

The Medieval Church

by
Henry Swabey

Chapter 3 Usury and the Church of England

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May 2008

a cesc publication
edited by Peter Etherden

Chapter 3. The Medieval Church

There are two main trends in economics in the Europe that arose after the *Dark Ages*. On the one hand, the process of centralization gradually emerged, in which money came to take a more important part. On the other hand, Catholic thought on economics grew into fullness and made itself felt in law throughout *Christendom*.

Wars - unless they are dealt with by a Caesar - usually end in debt and consequent centralization, and this held true in the main of the *Crusades*. A most revealing line is that of Bertrand de Born, when he says:

“Mortgage your castles.”

When the money at Constantinople contracted, the Italian cities started their rise to prosperity, notably Venice with her silver standard and ‘*grossos*’. The principle of decentralization held in the new barony of Jerusalem, when the city had been taken in 1099, for more than eighteen independent fiefs were established, each of which coined money by right.

Local Mints are always a sign of economic decentralization, and we shall consider them in some detail as they relate to the *English Church*, and as they serve to counteract the centralizing *Usurers*. Further, the flourishing civilization of the *Crescent* stimulated thought in *The West*.

Averroes was born in 1120, and before Averroes there had been civilized and civilizing intercourse between Haroun-al-Raschid and Charlemagne. *The West* learned the industrial arts in large part from *The East*, not least the art of fortification. But this needed huge sums, and in itself gave rise to the system of mortgages and loans.

The Temple had come into prominence by the time of the *Second Crusade*, and took to banking to finance its huge works. By the time of the *Third Crusade*,

“the economic faculty began to predominate”¹

and it was concluded by a mercenary treaty.

The *Fifth Crusade* was used as an excuse for Venice to conquer, not the heathen, but her business rivals of Constantinople in 1204. In fact by 1200 *Bills of Exchange* were used so that paper was supplementing metal.

The commercial and industrial instincts that had been awakened by the crusades and the traffic they involved gave rise to a system of banking that was very like the modern banks and a system of credit was organized by this time in Venice, Florence and Genoa.

With these money-lending became a great trade while debts and taxes mounted. It was indeed a period of prosperity, but one that endangered the *Church's* teaching on usury, and stimulated her in her turn to clarify and expand her doctrines.

In fact, the suppression of *The Temple* in 1313 was the beginning of the economic and social and religious revolution which culminated in the *Reformation*. We shall deal more specifically with the rise of ‘*Industrialism*’ in England and with the position of the English working man before the *Reformation*. But it is vital to understand first the background of thought and of financial aspiration.

Philip the Fair is sometimes held to embody the economic spirit which was arising and to foreshadow Henry VIII. The suppression of *The Temple* certainly prefigures some of Henry VIII's actions which have such a vital bearing on our study. We now turn to the way in which the *Church* elaborated her simple prohibition of usury.

The bare prohibition of the *Second Lateran Council* of 1139, with its strong declaration against *Usurers*, was ineffectual against the growth of their business, and the excommunication which the *Lateran Council* of 1179 pronounced against them needed substantial thought to make it effective, particularly with the growth of trade and ship building.

These tendencies, accordingly, brought expansion in *Catholic Thought*, and this is summed up by St. Thomas Aquinas.² It is true that in some directions, Aquinas is open to criticism, and may be held responsible for giving a false twist to *Christian Thought*. His doctrine of the *Atonement*, for instance, is narrow. And one action of his forecasts the kind of society against which *Christian Economics* were directed.

Canon Robert Saint Amour suggested that the *Mendicant Friars* ought to work, but Aquinas and Bonaventura contrived his ejection from Paris. The action is reminiscent of Cicero's comment, when the *Republic* was in its last sordid days:

¹ Brooks Adams in *Law of Civilization and Decay*.

² St Thomas Aquinas died in 1274.

“Opificesque omnes in sordida arte versantur: nec enimquidquam ingenuum habere potest officina”.³

Again, he quibbled at St. Ambrose's definition of what the *Just Price* is not: to swerve from the truth; to inflict unjust loss; or to use any deceit to raise the price. Perhaps it is in Aquinas that we may trace the origin of the split between theory and reality.

Yet in his economic theory he was impeccable enough, and if we look at the economic theory of Aquinas we shall have an idea of the *Catholic* theory of the time.⁴ A *Summa* may, it is true, check the growth of new thought - in this case, perhaps, the works of Avicenna and Averroes did not receive the consideration that was their due from him - but his teaching on the *Just Price* and *Usury* did not stop clear thinking about money.

On the contrary it led forward to a classic definition some half a century later. And in this clarity after which the *Church* was striving we may see one reason why *Christian Civilization* was able to pass beyond the *Moslem Culture*, which was flourishing at this time.

Aquinas treated the *Just Price* first, and he applied to money the *Canon of the Just Price*. According to *Divine Law*, he said, it is unlawful if *Aequalitas Justitiae* (the equality required by justice) is not observed in buying and selling; and the swindler must recompense for *Notabile Damnum* (loss).

Aequitas was, to the *Medieval Mind*, the emanation of 'pietas' - the passionate love of God and man. This led them to seek for the *Just Price* (*justum pretium*).

Aquinas defines the *Just Price*:

“Justum pretium rerum non est punctualiter determinatum, sed magis in quadam aestimatione consistit; ita quod modica additio non videtur tollere aequitatem justitiae.”

This concise definition may be translated:

“The *Just Price* of goods is not minutely fixed, but is determined rather by a sort of reckoning, of such a kind that a small addition (or subtraction) does not appear to remove the *Equality* that *Justice* requires.”

Turning to money - and it is significant that he treats *Usury* after the *Just Price* - Aquinas divides goods into those that are and those that are not consumed by being used. A house is not consumed when it is used, but wine cannot be used without being consumed.

Money is only used when parted with. So, when a charge is made for the use of money, “*venditur id quod non est*”, a sale is made of what does not exist. Money could not be used without spending it, any more than wine could be used without its consumption, and so to charge for the use of money, was to charge twice, just as the charge for the use as well as for the consumption of wine would be charging twice. Therefore *usura*, charging for the use of money was ‘*contra rationem naturalem*’ - against natural reason (or principle).

The *Just Price* was fixed by *Local Guilds*, in which the interests of the *Master*, the employees or *Journeymen*, and of the *Consumer* were all considered. They have left their memorials in *Guild Halls* and their name to many *City of London Guilds*. Their property alone, as we shall see, was not confiscated.

The connection of religion and business is shown by *Guild Chapels*. In fact, business and trade were no separate function of life, but were the layman's service. This idea may be traced to Clement of Rome and was embodied in the life of the guilds, if imperfectly.

So usury was checked by law and the penalties were heavy. We shall consider this in detail when we treat of England's affairs, but the *Church* had established usury as a grave and hated sin against God and man.

Meanwhile, the development of teaching on usury must be followed and its impact on current thought exemplified. The reasons why Dante Alighieri included *Usurers* in the *Inferno* are given at some length, and fairly represent *Medieval Thought* in 1300.

³ *De Officiis* (i, 42).

⁴ Mid thirteenth century.

“Puossi far forza nella deitate
col cor negando e bestiammianda quella
e spregiando Natura e son bontade:
E pero lo minor giron sugella
del segno suo e Sodoma e Caorsa
e chi spregiando Dio col cor favella.”

Inferno, XI; 46-51

“Violence may be done against the Deity,
Denying Him in the heart and blaspheming Him;
And disdainng Nature and her bounty.
And so the smallest round seals
With its mark both Sodom and Cahors,⁵
And all who speak in their hearts with disparagement of God.”

Usury is here classed as a form of unnatural vice, together with sodomy. It is violence against nature's increase. Dante asks for further explanation. “Turn back,” he says, “to where you say:”

“Che usura offende la divina bontade” - *that usury offends the Divine Bounty.*

This question and the disquisition which follows makes it clear that usury was thought about deeply in these days, and that the *Usurer* was included with those who do violence to God, man, Nature and art.

The answer of Virgil is given in full to show that economic life was in the centre of *Catholic Thought*, and was no isolated activity.

“Filosofia,” mi disse, “a chi l'attende,
nota non pure in una sola parte,
come nature lo suo corso prende
dal divino intelletto e de sua arte;
e se tu ben la tua Fisica note
tu troverai non dopo molte carte
che l'arte vostra quella, quanto puote,
segur, come il maestra fa il discente,
si che vostr' arte a Dio quasi e nipote.
Di queste duo, se to ti rechi a mente,
lo Genesi dal principio, conviene
prender sua vita ed avanzar la gente.
E perche l'usuriere altra via tiene,
per se natura, e par la sua seguace
dispregia, poiche in altro pon la spente.”

Inferno, XI; 97

He said to me:

“Philosophy, to him who hears it, points out, not in one place only, how nature takes her course... from the divine intellect and from its art; and if thou note well thy Physics, thou wilt find, not many pages from the first...that your art, as far as it can, follows her, as the scholar does his master, so that your art is, as it were, the grandchild of the *Deity*...by these two, if thou recallest to thy memory the genesis at the beginning, it behoves man to take his life and be useful to others...and because the *Usurer* takes another way, he contemns Nature in herself and in her follower, placing elsewhere his hope.”

Clearly the *Usurer* was looked on by the *Church* as a pretty loathsome swindler. It is of course true that usury was practiced at Cahors, for instance, and by the *Lombards* as well as by the *Jews* but the feeling against it was strong. There was no longer a double standard, for Dante was a layman and expressed the lay point of view.

Usury was defined with precision at the *Council of Vienne* in 1311. It was a sign of health that we see here an inversion of modern process.

⁵ Cahors in the South of France was so notorious for its *Usurers* in the *Middle Ages* that ‘*Caorsinus*’ was frequently used as a synonym for *Usurer*.

It is usual in the twentieth century for rulers to try to make up for domestic failure by their foreign policies, but in the fourteenth century when the external relations of the *Papacy* were chaotic, with the *Babylonish Captivity* and the *Great Schism*, sound thought was carried forward on domestic matters, and in this year a definition was given which reveals the complete structure of *Christian Doctrine* about usury in the Middle Ages.

It was part of the *Catholic* system of spiritual supervision, and in itself contains the positive and negative aspects: the *Prohibition of Usury* and the *Encouragement of Partnership*. Just as on the legal side *Usury* was banned but the *Local Mints* were lawful.

Shortly before, Dante had consigned several Popes to hell for *Simony*, and makes of them a '*deus inversus*' in concrete form, for their penalty was to be stuck upside down. But thought had not lost its edge in the age of Dante, Cavalcanti and their followers, and so definition was sharp and decisive.

The *Council* laid down that it was a sin to demand back more than had been lent '*nullo periculo, nullo damno, nullo sumptu*'. That is, when the lender incurred no risk, no loss, no expense. Any belief to the contrary was *Heresy*.

Periculum (Risk) designated the *Catholic* teaching on *Partnership*. If a man lent f 100 to a trader, he was entitled to share the profits made on what his f 100 had bought and to the return of his principal. But the condition was that he shared the risks. The trader was paid for the risks he ran and those risks were shared by the investor.

If the ship sank, his f 100 was lost and he could not claim it back. He shared the risks and therefore shared the profits. Those who say that the prohibition of usury impeded *Commerce* are not aware of the teaching on *Partnership*, or else they approve of illegitimate trade.

Modern practice is more like *Foenus Nauticum*, a maritime loan. Money was invested in maritime commerce and usury taken on it. In this case the ship was mortgaged as security, and if it sank the capital had to be returned. So, there was no sharing of the risks.

This practice was brought into line with *Partnership*, for the *Church* insisted that if the ship sank the lenders must share the loss and had no right to the return of the capital. *Partnership* insisted that both profits and losses must be shared.

It is a doctrine basic not only to commercial and financial relations, but to those between employer and employed. Lancelot Andrewes - unconsciously following Mencius - defended *Tithes* because priest and people shared the vagaries of nature. The fixed money payment is not a substitute.

Another attempted evasion of *Just Trading* was the *Contractus Trinus*. The profiteers claimed that as the investor could insure himself against fluctuations in the rate of profit with one agent, and against the loss of capital with another, he should be guaranteed a fixed rate of profit and the return of his capital by the merchant who borrowed his money.

For a time the *Contractus Trinus* flourished. But the *Church* was always suspicious of *Trade*, and held that legitimate trade was bound to involve the same sort of risks as those inevitable in husbandry. And they did not look with favour on the variety of occupations which this kind of business was creating. They saw that these transactions drew men away from nature and work on the land.

The most worthy of all occupations, the theologians of those days considered, was that of the farm labourer. The further from nature and the inevitable risks of nature, the further from God. So Sixtus V condemned as usurious every promise to return capital unimpaired in his bull *Detestabilis*. He might well have quoted the example of Cato when asked the best way to invest a sum of money. Cato replied: "Buy a field and cultivate it."

The doctrine of *Partnership*, in fact, carried on the ancient European tradition of the basic importance of *Land Work*. Hesiod, in his *Works and Days*, first expounded the principles of *Husbandry* and it was this kind of thinking that influenced the *Church* in her dealing with money and economics as a whole.

"Suppose your soul is perverted to commerce" and "What do you want with ships?" are phrases that show the attitude not of Hesiod alone. A few typical lines of his may be given:

"Work, Perses, and make an enemy of hunger. Strike up friendship with revered Demeter. God is our Father. Let her fill your barn with livelihood. The idler always finds suitable companionship with hunger. God and man loathe the work-shy, like the sting-less drone in disposition consuming the work of bees without effort. Come! Set in order your own husbandry to fill the barns with seasonable yield. By husbandry you gain a wealth of sheep and favour with the immortals."

Langland, in *Piers Plowman*, carries on this tradition, and Piers is seen as the mirror of Christ. Not that this was *Puritanism*, for the many feast days -not Bank holy days - gave frequent holidays and opportunities for merrymaking.

In fact, we shall barely appreciate *Medieval Thought* unless we can see usury (not its prohibition) as the negation. It denied and ruined the life and work of the small farmer, which was at the root of civilization. These facts had been appreciated by Plato, and the *Medieval Churchmen*, in spite of encroachments by *Commerce*, were enthusiastic for this kind of order. The monks were successful farmers and, on the whole, good landlords who encouraged the small man. We shall elsewhere note some of the effects of sheep farming.

In connection with *Partnership*, the second reservation was in the case of *Damnum (loss)*. This meant that the lender had lost money through the failure of the borrower to repay. This was called *Damnum Emergens (loss arising from lending)*. In such cases, the lender was entitled to the return of his principal and to compensation to the extent of the exact amount he had lost, which had to be proved.

Another kind of loss for which compensation was sometimes claimed was *Lucrum Cessans (profit that does not accrue)*. If the lender failed to recover his money on the stipulated day, he might lose opportunities of making profit, and it was for this that compensation was claimed. Aquinas did not allow *Lucrum Cessans* because it was too uncertain, and when admitted it had to be proved. And seeing that gain from *Partnership* was inseparable from risk, it would not have been easy to prove it. It could only be justified as a low average of probable gain from *Partnership*.

The *Christian Fathers* still clung to the uncertainties of *Nature*, and the payment of the *tithe* involved them in the ups and downs of the harvests. For, as Lancelot Andrewes pointed out later, the *tithe* bound together priest and people in the vagaries of nature. When *tithes* were commuted to a fixed money payment, in the nineteenth century in England, that bond with the reality of nature was snapped and men were further removed from Providence.

Hesiod, on the other hand, nearly a millennium before Christ, had opened his *Works* with something very like the *Magnificat* and passed on to his idea of the *Fall* and *Original Sin*. Likewise, in the *Christian Church* it was desired that men should be not only aware of *Providence* but should feel their vital day to day dependence on Him. Accordingly, *Lucrum Cessans* was regarded with suspicion.

But it was outstandingly important, as we shall see with the development and complication of economic practice, theory and ethics. For it was in the difference between the amount lent and the amount that might have been in hand if the money had been turned over, that *Interest* arose. It was what '*inter est*'.

When the rest of Catholic teaching on economics had been forgotten, the distinction between usury and interest was still of academic importance in the *Roman Catholic Church*. Suffice it here to note the origin of the important and almost revolutionary concept.

But in *Medieval Times* the middle class was not of *Rentiers* but of the owners and workers of the plough. It was a society of persons, not independent individualists, in which all had rights and duties, the larger the right the heavier the responsibility. And the *Church* sought to guard this ordered society from the ruin of usury, whose effect they understood perfectly well.

Religion was a matter both of binding people together and of binding back abuses.

Sumptus (expenses) appears to justify a fixed rate. But when two percent a year was charged on *Montes Pietatis (loans raised to help the poor)* for running expenses, the *Augustinians* objected violently. They at once saw the danger of allowing a fixed and regular return. The usual rate under the *Roman Republic* had been one percent a month, and this was quite moderate and often exceeded.

The whole doctrine is in startling contrast with modern banking methods. For when a loan is made today, the whole of this sum is required back in addition to a fixed rate of usury. No account is taken of the profit or loss of the concern to which the loan is made, and *Collateral Security* is demanded.

The bank performs many services, but the interest on loans is not payment for expenses. It is a device of a different world from that of the *Medieval Thinkers*.

The further point that the bank does not really make a loan of the money it holds, but issues money to about ten times the actual deposits, will be dealt with when we consider how the English maintained the circulation of coins without practicing usury or hampering lawful business.

The medieval outlook was not negative, however, or a mere ban on a sin. To them, usury was the negative which vitiated the positive order of small scale producers, and which distorted the social hierarchy. They saw clearly what usury did, and that it would destroy such order and welfare as they had achieved.

Gratian shows that, in the *Medieval Period*, canons against usury were multiplying. And there can be no question that usury was held universally to be a sin against God and Nature. Some lines from François Villion, who was rather a poet than a moralist, but being a good poet truly reflected the thought of the age, show the general feeling:

“ Si je pensois vendre de ma santé
A ung Lombard, usurier par nature,
Faulte d'argent m'a si forte enchanté
Que j'en prendrois, ce crois-je, l'aventure.”

Usury was the sale of health, holiness, in a word, of wholesomeness. Usury, then, was considered a sin against God, Man, Nature and art.⁶ But in addition it was outlawed as a crime. It is an important distinction.

Usury was considered as a sin first for clergy only and then for the laity as well. Then it was banned as a crime. The criminal code was later relaxed in its favour, but it was still considered sinful. But as usury became conventional, then respectable, it was no longer held to be a sin.

This process we shall see at work quite clearly in England, and so on this vital matter the morals of *Catholics* and *Churchmen* were dictated to them by Calvin. It was an extraordinary perversion. The force of circumstances (and they were strong as Tawney shows) broke down the barrier.

Many now hold that it would have proved happier for humanity if *Catholic Doctrine* had been expanded instead of abandoned. And some suggest that the *Money System* itself was ready for a change. But at the point now reached, in spite of *Lombards*, *Jews* (who had a double standard), *Caorsines* and others, the law against usury was staunchly upheld by *Church* and *State*.

It is now opportune to see the impact that this thought about usury made on England, her laws and her practical and theological thinking. It must be realized that, however much she resented the *Papal taxes* and extortions, England was *Catholic* at heart and accepted without reserve the *Prohibition of Usury*.

It is not strange that she enforced the prohibition. It would have been inexplicable if she had not. Historians are prejudiced on the matter, their minds being coloured by economic thought current when they write. But there are influential thinkers who affirm that the tradition of green and merry England was true, and that the *Prohibition of Usury* was one of the first causes of this happy state.

T.S. Eliot mentioned the ill influence of usury in a wireless talk not so many years ago. It is at least undeniable that the bases of civilization which were, if imperfectly, realized in the *Middle Ages* (such as a prosperous *Yeomanry* and an efficient *Monetary System*) were always threatened by the rise of the *Usurer*.

This was known, recognized and guarded against. It has been called an age of imagination in which *Priest*, *Poet* and *Soldier* were prominent. It has been called an *Age of Superstition* or an *Age of Faith*. But at least it was an age in which the leading thinkers and statesmen saw quite clearly what would upset the order they had achieved, and kept the abuse in check.

This note is somewhat complicated and technical and hardly advance the main argument but it provides further details and shows the encroachment of *Commercialism* if not of *Finance* and the struggle of *Catholic Thought* to deal with it. are

In Ashley's view⁷ needs and not claims touched the *Medievales*, which - in the modern idiom, or that of pre-war days - means that they would not have turned away a starving man with the excuse that the alms would only be spent on drink, and then not have tried to put the system right.

For they believed not in a puritanical god but in a *Providence* who provided for His creatures. *Christians* who disliked 'indiscriminate charity' were bound to do something to help their unfortunate brothers, fellow churchmen as they nearly all were, and they were ready to do this even if it involved some hard thinking.

In contrast is the picture by William Cobbett of the results of suppressing the monasteries. Hoards of beggars had nowhere to turn, and the new-born greed - an age in which a privateer could be called the *Good Ship Jesus* - had scant sympathy for them. Cobbett⁸ ascribed generosity to the *Medievales* as one of their leading traits.

A *Partnership (commenda)* originally consisted of a merchant who stayed at home (*Commendator*) and a travelling merchant (*Tractator*) who sold the goods at a profit, which was the reward he had won for the risk of accident or robbery. The traveller did not pay the home merchant until he had sold the goods. No transference of

⁶ Ezra Pound closely related the economic arrangement of a people to its art.

⁷ Sir W Ashley in *Mediaeval Economic History* - a valuable background.

⁸ In the *History of the Protestant Reformation* and elsewhere.

ownership took place. So, the *Medievals* argued, the profits belonged to the *Commandator*. He usually gave his partner a quarter of the profits or paid him a salary. If the ship foundered, the loss was his.

If the *Tractator* was successful, he might himself buy goods or give the *Commendator* money with which to buy goods ('invest his capital') and share in the profits on selling the goods. So, if he invested £ 100 and the merchant invested £ 200, he would be entitled to a quarter as a *Tractator* and a third as *Capitalist*. He also stood to lose his £100. This arrangement, Ashley says, was called a *Societas* in Venice, and elsewhere a *Collegantia*. The *Commenda* was used for internal trade and later even for local industry.

In a *Societas Maris*, the travelling *Tractator* took the capital of the *Socii* into his service. If the ship sank, the investors never saw their money again. Such a *Partnership* was established before the canonist law against usury. In 1206, Pope Innocent III advised the Archbishop of Genoa that:

"In some cases a dowry should be committed to some merchant, that an income might be derived by honest gain."

When Aquinas considered *Partnership*, he decided that the investor was entitled to gain because he remained owner of his capital. But the distinction between *Partnership* and *Usury* was not so much here as that between on the one hand demanding gain and the return of capital, and on the other, sharing profits if risks were shared.

Damnum Emergens was allowed by Aquinas and Alexander of Hales, much as Plato had allowed compensation. But Aquinas condemned *Lucrum Cessans* because it was uncertain and could not be proved. But this was not the view of Innocent IV (c. 1250) or of the 14th and 15th centuries.

Bernadino of Siena (d. 1444) accepted it, and Paul de Castro (d. 1441) said that:

"The proof of loss of gain should be dispensed with in the case of traders."

Ashley shows that it was a technical quibble (or evasion), and that money could be lent and interest claimed after a short space if the money was lent gratuitously at first. But although he says that contracts have been found as early as 1353 in which interest was paid from the first day, this practice was not general until the middle of the sixteenth century.

Although confusion was beginning between sharing the profits of partnership and taking interest on a loan when profit had been lost, it is still some way from Calvin. For it is with Calvin that the *Medieval* or *Catholic Period* of economic thought came to a virtual end, while business and the methods of gain supplanted *Christianity* in this vital field. The process will be clearer when we consider England, where the reign of Henry VIII is a watershed, and where period succeeds to period like the movements of a symphony.

Rents were allowed by Aquinas, because when a house was lent it remained the property of its owner. Gesell held that if a house had been lent, it should be returned to the owner just as it was when the tenant occupied it, that is, repairs and deterioration should be paid for. But owners of land in receipt of a terminal fixed rent thought of this as a right which could be sold. This practice was not so prevalent in England as in Germany.

It was legally difficult for a tenant to pay rent to a third party, while the lord still owned the land. So the landlord sold his property to a third party including the right to receive rent, and then received the property back and paid the rent charge himself.

The *Church* did not object to rent charges under certain conditions, and in 1425 Martin V pronounced that rent charges were not sinful. The difference between a rent charge and usury is that a tenant might be productive (apart from the question of expenses), and that a holding is non-fungible in that it is not consumed by use, while money has to be parted with when used.

Poena conventionalis was another method of making the debtor pay. It was the addition of a sum equal to the debt as a punishment, and with this he was often threatened. Sometimes a percentage was substituted for the lump sum, and this penalty was recognized by statute in 1485 and not considered usurious because it was punitive. This *poena* was unchristian in tendency, and the penalty should have been received by the *State*, while the *Creditors* could have claimed *Damnum Emergens*, or have forgiven.

Montes pietatis never appeared in England, although they had their effect as precedent. They were sanctioned by the pope in 1467, and in 1515 at a *Lateran Council* Leo X gave judgment in their favour.

Most of the practices above are steps towards the re-establishment of usury, but all the time the *Church* is foiling the *Traders*. The doctrine of *Partnership* was likewise stretched. In its purest form, *societas* involved the investor in sharing risks and profits. The *Bastard Partnership*, the *contractus trinus* which we have mentioned (insurances with various agents which was held to justify a fixed rate of profit), was favoured by *Jesuits* and

Navarenes, defended by university faculties, and Major, the British *Provost of the College of St. Salvador*, glossed it over with such phrases as “prudent desire, not lust for gain.”

But the *Catholic Reaction* protested at the *Milan Synod* and declared that contracts were usurious which guaranteed the return of the principal. In 1586 Sixtus V's *Bull Detestabilis* condemned every promise to return the capital unimpaired. A bull of Pius V in 1568 had demanded that a fruit bearing basis was necessary for demanding a rent charge. So the *chevisance* of Major was challenged.

But even towards the end of the period of doubtful twists and shifts, and of the pressure of *Money Dealers*, there is never any attempt by *Catholics* to hold that usury itself is not sinful. They dared not try to do that as it would have been impossible to those with a tenacious desire for *pietas* and the inseparable *aequitas*.

But the time was very near. This note gives evidence of continuous pressure and continuous thought to meet it. In England we shall see the process in some detail.

◀ Chapter 2

▶ Usury and the Church of England ◀

Chapter 4 ▶