

The Early Church

by
Henry Swabey

Chapter 2 Usury and the Church of England

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Chapter 2. The Early Church

This was the kind of society in which the *Christians* found themselves. The first disciples, it is true, belonged to a society in which the *Yeoman* was not extinct, and in which the *Usurer* was still regarded with traditional loathing. But embracing, as it were, this small scale community was the *Roman Empire*, riddled by usury, and it was upon this society that, eventually, the *Christian* moral law as to money made its impact and was accurately developed.

The *Christian Fathers* had to decide whether *Usury* was sinful in itself, or was a pure practice liable to abuse, like drinking or buying and selling. Tertullian was the first who condemned the practice in writing, although doubtless many had condemned it in word, and called it sinful. St. Clement of Alexandria said it was not against *Justice*, while St. Cyprian said that usury was not sinful in itself, except in the case of the clergy. This curious double standard, reminiscent of the passage in *Deuteronomy*, was endorsed at the *Council of Nicea*, where the *XVIIth Canon*¹ forbade the clergy to exact usury:

“Because many of the *Ecclesiastical Order*, being led away by covetousness and desire of base gain, have forgotten the *Holy Scripture* which saith, 'He gave not his money upon usury,' do exercise usury, so as to demand every month a hundredth part of the principal, the holy synod thinks it just that if any take such use, by secret transaction, or by demanding the principal and one half of the principal for interest, or contrive any other fraud for filthy lucre's sake, let him be deposed from the clergy and struck out of the list.”

This was unsatisfactory enough, but it did show that the *Fathers* were thinking about usury. O'Brian notes that usury was not forbidden at the *Council of Jerusalem*² but neither was murder. The only moral - distinct from ceremonial - prohibition was fornication, but presumably the *Council* did not consider it the only sin. It is possible that they had *Religious Fornication* in mind, which was a frequent accompaniment of *Fertility Rituals*.

The move to Constantinople by no means freed the *Empire* from the *Usurer's* coils. It was probably an attempt to have the seat of the *Empire* at the natural centre of exchange. And it is significant that Diocletian lived at Nicomedia in Propontis, nearly opposite Constantinople, until his abdication in 305 AD.

Gold became more valuable in its ratio to silver, and in 360 AD silver was discarded as currency. The same process of the decline of the *Yeomen* continued apace, usury increased its rates as the mines became exhausted, and the taxes were not abated.

Usury pressed hard on all provinces of the empire, and Dio Cassius said that the *Revolt of Boadicea* in Britain, in 61 AD was caused by Seneca's usury. He forced a loan of ten million drachmae on the people (about £400,000) at a high rate, then suddenly withdrew his money and brought intense suffering. 70,000 Romans were killed in the rising. And the *Empire* itself was crumbling into moral and economic ruin.

But where politicians were impotent the *Christian Fathers* were laying a foundation of clear thought, although it took centuries to disentangle the threads.

“Of keen philosophical analysis there is none: On the whole we find the teachings of the *Fathers* crude and undeveloped.”

This opinion of O'Brian is not altogether fair, and he adds that:

“...[the prohibition of usury]...seems to have been regarded as universal.”

The society in which the *Fathers* had to think was as much permeated by usury as, under other names, are the British, Russian or American Empires today and the *Fathers*, in not accepting the situation as far as money was concerned just as they found it, were laying the basis of *Christian Economic Theory*, a science of considerable scope that has been, as will appear, completely shelved and almost as completely forgotten. The interest that is now displayed in that science is evidence that the *Fathers'* work was, after all, not so completely irrelevant.

St. Ambrose was the father of *Christian Economics*, and when he declared '*pecunia non parit pecuniam*', money does not breed money, he laid a sound foundation on which *Christian Thinkers* were to build for over a millennium. *The Council of Elva* passed a decree against usury.

¹ From the *Definitions of the Catholic Faith* and the *Canons of the First Four General Councils of the Universal Church*. (1874 arranged by W.H. Blackstone).

² *Acts XV*, 29.

St. Hilary and St. Augustine maintained that it was a *Sin against Charity*; St. Augustine demanded *Restitution*. St. Chrysostom called it the *Sin of Faithlessness*. Indeed, thus early appear the arguments based on *Reason, Experience* and *Revelation*, which we shall see again and again under varied forms.

In 789, by a capitulary canon;

“each and all were forbidden to give anything on usury.”

In 813, not only clergy but laymen were forbidden to take usury. In 850, courts were set up to help bishops suppress usury and in the same year the *Synod of Tacinum* bound *Usurers* to pay *Restitution*.

Meanwhile there had been an era of brilliance under Justinian which culminated in the building of Santa Sophia in 558 AD. and was largely due to the remission of the most oppressive Byzantine taxes by Anastasius.

But there was reaction, the money was still drained to the *Eastern Usurers*, there was an *Asiatic Dynasty* under Leo the Isaurian, and a revolution in 1081 under Alexius Comnenus.

Then there was decentralization of the mints. There were nearly 200 in France by the twelfth century and silver was again monetized. Civilization again stirred in Europe, now that the deadly period of contraction of currency and the dominance of the *Oriental Usurers* was passed.

Throughout this period the *Church* kept culture alive, and did not neglect the application of her ethics to man's economic life. The ninth century John Scotus Erigena wrote:

“Authority proceeds from right reason,”

and this applied to the economic thought of the *Church* for this time and the immediate future.

As the *Medieval Period* opens, the thought that dominated economic thought - as the combination of reason, revelation and experience - was the necessity for *Justice*. Indeed St. Ambrose who died in 397 had started a train of thought that continued until St. Anthony of Pisa.

St. Ambrose had himself treated economic relations under the head of *Justice* and when writing of this *Cardinal Virtue* he had said:

“*Justice, Good Faith* and a *Fair Measure* are necessary in all relations.”

The *Medieval Churchmen* were to pursue the quest for *Justice*, now that the *Church* was strong and was not a mere sect in a decaying empire. St. Ambrose added:

“*Maledictus captans annonam...*” - ‘*Cursed is the Monopolizer of Harvest*’

St. Augustine, his disciple, defined *Justice* in a more concrete way than has since been customary.

“*...quae sua cuique distribuit...*” - ‘*Justice is the Virtue that distributes to each man what is his*’.

It also makes for peace in various relations. This is much less vague than, for instance, the definition of Spencer:

“Every man is free to do that which he wills, provided that he infringes not the equal freedom of any other man.”³

It was from the ethics of St. Ambrose that the twin medieval doctrines of the *Just Price* and of *Usury* arose and developed. We shall see St. Thomas Aquinas advancing this thought.

Incidentally Islam, the other world religion that had connections with Jewry, also condemned usury in the *Koran*. The *Christian Fathers* did not come to quick decisions, but they did not totally neglect the subject and the seed of their thought grew and came to perfection. Then decay set in, but the root may well still be alive.

These are the processes of thought and action that we shall have to consider against the background of the society of the times.

³ Spencer's definition from *Les Droits de L'Homme*, a *Masonic* document. “It would be an error to underestimate the constructive force of true *Masonic* thought. Being of necessity a secret society at a time when heretics were burned, and having passed on their traditions in secret, we cannot analyze their dogmas, but the presence of such men as Goethe, Mozart and Mazzini among them should prevent our listening to irresponsible attacks on them. We do not know at what time they lost contact with the ‘*texne*’ of actual architecture, and can only note that the loss of the *Section d'Or* is supposed to have led to a decadence in the actual form of buildings.” The germ of both ideas is referred to by Blackstone (*Commentaries*, I - 40) when discoursing on the *Law of Nature*: “Such among others are these principles: that we should live honestly, should hurt nobody, and should render to everyone his due; to which three precepts Justinian has reduced the whole doctrine of law.” (*Juris praecepta sunt haec, honeste vivere, alterum non laedere, suum cuique tribuere. Inst. I. i. 3. Ezra Pound.*)

Butchart wrote:

“Usury laws have been advanced in God's name by Moses and by the old Indian prophets and supported by the teachings of Christ. They are as true in their purpose as when the Manu introduced them into India maybe ten thousand years ago, when Moses, or rather Jethro through Moses, gave the Jews his land and money laws, and when Christ talked of the banker who paid and took interest as an undesirable man.”

Jesus says in the story about the talents:

“If I am a hard and greedy master, why then at least you might have paid the talents into the bank that I might have received usury on it.” In other words saying that only greedy and hard men take usury.”

Aristotle's thought came to have a vital place in *Medieval Thought*. This is what he says of money in the *Ethics*:

“Demand has come to be conventionally represented by money; that is why money is called *nomisma* (*customary currency*), because it does not exist by nature but by *nomos* (*custom*) and can be altered and rendered valueless at will.”⁴

Feder drew a valuable distinction of a very fundamental nature between *das Leih Kapital* (*Loan Capital*) and what he called *Creative-Capital*⁵.

◀Chapter 1

▶Usury and the Church of England◀

Chapter 3▶

⁴ “The Church has a *locus standi* on the *Just Price*.” C. H. Douglas, *The Realistic Position of the Church of England*. Major Douglas elsewhere noted the medieval distinction between *Usury* and *Profit*.

⁵ Wyndham Lewis in *Count your Dead, They are Alive*, according to Ezra Pound.