

The Peasant and Small Master

from
The Historical Introduction to A Discourse Upon Usury
by
R. H. Tawney

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edited by Peter Etherden

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
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Her Majesty's Honourable Court of Requests*

WITH AN HISTORICAL INTRODUCTION BY

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Introduction

The first assumption of Wilson's dialogue is that the transactions which he summarises under the name of usury present a practical problem of serious urgency. The second is that economic relations, in particular those of *Lender* and *Borrower*, are one department of moral conduct, that they are to be judged by a rule of right, not merely by considerations of economic expediency, and that the standards to be applied to them, while they ought to be enforced by the *State*, are derived ultimately from the teaching of the *Church*.

An attempt is made in a subsequent section to give some account of the treatment of the question by *Public Policy*. But, if theories are to be understood, they must be set in relation to the economic environment which supplies the practical premises of the theorist.

We begin, therefore, by offering a tentative classification¹ of the main types of credit transaction which formed the background of the controversies discussed in Wilson's book. If loans raised by the *Government* be omitted,² they were four and we begin with the *Peasant* and *Small Master*. Bacon wrote:

“Treasure doth then advance greatness when the wealth of the subject be rather in many hands than few.”³

The starting point of Wilson's treatise is that of almost all *Social Theory* before the *Political Arithmetic* of the *Restoration*. It is a society in which property is widely distributed, in which there is a large *Middle Class* and, outside London, a small, though growing, *Proletariat*, in which, in short, the typical worker is not a *Wage-Earner*, but a *Peasant Farmer*, a *Tradesman*, or a *Small Master*.

It is true, of course, that for a century or more this social order had been seen to be in process of transformation. It was, indeed, the collision between the vested interests of the *Peasants* and *Master Craftsmen* and new forms of *Capitalist Enterprise* in agriculture and industry which produced the social tension of the *Tudor Period*, and we shall have later to notice the important developments to which they gave rise in the special sphere of *Credit Organisation*.

But the change in the balance of social forces was gradual, and the adjustment of traditional social ideas to the new situation was more gradual still. In spite of the encroachments of *Merchants*, in spite of the growth of *Joint-Stock Organisation*, of a *Money Market*, and of a rudimentary *Factory System*, England down to the *Civil War* remained in the main, as Harrington was to emphasise, a *Nation of Property-Owners*.

After three generations of agitation against *Enclosing*, land continued, as the surveys show, to be widely distributed and the village where:

“the ground of the parish is gotten up into a few men hands, yea, sometimes into the tenure of one, or two, or three, whereby the rest are compelled either to be hired servants unto the other or else to beg their bread in misery from door to door,”⁴

was still in most parts of the country the exception.

Except in the case of *Great Estates*, farms are worked with two or three servants, who have, or expect to have, a holding of their own.

Wage workers are relatively scarce - for there is always the alternative of squatting on waste land or hiring a

¹ R.H. Tawney's brief introductory remarks set the scene for the four essays that follow in the second of the three parts of his historical introduction to the G. Bell 1925 London edition of Thomas Wilson's *A Discourse Upon Usury*. He entitles this part *The Principal Types of Credit Transactions* and includes essays on *The Peasant and Small Master*; *The Needy Gentleman*; *The Financing of Capitalist Industry*; *The Foreign Exchanges*; and *The Antecedents of Banking*. The first part includes an essay on *Thomas Wilson*. The third part is entitled *Public Policy and the Money Lender* and includes essays on *The Damnable Sin of Usury*; *The Harrying of the Usurer*; *The Struggle over the Exchanges*; and some brief concluding remarks. [Ed.]

² A large omission. My excuse for not dealing with the important question of *Public Credit* must be that to do so would have added greatly to the length of an introduction which is already too long. Though of great economic, as well as political, interest, in particular as showing the class of *Capitalists* from whom loans were drawn (see *The Antecedents of Banking* by R.H. Tawney it raises somewhat different questions from the transactions discussed by Wilson and has received more attention from *Historians*. See Dietz, *English Government Finance, 1435-1558*, and Scott, *English Joint-Stock Companies*, vol. I, *passim*.

³ Bacon, *Of the true greatness of the Kingdom of Britain*. See also the essay, *Of Usurie*, “The fourth [disadvantage] is that it bringeth the Treasure of a Realme or State into a few hands...and ever a State flourisheth when wealth is more equally spread.”

⁴ Harrison, *Elizabethan England* (ed. By Withington), p. 20.

loom. It is because they are scarce - because 'young people will not go abroad to service', because 'the servants are grown so proud and idle that the master cannot be known from the servant'⁵ - that the policy of fixing maximum wages under the act of 1563 is practicable for the authorities and popular with the *Yeomen* and *Small Masters*, who, where their immediate interests are concerned, are important enough to command the attention of *Governments*.

In the textile trades, where one *Clothier* may 'set in occupation' 500 families,⁶ there is, of course, a different policy. But outside the textile trades, it is, even in London, a *Large Employer* who gives work to a score of *Journeymen*, and even in the *Woollen Industry* itself, the prominence of the Winchcombes, Stumps, Springs, and Byroms must not blind us to the probability that the type of *Employer* who worked with half a dozen *Journeymen* and one or two *Apprentices* was far more common.

Sir John Smythe wrote to Lord Burghley of the men in Flanders and at sea:

"The thousands of brave English people that have been consumed by sea and land within these two years, have not been rogues, cut-purses, horse-stealers, committers of burglary, nor other sorts of thieves (as some of our captains and men of war, to excuse themselves, do report) but in truth they were *Young Gentlemen*, *Yeomen* and *Yeomen's Sons*, and *Artificers* of the most brave sort, such as did disdain to pilfer and steal, but went as voluntary to serve of a gaily and joyalty of mind, all which kind of people are the flower and force of a kingdom."⁷

It is of such elements that a great part of *Elizabethan England* - 'its flower and force' - is composed. In spite of the growing concentration of property, it is still, in a convenient modern phrase, a *Distributive State*. Its problems are those, not of an industrial community - though, such as they are, they are hardly less acute - but of the *Peasant Farmer* and *Master Craftsman*.

Of these problems, the first, the subject between 1485 and 1640 of twelve statutes, seven *Royal Commissions*, and endless pamphleteering, concerned the *Tenure of Land*. The second, which was only less grave than the question of agrarian conditions, related to *Credit* and was described as that of usury.

In the society of *Small Property-Owners* who, in most parts of the country, gave its special character to the social organisation on *Tudor England*, borrowing and lending were common. It was with reference to the petty transactions, not to the world of high finance, in which *Merchants* speculated on the *Exchanges* and *Government Agents* wrangled with sharp Italians and obstinate Germans, that the attitude towards the *Moneylender* inherited by the sixteenth century had, in the first instance, been hammered out.

Unless the word *Banking* is to be confined to the particular type of *Credit Organisation* which developed in England after the *Civil War*, banking did not come into existence either with the foundation of the *Bank of England*, or even with the 'running cash' of its forerunners and competitors, the *Goldsmiths*.

In a world where seasons are uncertain and six months intervene between sowing and harvest, the need of advances was not the invention of man; it was inherent in the nature of things. If the first impression of the student accustomed to the *Centralised Financial Organisation* of modern societies is surprise at the small use made of credit, the second is likely to be surprise at its ubiquity.

The problem was not a novel one. The whole mass of ecclesiastical and secular legislation on the subject of usury, as well as the commentaries, legal text books, and manuals for the confessional to which the *Canon Law* on the subject had given rise, is in itself a proof of the prevalence of lending and borrowing in the *Middle Ages*.

At any rate by the thirteenth century certain main types of transactions were in sufficiently general use to be treated as common forms; and the authors of practical handbooks for the *Guidance of Administrators* were familiar with all the devices for disguising usurious contracts - time bargains, fictitious partnerships, excessive security, the exaction of interest in kind or in personal labour - which were practised three centuries later.⁸

Quite apart from the great financial dealings of *Kings* and *Nobles*, *Monasteries*, *Bishops* and the *Papacy*, which strike the eye at once, even a cursory glance at the life of a *Medieval Manor* or *Borough* shows credit transactions springing spontaneously, even in a commercial backwater like England, from the ordinary

⁵ *Hist. MSS. Com., MSS. of the Marquis of Salisbury*, vol. I, pp. 132 and 322.

⁶ E.g. letter of Cade to Cromwell, 1538 (quoted Gretton, *The Burford Records*, pp. 655-6, from *L. & P. Hen. VIII*)... "he settyth in ocupacione dayly five C of the Kynges subjets of all sortys."

⁷ *Hist. MSS. Com., MSS. of Marquis of Salisbury*, pt. IV, pp. 4-5.

⁸ See, e.g., Raymond de Pennaforti, *Summa Pastoralis* (printed by Ravaisson, *Catalogue Générale des MSS. Des bibliothèques publiques des départements*, vol. I, pp. 592 seq.). An account of the evasions commonly practised in the sixteenth century is given by Smith, *First Sermon on Usury*, parts of which are reprinted by Haweis, *Sketches of the Reformation*, chap. XII.

necessities of humble people, who may curse the *Lender* but who cannot dispense with *Loans*.

In the *Boroughs* it had been part of the ordinary business of *Municipal* and *Commercial Courts* to try the case of the man who had borrowed money to buy a bargain and found himself unable to pay when the debt became due.⁹ There had been *Brokers* who earned a commission, and sometimes incurred a fine, for negotiating loans.¹⁰ Professor Unwin has shown that in the London of Edward III a *Goldsmith* could carry on what was, in effect, a *Banking Business*.¹¹ 'Usurers,' whose practices were at once too scandalous to be tolerated by their neighbours and too convenient to be altogether suppressed, had existed in the fourteenth century even in villages.¹²

In town and country alike the *Commercial Classes* had made free use of the *Contract of Partnership* which enabled them to trade with borrowed capital, while avoiding the suspicion of unlawful practices. A foreign visitor at the end of the fifteenth century, writing home to the commercial capital of Europe a description of the habits of the wealthy, though barbarous, islanders, found it worthy of note that 'they are so hardy that they do not fear to lend money upon usury'.¹³

He did not overestimate their hardiness. If only a single reference to money-lending appears in the proceedings of *English Church Councils*, and if Lyndwood,¹⁴ with unusual self-restraint, dismisses the subject in a couple of lines, the explanation is more probably that *English Business* was a somewhat slow-going affair, than that England was an Arcadia of economic innocence.

Matilda la Metre, who pledges seven ells of burrell with Moses of Dog Street, "Juetta [who] is a *Usurers* and sells at a dearer rate for accommodation," Richard, the *Parson's Chaplain*, who is a *Usurer*, John the Chaplain, *qui est usurarius maximus*¹⁵ - minnows like these naturally slip out of sight before the voracious pikes, the Greshams and Stoddards, Pallavicinos and Spinolas, Foggers, Schetzes, and Rellingers, who rule the turbid financial pond of the sixteenth century.

Of the *Economic Revolution* which by the reign of Elizabeth had knit England to the web of *International Finance*, something is said below. But profoundly as these new forces were transforming the upper ranges of English life, it was only very gradually that they modified the economic practice of the great mass of the population. We shall not understand the collision of ideas portrayed in Wilson's book, unless we realise that neither in social organisation nor in social thought had there been any sharp breach with the *Middle Ages*.

Among the *Peasants* and *Small Masters* who form more than three-quarters of the population, and whose circumstances the traditional doctrine of social obligations had been forged to meet, the characteristic type of arrangement is what may be called *Casual Credit*. Borrow they must: they will lend - for a consideration - if they can. But except in the larger towns, there is no specialised class of *Moneylenders* and no organised machinery. *Moneylending* is not a profession but a bye-employment; a bye-employment which is intertwined with, and often concealed by, other economic transactions.

Consider, for example, a group of cases selected at random from those which come before the *Courts*.¹⁶ Who are the *Lenders*? Generally they are quite unpretending people, *Farmers* who are a little more prosperous than their neighbours and see in their difficulties the chance of turning an honest penny, *Innkeepers* who gradually worm themselves into the abhors of the unwary customer, give long credit, and at the critical moment foreclose, *Tailors*, *Drapers*, *Grocers*, *Mercers*, who have a little money laid by, and take to lending it in order to eke out the earnings of their trade.

In country districts the character most commonly found advancing money is a *Yeoman*, and next to him comes probably the *Parson*, for both are slightly, if only slightly, better off and better educated than the humbler *Cottagers*. The outstanding debts are commonly articles such as grain, cattle, clothes, and household furniture. The security is usually some similar form of *Personal Property*.

It is true, of course, that, with the expansion of trade, credit assumed a different form in the larger commercial

⁹ Sharpe, *Calendar of Letter Books of the City of London*, H., pp. 25, 27-8, 200, 261-2; Selden Society, *Select Cases concerning the Law Merchant*, pp. 105 and 125.

¹⁰ Sharpe, *op. cit.*, pp. 24 and 27-8.

¹¹ Unwin, *Finance and Trade under Edward III*, pp. 26-28.

¹² *Hist. MSS. Com., Report on the MSS. of the Marquis of Lothian*, pp. 26-76.

¹³ Camden Society, *An Italian Relation of England*.

¹⁴ Gibson, *Codex Juris Ecclesiastici Anglicani*, vol II, p. 1026, and Lyndwood, *Provinciale, sub. tit., Usura*.

¹⁵ Selden Society, *Exchequer of the Jews*, p. 116, and *Leet Jurisdiction in Norwich* p.35; *Hist. MSS. Com., MSS. of the Marquis of Lothian*, pp. 26 and 27.

¹⁶ Information as to the occupation and social position of the parties concerned in *Money-lending* transactions is usually exasperatingly vague. But out of sixty-five cases in which it has been possible to trace it, in sixteen the *Lender* is described as a *Yeoman*, *Farmer*, *Gentleman*, or *Clergyman*, and in twenty-five as engaged in one branch or another of the *Clothing Trades*.

centres from that which it wore in the country, and that in London in particular, apart from the large-scale financing of *Exports* and *Governments* done on the *Exchange* and by great *Commercial Houses*, even the credit transactions represented by loans to *Necessitous Tradesmen* and *Impoverished Squires* were tending to pass into the hands of a recognised, if somewhat disreputable, *Class of Specialists*.

It is true also that, side by side with this *Casual Pawnbroking*, one can trace here and there even in villages in the closing years of the sixteenth century the emergence of a class of men who are marked out at once by their wealth and their habits as the *Financiers* of their districts, and who may almost be described as *Professional Moneylenders*.

But in rural England this type of *Rich Usurer*, of whom something is said in a subsequent section, is the exception. The money-lending which concerns nine-tenths of the population is spasmodic, irregular, unorganised, a series of individual, and sometimes surreptitious, transactions between neighbours.

It is, indeed, because the commonest type of credit is as far as possible removed from being part of a system, because it is a matter of *Mutual Aid* among men exposed to the common risks of uncertain seasons and perishable live stock, that it seems peculiarly odious for those who are fortunate to take advantage of the necessities of those who are not, and that religious opinion has been able for centuries to treat money-lending as a simple case of neighbourly or unneighbourly conduct.

The charitable man comes to the help of distress out of goodwill: like Fuller's *Good Yeoman*,

“He is the Joseph of the countryside who keeps *The Poor* from starving.”¹⁷

The typical *Usurer* is apt to outrage, not merely one, but all, of the decencies of social intercourse Robert Danvers of Tenbury is not only a man ‘who doth put money out to use and take extortions’, but he is also:

“...a common barrator and breaker of the peace and one that doth keep ill order and is a lewd liver...a night walker, and a man of ill condition, and one that doth daily abuse his neighbours.”¹⁸

John Ferror, of Norfolk, aggravates his ‘usury and extortion’ by oppression, embracery, and maintenance.¹⁹

Thomas Hopkins is not merely a *Usurer*, but:

“...an instrument of the *Papists*, *Perjurer*, and assistant to the late *Rebels* in Norfolk.”²⁰

Thomas Wilcox, of Hereford, in addition to being:

“...a horrible, Usurer, taking a penny and sometimes pence for a shilling for the week,”

has been:

“...excommunicated and cursed by his father and mother, is a common breaker of his neighbours’ hedges and pales in the night-time, and every Sunday when the priest is ready to go to the Communion, he departs from the church for the recovering of his weekly usury, and doth not tarry the end of divine service three times in the year.”²¹

In such cases the very intimacy and normality of the relations makes oppression at once doubly easy and doubly scandalous. It is not a question of the impersonal mechanism of the *Money Market*, which, if it excludes personal kindness excludes also the arbitrary caprices of personal avarice.

Borrower and *Lender* sneak off into a corner. The *Lender* protests that he has no money of his own and that he must raise it from a friend, or refuses point blank while giving his wife a wink to make an advance when his back is turned.

The *Borrower* is in temporary difficulties, and:

“...since he must either famish or take as is offered, borroweth either in money, which is very seldom, or in wares, which is the common use of most.”

For among these small people loans are constantly made in kind; and loans in kind, in a period of rising prices, not only prejudice the *Borrower*, but make it easier to conceal the rate of interest charged and thus naturally play into the hands of the stronger party. A *Pamphleteer* wrote:

¹⁷ Fuller, *The Holy and Profane State*.

¹⁸ J.W. Bund, *Kalendar of Worcester Sessions Rolls*, 1591-1643, pt. II, pp. 616-7.

¹⁹ *S.P.D. Eliz.* clv, No. 65.

²⁰ *S.P.D. Eliz.* 1566-79, xxv, No. 119.

²¹ *Hist. MSS. Com., MSS. of the Borough of Hereford*, pp. 333-4.

“He that puts forth money dare not exceed the rate of ten in the hundred; but he that uttereth wares doth make the rate at his own contentment. In money they rate upon the conscience of the Borrower what he will bestow, in wares they use their own discretion in taking what they can get.”²²

In such circumstances, there is no question of an equal bargain. Everything turns on the ‘discretion’ of the Lender. And the Lender, already in bad odour with his neighbours, and liable to be harassed by the authorities, is not seldom disposed to say with Shylock:

“But since I am a dog, beware my fangs.”

Unconscionable bargains are made at all times and in all places. What gave their peculiar significance to the exactions of the Moneylender in the sixteenth century was that they were not a mere incident on the frontiers of economic life, but touched one of the vital nerves of the whole social system.

The special economic malaise of an age is naturally the obverse of the special qualities. For the Peasants, and Small-holders, of whose independence and prosperity English Publicists boast in contrast to the ‘housed beggars’ of France and Germany, the burning question is not that of wages.

The crucial matter is that of the relations of the Producer to the Dealer with whom he buys and sells, and to the Small Capitalist, often the Dealer in another guise, to whom he runs into debt. It is that of Prices and Interest.

The Farmer must borrow money when the season is bad, or when his beasts die on him, or merely to finance the interval between sowing and harvest.

The Craftsman must buy raw materials on credit and get advances before his wares are sold.

The Young Tradesman must scrape together a little capital before he can set up shop.

Even the Cottager who buys grain at the local market must constantly ask the Seller to ‘give day’.

Almost everyone, therefore, at one time or another, has need of the Moneylender. And the Lender is often a Monopolist - a Money Master, a Maltster or Cornmonger, a Rich Priest, who is the solitary Capitalist in a community of Peasants and Artisans. Naturally, he is apt to become their Master.

The problem was particularly acute in connection with the Land Question of the day. Apart from the transactions of the Greater Landowners, in which considerable sums of money changed hands, borrowing on a smaller scale, as the warnings of agricultural writers against farming with borrowed capital show,²³ was a normal and necessary incident in the life of The Peasantry.

Like the peasant Proprietor in Germany and Russia, before the devaluation of money had wiped out mortgages, the Copyholder or Yeoman of Tudor England was apt to step into a position where he was little more than the Caretaker of his Creditors. He borrows money to try to stock his farm. He gets an advance from his Landlord, and must work off the debt in personal labour on the demesne.²⁴

He appeals for help to a neighbour, is charged twenty per cent. for a loan of twenty shilling, forty per cent. for five pounds, and twenty-eight per cent. for seven pounds,²⁵ or is granted a loan of twenty pounds only on condition that he takes half of it in the shape of a superannuated mare ‘not worth eight pounds’.²⁶

Since he has hardly any capital of his own, he cannot afford to wait for his money till his produce is sold. He therefore pledges his crops while they are still standing for immediate accommodation, or sells them outright at ruinous prices.

The Corn Dealer, who is the obvious, often the only, person to offer an advance, acts in the manner ascribed to the modern elevator company. He buys corn cheap, because the sale is forced, and sells dear because he can wait and pick his market. The result is that the cream of the profits is skimmed by the middleman. A Pamphleteer wrote in the last decade of the century:

“He that laieth out £100 in corne doth sometimes gain above 50, yea, 100; for not long since the price of corn so increased that necessitie willed many to pay the penalty of their bonds (rather than to make a delivery of their bargains). Hereupon some unreasonable Cornmongers, Maltsters and

²² *The Death of Usury, or the Disgrace of Usurers* (1594).

²³ Fitzherbert, *Treatise of Husbandry*. See also Dudley, *The Tree of Commonwealth*; “Yee meaner occupiers and beginners, make not your bargaines, but soe as ye be able to pay: lest Westminster, St. Katherine’s... be your reckoning place, and so your credit for ever is gone.”

²⁴ For an advance to stock a farm, see Surtees Society, *The Ripon Chapter Acts*, p.363: “to my cosen Edward Browne, I forgive thirtie pounds which I lent him to take his farme with all.”

²⁵ Atkinson, *Quarter Sessions of North Riding of Yorkshire*, vol. I, pp. 46, 112, 209. Vol II, p. 225.

²⁶ Gardiner, *Cases in the Courts of Star Chamber and High Commission*, Attorney General v. Case and others.

such like were grieved that they took no bonds, as discontent of double gain by their bonds. It is a common practice in this country, if a poore man come to borrow money of a *Maltster*, he will not lend any, but tells him, if he will sell some barley, he will give him after the order of fore-hand buyers. The man, being driven by distresse, sells his corne far underfoote, that, when it comes to be delivered, he loseth the halfe in halfe, oftentime double the value. I have heard many of these fore-hand sellers say they had rather allow after twenty in the hundred for money than to sell these beforehand bargains of corn.²⁷

The *Consumer* who paid a high price for his corn grumbled at such 'usury' as much as the *Peasant* who received a low one. 'And thus', wrote Gervaise Markham, in his *Hints to the Practical Farmer*:

"You may...sell everything at the highest price, except you take upon you to give day and sell upon trust, which if you do you may then sell at what unconscionable reckoning you will, which because such unnatural exactions neither agree with charity nor humanity, I will forbear to give rules for the same."²⁸

When even the tough conscience of an agricultural expert felt qualms, it is perhaps not surprising that a generation unacquainted with Adam Smith's famous comparison of the dislike of the *Middleman* to the fear of witchcraft should have regarded the *Bodger* with peculiar suspicion.

If the *Craftsman* did not suffer to the same extent as the *Peasant* from the uncertainty of the seasons, his dependence upon the *Moneylender* was, nevertheless, hardly less intimate and direct. Professor Unwin has pointed out that the broad movement in the *World of Industry*, which, though it begins in the *Later Middle Ages* and continues into the eighteenth century, reaches its climax under the *Tudors*, is a struggle over the *Control of Industrial Organisation* between the *Small Master* and the growing class of *Commercial Capitalists*.

The aim of the former is to retain their position as *Independent Producers*, and for that purpose to preserve or revive the protective machinery of the *Guilds*, with their corporate discipline, their restrictions on individual initiative, and their rough equalitarianism.

The latter, in the effort to secure the freedom and elasticity which will enable them to grow to what stature they can and to produce by what method they please, follow one of two policies. Sometimes, as in the textile industry, they quietly evade *Guild Regulations* by withdrawing from the *Corporate Towns* in which alone the pressure of economic conformity can be made effective.

More often they accept the *Guild Organisation*, capture its machinery, and by means of it develop a system in which the *Producer*, even if nominally a *Master*, is in effect *the Servant of an Employer*, on whom he depends for orders, for raw materials, and for the sale of his wares.

In the continuous, though silent, contest, an important part was played by the question of *Credit*, for it was on obtaining credit that the very existence of the *Tradesman* often depended. If he is to be a *Master Craftsman*, not a *Wage Earner*, he must find an opening to set up shop and possess the means to take advantage of it.

In a country where, as an enthusiast for emigration could urge in the early seventeenth century,

"...a man can hardly anywhere set up a trade but he shall pull down two of his neighbours,"²⁹

the attempt to find an opportunity to start in business was almost what the hunt for employment is to-day. Since at least a few pounds of capital were a necessity, it was the general practice of the age for the *Young Tradesman* to work with *Borrowed Stock*.

In the opening years of Elizabeth's reign, when serfdom was on its last legs, even a *Serf*, who was also a *Weaver*, might have lent some twenty pounds and owe ninety-four pounds;³⁰ and Bacon, who had given special attention to the question, could say that the practice of trading with loan capital was so universal that, if the *Lenders* called in their advances, the trade of the country would come to a standstill.³¹ For the *Small Master* the *Question of Usury* was the *Question of the Terms* on which that *Capital* could be obtained.

It was almost in the nature of the case that he should be in a weak position *vis-à-vis* the *Lender*. We need not take too seriously the protestations of *Pamphleteers*, who commended their favourite project of *Public Pawnshops* by rehearsing the scandals of *London Brokers*, whose:

²⁷ *The Death of Usury, or the Disgrace of Usurers* (1594), see also Harrison, *op. cit.*, *Of Fairs and Markets*.

²⁸ Gervaise Markham, *The English Husbandman*, pt. I, p.118,

²⁹ Cushman, *Reasons and Considerations touching the lawfulness of removing out of England into the parts of America*; Archer, *Story of the Pilgrim Fathers*.

³⁰ Hoare, *The History of an East Anglian Soke*, pp. 297-8.

³¹ Bacon's *Essays, Of Usurie*.

“...usual rate for small things is 12d. the week or month, which is 60 in the 100, and from *Oyster-women* and others that do cry things up and down the streets...above 400 in the 100 per year, besides the bill-money,”³²

or ascribed the *Failure of Tradesmen* to the mill-stone which hung about their neck in the shape of interest. But the difficulties of the *Small Master* in the *Later Middle Ages* are set out at length in case after case before the *Courts*.

On first setting up in business he borrows thirty pounds to be employed in merchandise. The *Lender* insists that he shall ‘be bound in xl to li and odd silver’, charges him interest at fifteen per cent., and demands the repayment of twenty-five per cent. more than the sum borrowed.³³

Robert Francis has:

“...little substance of goods and is a young beginner,”

but he has inherited three small tenements in London producing a rent of three pounds a year.

Richard Batte, of London, *Draper*,

“...well knowing and understanding, craftily and subtly imagined means to impoverish him your said beseecher, to the intent that he should be driven to make sale of the said three meses...offered to lend him money to buy and sell with.”

Francis consents, borrows eight pounds on condition of repaying twelve pounds, ten shillings, and eightpence at the end of a quarter, or at the rate of rather more than 200 per cent. per annum, falls into difficulties and is obliged to sell the three houses for twenty pounds or less than seven years’ purchase, and finally brings a suit in *Chancery* against Batte for refusing to pay more than sixteen pounds, because, since Batte is a power in the city, he fears that he will get no justice in the *City Court* ‘by cause of affection’.³⁴

When the *Tradesman* has got a footing in business his dealings with the *Moneylenders* have often only begun. Business losses drive him to borrow, and the *Lender* makes what terms he pleases. He demands £480 for an advance of £289. He refuses to make any advance unless the *Borrower* will execute a bond declaring that he has received 100 sheep, and on the strength of the fiction demands interest at the rate of 100 per cent.³⁵

He sells a struggling *Tradesman* cloth worth thirty pounds for £100 to be paid in ten years, binds him under a penalty of £200 to find proper security for the discharge of the debt, and then proceeds against him for the whole £200, though the *Debtor* and his friends offer to repay the value of the goods.³⁶

The *Merchant* is doing well and sees a chance of extending his business. An acquaintance comes to him, says that he has ‘money lying by him which did him none ease’, offers to lend it, and then unexpectedly begins an action for profits alleged to be promised, though it is ‘plain usury and against God’s law and man’s law’.³⁷

The economic life of an age is not to be judged by the *Proceedings of its Bankruptcy Courts*, and leonine contracts of this kind must obviously not be taken as representing ordinary standards of business morality. But they offer some confirmation of the statements of publicists as to the prevalence of trading with borrowed capital, and they give us a glimpse of the conditions which made the *Moneylender* - ‘the insatiable *Usurer* which gnawes the *Poor People* daily to the very bones’³⁸ - at once a necessity and a terror.

It was in connection with these humble transactions, not with the large-scale enterprise of *Clothiers*, exporting *Merchants* and *Bill-brokers*, that ecclesiastical authorities had originally formulated the doctrine of economic ethics expounded by Wilson; and it was primarily such transactions, with all their possibilities of social disturbance, that the usury laws of sixteenth-century states were designed to control.

It is evident that the problem presented by this type of credit existed independently of that development of large-scale organisation of which something is said in a following section. There is a sense, indeed, in which its worst excesses were peculiarly the disease of a *Precapitalist Society*.

What made the *Usurer* indispensable was the helplessness of the *Farmer* or *Tradesman* without the reserves needed to carry him over a bad season, or to enable him to hold on while working up a connection.

³² *Lansdowne MSS.*, 73, 18.

³³ Early Chancery Proceedings, Bdle. 64, no. 291, quoted Abram, *Social England in the Fifteenth Century*, pp. 215-17.

³⁴ Early Chancery Proceedings, Bdle. 64, no. 1089.

³⁵ Early Chancery Proceedings, Bdle. 37, no. 38.

³⁶ Early Chancery Proceedings, Bdle. 2, no. 307. Similar cases are common, see e.g. Bdle. 37, no. 33; Bdle. 46, no. 527.

³⁷ Early Chancery Proceedings, Bdle. 46, no. 307.

³⁸ *S.P.D. Eliz.*, cx, no. 51.

What made him not only a popular bugbear, but an object of suspicion to most men of public spirit, was the general persuasion that economic prosperity and social stability depended on the widest possible *Distribution of Property* among the largest possible number of *Independent Producers*, and that both were being menaced by the encroachment of a sinister *Money Power*.

Even in the middle of the seventeenth century, when the upper ranges of financial organisation had been revolutionised, similar evils were still evoking similar denunciations. In 1648 a *Puritan Reformer* wrote:

“The reason that so many *Young Tradesmen* in this city and other places miscarry, and are undone before they understand themselves, is that they take up money at eight per cent., and if they come to bad market they must sell though it be to loss, or the interest will eat them out...

“He that lends a poor man forty shillings to follow his trade does a more charitable deed in the sight of God and good men than he that gives him twenty alms to keep him in consumption of beggary.”³⁹

Principal Types of Credit Transaction
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³⁹ Cooke, *Unum Necessarium, or the Poor Man's Case*.