* - sticking blow or double stab - when the *Broker* refuses money but offers *Wares*, which are sold at a loss of twelve or twenty percent. He is caught in the *Cony-clapper* between *Broker* and *Merchant*, and is often forced to mortgage his estate. Archidiaconus had called them the same class as *Bands*.

¹³ William Cobbett (1763–1835) was a political pamphleteer, farmer and prolific journalist. He believed that the reform of *Parliament* and the abolition of the *Rotten Boroughs* would help cure the poverty of the *Farm Labourers*. Cobbett constantly attacked the *Borough-mongers*, *Sinecurists* and *Tax-eaters*. Cobbett had an ingrained opposition to authority and their *Nobility Systems* and successfully publicised the radical movement which led to the *1832 Reform Bill* and to him winning the parliamentary seat of Oldham. He is best known today for his book *Rural Rides* (1830). [Ed]

Another *Evasion* was practiced when a man who has a *Patent* of £40 a year borrows £100 on condition that if he does not repay, the *Patent* will be forfeited forever, and if the *Patentee* die, the *Merchant* is to have the £100 together with as much of the *Patent* as had run out with 'very strong *Sureties* and *Bonds* offered therefore'.

The *Merchant* or *Patentor* insists that he have the whole year's *Patent* assured - otherwise he will not deal - and the *Patentee* is not to offer to repay within the year, and is to have it for five years together if the *Principal* is not repaid. If he is a month overdue, two years payment of £40 is required.

Another borrows £40 for three months, and promises to give the lender's wife 'a gown of satin or an ambling gelding without any express *Covenant* in writing' or land worth £20 a year is bound to a man for a *Loan* of £100 and is not passed by *Sale* or *Bargain*. A man who lends with the hope of a 'thankful recompense at the year's end', practices *mentalis usura* before God.

Or it may be the hope is to gain *Office* or the like. If £100 was lent on condition that a good turn should be done when demanded, it is usury because the *Contract* appoints no time, whereas it had been *Permutation* if asked at the year's end.

If a *Lord* lends his *Tenants* money on condition that they should plough his land, it is usury. Or if the *Lender* sells *Wares* to the *Borrower* at more than their value. Or if money is offered to a *Seller* on condition that he will drop the *Price* of his *Wares*. If money is borrowed to pay for the *Delivery of Wares*, and these arrive late, the *Defaulter* is bound to pay the usury. A multitude of other *Evasions* are given. The *Lawyer* had a rich experience.

Corn, wine or oil are bought cheap. £100 is lent for ten years 'not to pay a penny gain all that time if either of us do die', but if both live, twelve percent per annum is to be paid.

A *Merchant* lends to a *Corporation* which has a *Grant* that if anyone with a child of a year lends £100, he shall have £500 for the child if he lives till he is fifteen, but the father loses his *Principal* if the child dies before.

A *Creditor* is offered £30 for a debt of £40 - an example of buying time. Or pounds are bought but only 15/- in the pound is paid. Or a bill of £100 due in three months is bought for £95. A bargain is made to have after three months 'so many kine or oxen for so much paid in hand, whereas they have I knew neither cow nor ox'. I deliver old wheat to receive new. From the several examples, it is clear that a good deal of *Agricultural Usury* was practiced. I fear the fall of money and deliver my money to another man to have as much after six months as the money was current when paid.

But it is not usury if the *Principal* is never to be restored as, for example, in *Annuities*. This was common in Venice, Florence and Genoa. But it is usury to lend a gross sum, instead of paying the money needed to buy a position, for three or four years.

It would be usury to let a *Manor* with *Stock* for ten years if he requires *Stock* and *Rent* unimpaired at the end of the period, for it is *Certain Gain* and *Return of Principal*. In *Location*, the same object should be returned.

"What say these *Guilds*, these *Colleges*, these *Abbots* and these *Bishops* that have let out *Lordships* with stock for yearly gain?"

A man comes to a *Broker* and says that John Clarke has ready money in good store, and would put it *Out for Gain* if he could find a good man. The transaction is concluded 'in the fictitious John Clarke's name'.

"here is a *tryme fetche*, to mocke God and the *Exchequer* with all."

Or a man gives his wife leave to put out his money in a stranger's name. Lastly, a man is approached for a *Loan*, and when usury is offered: "Mary, fie upon usury." But he says he had lent £200 to a friend for a year and three months have not yet run. He may have this, but the *Merchant* will not take a penny for it. The party who is supposed to have borrowed 'sets countenance upon the matter' and takes the usury.

These are interesting examples of some of the tricks whereby the laws were evaded, and we may be sure that there were many variations and shifts to make the evil appear honest. All usury was still prohibited in 1569 when *Wilson's Treatise* was written, although by the time of its publication in 1572, ten percent was allowed, or rather usury above ten percent was prohibited.

The *Civilian* now turns to the *Exchange*, which in its first institution was good and necessary 'without further talk'. *Cambium* means the *Bartering* or *Exchange* of one thing for another. In Greek, the 'minister thereof' is referred to as *trapezite* which means *Banker*.

Another term is *collibos*, a deduction made by *Bankers* and *Exchangers* for their work and risk. Where a genuine service is performed, this is not usurious, but is of the nature of *contractus innominatus*:

"I do give you on condition that you give me."

He deals with the necessity of money and the proper *Method of Exchange*. His remarks on the nature of money are worth attention:

“Money is the square and rule whereby all other things should receive *Estimation* and *Price*.”

He quotes Aristotle that it is ‘the surety for men’s dealings’ which was first devised:

“...to be coined of the purest and finest metals to be the measure whereby the *Price* of all things might be set, and to maintain a certain *Evenhode* or *Equality* in buying and selling.”

He has at least a notion of the dual nature of money, which is at the same time a *Claim*, and a *Measure of Price*.

Secondly, he says, ‘...it is used for exchange between party and party, country and country’. We know now that money itself need not have a *Commodity Value*. So Wilson glimpses something of this truth.

Thirdly, it is used as a *Chattel* to be sold by weight:

“...as commonly all kinds of *Coin* is sold at *Goldsmiths* staffs; which seemeth to be contrary to the natural invention and first institution thereof, because it is no ware or merchandise, and not to be priced above its public estimation, except it be sold as *Bullion* and not as current *Money* or *Coin*.”

Unluckily the ignorance of *Merchants* brings ‘*Kingdoms* and *States* many times to great ruin’. He has no objection to a reasonable *Profit*.

The *Exchange* is said to be divided into the *Exchange Real* and the *Exchange by Bills*, which is subdivided into two. The *Exchange Real* or ‘to the last minute’ is simple enough. *Exchange by Bills* after the first sort - when money is received in one country and *Bills* delivered for the payment of this in another country, which may be called *Merchandizing Exchange* - is useful.¹⁴ Yet he shows that there is usury in it ‘*most biting*’.

For instance, if the exchange is 20 English shillings for 24 Flemish, that is £120 Flemish for £100 English, the man going to Antwerp is told that he may only receive 23/9d., or 23/10d., for the English £1. So £101 5/-, or £100 16/- will be charged in London for £120 Flemish. So ‘for the use of £100 for twelve or fourteen days, 16/8d or 25/- is lost’. It is, he adds, in a manner that recall the *Moneychangers* in the *Temple* that:

“an extreme usury, yea, and such a moth that he that useth it will sooner be consumed that way than by any means else in the world, especially by the *Rechange* back again.”

He discusses *Secke* and *Dry Exchange* when money is *Borrowed by Exchange* for a strange reason ‘not minding to make any real payment abroad’. *Bills of Exchange* are devised ‘to colour the matter’, and sent to the *Lender* ‘with letters of advice to return the *Bills* back again, and a *Testimonial* how the *Exchange* comes thence.”

The ‘*returning of bills by testimonial*’ cost sixteen to twenty percent. Sometimes by alteration of exchange, ‘whereof the *Banker* will take advantage’, the rate advances to twenty-five or thirty percent per annum. The *Bills* ‘*on God’s name*’ never leave London. It is a cankered usury, forbidden under Henry VII and VIII.

The claim that it was not usurious was based on the uncertainty of the profit due to alteration in rates of exchange. But in *Dry Exchange*, the *Lender* is usually *his own bayly* and sees to it that he is no *Loser*. We are now in the profitable realm of pure *Speculation* or *Profiteering*.

The *Banker’s* chance of losing is one in a hundred, for ‘the price of money by exchange from London to Antwerp is ever dearer by three or four pence in the pound than it is from thence to London’. *Real Exchange* may be honest enough, but *Merchants* are only interested in *Rechange* and *Dry Exchange*.

This type of dealing is ‘by experience reduced into such an art as is altogether against nature’. It is reversing the purpose of money (to be a measure of price) to sell money for money or price it by itself or by merchandise.

The *Valuation of Money* should have estimation from *Public Authority* ‘perpetual and unchangeable according to a known standard’ but the *Merchant* makes it ‘what price he listeth’ and so transgresses *Public Order*, against all *Equity* and *Common Justice*, and practices under colour of *Exchange* and *Rechange* all the mischief that usury can devise.

This passage in Wilson is of great importance. For the new type of *International Usurer* was coming into prominence. He had existed for centuries as Langland’s reference to *Lombards’* letters indicates. But now his riches and power were increasing with unnatural rapidity. He was, and is, vastly more dangerous than the old local type who can only harm a neighbourhood, and more difficult to bring under the *Law*.

¹⁴ Ezra Pound notes that: “One real service of *Banks* is to give ‘*ubicity*’ to money.”

Wilson's dealing with the man of the *New World of Financial Amoralty* by the standards of the *Old Monetary Ethics* is noteworthy, and connects this age with our own. Otherwise, much that happens afterwards appears only tenuously connected with our subject.

For the new *International Usurer* was the ancestor of the *Rothschilds*, of those who have made *War* and *Treaties* at their pleasure. But their dealings become harder to follow and their influence is already such that the old restraints of *Religion*, interpreting *Nature* and *Revelation* as best it could, are being swept aside.

The stage is being set, despite Wilson's efforts, for the shady figure of the *International Financier*, and it is through the attack of Wilson that we see this connection between the old and modern periods; and we see plainly that the figure, the type, of the *Usurer* persists in his new trappings.

The term *Usurer* is often used carelessly and loses its point, yet it is chiefly to the faithful Wilson - man of affairs that he was - that we are indebted for seeing that the term *Usurer* may be accurately applied to *Dealers* of this kind,¹⁵ however exalted above the *Law*.

It is unfortunate that *Roman Catholic Theologians*, instead of applying themselves to the minutiae of *Interest*, did not keep hold of the distinction between *Usury* and *Partnership*, which Wilson is still able to make plain, and were not able like him to pin the stigma of *Usurer* on the *New International* type, who outshone the humble *Usurers* of the *Middle Ages*, but was much more fatal to his country.

The *Civilian* gives further details. Money was lent out at sight, *Usance* or *Double Usance*. So:

“...if my money go by *exchange at sight* for Antwerp for 23/- the English £1; it shall go at *Usance*, a month's time at 23/4d; at *Double Usance*, two months, at 23/8d”.

This rate is five nobles a month, or £3/6/8 for forbearing two months on £100. There is still gain if £100 be taken for sight - four or five days respite ‘else men will not deal’.

The *Banker* or *Deliverer of Money* makes ‘other men's necessities serve his greedy covetousness.’ It is a flat *Lending for Gain*. He wishes that no such cutting exchange should be used or borne in any well governed or *Christian Commonwealth*.

Merchants should live by *Gain* not of money but of *Wares*. It is sound advice. The King of Portugal - a lad of nineteen - had recently forbidden any *Banker* or the like to give *Bills of Exchange* for any *Gain* at all, even for *Expenses*. As it is in other *States*:

“Men intermeddle in the *Right of Princes* for their own gain, being *Lords of Coin*, to the great shame of all *Princes* and *States*.”

The *Bankers* and *Money Men* were setting ‘what price they list of money’. Wilson saw that the threat to *Sovereignty* by the *Money Lords* was very real. Edward III had decreed that only the *King* should use the exchange. It was re-enacted under Richard II and Henry VIII. ‘And then did all states flourish’.

Merchants were beneficial to the *Country* when they sold *Wares*, and not carrying the money out of the *Country*. If there were not sufficient *Wares* here, he made his exchange with the *King's Officers*, who thus knew about it.

But the *Merchants* used flattery and lent the *Princes* money on condition that they might have the *Exchange* to themselves. They established four *Standing Banks* at Antwerp, Venice, Lyons and Rome. It is another anticipation of the *Brothers Rothschild*, who established themselves at strategic *Financial Centres* two centuries later.¹⁶ Then they made money cheaper or dearer ‘as they pleased among themselves’. This would be *High Treason* unless they had *Permission*. London, Seville, Lisbon, Bruges, Rouen followed the example of the first cities.

Real trade had been slowed down and ‘the price of all wares had by this means been greatly enhanced’. Money is sent where *Wares* are plentiful, but the *Merchant* who has paid fifteen percent for the money will pass this on to the *Purchasers*. He arraigns the *Princes* for allowing the *Financiers* to tamper with nature. He understands ‘that certain rich *Bankers*’ can take up masses of money into their hands and make what value of it they will ‘for money must be had’. Frequent *Bankruptcies* are the result.

Money, he repeats, was not first devised to be *Merchandise*, but to be ‘a measure and a beam between man and man’ to buy and sell *Wares*. He dismisses the argument that the *Rates of Exchange* rise and fall, for this is due to the covetousness of what we should now call *Monopoly of Credit*.

¹⁵ They are *Usurpers* as well.

¹⁶ Frankfurt, London, Paris, Vienna, Rome.

He now distinguishes *Usury* and *Interest*. This is highly proper, but it must be noted that he has devoted over three quarters of the *Treatise* to showing what usury is, particularly in its modern forms. If *Land* is bought on condition that if the *Price* is returned the *Land* will be returned, it is not usurious to enjoy the fruits of the land.

Chevisance must be watched for under such dealings, if a man 'break day' he should pay damages. But if twelve percent is demanded merely for forbearing then this is usurious. If money is lent for six months on condition that if it is greatly needed back within that time, it is not usurious for the friend to promise all usury that the Lender is forced to pay. If a man asks to borrow £1000 and *Plate* for show, this is not *Lending* but *Letting* for *Hire* 'on his peril'. *Permutation* - one good turn for another - is not usury.

But to demand bread for a loan, for instance, is 'usury in the devil's name' and he who demands is more fit to eat stones than bread who would bind men to such a bargain and have so little *Charity* in him.

If a man gives £100 never to have it again on condition that he receive £5 yearly, it is not usury. *Interest* is only demanded when I have sustained *Loss* through another, and so *Interest* means to be paid *Damages*. *Interest* seeks *Equality*, but usury all *Inequality*, overthrowing *Kingdoms* and resulting in most starving and the fewest gaining. The *Value of Interest* cannot be certainly expressed beforehand.

He turns to the *Punishment of Usurers* and remarks that it is no wonder these are severe. After the usual *Old Testament* references, he points out that the *Civil Law of Justinian* rather 'bears with moderate taking' than allows it, and the *Canon Law* calls usury a deadly and damnable sin 'more irksome in God's sight than murder'. Furthermore those who hold to the contrary are *Heretics*. So *Usurers* are:

- Defamed - if a *Usurer* is made an heir, the testament may be broken.
- Excommunicated.
- Debarred from 'using any oblation in the *Church of God*'.
- Denied *Christian Burial* and a *Priest* who knowingly gives a *Usurer* communion is suspended or excommunicated for burying one.¹⁷
- A *Priest* may not visit a *Usurer* unless he is going to make *Restitution* - a penalty not even required of a 'drabbe'
- The *Wills of Usurers* - unless restitution is made - are of no force.
- They can make no will '*Nuncupative* or *Codicil*'.
- Even if registered, the *Will* is of no force.
- A *Usurer* shall not be allowed to live in any other shire than where he was born - else the *Bishop* shall be suspended and inferior prelates excommunicated.
- None is to care, even if a *Usurer* is reduced to Beggary.
- *Laws* permitting usury are abrogated.
- The *Usurer* is bound to restore 'not only what they have but its frutes'.
- *Notaries* are forbidden to draw up their contracts, and if they do, they are held for perjured and forbidden to be *Public Notaries* afterwards.

In 1311 the *Council of Vienne* abrogated *Great Usuries* that had been paid and excommunicated all who devised *Laws* in favour of *Usurers*. Wilson mentions the *Great Usurer*¹⁸ who encouraged *Preaching* against usury, because all men would resort to him. Also *Law-writers* who Baldus called 'gainful piracy and contrary to nature'.

The *Usurer* is leprous and should be banished. It is against nature for once to be twice one. He is like a *Teredo Worm*¹⁹ who appears soft to the touch. He is a false and deceitful beast, rightly placed by Dante near Geryon, the image of *Fraud*, the lowest human vice.

Bartolus judges it offensive to God and man and utterly forbidden. Panormitanus says the 'whirlpool and gulf of usury bottomless' destroys the souls of men and brings them to worse than nothing. Cardinal Zabarella alleges that Innocentius stated that 'all would starve if usury were allowed'. Hortensius agrees. Azo once preached against it. Several other writers are adduced, and more has been written against it than against 'any other wickedness whatsoever'. *Tempora mutantur* - times are changing.

¹⁷ He tells the story of the parson's ass which deposited the *Usurer* under a gallows, "a fit altar for *Usurers* to be sacrificed on alive." A popular legend illustrative of public feeling on the subject.

¹⁸ In his 1947 classic *Human Ecology*, the *Social Creditor* Dr Thomas Robertson, a professor at *Herriot-Watt University* in Edinburgh, discriminates carefully between *Major* and *Minor Usury*. In summary *Interest* can be equated with his *Minor Usury* while the many other forms of usury presented in Dr. Thomas Wilson's *Discourse Upon Usurye* come under the category of *Major Usury* which he calculates is much more significant than *Minor Usury*. [Ed]

¹⁹ The Toledo worm is a wood louse mentioned by Pliny. Owners of wooden boats sheath their hulls with copper before venturing into the *Mediterranean* to protect their vessels against the worm. [Ed]

Wilson now considers the practice of various countries. Usury was prohibited by the *Twelve Tables* of the Romans 'save *foenus unciarum* of twelve percent per annum, which at the entreaty of the *Tribunes* was raised by 1½ percent. It reached *triens* or *foenus trientarium*, then *semmissis* of six percent.²⁰

The *Tribune* Genitius published a law that prohibited usury. And Tiberius Caesar put about half a million in a *Bank* from which anyone could have *Credit* for three years, without usury, provided he left *Surety* to double the amount he borrowed.

Exchange for Gain was also forbidden. Tacitus wrote that:

“this cancer of usury is an old venomous sore and the chiefest head of and cause of *Rebellions* in countries.”

Julius Caesar and the Emperor Alberto also legislated against usury, the latter on pain of *Confiscation*.

The Germans and Indians of old practiced no usury. The Spartans banished it, and Agis burned all the books of these *Traders*, of which Agesilaus said that ‘he never saw a blessed light in his life before’.

Lucillus cleared Asia of the vice and Cato cleared Cilicia, which Antoninus Pius, Alexander Severus, Claudius, Vespasian, Leo and others restrained from time to time. Cato's and Cicero's opinions are quoted.²¹

Aristotle likened them to bawds, and Plato is highly commended for remarking that ‘no honest man could practice usury’ and ‘the victim should not be forced even to return the *Principal*’.

Plutarch condemned it as against nature because:

“...it took the *Poor's* quietness of mind, devoured *Gain* before it could be gotten, forced him to take up on *Double Usance* and sink deeper and like Phineus, whose meat was devoured by the Harpies, who were very similar to *Usurers*. It was better that the *Unthrifty* sell their *Lands* than let them be devoured by usury.”

In 1530 the Emperor Charles prohibited usurious contracts in the *Diet of Augusta* in *Almain*, on pain of loss of a quarter of the *Principal* advanced with the negligent *Magistrate* fined two or three gold marks.

Wilson mentions the law of Edward VI, and ‘God's sharp rod and severe judgement in the life to come’. The *Borrower* on these terms does not sin. As Wilson neatly points out, he would much rather borrow freely. His action is as involuntary as that of a man who gives his purse to a *Thief* to save his life.

The son of Tarquinius Superbus could not defile Lucretia. A *Tenant* undone by a greedy *Landlord* is not guilty, for ‘God knows, he would have had his farm better cheap’. Archidiaconus, Imola, Laurentius Rodolphis agree with this, though some count the *Receiver* guilty too. But only if he borrowed to *Squander*.

It is unusual for a man deep in debt to get out²² ‘for the more he borroweth on usury, the more he owes’, while the *Usurer* ‘gains through time for very idleness, a fit man to be openly whipped for a common rogue’.

“*Felix qui nihil debet*” - a man not in debt is happy.

He tells the story of Strepsiades in Aristophanes's *Clouds*. He tried to capture the moon, so that he would not have to pay the usury due every new moon. The *Creditor* tried to hasten the moon's course with both of them using witchcraft to further their cause. If the *Usurer* did not receive his monthly toll, the *Debtor* was cast into prison.²³

Septimus Florus said the *Debtor's* body was divided between his *Creditors*. Solon dealt radically with the burden. Justinian is examined more closely. It was a limitation to four percent, the governors of *Handicraftsmen* were limited to eight percent, while trading adventurers were restricted to twelve percent.

Carolus Molinaeus, the *French Lawyer*, wrote in favour of the law, but Wilson prefers the *Christian* precept:

“*mutuum date, nihil inde sperantes*” - lend without hoping to get anything out of it.

If you take part of your brother's gain by a *Loan*, you take part of God's blessing.

Andreas Alciatus commended a *Certain Rate*.

²⁰ This passage is unclear. A Classical scholar should be able to clarify. [Ed]

²¹ They called *Usurers* ‘vile artificers’.

²² cf. ‘National’ Debts.

²³ In Rome, usury was paid monthly, and one percent a month was the usual rate.

Under the prohibition, only 'the worse men of all' were letting out their money and charging exorbitantly 'under colour of exchange or interest'. The *Bishops* and *Priests* were not helping but put their money 'secretly in bank for the same gain which St. Cyprian did complain upon in his time'. Pope Innocent agreed.

The *Preacher* points out that money lent at a *Moderate Rate* would be *Engrossed* and a *Monopoly* set up by the *Exorbitant*. They will come 'to the Street' and take up all the money offered at ten or twelve percent and let it out straightway at fifteen or twenty percent - 'a wicked and most unchristian *Engrossing*.' He holds sternly out against any excess at all.

The *Civilian* says that Bucer, Brentius, Calvin and Beza are not against *Moderate Usury*. The *Preacher*, before his final *Oracion*, alleges that:

"...the *Catholic* consent of *Cristendome*, the *Old Councils* and the *Learned Fathers* and whosoever thinketh otherwise hath not read them."

No one has a right to what is another man's - as all overplus is, being no part of the *Principal Loan*. Some *Usurers* write that they have lent £100 when they have only lent £80 - showing whose scholars they are, namely Satan's.

The use of money can not be separated from the thing itself. Usury is 'reaping for nothing' the fruit of another man's labour. It is starkly against nature.

God had forbidden "*Merchants* of time and sellers of sun and moon." These are his free gifts. The *Common wealth* is bound to suffer, even if the *Parties* do not, by the rise in *Price* to cover the usury. This argument has been advanced by C.H. Douglas's²⁴ who insisted that the needs of the *Consumer* are taken into account 'for he suffers inevitably from usury'.

Or a *Landed Gentleman* may be eaten up with usury, and when the *Usurer* takes possession, his poor *Tenants* are 'racked and hayled with incumbes and fynes'.

It is a false boast when a *Usurer* claims to 'save the gentleman's land'. The *Usurer* who forebears for a year or two is like a cat playing with a mouse, who devours it in the end.

God's anger against sin is slow but certain. He quotes Seneca:

"*Pudorem rei tollit multitudo peccantium; desinit esse loco peccanti commune malefactum. Cessere publica jure peccatis, et coepit licitum esse, quod publicum est.*"

Christ's meaning in the passage in *St. Luke's Gospel* cannot be that men should not look for their *Principal* back, as the *Civilian* had suggested, otherwise he would have said, 'Give freely'. Leo, Judas, Osculam Padius take it in the usual sense: *non concupisces*. This leads to atheism, and has been as horrible as any other sin in the eyes of "all good and learned men in all ages."

Marcilius Finnius said:

"*Soli foeneratores avaritiae menciati de divinis recte sentire non possunt*"
Painim may show mercy on occasions, the *Usurer* never, but would be sole lord of the whole world.

This is a very accurate prophecy. Cerberus and other monsters are his inferior. There is nothing of value in the *Great Usurer*. They teach God what he had to do, and Wilson compares the *stewes*. Giving *Alms* and *Lending Freely* are the marks of *Christians*, being fruits of *Charity*. Worldly and political devices were man's attempt to make himself wiser than the Holy Ghost. The *Civilian* expresses a similar opinion to St. Paul on the Amalekites.

²⁴ C. H. Douglas taught at *Stockport Grammar School* and after a period in industry he went, at the age of 31, to *Cambridge University*. He worked for the *Westinghouse Electric Corporation of America*. He was a Reconstruction Engineer for *Westinghouse's* British subsidiary in India and during *World War I* was an Assistant Superintendent of the *Royal Aircraft Factory Farnborough* where he noticed that the costs of goods produced was greater than the sums paid out to as wages, salaries and dividends which contradicted *Classic (Ricardian) Economic Theory*. Many years later this inadequacy of effective demand was to become the central idea in John Maynard Keynes' *General Theory*. Troubled by this disconnect between money flow and goods and services delivered, Douglas set out to apply engineering methods to the economic system by collecting data on large British businesses. He concluded that the economic system was not designed to deliver goods and services but to maximize profits for those with economic power by creating unnecessary scarcity. In 1920 He published two books - *Economic Democracy* and *Credit-Power and Democracy* and founded Social Credit as a reform movement whose two main elements were (a) a National Dividend to redistribute wealth to the lower classes, and (b) a price adjustment mechanism to ensure that workers could purchase as much as they could produce. Individual freedom through economic freedom was the central goal of Douglas's reform. Rev. Henry Swabey was a *Social Crediter*. [Ed]

Grocers and Draper and the like who live truly in their *Vocations* are honest, but the *Usurer* partakes in a questionable occupation, and he asks of what company or ‘severall hawle’ they are in London.

Righteousness establishes *Kingdoms* and *Charity* maintains *States* but:

“*Usury* overthrows *Trade*, decays *Merchandise*, undoes *Tillage*, destroys *Craftsmen*, defaces *Chivalries*, beats down *Nobility*, brings *Dearth* and *Famine*, and causes *Universal Destruction* and *Confusion*.”

Another true prophecy. Gentlemen will sell their lands and give over their *Housekeeping*, ‘taking a chamber in London instead of a house in his own country’. This was practiced at the time, and is a foretaste of affairs in Cobbett’s and our own day.

The *Nobleman* will no longer defend the fatherless or widow and do *Judgement* and *Justice*, but live by his ‘filthy gain’, lose his dignity and estimation, and turn into a *Stock-jobber*, as Cobbett named them. Everyone will turn to usury.

The *Genoese* robbed the *Spaniards* of all the profit of their *Indian Trade* by the devil’s alchemy. It makes wanton *Princes* seek needless *War*.²⁵

Thousands have been ruined by usury to every one that has been helped. If people conform to the *Law of Nature* and remember that there is a God, *Plenty* will follow, there will be *Good Cheap* in all things. He refers to Timothy that:

“...we take nothing out of this world; enough is as good as a feast; and we have the benefit of a good conscience.”

But the *Usurer* will not ‘blear God’ with building of a few *Almshouses*.²⁶ Nor will his *Legacies* avail, for such are abominable offerings.

The *Civilian* remarks that *Lending Freely* is a *Natural Contract* commanded by God, while *Lending for Gain* is doubtful, and *quod dubitas, nil fecerisq* - do not do what you are not sure about. The wisdom of man is foolishness before God.

The *Lawyer* recants for ‘man must not seem wiser than God’ and notes the law²⁷ of Edward the Confessor which forbids all usury. ‘Would not that any such should tarry within the *Realm*’.

The *Convicted Usurer* was to lose all his goods and be outlawed. He had heard it said in France at the *Court* that usury was the root of all other sins and mischief. In Henry II’s time Glanville wrote²⁸ that the dead *Usurer’s* goods are ‘proper to the *King*’. It had to be proved before twelve neighbours. He defines usury as ‘what is over and above the *Loan*’.²⁹

In the time of Richard the Lionheart Matthew Paris said that goods alienated by a *Usurer* would not be confiscated, but those he held at time of death would be.

There was a riot in the 47th year of Henry III against the *Jews*, and five hundred of them were slain, because a Jew tried to force a Christian to pay more than 2d. a week on 20/-. The *Jews* had a license to lend at this figure, equivalent to over forty percent.

The *Merchant* promises *Restitution*, and says that marvellously as they feared the plague in London, what a blessing it would be if ‘in one year God would take all *Usurers* away’.

And so to Wilson’s *Epilogue* or ‘*Conclusion to the Loving Reader*’, which ends with a short merry tale. The Pope orders prayers for peace in a war for which he was responsible. Wilson expresses the hope that such repentance will be genuine and asks his readers to join with him in praying for this.

²⁵ This reminds us of Mr. Balfour’s complaints of German trade rivalry before the 1914 war, and of numerous business men’s annoyance with Germany in 1938-9 for keeping outside international lending.

²⁶ The description of modern *Financiers* and *Philanthropists* springs to mind, as well as many *Charities* formed out of tainted money.

²⁷ Law 37.

²⁸ Book. 7, chapter 16.

²⁹ Book 10, chapter 3.

Appendix V. The Damnable Sin of Usury by R.H. Tawney

It is only after a struggle with established ideas that a new type of economic organisation is invested with the respectability of the triumphant fact, and it was not to be expected that the developments described in the preceding sections³⁰ should establish themselves securely without a prolonged agitation.

If the divine was shocked at the apparent incompatibility between the phenomena of *Early Capitalism* and *Christian Morality*, the plain man in village and borough felt a vague uneasiness at the growth of a power which seemed to menace his independence by 'bringing the livings of many into the hands of one'.

And even the *Statesman*, while he courted, used and was used by the *Financier*, was not disinclined from time to time to read a sharp lesson to what was still regarded, in England at least, as a class of parvenus, at once parasitic upon the traditional structure of a well-ordered commonwealth and indifferent to its social obligations.

Hence, in most parts of Europe, the immense enlargement in the sphere of *Credit Operations* which took place in the sixteenth century produced a controversy hardly less acute than that which accompanied the rise of *Machine Industry* in England two centuries later. Men famous in *Religion* and *Politics* took part in it.

The insecure and impecunious governments of the age found themselves driven, however reluctantly, to give some attention to a question which reacted at once on *Social Tranquillity* and on *Public Finance*. In England the discussion continued down to the eve of the *Civil War*, and even left some traces on the literature of the *Restoration*.

Expressed in terms of the particular problem discussed by Wilson, the intellectual movement was a revision of ideas previously held as to the *Nature of Capital*, followed by a change in the law determining the *Rights of the Capitalist*.

When the century began, 'to live by usury as the husbandman doth by his husbandry' had commonly been treated as ignominious, immoral or positively illegal: when it ended, money-lending was on the way to enjoy the legal security of a recognised and reputable profession.

But that change itself was part of a larger revolution which was to set a naturalistic political arithmetic in the place of theology, substitute the categories of mechanism for those of teleology, and turn religion itself from the master interest of mankind into one department of life with boundaries which it is extravagant to overstep.

For the *Theory of Usury* which the sixteenth century inherited had been not an isolated freak of casuistical ingenuity, but one subordinate element in a general system of ideas, and the passion which fed on its dusty dialectics is intelligible only when it is remembered that what fanned it was the feeling that the issue at stake was not merely the particular question, but the fate of the whole scheme of medieval economic thought which had attempted to treat economic affairs as part of a *Hierarchy of Values* embracing all human interests and activities, of which the apex was *Religion*.

The phrase '*Medieval Economic Thought*' is, indeed, itself a misleading one. The doctrines in question had sprung as much from external conditions which made some form of monopoly almost inevitable as from the teaching of theorists.

They had been accompanied by elaborations and qualifications to which a bald summary does scanty justice. They had undergone a long process of development, had reflected the varying influences of different environments, and had assumed a form at once more realistic and more subtle in the hands of a writer like St Antonino, who had to adapt his teaching to the business conditions of a great *Financial Centre* such as fifteenth century Florence, than they had in those, for example, of Aquinas, whose experience had been of a simpler age.

But, in spite of such differences of place and period, the formal expression of *Medieval Theory* retained to the end the characteristics natural in a system which claimed to mediate between the *Humblest Activity* and the *Divine Purpose* and which, therefore, discussed economic issues as subordinate to the real business of life, which is *Salvation*.

It was the menace to this whole philosophy which caused contemporary religious opinion to find an almost

³⁰ This is R.H. Tawney's first essay in the third section of his three-part (170-page) introduction to the *G. Bell & Sons Limited* edition of Dr Thomas Wilson's *A Discourse Upon Usury* (1925, London, 390 pages) entitled *Public Policy and the Money-Lender*. Included in this section are: *The Harrying of the Usurer*; *The Struggle over the Exchanges*; *The Compromise of 1571*; *Conclusion* and this essay: *The Damnable Sin of Usury*. The second part entitled *The Principal Types of Credit Transactions* includes the following essays: *The Peasant and Small Master*; *The Needy Gentleman*; *The Financing of Capitalist Industry*; *The Foreign Exchanges*; and *The Antecedents of Banking*. The first part of R.H. Tawney's introduction is a 15-page essay about Dr Thomas Wilson. [Ed].

tragic interest in the controversy with regard to usury. For it had been through the *Theory of Usury* that the most persistent attempt had been made to translate these general ethical conceptions into a legal system applicable to the particular transactions by which *Property* is acquired and *Trade* carried on.

Into the discussions of the subject by *Men of Religion*, as into the practice of the declining ecclesiastical jurisprudence, space forbids us to enter.³¹ They had inherited from the *Middle Ages* two legacies, one general and one particular.

The former consisted in the belief that the world of *Economic Conduct* did not form a closed compartment with laws of its own, but was amenable, like other departments of conduct, to moral criteria, the ultimate sanction of which was the authority of the *Christian Church*.

The latter was the body of legal principles with regard to *Money-Lending* and *Credit*, of which the most elaborate expression was the *Canon Law*, but which were also embodied in the policy of the *State* and of *Municipal Authorities*, since in this matter the *Canon Law* set the precedents followed by secular authorities down, at least, to the third quarter of the sixteenth century.

Never treated as relevant, apparently, to the larger financial operations of either ecclesiastical or secular authorities, and least of all to those of the *Papacy* itself, the *Canon Law* as to usury had been elaborated by later *Jurists* to meet the needs of an increasingly *Commercial Civilization*.

In the form in which it reached the sixteenth century it at once maintained the rule that payment could not lawfully be demanded merely for the use of money, and sanctioned such credit transactions as could reasonably be held not directly to conflict with that principle.

The investment in *Rent Charges* had always been regarded as unobjectionable, for the payment received by the *Capitalist* came from the *Bounty of Nature* and was not wrung from the *Necessities of Man*.

The *Commercial Partnership*, in which a sleeping partner invested *Capital* with a merchant 'to gain and to lose', is legitimate, for if he shares the *Profit* of the enterprise he also shares its *Risks*. *Annuities*³² are blameless for the same reason: the gain is not certain, but contingent.

It is reasonable that the *Borrower* who fails to repay his *Creditor* at the appointed day should submit to a penalty, and that the *Creditor* who loses an opportunity of gain by standing out of his money should receive *Compensation*.

To the offer of *Interest* as a *Voluntary Gift* - a dangerous exception - there is little objection.

Of these types of transaction some had been expressly sanctioned by ecclesiastical legislation; others had been declared lawful by authoritative commentators upon it. All had been common enough even in an economic backwater like *Medieval England*.

It is no usury when Geoffrey de Exton grants William de Barwode three mark of silver in return for six shillings of annual rent, for this is the purchase of a rent charge, not a loan; or when John Spicer is advanced sixty shillings by Peter Chapman, with which to trade in Scotland, on condition that a 'third of both gain and loss should be consigned to the said Peter', for they are 'partners to gain and to lose'; or when the monastery of St. Mary's, Worcester, sells annuities for a capital sum paid down.³³

What remained to the end unlawful was that which appears in the modern economic text-book as 'pure interest', and what medieval writers called 'the sale of time itself' - interest as a fixed payment stipulated in advance for a loan of money or wares without risk to the lender.

"This is the proper interpretation of usury, when gain is sought from the use of a thing not in itself fruitful (such as a flock or a field), without labour, expense or risk on the part of the lender."

In the words of an earlier *Canonist*,

³¹ The whole subject is discussed by Neumann, *Gesichte des Wuchers in Deutschland*, and by Ashley, *Economic History*, pt. II. Something about it is contained in an article by the present writer in the *American Journal of Political Economy*, vol. XXXI, No. 4 (August 1923).

³² Sir Edward Coke (1552-1633) during his incumbency as Lord Chief Justice of the King's Bench from 1613 to 1620 defined an annuity as 'a yearly payment of a certain sum of money granted to another in fee, for life or years, charging the person of the grantor only'. Edwin W. Kopf in *The Early History of the Annuity* notes that 'Dr. Thomas Wilson described in his *Discourse Upon Usury* the current practices of lending upon annuities in order to avoid the penalties of the usury law' and remarks that during the sixteenth century 'much speculation in annuities was transacted by private dealers, especially toward the end of the century'. [Ed].

³³ Tingey, *Records of the City of Norwich*, I, 227; Selden Society, *Select Cases concerning the Law Merchant*, I, p.78; Wilson, *The Worcester Liber Albus*.

“Usura est ex mutuo lucrum pactum vel exactum... Quicquid sorti accedit, subaudi per pactum vel exactionem, usura est, quodcunque nomen sibi imponat.”³⁴

The emphases was on *'pactum'*. The essence of usury was that it was certain, and that, whether the borrower gained or lost, the *Usurer* took his pound of flesh. Medieval opinion, which did not object to *Profits*, provided they were reasonable, had no mercy for the *Debenture* holder.

What, if not quite so certainly unlawful, continued to be denounced as immoral, was the whole range of transactions that ran counter to the doctrine that an equitable bargain was one from which both parties derived equal advantage. If not strictly *usura* they were at least *turpe lucrum*. In practice, except by *Lawyers*, and not always by them, the two were not clearly distinguished.

The volume of ecclesiastical teaching on the subject, discussed by Wilson, had, therefore, been considerable. What was the attitude towards it of the age in which he wrote? The complaint that one effect of the religious revolution had been to undermine traditional doctrines of social ethics was advanced from more than one quarter in the generation which immediately followed it.

As early as 1543 Cranmer³⁵ wrote to Oziander protesting against the embarrassment caused to *Reformers* in England by the sanction to immorality, in the matter alike of economic transactions and of marriage, alleged to be given by *Reformers* in Germany, and Wilson himself has a word of warning against:

“the dissembling Gospeller... who for private gain undoeth the common welfare of man.”

By the seventeenth century the hints had become a theory and an argument. Bossuet³⁶ taunted Calvin and Bucer with being the first theologians to defend extortion.

Even a *Puritan Social Reformer* uttered a word of regret for ‘the times of popery’ in which ‘usury was an odious thing’.³⁷ It only remained for a pamphleteer to adapt the indictment to popular consumption by writing bluntly that ‘it grew to a proverb that usury was the brat of heresy’.³⁸

These attempts to relate changes in economic opinion to the grand religious struggles of the age have their significance. But the *obiter dicta* of an acrimonious controversy throw more light on the temper of the combatants than on the substance of their contentions, and the issues were too complex to be adequately expressed in the simple antitheses which appealed to partisans.

In reality, however striking the revolution in economic practice which accompanied the expansion of *Financial Capitalism* in the sixteenth century, the development on doctrine on the subject of *Economic Ethics* was continuous, and the more closely it is examined the less foundation does there seem to be for the view that the stream plunged into vacancy over the precipice of the *Reformation*.

The *Theory of Usury* was, after all, merely a special case of the general rule that economic transactions should be conducted in accordance with rules of *Good Conscience*, derived ultimately from religious sources and interpreted by the *Church*. The principle was more important than the particular interpretation.

The gulf between the medieval synthesis and the social philosophy which was to carry all before it after the *Restoration* had its origin not in a mere modification of the *Theory of Interest*, but in the sharp separation of the spheres of economic expediency and the life of the spirit expressed in the eighteenth century epigram,

“Trade is one thing, and religion another.”

In the age of Wilson that conception of the two compartments, which could not collide, because they were never to meet, was repudiated with equal indignation by *Radicals* and *Conservatives*, and, if it is true that the *Reformation* undermined the theoretical supremacy of religion over matters of economic conduct, it did so without design and against the intention of most *Reformers*.

Luther might attack the *Canon Law* in general, protest that the Bible was an all-sufficient guide to action, and urge that the Christian needed no elaborate moral casuistry to teach him the duty of economic altruism which sprang directly from the text, ‘Thou shalt love thy neighbour as thyself’.

But his criticism is that of a man impatient with the institutional apparatus of social morality, because he thinks that morality will be purer and more spontaneous without it; his indignation is directed less against the rigour of the *Canon Law* than against what he conceives to be the sophistry of *Canonists*; and when he deals in detail with

³⁴ *Bernardi Papiensis Summa Decretalium* (edited by Laspeyres), Lib. V, tit. xv.

³⁵ Gairdner, *Letters and Papers of Henry VIII*, vol. XVI, 337.

³⁶ Bossuet, *Traité de l'usure*: for an account of his views see Favre, *Le prêt-à intérêt dans l'ancienne France*.

³⁷ Cooke, *Unum Necessarium, or the Poor Man's Case*.

³⁸ *Briefve Survey of the Growth of Usury in England with the Mischiefs attending it* (1673).

economic questions, as in his long *Sermon on Usury* in 1520, and his *Tract on Trade and Usury* in 1524, the doctrines to which he appeals are those of the *Canon Law*, unsoftened by the qualifications which later *Jurists* had attached to it.

Men should lend freely, as the *Gospel* commands, sell at the price fixed by authority or by common estimation, eschew *Speculation* and *Monopoly*, and so conduct their trade that they may practise it without injury to their neighbour or neglect of the *Law of Christian Charity*.

While Luther saw economic life with the eyes of a *Peasant* and a *Monk*, Calvin approached it as a *Man of Affairs*, who assumed, as the starting point of his social theory, *Capital*, *Credit*, large-scale *Enterprise*, and the other institutions of a *Commercial Civilisation*.

But he assumed them in order to moralise them, not to treat them as spiritually indifferent, and the qualified - the much qualified - indulgence to *Moderate Interest*, which is, perhaps, the best remembered element in his social teaching, as he feared it would be, was in reality less significant than his repeated insistence that the maintenance of *Christian Standards of Economic Morality* was the province of *The Church*.

Where circumstances favoured it, in its expression of revolt against the medieval ecclesiastical system, Calvinism itself stood for a discipline, not laxer, but infinitely more strict, than that which it repudiated, and the social ethics of its heroic age savoured more of a collectivist dictatorship than of the individualism of which it has sometimes been regarded as the parent.³⁹

Its spirit was expressed by Bucer, when, after denouncing the usury and monopoly of *Merchants*, he wrote that:

“neither the church of Christ, nor a *Christian Commonwealth*, ought to tolerate such as prefer *Private gain* to the *Public weal* or seek it to the hurt of their neighbours.”⁴⁰

Both in its view of religion as embracing all sides of life and in its doctrine of the particular social obligations which religion involved, the central opinion represented by the *Church of England* did not differ substantially from that of the left wing of the *Reformation* movement.

Men eminent among Anglican divines, such as Sandys⁴¹ and Jewel⁴² took part in the controversy on the subject of usury. A Bishop of Salisbury gave his blessing to the book of Wilson; an Archbishop of Canterbury allowed Mosse's sharp 'arraignment'⁴³ to be dedicated to himself.

A clerical pamphleteer⁴⁴ in the seventeenth century produced a catalogue of six bishops and ten doctors of divinity - not to mention numberless humbler clergy - who had written on different aspects of the question of usury in the last hundred years.

In Wilson's day the subject was still a favourite of the ecclesiastical *Orator*. A century later the *Minister* of a city church who was indiscreet enough to criticise what had become the chief occupation of his wealthy *Parishioners* found himself obliged to seek a cure elsewhere.⁴⁵

But the sixteenth century *Preacher* was untrammelled by the convention which in a more fastidious age was to preclude as an impropriety the discussion in the pulpit of the problems of the market place. The author of a widely-read book wrote:

“As it belongeth to the *Magistrate* to punish, so it is the part of the *Preacher* to reprove usury...First, they should earnestly inveigh against all unlawful and wicked *Contracts*...Let them amend all manifestations in bargaining by ecclesiastical discipline. Then, if they cannot reform all abuses which they shall find in *Bargains*, let them take heed that they trouble not the church...Last of all, let them with diligence, admonish the *Rich Men* that they suffer themselves not to be entangled with the slow of riches.”⁴⁶

³⁹ The 1925 text reads: ‘The expression of a revolt against the medieval ecclesiastical system, Calvinism stood itself, where circumstances favoured it, for a discipline not laxer, but infinitely more strict, than that which it repudiated...’ [Ed].

⁴⁰ Bucer, *de Regno Christi*.

⁴¹ Sandys, second, tenth, and eleventh of *Sermons* (Parker Society).

⁴² Jewel, *Works*, fourth part, p. 1293.

⁴³ Miles Mosse, *The arraignment and conviction of usurie*, 1595.

⁴⁴ John Blaxton, *The English Usurer, or Usury condemned by the most learned and famous Divines of the Church of England* (1634). The bishops cited are Jewel, Sandys, King, Babington, Downam (“the hammer of usurers,” Bishop of Derry), and Lake.

⁴⁵ David Jones, *A Farewell Sermon at St. Mary Woolnoths* (in Lombard Street), 1692. This appears to have provoked a rejoinder, which I have not read, *Lombard Street Lecturer's late Farewell Sermon answered, or the Welsh Levite toss'd de novo* (1692).

⁴⁶ *The Lawful Use of Riches* (1578), a translation by Rogers from the Latin of Nicholas Heming.

An Anglican divine wrote in reference to the ecclesiastical condemnation of usury:

“This hath been the general judgment of the church for about fifteen hundred years, without opposition in this point. Poore sillie church of Christ, that could never find a lawful usury, before this age wherein we live.”

The first fact which strikes the modern student of this body of teaching is its continuity with the past. In its insistence that buying and selling, letting and hiring, lending and borrowing, are to be regulated by a *Moral Law* of which the church is the guardian, religious opinion after the *Reformation* does not differ from religious opinion before it.

Contemporaries were conscious neither of the emancipation from the economic follies of the age of monkish superstition ascribed to them in the eighteenth century, nor of the repudiation of the traditional economic morality of Christendom which some writers have been the result of the revolt from Rome.

The relation in which they conceived themselves to stand to the social theory of the *Medieval Church* is shown by the authorities to whom they appealed. Wilson wrote:

“Therefore I would not have men altogether be enemies to the *Canon Law*, and to condemn everything therein written, because the Pope was author of them, as though no good law could be made by them. Nay, I will say plainlie, there be some such laws made by the Pope as be right godly, saie others what they list.”

On the lips of a Tudor official such sentiments had, perhaps, a certain piquancy. But Wilson, as we have seen, was a civilian, skilled in the *ius pontificium* as well as the *ius civile*, and, in their appeal to the traditional teaching of the church, his words represented the starting point from which the discussion of social questions still commonly set out.

The *Bible*, the *Fathers* and the *Schoolmen*, the *Decretals*, *Church Councils* and commentation on the *Canon Law* - all these, and not only the first, continued to be quoted as decisive on questions of *Economic Ethics* by men to whom the theology and government of the *Medieval Church* were an abomination. What use Wilson made of them, a glance at his book will show.

The writer who, after him, produced the most elaborate discussion of usury in the latter part of the century, prefaced his work with a list of pre-*Reformation* authorities running into several pages.⁴⁷ The author of a practical memorandum on the amendment of the law with regard to usury - a memorandum which appears to have had some effect upon policy - thought it necessary to drag into a paper concerned with the chicanery of *Money-Lenders* and with the *Foreign Exchanges*, not only Melancthon, but Aquinas and Hostiensis.⁴⁸

Even a writer who, unlike Wilson, denied all virtue whatever to ‘the decrees of the Pope’, did so only the more strongly to emphasise the prohibition of uncharitable dealing contained ‘in the statutes of *Holy Synods* and sayings of godlie fathers, who vehemently forbid usury’.⁴⁹

The market for ethical teaching, as Gresham remarked of the Antwerp Bourse, ‘is truly strange’, for the commodity is one which has the singular property of being consumed in bulk more readily than retail. No church has ever experienced any difficulty in preaching righteousness in general: no church has found a specific to disguise the unpalatableness of righteousness in particular.

And while religious opinion continued in the sixteenth century to condemn usury as contrary to the law of God, the edge of its denunciation was being insensibly blunted through a more accommodating classification of the types of transaction to which the word usury might be held to apply.

The insistence on the application of *Moral Criteria* to *Matters of Business* had always been compatible with considerable divergences of opinion as to what precisely those criteria were. As Professor Ashley long ago pointed out, the medieval condemnation of usury had been neither so unanimous nor so indiscriminating as is sometimes suggested, and even before the matter began to exercise the mind of the post-*Reformation* divines, *Canonists* had taken a long step towards sanctioning transactions involving what was, in effect, payment for the use of capital.

With the expansion of new types of *Capitalist Enterprise* and the drawing apart of different churches after the *Reformation*, the problem of interpretation became in England, what it long had been in Italy and Germany, a matter not merely of speculative interest, but of urgent practical importance.

⁴⁷ Miles Mosse, *The arraignment and conviction of usurie*, 1595.

⁴⁸ *S.P.D. Eliz.*, LXXV, 54.

⁴⁹ *The Lawful Use of Riches*.

It was on this ground that the controversial battles of the last half of the century were fought out. There was, as yet, no question of directly repudiating the attempt to try economic transactions by ethical standards, and, whatever the private sentiments of the business world, the demand for complete freedom of contract found few overt defenders either among *Men of Affairs* or *Men of Religion*.

Ostensibly almost everyone was agreed that usury was reprehensible. The question was whether usury was to be defined so as to include all interest, or whether, in certain circumstances, moderate interest was to escape from the general condemnation.

The straiter school stood on the letter of *Scripture* and the law of the *Church*, regarded usury as differing not merely in degree, but in kind, from payments which, like rent and profits, were morally unobjectionable provided that they were not extortionist in amount, and insisted that usury was to be interpreted as equivalent to 'whatever is taken for a loan above the principal'.

Liberal opinion, concerned to establish a *modus vivendi* between *Christian Teaching* and contemporary *Economic Practice*, admitted that the exaction of interest might, indeed, be reprehensible, but urged that its legitimacy depended on the circumstances of the parties and the purpose of the loan.

What mattered, it was argued, was not the letter of the law, but the spirit of *Christian Charity*; and if charity required free gifts to *The Poor*, and free or easy loans to the struggling *Tradesmen*, it could not reasonably be held to forbid the charging to substantial *Merchants* or *Landowners* of such rate of interest as they could be induced to pay.

The logical result of the position was to transfer the burden of proof from the defenders of usury to its critics. In so far as it was accepted, usury, instead of meaning the payment of any interest whatever, would mean the payment of interest which, in the circumstances of the case, was extortionate. Of these two interpretations the stricter, which represented the old-fashioned tradition, continued well into the seventeenth century to be the orthodox teaching of the *Church of England*.

English religious thought, which had stagnated in a happy backwater remote at once from the keen intellectual activity and strenuous business life of Italy and Flanders, shows no signs of having been influenced in the later *Middle Ages* by the latitudinarianism of innovating *Canonists*, and the post-*Reformation* writers who allude to the new doctrines do so usually, as Luther had done, in order to emphasise the danger of compromising with Antichrist.

When, with the expansion of *English Enterprise* and the closer connection with the continent, the controversy became acute, as it did towards the close of the reign of Henry VIII, Anglican divines, with hardly an exception, took their stand on the full rigour of conservative doctrine.

Advanced Reformers, like Latimer, Becon and Crowley, fulminated against usury with the same fervour as against *Enclosing*, and their influence was seen in the renewed prohibition of any payment whatever in excess of the principal contained in the *Act of 1552*.

Bishops, such as Jewel and Sandys, were explicit in repudiating the suggestion that conduct condemned by *Scripture* as sinful in itself could become venial when practised with judicious moderation. Such semi-official definitions of usury as were given by ecclesiastical authorities implied that it was to be interpreted as equivalent to any stipulated payment for a loan.⁵⁰

Preachers and *Pamphleteers* could not, at any rate after the middle of the century, ignore the suggestion that the exaction of interest ceased to be immoral when it ceased to be oppressive. But they noticed it, in most cases, only to condemn it.

Stealing did not become lawful, merely because the sums stolen were small: God was no respecter of persons to condone, in those who financed *The Rich*, conduct forbidden to those who lent to *The Poor*. The direct results of a loan at moderate interest to a well-to-do *Merchant* might seem harmless. But the *Merchant* would pass it on in higher prices to the *Consumer*, and in the end the whole *Commonwealth*, including the poor, would suffer.

"Usurie walketh in the dark, it biteth, few know when, where and how. Only thus much in general we must needs know, that the borrower upon usurie cannot afford their ware so good cheap by nine and tenne in the hundred."

Social expediency and the teaching of the Church are, in short, in agreement. The moral is to avoid fine distinctions, and to give a wide berth to a practice offensive to both.

⁵⁰ E.g. the abortive scheme for the reorganisation of the ecclesiastical jurisdiction drawn up by Cranmer and Fox; see Cardwell, *Reformatio Legum Ecclesiasticarum*, pp. 206 and 343, and Grindal's *Injunctions* (1671).

“A man will not ride so near the brink of a ditch or pit as he can for fear of falling, but keep a certain distance off that he may be the more secure... Those men who will not abstain from some things which are lawful shall of necessitie commit many things that are unlawful.”⁵¹

Clerical conservatism continued to repeat such doctrines down to the eve of the *Civil War*. But from the middle of the sixteenth century their influence was undermined not merely by frontal attacks from the world of business, but by dissension within the religious citadel itself.

A picturesque tradition asserted that the indulgence shown by later divines to moderate interest sprang from their sympathy with the necessities of *Religious Refugees*, who invested the capital which they took abroad, because in a foreign country they lacked the knowledge to employ it themselves. It is obviously not to be taken *au pied de la lettre*, and the satire of a later generation made merry with the ‘saints under persecution’ to whom usury was ‘very tolerable, because profitable’.⁵²

What is clear, however, is that the new doctrine was an exotic, which, if it found congenial soil in England, was imported into it from abroad in the wake of the religious radicalism of Geneva. In the social ferment of the continental *Reformation*, usury, long a grievance with *Peasant* and *Artisan*, had become for a moment a battle-cry. Public authorities, terrified by the popular demand for the repression of the *Extortioner*, consulted divines and universities as to the legitimacy of interest; and divines and universities gave, as is their wont, a loud, but confused, response.

What emerged when the hubbub died down was, however, important. It was an attempt to discuss the question on a new plane and in a different temper. Of this attitude the principal representative was that worthy instrument of God, Mr. Calvin. ‘Calvin’, wrote an English divine who was concerned to minimise his innovations, ‘dealt with usury, as the apothecary doth with poison’.⁵³ The apologetic was just.

- that interest was lawful, provided that it did not exceed an official maximum;
- that even when a maximum was fixed, *Loans* must be made *gratis* to *The Poor*;
- that the *Borrower* must reap as much advantage as the *Lender*;
- that excessive security must not be exacted;
- that what is venial as an occasional expedient is reprehensible when carried on as a regular occupation;
- that no man may snatch economic gain for himself to the injury of his neighbour.

A condonation of usury surrounded by such inconvenient qualifications can have offered but tepid consolation to the devout *Money-Lender*, and there have been ages in which it would have been regarded as an attack on *Financial Enterprise*, rather than as a defence of it.

The specific conclusions of Calvin were not strikingly original. In emphasising the difference between *Interest* wrung from the necessities of *The Poor*, and *Interest* paid from the *Profits* which a *Prosperous Merchant* could earn with *Borrowed Capital*, he had been anticipated by Major. In his indulgence to a moderate rate on loans to *The Rich* his position was the same as that already assumed, though with some hesitation, by Melancthon.

The picture of Calvin, the *Organiser* and *Disciplinarian*, as the parent of laxity in social ethics is a legend. Like the author of another revolution in economic theory, he might have turned on his popularisers with the protest: ‘I am not a Calvinist’.

Nevertheless, for Calvin's influence on economic thought, it was the legend which counted, and both its critics and his defenders were not wrong in seeing in his doctrine a watershed.

What he did was to change the plane on which the discussion had been conducted, by treating the question of the ethics of money-lending, not as a matter to be decided by an appeal to a special body of doctrine on the subject of usury, but as a particular case of the general problem of the social relations of a *Christian Community*, which must be solved in the light of existing circumstances.

He made, in short, a fresh start, and appealed from Christian tradition to a common sense which he was sanguine enough to hope would be Christian. The *Mosaic law* may have suited the special conditions of the Jews, but it is irrelevant to the life of *Commercial Communities*. The time-honoured objection that ‘money does no breed money’ he dismisses with hardly more ceremony than was afterwards shown it by Bentham.

In practice, *Land* and *Capital* are interchangeable investments; why permit one and condemn the other? What is permanent is not the rule ‘*non fenerabis*’ but ‘*l’équité et la droiture*’. On such a view all extortion is to be

⁵¹ Fenton, *Treatise of Usurie* (1612).

⁵² *Briefe Survey of the Growthe of Usury in England with the Mischiefs attending it* (1673).

⁵³ Fenton, *Treatise of Usurie* (1612). Calvin's views will be found in his *Epist. et Respon.*, p. 355, and in Sermon XXVIII in the *Opera*.

avoided by Christians. But lending at interest, provided the rate is reasonable and the loans are made freely to the poor, is not *per se* more extortionate than any other of the economic transactions without which human affairs cannot be carried on.

Once stated, Calvin's position became that of the most powerful religious movement of the age. 'It took with the brethren', sneered an anti-Puritan critic of a later generations, 'like polygamy with the Turks'.⁵⁴ Within ten years of his death, it was being expounded in England by Baro⁵⁵ and Bullinger,⁵⁶ whose *Decades* every candidate for holy orders was required to study. How eagerly it was seized on by legal and commercial opinion Wilson's dialogue is sufficient to show.

In the works of the clerical interpreters of his theory, as in those of Calvin himself, the tolerance extended to the *Money-Lender* was less conspicuous than the admonitions with which it was accompanied. Its logical conclusion would have been an arrangement, such as was, indeed, proposed by certain writers, under which loans were provided *gratis* or at low rates of interest for the poor, while the commercial world was left free to engage in what transactions it pleased.

But mankind finds in the arguments of theorists what it looks for. Calvin's indulgence to moderate interest, like Adam Smith's individualism, was remembered when the qualifications surrounding it were forgotten; and the practical effect of his teaching was to weaken the whole body of opposition to usury by enabling the critics of the traditional doctrine to argue that religion itself spoke with an uncertain voice.

The strength which the new doctrine derived from its recognition of economic realities is as evident as its appositeness in providing the growing *bourgeoisie* - in England and Holland, the standard-bearers of *Calvinism* - with precisely the moral justification required to hallow their economic practice.

A *Parson* of the straiter sort may decline to live upon income derived from interest on *Capital*,⁵⁷ and a *Layman* of meticulous conscientiousness, like D'Ewes,⁵⁸ may lay down in his will that his *Capital* should not be lent for a certain and stipulated interest, but used to buy either *Land* or *Annuities* as a provision for his daughters. But their very objections show that *Land* and *Capital* are convertible investments.

A *Philanthropist* may provide for the poor by presenting to the parish a cow which is to be 'let on hire'. But cows are mortal; this particular communal cow is 'very like to die of casualty and ill-keeping'. The poor will be more secure of their income if the cow is sold, and the money invested.⁵⁹ Is the step to be condemned as immoral on the ground of a mere technicality?

Nor was it only the impossibility of drawing a sharp distinction between income from natural objects and income from capital which gave its persuasiveness to Calvin's defence of interest. The theory of usury had been designed for the conditions of an age in which the *Lender* was rich and the *Borrower* poor.

Now the *Borrower* was often a *Merchant* who raised a *Loan* in order to *Speculate* on the *Exchanges* or to corner the wool crop, and the *Lender* an economic innocent, who sought a secure *Investment* for his *Savings*.

The defenders of usury were not slow to spy their advantage: How provide, except by interest, it was asked, for those who cannot provide for themselves? It is perhaps first in the sixteenth century that *Widows* and *Orphans* are marshalled, a tearful orchestra, by the *Capitalist* baton.

Compared with the stiff conservatism which denounced as immoral what had become the general practice of the business world, the new doctrine had the advantage of providing an ethical code not too inconsistent with the obvious facts of economic organization. It was inevitable that it should exercise an increasing influence on lay opinion and in the policy of *Statesmen*.

⁵⁴ *Briefe Survey of the Growthe of Usury in England with the Mischiefs attending it* (1673).

⁵⁵ See Cunningham, *English Industry and Commerce, Modern Times*, pp. 157-8.

⁵⁶ Bullinger, *Third Decade*, first and second sermons (Parker Society).

⁵⁷ Blakeney, *History of Shrewsbury*, vol II, pp. 364 and 412.

⁵⁸ Halliwell, *The Autobiography and Correspondence of Sir Simonds D'Ewes*, vol I, pp. 206-12, 322, 354, vol II, pp. 96, and 153-4.

⁵⁹ *Hist. MSS. Com., MSS. of Corporation of Burford*, p. 46.