

# Usury and the Church of England

by the

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“Usury is that swelling monster contrary to nature, order and all good reason.”  
(Aristophanes)

“Usury overthrows trade, decays merchandise, undoes tillage,  
destroys craftsmen, defaces chivalries, beats down nobility,  
brings dearth and famine, and causes destruction and confusion.”  
(Thomas Wilson 1569)

“The cancer of usury is an old venomous sore and  
the chiefest head and cause of Rebellions in countries.”  
(Tacitus)



“Usury: a charge for the use of purchasing power, levied without regard to production  
and often without regard even to the possibilities of production.”

“Disraeli...saw it but did not feel it...deep down in his soul  
there was the immemorial teaching of his ancient race against usury,  
the teaching of Moses and the teaching which takes the traditions of the race  
back behind Moses to the identification of usury with  
the serpent's bite of Eden.”

(C. Hollis in ‘The Two Nations’)

Neshkek, from the root NShK means bite and usury;  
Nahash, from the root NkHSh means serpent.

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## Chapter 1. Background

### The Scriptures

The prohibition of the business of usury<sup>1</sup> is clear enough in the *Old Testament*. It was against the *Law of Yahweh* to lend £100 and to expect back more than £100.

In early days transactions would have been done by weight of bullion (sheql) or by goods. References are scattered throughout *Law* and *Prophets*, and in each case usury is a deadly sin.

A double standard is allowed in the legislation of *Deuteronomy* where a Jew may lend on usury to a stranger (a non-Jew) but he may not lend on usury to a brother.

In spite of this clear code, money lenders were largely responsible for the social changes that altered Palestine from a land of small farmers, in the time of the earlier kings, to a series of large estates worked by slaves in the time of Jeroboam II. For the difficulties of the small farmer drove him to the *Usurer* and all too often their mortgaged goods, families and persons were sold, which meant slavery.

There is no wonder that the *Usurer* was hated.

In the *New Testament*, the 'hard man' expected his money to be put out at usury. But the text which guided Christian writers was the word of *Our Lord* on lending and not expecting a gain. (St. Luke, VI, 34). The Christians inherited the Jewish moral law, and the covetous and extortioners were in the Pauline lists of deadly sinners.

We shall see many references to the *Old Testament* prohibitions when we consider the work of the Christian writers. They lived in the atmosphere where usury was banned; this was so clear to Clement of Rome, for example, that he did not trouble to mention it in his outline of ethics. Usury, in his eyes, would have been one of the causes of moral chaos.

Usury in Christian times was thought of with loathing for many centuries. The history of the *English Church's* dealing with the sin may be accurately dated until the years when it was no longer counted as evil. In recent times there has been a revival of interest both within and without the *Church* on the subject, together with the feeling that the ancient traditions were too hastily abandoned. It is my purpose to show what these traditions were and when they were deserted.

We may see partially why. At least, it will be clear that the *Church's Teaching* had a strong impact on the life of the world, particularly in *Medieval England*. The results of withdrawing the prohibition, or of minimizing its power, cannot be certainly weighed. It may be too much to attribute successive calamities to the tolerance of usury, but it is too little to write off the whole subject as irrelevant.

We have already seen that usury changed the social order of ancient Israel. It is hard to visualize a time when usury was thought of with as much loathing as adultery - more indeed as affecting so many people, and as being a violation of nature. But this was once the opinion of all the best minds.

### The Classics

But arguments were drawn from *Reason*, in addition to the prohibition conveyed through *Revelation*, against lending on usury. Aristotle, Plato and Cicero argued against it, and their theory was elaborated later, as we shall see. Their root idea was that it was against Nature (*contra natura*) to require a 'breed of barren metal'.

*Tokos*, the Greek word for usury, is from the root which means to breed or increase. Aristotle, who understood something of the nature of money, says:<sup>2</sup>

"Usury is most reasonably hated because its gain comes from money itself and not from that for the sake of which money was invented. For money was brought into existence for the purpose of exchange (*matboles...charin*), but interest increases the amount of the money itself (*poiei pleon*) and this is the actual origin of the Greek word: offspring resembles parent, and interest is money born of money); consequently this form of the business of getting wealth is of all forms the most contrary to nature (*para phusin*)."

<sup>1</sup> The commendations of *Psalm XV* are generally acceptable, but there is a phrase in verse 6 which modern readers, and singers, think is an archaism: "He that hath not given his money upon usury - *lo natan beneshék*." The Hebrew word *neshek* - usury, is from the root *n-sh-k* which means to bite.

<sup>2</sup> in *Politics I*, iii, 23:

This is H. Rackham's translation of the passage, but the translation of 'tokos' by 'interest' is not altogether happy. It certainly differentiates the term from 'obolostatike' - translated usury - an Aristophanic word for a petty money changer or weigher.

But the meaning of the passage is a clear condemnation of a practice that is contrary to nature. Translation may obscure more than it reveals.

In the passage from *Psalms XV*, silver - with, it is true, the derived meaning of money - was not given on usury, by no means quite without significance for times when a gold standard mentality has the fixation of a law of nature. The Hebrew word is KESETH.

Plato, whose works are the other source book of Western thought, was equally firm on the subject. After a caution about what we should now call foreign exchange - he prohibits the traveller from keeping foreign money - he says<sup>3</sup>:

“In marrying and giving in marriage, no one shall give or receive any dowry at all; and no one shall deposit money with another whom he does not trust as a friend, nor shall he lend money upon interest; and the borrower should be under no obligation to repay either capital or interest.”

The connection between marriage and finance is not so haphazard as might appear, and at least one thinker whose work we shall notice shortly has seen in the financial conventions that at different periods are connected with marriage a measure of the greed or idealism in society.

Plato continues (743):

“Therefore we say that gold and silver ought not to be allowed in the city, nor much of the vulgar sort of trade which is carried on by lending money or rearing the meaner kinds of livestock; but only the produce of agriculture, and only so much of this as will not compel us in pursuing it to neglect that for the sake of which riches exist - I mean soul and body...”

In the *Republic* (VIII, 555) he ascribes the transition from oligarchy to democracy to usury and debt:

“The rulers, being aware that their power rests upon their wealth, refuse to curtail by law the extravagance of the spendthrift youth because they gain by their ruin; they take interest from them and buy up their estates and thus increase their own wealth and importance... The men of business, stooping as they walk and pretending not even to see those whom they have already ruined, insert their sting - that is, their money - into some one else who is not on his guard against them, and recover the parent sum many times over multiplied into a family of children: and so they make drone and pauper to abound in the State.”

Cicero has been so highly thought of by some, although others have considered him a wavering politician, that he may be briefly considered. His case against the extortions of Verres in Sicily is well known, and he mentions to Atticus '*feneratores acerbissimi*' (most bitter usurers) and Parades speaks of draining the provinces by usury: '*ad fenerandas diripiendasque provincias*'.

Exactions, he says, are condemned which incur hatred, such as those of the *Toll-gatherers* and of the *Usurers*. He mentions too those who spend the whole income of their estates in paying *usura*. He clearly had no wavering ideas about the *Usurer*.

## Experience

A third type of argument has been based on *Experience*. We have seen what was the fate of the Jews when *Usurers* gained their grip, and Plato sees much the same result. But the world in which Christianity arose had experienced the same changes on a more imposing scale. Plautus mentions that the *Usurer* takes up his usual stand in the forum, and this is but one instance of the social change that had overtaken the Roman state.

A remarkable study of the process was published in America in 1896, called the *Law of Civilization and Decay*, by Brooks Adams. The book is dominated by the mechanistic fatalism then current, but the main outline and the collection of facts form a valuable contribution to the economic interpretation of history.

Professor Charles Beard, the reputable American historian, points out in his introduction that Adams had broken away from the Marxian outlook and

“concentrated on the driving greed of the *Usurer* or *Finance Capitalist*, never able to satiate his lust for money or power...the imaginative mind sank in the scale, and the economic mind became dominant.”

<sup>3</sup> *Laws V*, 742 - Jowett's translation

Adams hazards the opinion that the expulsion of Tarquinius was probably the victory of the monied class which:

“centralized government functions in a self perpetuating body.”

Neibuhr said that money-lending was originally a patrician privilege, and that the rich plebeians struggled against the oligarchy in the early republic to break the monopoly.

Macaulay pointed out that the ruling class in Rome was a monied class which made and administered the laws in its own interest, and that the great men held a large proportion of the community in dependence by advances at enormous usury. The law of debt was framed by the creditors for their own protection.

Livy said that every patrician house was a jail for debtors.

But the clearest picture of the Roman background is found in Mommsen’s history. He showed how the burghess small farmers were ruined by usury and reduced to a proletariat. The family with its twelve acres was driven from the soil, and huge estates run by slave labour were formed. These were the ‘*latifundia*’, of which Juvenal later wrote his well known comment: “*Latifundia perdidit Italiam.*”

The *Twelve Tables* to an extent checked the evil, but the commercial spirit, fostered by the *Equites*, often in league with the *Demagogues*, prevailed, and at length Roman husbandry was ruined by cheap imports of corn. The old order based on small farms was broken up, and violence together with the extremes of slavery and gigantic fortunes took its place. He said:

“It was the ancient social evils - at bottom of all the ruin of the middle class by the slave proletariat - that brought destruction on the Roman commonwealth.”

And the financial oppression soon extended to the provinces where it was heavier even than the taxation. ‘*The Financial Oligarchy*’ were the most prominent feature of the epoch extending from before 100 BC. They owned most of the soil of Italy and enjoyed “the proceeds at usury of the capital monopolized by them.”

Indeed, he gives a clear picture of Rome when he says,

“If we conceive of England with its lords, its squires, and above all its City, but with its freeholders and farmers converted into proletarians, and its labourers and sailors converted into slaves, we shall gain an approximate image of the population of the Italian peninsula in those days.”

About the time of the beginning of the Christian era, this power of the creditors was centralized under the Caesars. When the right of alienation had been established, all wealth tended to fall into the powerful *Usurers’* hands. It was a tragic change from the sturdy independent husbandmen, who had largely become *nexi* - workers on their own property for the money-lender - bound to this centralized money machine. The fiscal system also worked bankruptcies, and the tax farming was unregulated by law.

As Livy remarked, “*Ubi publicanus est, ibi aut jus publicanum nullum aut libertatem sociis nullam esse.*” Interest would soon raise the principal to many times the original amount when, for instance, debts were treated as bills at a year at 20 per cent.

Many were the convulsions caused by insolvency. In 495 AD the farmers refused to respond to the levy; Publius Servilius had to suspend prosecutions for debt and liberate the debtors. When the legions' demands were rejected, they marched to Mount Sacer. Camillus found himself impotent. The *Licinian Laws* granted partial liquidation of debt and redistribution of public land.

Rome was powerful as long as her farmers were free, but when debt assailed them, mutiny spread in the legions. As time went on, the small proprietor became a rarity, and was bankrupt at the first bad harvest.

Under Augustus, the currency was contracted and prices fell. Tiberius asked in 22 AD,

“How am I to restore the simplicity of ancient times...with the rage for jewels which drains the Empire of its wealth?”

Pliny, in his *Natural History*, tells how almost a million pounds of coin flowed to Arabia and India each year to purchase luxuries.

Tacitus<sup>4</sup> describes the ‘*Res angusta domi*’ and describes how the *Usurers* who ‘hoarded to buy low’ precipitated a financial crisis and an agitation against the *Money Lenders* in 33 AD. The usurious *Senators* appealed to Tiberius who stayed the proceedings and then took revenge. To ease the shortage of currency, the coinage was adulterated.

<sup>4</sup> *Annals.*

As if their financial hegemony was not enough, the usurers extended their control by the clubs, which bear a close resemblance to a kind of freemasonry. Mommsen gives a long description, from which the following is extracted<sup>5</sup>:

“All persons of quality, those of popular leanings no less than of the oligarchy proper, met in *Hetaeriae*...with these political clubs, everything was bought and sold...The *Hetaeriae* decided the elections, the *Hetaeriae* decreed the impeachments, the *Hetaeriae* conducted the defence...the *Hetaeriae* commanded by its compact bands the streets of the capital, and with the capital too often the state...the system of *Hetaeriae* was better arranged and administered than any branch of state administration...advocates of repute were not ashamed to give open and intelligible hints of their relation to the *Hetaeriae* of their clients.”

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<sup>5</sup> *IV*, page 6-7

## 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*<sup>6</sup> 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*<sup>7</sup> 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.

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.

<sup>6</sup> 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).

<sup>7</sup> Acts XV, 29.

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.”<sup>8</sup>

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.

Butchart wrote:

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<sup>8</sup> 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.*)



“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.”<sup>9</sup>

Feder drew a valuable distinction of a very fundamental nature between *das Leih Kapital* (*Loan Capital*) and what he called *Creative-Capital*<sup>10</sup>.

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<sup>9</sup> “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*.

<sup>10</sup> Wyndham Lewis in *Count your Dead, They are Alive*, according to Ezra Pound.

### 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"<sup>11</sup>

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.<sup>12</sup> 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:

<sup>11</sup> Brooks Adams in *Law of Civilization and Decay*.

<sup>12</sup> St Thomas Aquinas died in 1274.

“Opificesque omnes in sordida arte versantur: nec enimquidquam ingenuum habere potest officina”.<sup>13</sup>

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.<sup>14</sup> 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.

<sup>13</sup> *De Officiis* (i, 42).

<sup>14</sup> 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 disdainning Nature and her bounty.  
And so the smallest round seals  
With its mark both Sodom and Cahors,<sup>15</sup>  
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.

<sup>15</sup> 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.<sup>16</sup> 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 view<sup>17</sup> needs and not claims touched the *Medievals*, 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. Cobbett<sup>18</sup> ascribed generosity to the *Medievals* 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

<sup>16</sup> Ezra Pound closely related the economic arrangement of a people to its art.

<sup>17</sup> Sir W Ashley in *Mediaeval Economic History* - a valuable background.

<sup>18</sup> 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 4. Before the Reformation

We can see more clearly the trends and dates in the *Church's* dealing with usury when we consider England. The problem was, how to outlaw the sin.

Some of the earliest steps taken were to control the *Jews*. They considered themselves free to lend on usury to the *Gentiles* or 'goyim' (cattle, races), and were the principal money-lenders. They were at first treated with tolerance.

In 1201, they were granted a *Charter of Liberties*. It allows them "freely and honourably to reside in our land" and to have "all their liberties and customs". Particularly, it states:

"And if there shall be a dispute between Christian and Jew touching the loan of any money, the Jew shall prove his Principal and the Christians their interest."

The great *Magna Carta* also allowed the *Jews* their position, albeit a limited one. But the essence of the charter was to prevent any class or party from exercising *Monarchy*, and it is probable that our forefathers had some idea of the monarchy that usury can introduce.

Usury was prohibited by the *Common Law of England*, of which - according to Blackstone - Alfred was the founder and Edward the Confessor the restorer. Many *Jews* had come to England in the time of William II, and they were disarmed in 1181.

After a massacre of them at Richard I's coronation in 1189, the *King* was moved to anger by the destruction of their bonds and in 1215 he raised the rates of interest from 2d. to 4d. per *Pound* per week (i.e. from 43½ % to 86⅔ % per annum).<sup>19</sup>

The tenth and eleventh clauses of the charter<sup>20</sup> tried to re-establish the *Common Law* that prohibited usury.

"Section 10. If anyone hath borrowed anything from the *Jews*, more or less, and die before that debt be paid, the debt shall pay no interest so long as the heir shall be under age, of whomsoever he may hold; and if that debt shall fall into our hands, we will not take anything save the chattel contained in the bond."

"Section 11. And if anyone shall die indebted to the *Jews*, his wife shall have her dower and shall pay nothing of that debt; and if children of the deceased shall remain who are under age, necessaries shall be provided for them, according to the tenement which belonged to the deceased: and out of the residue the debt shall be paid, saving the rights of the lords (of whom the lands are held). In like manner let it be with debts owing to others than *Jews*."

These chapters were omitted from the charter of 1216, although it was promised that attention would be paid to 'debts to *the Jews* and others' when a full council was held.

Section 10 deprived *Jews* of part of their interest and Section 11 deprived them of part of their security - a third at least. The *Statute of Jewry*

"...limited a creditor's rights of execution to one moiety of his debtor's lands and chattels...[and] ...made interest irrecoverable by legal process,"

while the *Statute of Merton* in 1234

"...confirmed the provision that no interest should run during minorities."

Charters and statutes strengthened the *Common Law* against usury although, as far as is known, it had not been mentioned specifically in the charter of William II, or in that of Henry I, in either of those of Stephen, or in that of Henry II. But these charters were all directed against exaction and confirmed the laws of Edward the Confessor (i.e. the *Common Law*).

*Henry III's Charter* of 1225 was the fourth and final edition of *Magna Carta*, and Blackstone calls it the first *lex scripta* (*statute law*), which MacKechnie regards as placed on the *Statute Book* by Edward I. Edward III made the prohibition of usury a *Statute*.

The *Jews*, whose exchequer existed as early as 1198 and with whom:

"...no contract was binding unless a written contract or chirograph had been obtained."

<sup>19</sup> W.S. MacKechnie in *Magna Carta*.

<sup>20</sup> Barrington's translation.

were intimately concerned in laws that did not favour debtors. However the position of the *Jews* deteriorated, doubtless owing to their usurious practices as the sequel shows.

In 1253 it was decreed that ‘...every *Jew* wear on his breast a conspicuous badge’ and they were only to live ‘...where they were wont to dwell’, except by license, and were not to interfere with *Christianity*.

This may sound harsh, but anyone who has seen the traditional *Jews' Houses* in Lincoln will realize that they held some of the best accommodation then available. In the same year, a *Jew* was expelled for ‘not rendering his tallage’, and a proclamation made that ‘none of Salle's debtors hereafter render a penny to him’. This is perhaps reminiscent of fairly recent practice in Spain where the *Jews* were said to gather all the wealth and then periodically to be stripped of it.

In 1270, Jacob of Norwich was punished because ‘he dwells at Honiton without the King's license... where there is no community of *Jews*.’ But the next year a certain Aaron was granted ‘that by license of our aforesaid son he may give and sell his debts to whomsoever he will, notwithstanding the provision made of late that no *Jew* may sell his debts to any *Christians*, and that no *Christian* may buy the same without our will and license.’

In 1271 *Jews* were forbidden to have freeholds and the *Jews of London* were forbidden to purchase more houses there. Lands and tenements were to remain to the *Christians* who demised them to the *Jews* ‘so however that the *Christians* satisfy the *Jews* of the money or chattel specified in their *Charters* and *Chirographs*<sup>21</sup>, which the *Jews* gave to the *Christians* for such gift of ‘*infeudation*’ without interest.’

In 1275, the *Jews of Marlborough* were transferred to Devizes, the *Jews of Gloucester* to Bristol, those of Worcester to Hereford, those of Cambridge to Norwich, ‘with their *Chirograph Chests* and all their goods’, and this ‘without doing any damage to them in respect of their persons or their goods’.

But this treatment did not satisfy the *Jews*, and in 1290 the following ‘*Disposition of Debts* due to the *Jews* after their *Expulsion*’ was issued. It explains the end of *Jews in England* for 350 years:

“Whereas formerly in our *Parliament* at Westminster on the *quinzaine* of St. Michael in the third year of our reign<sup>22</sup> to the honour of God and the profit of the people of our realm, we ordained and decreed that no *Jew* thenceforth should lend anything at usury to any *Christian* on lands, rents or other things, but that they should live by their commerce and labour;

“And the same *Jews*, afterwards maliciously deliberating among themselves, contriving a worse sort of usury which they called *courtesy* (*curialitatem*), have depressed our people aforesaid on all sides under colour thereof, the last offence doubling the first;

“Whereby, for their crimes and to the honour of the Crucified we have caused those *Jews* to go forth from our realm as traitors;

“We, wishing to swerve not from our former choice, but rather to follow it, do make totally null and void all manner of penalties and usuries and every sort thereof which could be demanded by actions by reason of the *Jewry* from any *Christians* of our realm for any times whatsoever; wishing that nothing be in any wise demanded from the *Christians* aforesaid by reason of the debts aforesaid, save only the principal sums which they received of the *Jews* aforesaid.”

The *Jews* were only readmitted into England by Oliver Cromwell, and it appears from his correspondence that the price of a loan offered him by a *Jew* was King Charles I's head.

But in spite of their expulsion, other *Usurers* took their place. The *Lombards* like the *Caorsines* were specialists in usury, which at that day was a defiance of the *Church* and the believed laws of Christ. The *Usurer* was a practical atheist.

The fourteenth century was one of glory and tragedy for England, but the *Black Death* - or rather the series of plagues - was used as an occasion to bring good out of evil. Before this, the *English Parliament* passed a law in 1341 ‘*Against Usurie*’. The *King* and his deputies were “...to have cognisance of the *Usurers* dead’. And it was further decreed that:

“...the ordinance of the *Holy Church* have cognisance of *Usurers* on life, as to them appertaineth, to make compulsion by the censures of the *Holy Church* for the sin, to make restitution of the usuries taken against the law of the *Holy Church*.<sup>23</sup>”

<sup>21</sup> indented bonds.

<sup>22</sup> 1275, the third year of the reign of King Edward I.

<sup>23</sup> 15 Ed.iii.c.v.

Usury was both unchristian and criminal. The law was further strengthened in the next century by clearer definition, but we may note how the people reacted in these sturdy times to dishonesty, particularly in the matter of lending money. They were, in fact, guarding their high and improving standards, for the price of food was stable while the wages of labour tended to rise after the *Black Death*.

In 1353, a statute regulated the length and breadth of cloth. In 1360, the *Auncel* - a crooked weighing machine - was forbidden. In 1365 *Chevisance* - the evasion of usury by compounding - was made illegal. In the same year extravagance was suppressed. This was not *Puritanism* but a sane recognition of the loss in a population of under four million caused by the *Black Death*. Gallons, pottles and quarts were sealed by aldermen - another instance of public vigilance - and one which shows that the *Just Price* had passed from theory into practice.

The following *Petition against Usury* is dated 1376:

“Further, the commons of the land pray that whereas the horrible vice of usury is so spread abroad and used throughout the land that the virtue of charity, without which none can be saved, is well-nigh wholly perished whereby, as is well known, a great number of good men have been undone and brought to great poverty.

“Please it, to the honour of God, to establish in this present *Parliament* that the ordinance<sup>24</sup> made in the *City of London* for a remedy of the same, well considered and corrected by your wise council and likewise by the bishop of the same city, be speedily put into execution, without doing favour to any, against every person, of whatsoever condition he be, who shall hereafter be attainted as a *Principal* or *Receiver* or *Broker* of such false bargains.

“And that all *Mayors* and *Bailiffs* of cities and boroughs throughout the realm have the same power to punish all those who shall be attainted of this falsity within their bailiwicks according to the form of the articles comprehended in the same ordinance.”

The *Answer* given was:

“Let the law of old used run herein.”

By the end of the century the *Lombards* were established as the *Jews'* successors. In 1392 the *Londoners* beat a *Lombard* who offered a loan to the *King*.

Langland warned *Richard the Redeless* against ‘wyles and wrong, and waste in your tyme’. In *Piers the Plowman* he makes what is probably the first reference to international finance:

“And with Lombardes lettres, I ladde gold to Rome  
And took it by taille here, and told him the lasse.”

Although one country after another expelled the *Jews* and their usury, the *Lombards* came forward to take their place. The rough handling of the *Lombard* by London citizens had some sanction for, according to Langland, the *Holy Ghost* teaches “...and fetchen hit fro false mon, with Folevyles lawes.”

Also *Direct Justice* is commended as the *Law of Lydford*...equivalent to our *Lynch Law*. The fourteenth century *Englishman* considered that his first duty was to defend his rights, granted by *Magna Carta*, and he did not scruple to make away with two inefficient and tyrannous kings (Edward II and Richard II). Edward I and Edward III had put their own people first and the people were ready to defend the realm from the *King* himself.

Chaucer, also writing before 1400, shows what the nation thought about money:

“Ther was in Asie, in a great citee, amonges cristen folk, a *Jewereye*,  
Sustened by a lord of that contree for foule usure and lucre of vilanye,  
Hateful to Crist and to his companye.”

This is a contrast to the modern attitude that it makes no difference what a man believes.<sup>25</sup>

Wages had to be kept reasonable by statute, owing to the shortage of labour due to the *Black Death* and other plagues. But the scourge of rising prices was also avoided. Ale cost 1d. to 4d. a gallon, best goose was 6d., a sucking pig 8d. - over a hundred times cheaper than at the present day. Bridge building and road mending were works of charity - comparable with voluntary work in the church or churchyard today. And language was direct. Such words as ‘*swink*’ and ‘*dolven*’ are hefty and accurate.

<sup>24</sup> Dated 1363.

<sup>25</sup> Such verse would not be used for a contemporary introduction to the *Legend of the Little Saint Hugh*.

There is a distinct change of tempo with the turn of the century. *England* was still behind the *Continent* both in culture and finance. The mixture of ideas and race had not yet occurred which was to precipitate her *Adventurers* and *Industrialists* and *Financiers*. But even so, 'towne-men' are said to be growing in influence and to be sharper than those of the country.

In 1401 the *Diocesan* could order *Heretics* to be burned. They had been burned as long ago as the reign of Henry III - the pious king consigned by Dante to the valley of the negligent rulers - but only at the order of the *State*. On the *Continent*, Clement VI found the *Jewish Moneylenders* so useful that he forbade anyone interfering with the *Jews*. So 'the terrible power of the purse' began to sway rulers temporal and spiritual.

Jack Cade's rebellion<sup>26</sup> was not due to usury alone. Yet in a popular ballad of the day when the Captain of Kent used an unorthodox method of settling grievances (reminiscent of the previous century when the two unworthy kings were summarily removed from office) we read:

"Usury and rapine stiffly do stand."

An *Action upon Usury*, addressed to the *Chancellor* in 1480, is found in the *Early Chancery Proceedings*. It is as follows:

"To the right reverend father in God, the Bishop of Lincoln and *Chancellor of England*.

"Right humbly beseecheth unto your lordship your *Orator*, William Elryngton of Durham, *Mercer*, that whereas he now four years past and more had for stock of one Richard Elryngton the sum of £30, wherefore your said *Orator* was by his obligation bounden unto the said Richard in £40 and odd silver; which sum of £30 your said *Orator* should have employed in merchandise, during the space of seven years yielding yearly unto the said Richard for the loan thereof £4 of lawful money of England, and at the 7 year's end to yield whole unto the said Richard the said sum of £30.

"Whereupon your said *Suppliant* occupied the said sum by the space of two years and paid yearly unto the said Richard £4; and after that your said *Orator*, remembering in his conscience that the bargain was not godly or profitable, intended and proffered the said Richard the said sum of £30 again, which to do he refused, but would that your said *Orator* should perform his bargain.

"Nevertheless, the said Richard was afterwards caused, and in manner compelled by spiritual men to take again the said £30, whereupon before sufficient record the said Richard promised that the said obligation of £40 and *Covenants* should be cancelled and delivered unto your said *Orator*, as reason is.

"Now it is so that the said Richard oweth and is indebted by his obligation in a great sum of money to one John Saumpill, which is now *Mayor of Newcastle*, wherefore now the said Richard late, by mean of the said *Mayor*, caused an action of debt upon the said obligation of £40 to be affirmed before the *Mayor* and *Sheriff* of the said town of Newcastle.

"And there by the space of almost twelve months he hath sued your said *Orator*, to his great cost, and this against all truth and conscience, by the mighty favour of the said *Mayor*, by cause he would rather attain unto his duty, purposeth now by subtle means to cast and condemn wrongfully your said *Orator* in the said sum of £40, to his great hurt and undoing, without your special lordship be unto him shewed in this behalf.

"Wherefore please it your said lordship to consider the premise, thereupon to grant a *certiorari*, direct unto the *Mayor* and *Sheriff* of the said town, to bring up before you the cause that it may be there examined and ruled as conscience requireth, for the love of God and in the way of charity."

Such a connection of business, conscience and of religion was not to last for long. But two more laws *Against Usurie* were passed in Henry VII's reign. The first was *Against Usurie and Unlawful Bargaynes* in 1487, which were specified as '*damnable bargaynes groundyt in usurie*'. This referred to the various evasions of usury law - some of which will be mentioned by Wilson a hundred years later - and to the growth of exchange business.<sup>27</sup>

Changes were fomenting in the fifteenth century, but it was in the next two centuries that the violent upheaval of religion and ethics threw out the usury laws. Before considering this revolution, we may turn to the steady work that *Church* and *State* did together to ensure that recourse to the *Usurer* be unnecessary.

<sup>26</sup> This was in about 1450.

<sup>27</sup> The second act in 1495 alleged that the previous act was obscure and was passed 'definitely condemning lending for gain'.

The results of the prohibition on wages and the cost of living must be considered, together with the tendencies towards an industrial type of society, which pulled against the order of *Small Farmers* who relied on nature and towards a *Town and Money Economy* in which ethics and religion are always pushed into the background <sup>28</sup>.

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<sup>28</sup> I wrote this of England not of Ontario, where the *Big House* has never played a part in village life. Henry James missed the squire and the parson in New Hampshire villages, as he tells in *The American Scene* (1907) and Wyndham Lewis has something to say about the modern village in *Rotting Hill*, (1951).

## Chapter 5. Church Mints

The prohibition of usury was a negative way of protecting the social order that had been achieved. But positive action was also taken by *Church* and *State* to render usury unnecessary.

In our century it has, broadly speaking, been assumed that money can only be issued - and pound notes etc. printed - to represent a fixed quantity of gold held by certain individuals or companies, the bankers. These notes - or a credit for so many hundred or thousand pounds - are, we have been led to suppose, lent by the owners (the *Bankers*) and after the money has assisted a cycle of production to take place, it must be repaid and the debts contracted be cancelled.

Such ideas are deeply embedded in our thinking about money and are not much affected by nationalization. The nation, we are again apt to imagine, had merely bought the gold or cover for money from the private bankers. But we shall have to rid ourselves of all such theories if we are to understand the significance of *Church Mints*.

Money had not in the distant days we are to consider attained to its later sanctity, and was rather considered as a convenience of man which man could create when he needed it. In fact, it is only as the *Middle Ages* advanced in England that money was used to a large degree and payment was often made by service.

Money was certainly not considered the monopoly of private bankers or even of a caucus in charge of a nationalized bank. The circulating medium - silver and gold - had a value in itself, but money was used as a measure of price and a claim, not as a means to power. Perhaps it was an unconscious dread of this that spurred our ancestors against the *Usurer*. For there can be no question but that *Modern Banking* is an adaptation of the *Usurer's* craft.

In this matter of issuing coins, *King* and *Church* worked side by side for many centuries and not only kept out the *Usurer* but held the price level steady - an achievement that has baffled the modern specialists and experts. It might be easier to work backwards from the present to the times of the local mints, but the historical process will clarify itself if followed through from the beginning.

Julius Caesar is the first to mention currency in Britain but it is unknown when '*pecunia*', money of any kind, was first used in this country. The earliest circulation medium - a step from barter towards convenience - may have been leather tokens. In the same way, numismatists have assigned a coin to Egbert, the seventh *Archbishop of York* (732-766), but cannot say when bishops first issued coins<sup>29</sup>.

Egbert was the brother of Eadbert, *King of Northumbria*, so that this is an early instance of the co-operation of *Church* and *State*. There was no scarcity of metal, so the *King* allowed his brother to issue money for the benefit of his subjects. This showed that the *Church's* authority in business matters was acknowledged - business was not yet business, but part of a *Christian* man's life - and the *Church's* desire was not to make life more difficult but to facilitate the exchange of goods. If Henry VIII's *Primate* had been a strong brother, the divorce of *Church* and *Business* would not have been so complete.

"York Archiepiscopal Mint's earliest products were *stycas* of Archbishop Ecgberht, bearing his name and that of his brother Eadberht."

writes Rawlings in *Coins and How to Know Them*. *Styca* is old English for '*piece*'. *Stycas* were copper coins of uncertain value. Egbert issued a base silver '*scatta*', and appears to have been the only *Ecclesiastic* to do so.

Egbert's successors probably issued coins when they were needed, and Wigmund struck a gold coin bearing his bust, and the words '*Vigmund Arep*' and on the reverse a cross with the inscription '*Munus Divinum*'. Wigmund's gold coin was perhaps intended as a '*solidus*'.

In Canterbury, the same authority says, the earliest coins are those of Ianbert, who was Archbishop from 766 - 793, and these bear '*Ianbert Arep*' and '*Offa Rex*' on the reverse. The alliance between *Bishop* and *King* was close here also. Offa, it may be remembered, *King of Mercia* (756-796), did not at first own Kent. So, as the *See of Canterbury* was not in Mercia, he constituted an *Archbishopric* of his own at Lichfield.

Eventually the *Primate of Canterbury* submitted to him. It is possible that the *Primate* had issued coins before: perhaps Offa wished to console him for his action in founding Lichfield, or the motive may well have been the desire to co-operate in organising the kingdom. Ianbert was the twelfth *Archbishop of Canterbury*.

Wulfred (805-832) marked the coins with the archiepiscopal effigy, a tonsured bust, and this was a sign that Mercia was losing control of Kent, surrounded by water on three sides and with a mint of its own.

<sup>29</sup> '*Pecus*' means cow, and possibly one cow was once a measure of price. Cowrie shells, it may be recalled, have been used as money in Africa and South Asia.

Besides these undoubted instances, there were probably *Church Mints* at other centres in the ninth century: Durham, Hereford, Rochester, Norwich and Stamford are possible places.

Athelstan succeeded to the kingdom in 925, which included England as far as the Humber. And in 928 he held a *Great Synod*, at which Archbishop Wulfhelme attended. Law 14 concerned *Moneyers*. There was to be one money over all the *King's* dominions. The *Archbishop of Canterbury* was to be allowed two *Moneyers*, the *Abbot of St. Augustine's* one and the *Bishop of Rochester* one.

Athelstan did not annex Northumbria until 937. This meant that the *King* alone was to have his image on English coins so that the *Archbishops* lost the privilege. This was not, as might appear, a loss of position to the *Church*. She still helped to run the *State* and provide services as they were needed, but without the show of archiepiscopal effigies.

After 928, dies were issued to subordinate mints from the *Tower of London Mint*. The *Ecclesiastics* kept the profits and paid rent. The modern historian would infer that the *Ecclesiastics* drew large profits from issuing money and that they would have kept it short. But on 1 lb. troy of silver minted the profit was in fact 12d, and there were 450 d. in 1 lb. sterling. Of the 12d. profit, the *Ecclesiastic* kept 1d., and the *Mint Master* 11d. This payment was for the service of issuing money and was in no sense usury on money lent. The money issued did not have to be repaid.

In modern times the distinction between the two ways of rendering money available is not clear, although it was recognized in and before the days of Egbert. A payment for the service of providing money (or credit, for that matter) is not usury: whereas lending at a fixed rate was thought of as a horror alien to Christianity.

The practice of the *Archbishops* who provided local currency to meet local needs was poles asunder from the declaration of Paterson who founded the *Bank of England* in 1684 and openly declared:

“The Bank hath benefit of the interest on all the money that it creates out of nothing.”

Between Athelstan's *Synod* and the *Conquest*, there was little activity, as far as is known, in the Canterbury, York, Rochester and hypothetical Durham mints. A license, it seems, had been granted to York after the annexation of Northumbria. But in 963 Edgar restored the monastery of Medhamstede, by Stamford, and allowed it one *Moneyer*.

This indicates the growing importance, from the social as well as religious point of view, of the monasteries and the power of the abbots. Bishop Walter of Hereford, consecrated in 1060, coined under Edward the Confessor, and Baldwin, the Abbot of St. Edmundsbury (1065-1095) was granted the privilege at the same time. It also appears from the *Doomsday Book* that the Bishop of Norwich issued currency. It was a period of growth during which the needs of the Midlands and of East Anglia were met. The North and South already had their mints to meet the local needs for currency.

William the Conqueror saw no reason to isolate the *Church* from the contagion of money. He removed the Anglo-Saxon bishops but left the mints undisturbed. He decreed however that there should be one standard of silver money: 11oz. 2 dwt. of fine silver, 18 dwt. of alloy. The profits of minting were little, if at all, affected by this. According to Charles K. Rawding:

“After the *Conquest* the chief *Ecclesiastical Mints* were at Canterbury, York and Durham. *Ecclesiastical Money* was like regal in every respect but distinguished by *Mint Marks*.”

The *Mint of St. Edmundsbury* was the most active immediately after the *Conquest*. The Abbot not only kept his right under William I but had it confirmed by his seven successors, and Stephen allowed him two more dies. His coins passed the test in Edward II's reign, when an order was made for the trial of monies, and in 1321 a new die was delivered ‘to strike money as often as it might be necessary’. The *Abbey Mint* is last heard of six years later (1327) when the inhabitants of Bury besieged the abbey, burned the gates and seized the die and metal. But the Abbot ordered the raiders to pay a fine of 2,000 marks over 20 years - quite generous treatment - and had his die replaced by order of the *King*.

We are so used to centralization in minting and issue of money that we find it hard to imagine a period in which local mints were used to meet local needs, and to avoid the necessity of resort to the *Usurer*. They have been replaced by ‘*loan finance*’. The old principle was the sound one, and Rawding's statement that ecclesiastical coining was confined to Canterbury, Durham and York may well be questioned.

There are many Cathedral cities with their *Silver Street*, indicative of a mint, and probably several of these were under control of the *Church* rather than the *King*. In those times, the bureaucracy was kept to the lowest possible proportions and among other duties the *Ecclesiastics* discharged many functions now spread among hordes of officials.



It has been conjectured that 'purely Durham bishops' issues' began in, or near, the time of Edward the Confessor, and that *Bishops* occasionally coined at Ipswich and in Norfolk. Noble's opinion is that the right originated under Stephen who 'indulged his subjects with mints'.

Galfric, Henry's *Chancellor*, who was consecrated in 1128, defeated David of Scotland in 1129 when he was in temporary command of Stephen's forces during the illness of Thurston, *Archbishop of York*. He needed money to pay for the war and coined some himself 'probably by grant rather than by usurpation'. Stephen's reign, it is certain, admitted chaos into minting as well as castle building and, according to an anonymous article in the library of the Durham Close:

"Henry of Anjou did all he could to put a stop to usurpations of nobles and prelates."

Not only did the Bishops of Durham temporarily lose the privilege during Henry II's reign, but such as Henry of Winchester lost it for good. The Bishop of Winchester had apparently coined like other barons because he needed money and refused to use coins that bore the *Usurper's* name. So Bishop Henry put his own name on the money. The new king also suppressed the mint of *St. Augustine's Abbey*, forgetting his sense of history.

But it was not the principle of *Church Mints* that worried Henry so much as its abuses. Provided that they had not usurped the privilege and that they issued coins of standard alloy, he encouraged *Church Mints*. He confirmed the grant of a mint made by Henry I twice and allowed the mint to be in London or Reading. Stephen had insisted that it should be in London.

There is no record of Henry suppressing the *Mint of St. Chad's Church, Lichfield*, which had been granted by Stephen. Nor did he interfere with the *Mint of Medhamstede* - it is mentioned in a bull of Eugenius III - as coins had been struck there from *Saxon* times.

*Church Mints* expanded under Richard I and John. In the first year of his reign, Richard I granted the Bishop of Lichfield a pair of dies and stipulated that "the mint should be forever". He also granted a license:

"...to Philip, his Chaplaine, Bishop of Durham (1195-1207) 'to coyne in the City of Durham which liberty none of his predecessors had enjoyed of long time before."

It is probable that Richard was distressed for lack of money and that he received a "gratuity for the renewal of this privilege". He did not check any *Church Mints* then operating and:

"Richard, Duke of Aquitaine confirmed to the Church of St. Andrew, Bordeaux, all that his predecessors had granted, particularly a third of the profits of the mint."

In John's reign we have another instance of local money being issued when it was needed. In our own century goods have been destroyed and restricted for lack of money but in John's day money was neither invested with sacrosanct properties nor was it centralized. Currency was scarce in Chichester, so he commanded that there should be used there two dies, one for the *King* and one for the *Bishop* and, according to Rawding:

"...ordered by writ that the *Bishop's Coins* should be current in the city until money could be struck in the *King's Mint*."

The *Magna Carta* was designed to prevent *Tyranny* or, in accurate language, *Monarchy*. In the mints we see *Church* and *State* working hand in hand, so that the *Monarchy of the Usurer* is avoided and prices are kept steady. These are no small achievements.

John, further, granted the archbishops of Canterbury an *Exchange*, distinct from the *Royal Exchange*, and it is worth mentioning that the *Archbishops* held the privilege of coining 'of common right'. Mark Noble in *Two Dissertations on the Mint and Coins of the Episcopal-Palatine of Durham* points to this theory. William Rufus had given the city to the *Archbishops*, but none save *Archbishops* coined 'of common right'.

For the next two and a half centuries, the history of *Church Mints* is uneventful, and we do not hear much of the lesser mints in England. There were, as far as we know, none in Wales, Scotland or Ireland. Bury and Bordeaux continued working, and there was some activity at Reading. The Abbot of Reading had a grant from Edward I, but nothing more is heard of the mints after Edward III. There are interesting remains of the *Exeter Mint*, but it may have been a *King's* or *Bishop's* mint.

The *Dean and Chapter* and *Moneymen* of Bordeaux petitioned the King of England at least three times between 1315 and 1354 to restore their minting rights, and on each occasion the petition was granted. In 1400 there was 'a writ to the Archbishop and others allowing them to strike money in this mint and to give it currency'<sup>30</sup>. There is next to no evidence about the *Bury* and *Bordeaux Mints* after 1400.

<sup>30</sup> Rawding.

In these years the mints at Canterbury, Durham and York worked side by side with the royal mints - also widely distributed - and as Leake puts it, "contributed not a little to answer the public occasions"<sup>31</sup>. Davies says that before Edward III's reign the *Church Mints* had only issued pennies, "because when the Bishops of Durham obtained the grant of a mint, it was the only sort of money we had."

They were, of course, silver pennies. The copper and, in the last century, the lighter bronze penny were much later innovations. But, he continues,

"During the reigns of the Edwards, highly important and beneficial changes were introduced into the currency. The silver penny was no longer to be the only coin of the realm to meet the demands and necessities of a population rapidly increasing in numbers."

He might have added that payment by service was being commuted to money payment and that money itself was growing in importance for the national life. So "at length the introduction of a gold coinage was accomplished by the third Edward." The *Church Mints* responded with halfpennies at York and Durham.

In 1280 the Lord King summoned William de Wickwane and asked him '*quo warranto*' if he had two dies at York. He answered that his predecessors had been "in seisin of having dies from time immemorial."<sup>32</sup>

In Edward III's reign, the *Ecclesiastical Mints* at Durham and York issued halfpennies in addition to the usual pennies. In 1400, farthings were added at York and in 1500 half-groats (2d.). In 1473, a charter was granted to the Bishop of Durham allowing him and his successors to coin halfpennies as well as pennies, and this seems to have confirmed previous practice rather than to have instituted new work. But the privilege of minting halfpennies was soon dropped at Durham. The purchasing power of these small coins was so far maintained that larger were not needed. Davies said:

"The majority of Henry VII's coins struck at York were archiepiscopal."

In Henry VIII's reign Cardinal Wolsey<sup>33</sup> struck a groat (4d.) and decorated it with a cardinal's hat. This angered the king but authorities are uncertain whether the groat or the hat caused the offence.

As Davies says:

"among the enormities attributed to this monarch, not the least was the debasement of the currency."

Henry was getting into difficulties which finally tempted him to put an end to the local mints altogether and to centralize the issuing of coin. Debasement of the coinage began to rob the coinage of its purchasing power, and after many centuries, prices began to rise and wages to limp behind them.

But during the first twenty five years of his reign Henry did not tamper with *Church Mints*. A letter is preserved in Durham from William Franklyn to Cardinal Wolsey:

"At last being in London, I spoke to a friend to provide me silver for coining at Durham, and on Good Friday received a line from him, whereby I perceive that I shall have of him every year 1200 lb. of silver, which will be very profitable to your Grace and to all the countrie..."

But Henry's finances were muddled and such considerations as 'profiting all the countrie' were sacrificed. The *King* took the extreme step of despoiling Bishop Tunstall of Durham of his mint in 1536, and at about the same time the Archbishops - Cranmer at Canterbury and Lee at York - lost the privilege they had held 'from time immemorial'.

The result of losing a local mint is hard to estimate. It has been said of the older civilizations that 'any contribution to local autonomy contributed to their stability.' After centuries of centralization, experiments were carried out in Guernsey and Wörgl with the equivalent of local mints and were most successful. They were suppressed, perhaps, in fear that the success might endanger the money monopolists.

The loss in a locality of the right to issue its own money was at the least a loss of freedom. And the loss of the *Church Mints* meant the loss of the *Church's* benevolent interest and help in business and, soon enough, a loss of attention.

<sup>31</sup> quoted by Mark Noble in *Two Dissertations on the Mint and Coins of the Episcopal-Palatine of Durham*

<sup>32</sup> Authorities, especially for the York Mint, are Caesar Caine in *Archiepiscopal Coins of York*; Robert Davies *Historical Notices of the Royal and Archiepiscopal Mints and Coinages at York*; and S. Pegge *Essay on the Origins of the Metropolitan and other Subordinate Mints*.

<sup>33</sup> One of the accusations against Wolsey in Shakespeare's *Henry VIII (Act III, Scene II)* is: "That, out of mere ambition, you have caused Your holy hat to be stamp'd on the king's coin." This is the solitary reference in English literature, outside the work of the numismatists, to the bishops' power of minting.

The *English Ecclesiastics'* money had been almost identical with regal money. It had not, it is true, aspired to the glories of the *Papal Bracteates*. These were leaves of metal stamped and used as currency that were so thin that it was dangerous to hoard them. The image in low relief on one side stood out in high relief on the other.

Much has been made of these *bracteates* of late, as well as of *tallage* - a medieval tax on coinage - on the ground that they prevented hoarding. The man with money was at no advantage over the man with perishable wares, and so the velocity of circulation was speeded.

We read in *Le Grand Encyclopedie*, under the heading *Bracteates*,

“Leur usage a été fort répandu en Allemagne, en Suisse, en Bohême, en Pologne, et dans les pays Scandinaves.”

Yet only a few of this kind of *Demurrage Money* have been found, owing, doubtless, to their friability. *Tallage*, the other device that speeded the circulation of money and prevented hoarding, was imposed from 1140 onwards in England and elsewhere. The holder of coins would be eager to pass them on to avoid the tax.

Yet as long as there was plenty of metal and as long as money was thought of as a means and not an end, the *Church Mints* did their work. They were more efficient than centralized money, which even now has little relation with the needs of circulating medium.

Before the 1939-45 war too little money was issued to buy the available goods<sup>34</sup>, while after the war inflation was caused by wages paid against exported semi-manufactures. So *Church Mints* were the positive contribution of the *Church* to financial rectitude and reality, while *Prohibition of Usury* was the negative.

Indeed, the *Church Mints* show that the *Church* did not skimp her work. The provision of a reliable local currency - only in Stephen's day was there any question about it - where and when needed prevented monopoly and enabled the *Just Price* to be paid. In fact, it implemented the provisions of the *Great Charter* directed against *Monarchy*, political or financial.

We are still, in the first quarter of the sixteenth century, far from the days of *Scarcity Economics* when money was restricted to the amount of gold held in a *Central Bank*. It was to be a century before England advanced to the use of *Paper Money*, but we may conceive that the responsible bishops who had issued coins would have been capable of issuing paper. The *Ecclesiastical Mints* were not stopped because they were unworkable. They had worked very efficiently. But the *King* was led by his greed and his difficulties to take this regrettable step.

We are in fact at the great watershed of English history. The *King* is no longer '*primus inter pares*' but covets *Monarchy*, and one kind of *Monarchy* or another is to be the fate of this land until the present day. Land-grabbing tyrants, manufacturers, financiers and politicians vie with each other to violate the *Charter*.

The tempo of economic change now moves with bewildering speed. In the vortex we shall see the whole Catholic doctrine caught up and tossed out. In little more than 150 years the thought of all the previous centuries was disposed of.

But the suppression of the *Ecclesiastical Mints* was not the only step taken by Henry VIII to hurry the process. The substantial achievements of the previous centuries are swept away, but before we review the process, we may see in the first place what result the enforcement of the ban on usury and the local mints together had on prices, and in the second we must take note of the other force - that of manufacture and trade - which indirectly helped to breach the catholic order of civilization.

The order of *Catholic Christendom* was guarded from usury - or any other abuse of the *Just Price* - by statutory prohibition and by the provision of local currency. These measures, as we shall see in the next chapter, sufficed to ward off from the people the fluctuation in price, which is but another method of obtaining *Monopoly* and ruining the small farmer and the system which took husbandry as its base. Trade and manufacture were the servants of husbandry as long as the system was preserved from its horde of rapacious enemies, but they meanwhile were preparing to burst their lawful bounds.

These two matters will occupy us before we look closely at the end of one system and look in vain for the beginning of anything sound to take its place. But before we review the process, we may see in the first place what result the enforcement of the ban on usury and the local mints together had on exported semi-manufactures.

#### A Few Notes on Semi-Ecclesiastical Coins

<sup>34</sup> Due to the accountancy flaw discovered by C. H. Douglas and discussed in the literature of the *Social Credit* movement.

It would appear proper to add a few notes on *Semi-Ecclesiastical Coins*. Such, apparently, were not connected with *Church Mints*, and the circumstances under which they were coined are not very clear. They are the pennies of St. Edmund, St. Peter and St. Martin.

*St. Edmund's Pennies*, it is supposed, were issued in memory of King Edmund, martyred by the Danes in 870. They mostly belong to the East Anglian series, but some were struck at York.

St. Martin's pennies were coined some time before 943, at Lincoln.

St. Peter's pennies were struck at York, perhaps about 920-940, and are commonly but incorrectly believed to have been intended for the payment of *Peter's Pence* to Rome. But it is certain that these coins had nothing to do with papal exactions. St. Peter was the patron of the Church of York, St. Martin of Lincoln (it was before the time of the Hughs), and St. Edmund of Bury.

This is a summary of all the evidence available concerning the semi-ecclesiastical coins. Whether they were intended for charitable purposes locally - as remote predecessors of *Maundy Money* - or as an Easter offering for the bishop does not appear.

They had no connection with alms paid to support an *English College* in Rome (754-1533). These latter, according to Caesar Caine, were called *Denarius Eleamosuna*. As late as 1657 *Smoke Money* was paid in monastic manors, and Hartland Manor was paying *Peter's Farthings*. These must, it seems, refer to Rome and not to the 'cathedral of Devon', as the locals call their church, for it is dedicated to St. Nectan, a missionary in King Arthur's time.

William the Conqueror, in his zeal to regulate the coinage, put an end to these semi-ecclesiastical coins.

The *token pennies* of the eighteenth and early nineteenth centuries, issued by various trades-people, were perhaps the last survival of the principle of local mints once so efficiently run by the *Church* to stop usury. These pennies were of copper, and of much less purchasing power, while their issue was severely limited.

## Chapter 6. A Just And Stable Price

We now look at some of the results of *Medieval Economy* as concerns the purchasing power of money.

Professor Thorold Rogers, in *Work and Wages*, had made a careful survey of the relation of wages to what they would buy. While all his conclusions are not unanimously accepted, his work throws light on this vital matter. It is a question of no less moment than whether the system worked or not.

Prices, he found, were remarkably steady from 1261 to 1540. It is no coincidence that the period lies between the chaos caused by inefficient kings, from whom charters were obtained, and the chaos introduced by the successive phases of *Monarchia*.

For the *Charter of 1215* was revised and reissued in 1216, 1217 and 1225:

“In this edition of 1225, granted 'of our free and good will *Magna Carta* took on its final form.”<sup>35</sup>

Dr. F. W. Maitland, in his *Constitutional History of England*, says.<sup>36</sup>

“The identical words were then used which afterwards became stereotyped and were confirmed time after time without modification. It is this *Charter of 1225* which (in virtue of the confirmation of Edward I) still remains on the statute book

“The *Charter of 1225* came to be reckoned as the beginning of our *Statute Law* [which was] constantly confirmed; Henry confirmed it in 1237; Edward in 1297 and thenceforward down to the days of Henry IV it was repeatedly confirmed; Coke reckons thirty-two confirmations.”

On the fabric of these charters, the great *English Kings* gave order to their land, and the trifling kings, unworthy of the position of *primus inter pares*, were dethroned.

During these 280 years, the price of wheat averaged 5/11¼ a quarter. There were fluctuations between 2/10½ in 1287 - a year of exceptional plenty - and 16/- in the famine year of 1316. Walter de Henley said that 4/- was unremunerative, unless the crop was more than six bushels to the acre.

In the famine there was considerable loss of life, and as a result wages rose - especially for reaping - and were permanently heightened by 20 percent. We may compare the price for the famine year of 1801, which was 156/2d, but this was not much more than double the customary price.

A most significant trend originated in the reign of Edward II. *Money Compensation* began to take the place of *Labour Rents*, and by the end of the century the *Tenant* was almost universally paying rent. This *Rent* took the place of the *Allowance* from the *Lord* of ‘bread and beer and as large a sheaf a day as he could carry on his sickle’. And the *Tenant* by copy or custom - *the Serf* - became assimilated with the *Freeholder*.

The monasteries clung longer to the old custom. At first glance, this might appear a laudable tendency, but while the *Allowances* were a fixed quantity of goods that could not easily be varied, the money payment would be subject to fluctuation and even manipulation. This was a very long way off, but the *Commutations* which now started enhanced the importance of money, and so of the dealer in money. The *Usurer* grew in significance as society made greater use of money.

A time of prosperity and cheapness followed the famine, but the calamity of the *Black Death* then swept over the country and had lasting effects in two directions. The most serious outbreak in England started in 1348 - Langland describes other visitations - and probably about a third of the population, according to the calculation of Thorold Rogers, were killed.

In spite of the rapid growth of population that followed the *Black Death*, labour was scarce, and it was difficult to gather in the harvests. So wages rose, there were more commutations into money payments of *Labour Rents*, and many rents were remitted.

The *King* and *Parliament* in the *Statute of Labourers* tried to keep wages down, but the regulations were everywhere infringed and evaded by covert compensation. On the other hand, food was kept at a reasonable price, and rents fell. So the result was a rise in the labourer's purchasing power, as his money had increased and prices had not risen.

In the fifty years after the plague, wages rose by something like 50%, while the woman's wage advanced from 1d. to 2d. a day. *Artisans - tilers, slaters, masons, sawyers* etc. - also earned half as much again, while the lowest wages tended to increase most - that of *assistants* or ‘home’ and of women.

<sup>35</sup> A. J. Collins, Keeper of Manuscripts at the *British Museum*.

<sup>36</sup> MacKechnie, W. S. in *Magna Carta* (page 16).

Agricultural produce did not rise in price, as we have said, but there was a proportionate rise in manufactured wares, such as nails, wheels, hurdles, and fish which doubled in price. It was widely consumed either salted or smoked (red) or pickled (white). The price of stock did not rise, but that of wool did, and at this time the domestic manufacture of woollen goods was very general. Edward III prohibited their export. The price of stock did not rise, and so the *Labourer* and small *Tenant Farmer* was master of the situation.

For these reasons, the fifteenth century and the first quarter of the sixteenth have been considered the *Golden Age of English Labour*. But it must be realized that the *Labourer* was no landless proletarian. Most were small *Farmers* on their own account, with numerous rights on the *Commons* etc.

Land was generally distributed and the *Yeomen* flourished. Not yet had the vast gap between pauper and grandee appeared. The higher wages were eventually recognized (in 1495) and an *Artisan* averaged 6d. a day, 3/- a week, and the labourer 4d. or 2/- a week.

These apparently low rates must be set against the prices. As wheat averaged a fraction over 4/- a quarter, malt 2/4½d., oats 1/7½d., and oatmeal 5/4d, the *Farm Labourer* could earn a provision of three quarters of wheat, three of malt and two of oatmeal by fifteen weeks' work, and the *Artisan* by ten. We shall see that by 1533 it would have taken him about twice as long to earn these amounts, and that his purchasing power fell rapidly, although his money wage increased.

The *Labourer* worked an eight hour day, and his board cost 1/- a week. Food was cheap and abundant, while there was short pay only in the two winter months of December and January. The effects of the *Civil Wars* of 1455-85 have been exaggerated, as far as the people were concerned, for they were mostly a dispute between a few *Barons* and their retainers which affected the ordinary people remarkably little. Not yet was it a case of a nation at war. In fact wages and prices were unaffected, although there was an outbreak of sweating sickness after Bosworth. But the personal habits and diet of the people were conducive to plague.

In the fifteenth century, the *Capitalist Artisan* was developing. In 1515, there was a complaint that the towns were decaying and that pastures for sheep were spreading. The *Act* of that year states:

“Husbandry, which is the greatest commodity of the realm for the sustenance of man, is sadly decayed.”

There had been complaints of *enclosures* from the fourteenth century, a tendency that was speeded by the *Black Death* and consequent lack of man and woman power. But the importance of the sheep properly belongs to the next section. Suffice it to add here that the *Act of 1533* forbade anyone keeping more than 2,000 sheep.

But towards the end of Henry VIII's reign the labourer's standard was attacked from two directions. He was already losing rights on the *Commons*, and now his insurance funds were confiscated. This took place when Henry confiscated the *Guild Revenues*; for the *Guilds* had acquired property and exacted fees, and from the fund had been able to make interest free loans to the poor or unfortunate.

A bill was actually passed to confiscate the property of *Colleges* and *Hospitals* and to dissolve them. But Henry died before this *reform* could be effected, although in the next reign the revenues of *Chantries* were seized - under the pretext of purifying religion.

There is little wonder that, in his *History of the Protestant Reformation*, William Cobbett held strong views on the *Reformers*. Brooks Adams pointed out that they were above all else a new commercial type best able to survive the stresses of the times. The truly religious zeal to preserve the best in the heritage will be noted later.

The other step to *Depreciate Purchasing Power* - comparable with *Devaluation* and other *Manipulations* - was the *Debasing of the Currency*. There is, of course, no inherent need for currency - a claim and a measure of price - to be valuable in itself, any more than other kinds of tickets or tokens.

The silver penny of Edward IV had been half as valuable as the silver penny of Edward I, in itself without causing a rise in price. The King had accepted his dues (tenths, fifteenths, aids etc.) in this form, and there had been no resentment.

But when Henry VIII tampered with the currency, the results were disastrous. Meat trebled in price, corn and dairy produce rose by 2½ times, while wages only advanced by 1½ times. Latimer noted that silver had become dross. It was a double blow at the standards of the labourer, for the benefit funds had been stolen - the *London Funds* alone had been spared - and his *Cost of Living* advanced quickly while his wages limped after it. *Board and Lodging* which had cost 1/- a week were costing 3/- in 1552 and nearer 4/- ten years later. This was about the average price of labour.

Elizabeth attempted a *Reform of the Currency*, and a law was passed which prohibited the building of labourers' cottages unless they had four acres of land attached. This was an attempt to compensate for the confiscation of the *Commons* by *Enclosures*.

The *Currency Reforms* were unavailing, and the *Store* which a labourer could - in the fifteenth century - have obtained by fifteen weeks' work would take him nearly double by 1533 and forty weeks in 1564. Wheat was nearly £1 a quarter, oats 7/- and malt over 10/-. By the end of the century, he could not have bought the *Store* with his year's earnings. The only improvement in *Husbandry* was the introduction of the hop. The seven years' apprenticeship was enforced, wages could be fixed by the *Justices* in *Quarter Sessions*, and the *Poor Law* appeared.

These were huge changes from the fourteenth century when:

“They eat wheaten bread, drink barley beer, and have plenty of cheap though perhaps coarse meal.”

Mutton was then ¼d a pound, the relief of destitution was a fundamental religious duty of the *Medieval Christian*, and a third of the tithe went to the relief of the poor<sup>37</sup>.

The doctrine of responsibility attaching to wealth was realistically enforced, the monasteries were renowned for almsgiving, the *Hospitallers* were particularly bound to relieve the casual destitutes, *Nuns* cultivated and dispensed rare medicinal herbs.

Gasgoigne was furious with Pecok in the fifteenth century for suggesting that *Ecclesiastical Revenue* could be disposed of as freely as *Private Property*. There was a wholeness about *Medieval Charity* which was smashed by the advance of usury and *Enclosure* so that after the *Reformation* we see but piecemeal acts to stem the embarrassing problem of the poor.

As early as 1536 an act was passed to provide for the collection of alms on Sundays and Holy Days to be dispensed by the churchwardens. The spirit of Edward's greedy guardians - the barbarity and unnatural evil of the *Usurer* - is displayed by the savage act which reduced the *Destitute* to slavery, branded and enchained him.

William Blackstone<sup>38</sup> gives a descriptive account of the infamy:

“The *Law of England* abhors and will not endure the existence of, slavery within this nation: so that when an attempt was made to introduce it by statute<sup>39</sup> which ordained that ‘all idle vagabonds should be made slaves, and fed upon bread and water, or small drink, and refused meat; should wear a ring of iron round their necks, arms or legs; and should be compelled by beating, chaining, or otherwise, to perform the work assigned them, were it never so vile’; the spirit of the nation could not brook this condition, even in the most abandoned rogues, and therefore this statute was repealed two years afterwards.”

The Anglo-Saxon spirit of liberty, which had struggled against papal exactions, Roman civil law and evil rulers through the centuries, was now meeting its severest adversary in greed at home. The *wraiths* of Alfred, Edgar and Edward the Confessor were gradually to be dispersed by the acid of home and imported usury.

In 1557, *Collectors* were appointed to dun the rich for alms, and the *Refusers* were threatened under Mary with proceedings for *Heresy*. Under Elizabeth, they were compelled to pay at Christmas and Whitsun. The law of 1592<sup>40</sup> was generally disobeyed, and marked a dying spasm of the old system. For other matters than good husbandry were taking first place in the nation's eyes. We must notice one of these before we pass on to the variations in the *Usury Laws*.

Rogers concluded - and we do not necessarily agree in its entirety with his words - that:

“From 1563 to 1824, a conspiracy, concocted by law and carried out by parties interested in its success, was entered into to cheat the English workman of his wages, to tie him to the soil, to deprive him of hope, and to degrade him into irremediable poverty.”

The ‘deliberate malignity’ of *Governments* and *Parliaments* rendered necessary the later palliatives, while for over two hundred years:

“the *English Law* and those who administered the law, were engaged in grinding the *English Workman* to the lowest pittance.”

<sup>37</sup> Cf. Dante, *Parad.* XII, 91-93 re tithes.

<sup>38</sup> In his *Commentaries* (1 - 424).

<sup>39</sup> 1 Edw. VI. c. 3.

<sup>40</sup> The law about the four acres of allotment.

Others hold that the law fixing a *Minimum Wage* was an effort to maintain the *Workman's Wage*. Whichever view be adopted, the result is the same. After the first quarter of the sixteenth century, the *Workman's* real wage decreased headlong, although it actually increased in amount, and this was accentuated by the *laissez faire* attitude of the eighteenth century, which dated from 1688.



## Chapter 7. Cloth is My Bread

*Pannus Mihi Panis - Cloth is my Bread* - is the motto of Kendal and it typifies the other tendency in England which indirectly contributed so much to the demand for the withdrawal of *Anti-Usury Legislation*.

It is necessary to realise why the *Chancellor* sits on a wool sack, and how it was that England changed from a self-supporting mainly agricultural country - such as Disraeli still favoured - to an industrial center looking abroad for food with its policies closely interwoven with - if not guided by - those of high finance.

There are other industries - notably the rural crafts intimately related with husbandry - but consideration of the *Wool Industry* will give enough insight into this chain of events.

The industrial and mercantile side of our country's life dates from the time of the seafaring *Norsemen* and the road-building *Romans*, while the link with the Netherlands is as early as the marriage of King Alfred's daughter to the Flemish Count.

Edgar fixed the price of *English Wool* carried to the *Continent*, and Edward the Confessor laid down regulations for the *Rouen Merchants* who had their own wharf in London. But in this and succeeding centuries there is the vast difference with later times, in that it was still a cardinal point of national policy for England to feed herself.

*Manufacture and Export* and the *Money Brokers* who are nowadays inseparable from these transactions were subordinate. The production of food, not of exports, was the country's first concern.

In the eleventh century, when the towns of Flanders and North Europe grew, wool producing Englishman turned attention to the manufacture of woollen goods at home.

“Under Edward I a basis of commercial law had been laid down, the beginning of a system of credit in business had been established.”<sup>41</sup>

Edward, in fact, tried to negotiate with the wool merchants directly instead of through *Parliament*. Simon de Montfort advocated that England should learn manufacture from the *Flemish Refugees*. Edward III made an alliance with Flanders and, after *Cassel* in 1328 he welcomed them and they were taught English.

But these early kings narrowly guarded the rights of natives against the aliens, no less than the right use of money. Edward I had already done much in supervising the organization of trade - although *Local Guilds* had existed since the last quarter of the tenth century - and the *Statute of Westminster* fixed the custom on the export of a sack of wool as half a mark, and a mark on each last of hides (13/4d).

But Edward III tried to prevent mere trade going too far, and prohibited the export of wool, partly to encourage local industry and partly to ensure that his people were clothed.

The price of English wool increased in the wars from £2 to £8 a sack, and the power of the merchants was only checked by the *Statute of Staples* signed in 1353. Forty four different brands of wool were now produced, and the new *Mercantile Interest* flourished.

But the new class dealt in a *Commodity* not, like their successors, in money alone. It was said that:

“More wars were fought for cloves<sup>42</sup> than crowns.”

Standard wages and hours were enforced, and night work prohibited. When usury was accepted, conditions of work deteriorated sharply. The home manufacture of cloth was established, an excellent piece of statesmanship, and all to the good, so long as trade, manufacture and finance did not unbalance England's economy.

The word *economy* means *household management*, and the Edwards (I and III) were evidently anxious that their household should feed itself as a primary duty. The prosperity of the *Wool Trade* has built many magnificent churches particularly in East Anglia - and houses such as Paycock's - and in the fifteenth century the West Riding also benefited. There still remain public and private buildings of beauty as a legacy from the *Wool Makers*.

But at the same time, contact with the *Calvinism* of the Netherlands had a profound effect on the country's religion, especially in the point under investigation, for it was *Calvinism* that eventually accorded the *Usurer* respectability. It was in the manufacturing counties that *Protestantism* struck its strongest roots, while the agricultural districts clung to the old faith and ethic.

<sup>41</sup> According to Morris and Wood in *The Golden Fleece*.

<sup>42</sup> A clove is 7 lbs. of wool, and 52 cloves make a sack.

The *Cistercians* were great *Sheep Farmers* and good *Landlords*. Their wool paid a large part of Richard I's ransom. But the danger from excessive sheep farming was recognized at this early date (1195), as it was not later on, when the *Yeomen* were evicted. Sir Thomas More in his *Utopia* complained of the abbots whose sheep eat up the land that should have grown corn<sup>43</sup>.

The *Black Death* broke up the manorial system, which accepted payment in kind or labour, but which had given land and protection in return, and so had guaranteed a more real kind of freedom than that with money wage and mobile labour, which was to be the condition of the property-less proletariat.

But now in 1348 there were 200 men where there had been 300 before, and so sheep farming was the obvious remedy. The bad side of this was *Enclosures*, which came to take their place beside usury as the leading social evils of the country.

Both proceeded from the same spirit of *Greed* and *Monopoly*, and bore heavily on the *Yeoman*, who was the basis of the *Catholic Order*. Uncultivated arable land and the equivalent part of the *Commons* was first enclosed, but it went further and robbed the peasants, who should not by the custom of the manor have been expropriated.

The rebellions of Wat Tyler, John Ball<sup>44</sup>, John Wraw and Geoffrey Lister were the result.

In 1388 an act was passed forbidding children who had worked on the land up to the age of twelve to take up industry. This was to combat the agricultural depression which threatened. But the wool trade boomed. In the rest of England, the *Domestic System* began, whereby the *Clothier* handed out wool to the *Spinners*, *Carders* and *Weavers* to work up in their own homes. The system was praised by Cobbett and was infinitely preferable to the *Factory System*, although it gave the excuse for its worse excesses - such as child labour.

The export of fells made money, the carrying trade passed to England, the *Merchant Adventurers* came to the fore with the beginning of the fifteenth century. These aspects of a commercial civilization had the usual accompaniments of the increase in the use of money and of a *Pauper Class*.

John Wycliffe's<sup>45</sup> significance of is as a manifestation of *Nationalism* as well as of religious revolt and the passing of the *Anti-Usury Laws* show that usury was more frequent.

The guilds had bound religion and industry together, as the *Mystery Plays* witness, and the *Council*, meeting in the *Guild Hall*, regulated the conditions of the trade.

Separate *Craft Guilds* arose late in the thirteenth century. The seven years apprenticeship guaranteed fair conditions and good work. After that, the *Aspirant* worked two years as a *Journeyman* and then submitted his *Masterpiece*. The *Wardens of the Guild* forbade night work, work on holy days (which were frequent).

The guilds fixed prices and wages, made inspections and cared for those who were ill. The first *Craft Guild* - that of the *Cloth Weavers* - arose in London about 1100.

Henry VIII, by his act of 1545, which confiscated the part of a guild's property which was devoted to religious purposes, was the death blow to the guild system. With them went the prohibition of *engrossing* and *regrating*, and the floodgates were open to commercial practices which are accepted today, while the rift between *Capital* and *Labour* was hopelessly widened. *Local Justice* was abandoned together with *Guild Halls*, the *Court of Pie Powder* and the *Law Merchant*. Local and religious bonds were being snapped and abuses had nothing to check them. But the old order left its mark for a couple of centuries.

The fall of Constantinople closed the overland trade routes with *The East* and the conquest of Egypt in 1517 removed the last means of bringing spices to make salt meat palatable. So Portugal sent ships round the Cape to the East Indies, and Spain turned to *The West*.<sup>46</sup>

There was an economic revolution in the sixteenth century only rivalled by the industrial revolution of the eighteenth and nineteenth centuries. This bore hard on the old legislation and standards. The *New Capitalist*<sup>47</sup> of the mobile *Profiteer* type arose, and American bullion found its way into their hands. The *Spanish Fury* of 1576 enabled London to replace Antwerp as the *Mart of Europe*. England added wool manufacture to wool growing, and more land was enclosed.

<sup>43</sup> Mencius.

<sup>44</sup> Ball and Wraw were priests.

<sup>45</sup> John Wycliffe (1324-1384) was an *English Theologian* and early dissident in the *Roman Catholic Church*. He founded the *Lollard Movement*, a precursor to the *Protestant Reformation*. He was one of the earliest antagonists of the papal encroachments on secular power. Wycliffe felt all Christians should have access to the Bible in the vernacular and is credited as the force behind the first complete translation of the Bible into English.

<sup>46</sup> Cortez conquered Mexico in 1522, Magellan passed his straits in 1520, Pizarro conquered Peru in 1532.

<sup>47</sup> The notorious *Fuggers* were a fit example.

A typical complaint in the middle of the sixteenth century was that:

“Whereas forty men had their livings, now one man and his shepherd hath all.”

Sir Thomas More complained of:

“...the sheep that eat up and swallow down the very men themselves.”<sup>48</sup>

He applies much the same language to *enclosures* as that being applied to usury at the time. Bishop Latimer's sermon which describes his *Yeoman Father* is well known. He was a particular enemy of the *Usurer*. They were the twin social iniquities.

*Absentee landlords* multiplied, so that the personal bond was snapped and the importance of money increased. In the *Life of Golding* there is a note on a *Noble* exchanging his *tithes* for a fixed money payment. The influx of American silver brought a further rise in price. Abbots had enclosed, but only to a minute fraction of the extent practiced by the new rich who had obtained the abbey lands. The monasteries had little to be ashamed of in their administration of a fifth of England's land.

There was a shift in business. Coventry, for instance, decayed,

“Whereas in Edward IV's reign Coventry, along with Bristol, York and Norwich, was one of the four towns outside London which was considered important enough to mint his beautiful *Rose Nobles*.”

Somerset added to the distress by confiscating the funds of religious guilds. The growth of poverty is shown by the *Rebellion of Kett*, the *Pilgrimage of Grace*, and other marks of discontent. The alien workmen<sup>49</sup> who increased woollen manufacture worked mainly apart from the guilds. The *Domestic System* was arising.

Under Henry VIII, *Spinners* and *Weavers* were gathered under one roof in a *Factory*. But “the feeling of the time was against the system”, and machinery was prohibited, with the objects of defending traditional skill and preventing unemployment.

In 1552 gig machines were prohibited, in 1589 stocking machines, in 1623 needle machines, while the *Weavers Act of 1555* forbade:

“Clothiers dwelling outside a corporate or market town to keep in their house more than one woollen loom at a time, or to profit by letting looms.”

*Weavers* were not allowed to keep more than two looms or to act as *Tuckers (Fullers)* or *Dyers*. *Tuckers* were forbidden to keep a loom. The current against monopoly was still strong, and it was:

“...the conscious policy to preserve existing social grades and to make each grade enduring.”

Francis Bacon commended Henry VII for maintaining farms with such a proportion of land as:

“...may breed a subject to live in convenient plenty and no servile condition; and to keep the plough in the hands of the owner and not mere hirelings.”

So the *Domestic System* was preserved and the Industrial Revolution delayed for 200 years. The carrying trade passed to England with the abolition of the *Hanse Charter* in 1598.<sup>50</sup>

The days of the *Merchant Adventurers* saw the rise of another kind of merchant - the *Usurers* who dealt on the *Exchanges*. The search and rivalry for markets was beginning, and with it the inversion of natural values. Each country desires now to export more than she imports to achieve a ‘favourable’ *Balance of Trade* in exchange for money or credit.

Broadly, Machiavelli's doctrine was accepted that the *Power of the Prince* - not the *Satisfaction of the People's Needs* - was the object of commercial activity. The state of nerves of the nation fortunately ensured that enough food was grown at home still to make the import of food unnecessary, and home manufacture was encouraged.

In fact, the *Government* was soon taking over the work that the *Guilds* had done so well. *Barter*, officially, was still the order of the day between countries, though Thomas Wilson<sup>51</sup> gives ample evidence of traders in money.

<sup>48</sup> Mencius III. iii. ix – 9: “This is leading our beasts to devour men.”

<sup>49</sup> *Huguenots* etc.

<sup>50</sup> The *Steelyard* - the trading base of the *Hanseatic League* in London - was suppressed by Queen Elizabeth in 1598 and the privileges of the *Hanse Merchants* rescinded. Above is Hans Holbein's portrait of the German merchant Georg Gisze.

<sup>51</sup> Thomas Wilson in *Discourse on Usury* (1572).

*Barter* cuts out the *Usurer*. But trades that brought metal into the realm were ranked highest, and trade was ousting home production in importance. Wool was prominent, and the *Woollen Laws* that insisted on burial in wool were not repealed until 1874.

So the *Mercantile System* arose - also known as the *Favourable Balance of Trade* or the *Policy of Power* - which has left its scars on our thinking. Some of its notions were replaced under William Pitt, Adam Smith, the *Manchester School* and the *Free Traders*, but it was a big step in exalting *Money* to the detriment of *Real Goods* and of vitiating thought on money.

The *Tudors* realized that an industrial revolution just then would have increased poverty and other problems, so the restrictive laws were passed. The *Domestic System* was a half way house, and under it the craftsman lost much of his importance. But many families still owned land, and quality was still the aim.<sup>52</sup> Daniel Defoe, in his description of the land round Halifax, shows that the workers still had some land and independence.

But then the iniquitous *Truck System* arose, which meant payment in cheques which had to be spent at the employer's shop, where he usually overcharged. The miseries associated with the *Industrial Revolution* were already present in germ, with the type of employer as well as the *Master Usurers*.

But the work was still done at home and the family tie was not broken. *Fulling Mills*, indeed, had appeared in Bradford in 1311, but only gradually came into use. The woollen industry was widely distributed - particularly near the eolitic and chalky land which favours sheep. It was not understood that machines could shorten hours of employment.

But although industry was kept within bounds for some years, the increase in this kind of business inevitably brought heavy pressure against traditional standards. The huge halls built at the close of the sixteenth century are suggestive of monopoly.

*Catholic* morality on the subject of money was first broken down, as we shall see among the new and vigorous race of *Traders* and *Industrialists* - the *Puritan* type - and as far as our study of affairs in England is concerned, they are the advance guard of a new outlook which was eventually to relegate the laws prohibiting usury to the lumber of '*monkish superstition*'.

We have seen much of the medieval apparatus of society disposed of under Henry VIII - the local mints, the guilds, the monasteries, - and it remains to see how the laws and ethic about usury fared in his reign, and how the *Church of England*, another reformed new feature of the times, confronted the problem.

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<sup>52</sup> Tenter frames, which overstretched the cloth, were prohibited in 1597.

**Chapter 8. Partnership**

“Hark, hark, the dogs do bark. The beggars have come to town.”

In the reign of Henry VIII, the attack on *Catholic Order* was so widespread that some have seen in it more than a chance collection of tendencies coming to a head. In fact, a new type of man was coming to power, whose ruling passion was greed.

Thomas Cromwell, a petty *Attorney* and *Usurer*, was typical: ruthless, cunning and successful. Henry himself was described by Francis I's ambassador as ‘avaricious, distrustful, inconstant’. His cruelty was notorious. The Cecils and Howards were other families with ‘a constant eye to the main chance’ and a ‘sure instinct’ for gain.

We have already seen that the *Local Mints* were suppressed, the *Guilds* ruined, the price level sacrificed. The ‘reform’ movements are too well known to need emphasis here, but it may be remarked that they were directed largely not against the abuses, which had been glaring enough, but against the very system itself, and so were movements of destruction rather than reform.

Opposition to the *Catholic Economic System* - it might well be called the *Christian Economic System*, since there was no other *Christian* system to replace it - was well organized and soon the very *Lombards*, mentioned by Langland etc., were to gain hugely from the disintegration of the order.

In spite of many unworthy *Clerks*, religion had undoubtedly served to bind back abuses and to bind the people together in an order that resulted in a tolerable amount of happiness together with exuberant devotion. It shortly became a mark of credit to work in Lombard Street at the very calling which had been execrated for so many centuries. The lust for gain was to prove the *Deus Inversus* of succeeding generations.

The weakest of the landed community had been protected by custom and had held land by hereditary right - the *Tenants* and *Serfs*. Their fuel and pasture had been secure by ‘immemorial right’, and little money had been needed. But the money rents, the eviction of the yeomen to make room for the sheep<sup>53</sup> and the economic ‘forestalling’ type of *Landlord* increased misery, fanned rebellion, and brought pressure on the new masters to undo what remained of the *Catholic Economic Order*.

The ghastly penalties on *Vagrants* - whipping, hanging, slavery - showed that the emptying of the *Convents* had increased the number of *Landless Paupers* to an alarming extent. *Robert Kett* and his rebels claimed back the *Commons*. The split into classes, with the weakening of the *Yeomanry*, began. The first *Poor Relief Act* was passed in 1552. It has been said that the class between the *Landlords* and *Labourers* - the *Commercial Adventurers* - were now coming into control, and they went either to the towns or to sea.

In 1494, Laurentius de Rudolph recognized the right of the *State* to levy *Montes Profani* (*loans*), but he advised *Christians* to ‘have as little as possible to do with these loans’.<sup>54</sup> The *Italian States* had raised these forced loans on usury. It will be remembered that the Augustinians objected vigorously to *Montes Pietatis* at two per cent. A case may be made out that these loans were made under such circumstances that compensation was only equitable. However, Laurentius saw the threat of a fixed rate.

Henry VIII's position was much the same as that of the *Italian States*, as well as of later governments. He would not reform what was an antiquated financial system, and so he submitted to the *Usurer* and allowed him legal status. In 1545, all former acts concerning usury were repealed and usury was legalized up to ten per cent. The act, however, gave no moral sanction to usury and was, in fact, called *Against Usury*.<sup>55</sup>

The alternative at the time was to issue *Paper Money* as required. This would not have been difficult for Henry himself now that he had centralized the currency. The practice must have been known in Europe. For we read:<sup>56</sup>

“Before the seventh century, when an Emperor of the T'ang dynasty issued his *State Notes* (I mean *State*, not *Bank* notes), the world was almost forced to adopt as money a fixed quantity of some merchandise of common usage; salt or gold, according to the degree of sophistication of the environment. But from at least the year 654 AD<sup>57</sup> metal was not necessary for trade among civilized peoples. A *T'ang State-Note* of 856, which is still preserved, carries an inscription almost identical with that seen on today's ten lire notes.”

We might add, that apart from silver which was then in use, *Cowrie Shells* - valueless in themselves - and, it is conjectured, *Leather Tokens* had been used as money.

<sup>53</sup> It is worth reminding ourselves of Latimer's remark “There is now but a shepherd and his dog”.

<sup>54</sup> Sir W. Ashley's *Mediaeval Economic History*.

<sup>55</sup> 37 Hy. viii, c.9

<sup>56</sup> From *Gold and Work* by Ezra Pound, translated from the Italian of J. Gait by Carmen Amore.

<sup>57</sup> This is the first ascertained date, but as the form and formula were at full development, there was probably a precedent.

This is vital to grasp because quite soon paper was to be used - and abused - but a failure in will and intelligence on the part of the representatives of *Catholic Order* allowed this advance to be a means not of preserving the order but of disintegration.

The other tokens which man had used previously were always valid as long as the man who issued them had the object - a cow or whatever it was - against which they were issued. This confidence gave the *Cowrie Shells* etc. *Currency*, and prevented *Inflation* as long as there were no more shells in circulation than there were objects to buy. If too many shells appeared, there would be *Inflation* and if too few *Deflation*. It is true that at this date (1545) much silver had been drained off to *The East* in quest of luxury. But this does not excuse the general abrogation of *Catholic Principles*.

We are nearing the stage when *Paper Currency* was to supercede the metal in England, but the third stage in monetary development was immanent, when *Credit (book entries)* was to supercede paper and gold for larger transactions. These movements are the background to the gradual elimination of the *Church's* control over monetary dealings. Religion was to fail to bind back financial abuses or to bind back living to reality.

The *Usury Laws* were not the impediment to progress, but rather the *Monetary System* which was still based on fixed amounts of gold and silver. We should note that silver as well as gold was still the *Backing for Currency*, or rather the *Currency* itself. The real backing should always be goods that are available, while the real *Backing for Credit* should be goods potentially available. But the lowest stage was to be reached later when gold alone served as *Backing for Currency and Credit*. Few historians, even the most enlightened, have grasped these facts, or have noted that natural abundance and human responsibility are the rock bottom of *Currency* and *Credit*.

Nor was the change in legislation altogether a reflection of the victory of the *New Learning* over the *Old*. For Luther himself maintained the *Prohibition of Usury*.<sup>58</sup>

R.H. Tawney in *Religion and the Rise of Capitalism* gives some of the background, but hardly does justice to the *Traditionalists*. In fact, it was a failure of will, and a surrender to the passion of greed<sup>59</sup> that ruined the old order. Pressure there was, but the new oligarchy was not the ideal solution. Trade - as much as was needed - would have been possible without usury, and with *Partnership*, if the *Paper System* had been developed. Otherwise, the benefits of trade would have been postponed. John Adams the second American President, said that it was very *unmercantile* to trade on borrowed capital.

A further point is that the longing for trade at this epoch has been too readily accepted as conferring unmixed benefits. It is true that trade is useful in so far as the deficiencies of one country are supplied by what is superfluous in another. But such a *Barter System* was not what the sixteenth century *Traders* wanted, any more than their twentieth century counterparts.

In fact, today we witness the disintegration - or the final spasm - of the *System of Foreign Lending*, which has essentially a usurious basis and which has done untold harm to *Craftsmanship* and *Husbandry*. It has practically eliminated the one (except among the hardiest and least accessible people) and has severely crippled the other. The *Church* in her legislation over a millennium and a half was not entirely ignorant of these facts.

In fact *Modern Wars* have been attributed to the system of forcing *Exports* and fighting to gain *Foreign Markets* and to the outlawing of those who would return to a *Barter System*, more than to any other one cause.

“These are, doubtless,” replied the interpreter, “industrial wars. People without commerce and industry are not obliged to make war, but business people must perforce have a policy of conquest. Our wars increase in number, necessarily, along with our productive activity.

“When one of our industries cannot dispose of its product you have to make a war to open new markets. Thus, this year, we have had a Coal War, a Copper War and a Cotton War. In Third-Zealand we have killed off two thirds of the natives in order to force the remainder to buy umbrellas and braces.”<sup>60</sup>

So the opposition to legalizing usury was not so short-sighted as it is usually represented to be. And this opposition had a success in 1552 when usury was again made illegal. Latimer, among others:

“...fulminated against usury.”

It was, of course, a vital time for the *Church* to hold on to the tie between conscience, ethics and business. As a matter of fact, the Potosi silver mines were discovered in the same year as the first law in England that legalized usury, and vast plunder - in the form of *Bullion* largely - was soon captured from the Spaniards, which could

<sup>58</sup> This is noted by Karl Marx.

<sup>59</sup> Somerset is said to have had £5 million pounds worth of spoil to distribute.

<sup>60</sup> Anatole France in *L'Isle des Pingouins* according to Ezra Pound.

have buttressed up even the *Old System*. But the old system was soon pulled down and new uses found for the bullion and, practically speaking, a new religion to suit the *New Money Lords* was proclaimed. Its omissions were certainly new, although this is to anticipate.

It must not be assumed that the best men in *Church and State* failed to oppose the desertion of the old standard. John Blastin<sup>61</sup> made an anthology of various condemnations of usury by public men. John Blaxton for instance wrote *The English Usurer*.<sup>62</sup> Some quotations from this *Country Parson's* book will reveal the awareness of *Church* leaders in the sixteenth century.

Archbishop Sandys opens the anthology with four *Sermons against Usury*. In the course of these he calls usury 'a biting worm' (doubtless a reference to the Hebrew word), and says,

"This cancer hath corrupted all England... The reasons of men for usury must not give place to the precepts of God against it."

Bishop Jewell of Salisbury was no less uncompromising, or accurate:

"It is filthy gains and a work of darkness, it is a monster of nature, the overthrow of mighty kingdoms, the plague of the world and the misery of the people. It is theft, it is the murdering of our brethren, it is the curse of God and the curse of the people."

Such language recalls the prophets under Jeroboam 11, when the same affliction ground the people, and is in line with Dante<sup>63</sup> and all who saw in usury the sin against Nature. Jewell, of course, is also using the argument from the effects of usury and continues:

"Whence springeth usury? Soon shewed. Even thence whence theft, murder, adultery, the plagues and destructions of the people do spring. All these are the work of the Devil and the works of the flesh."

*Greed* was still a vice, in the eyes of the *Church*, of as great enormity as the other vices. Jewell succinctly describes the effects of usury:

"It consumeth up rich men, it eateth up the poor, it maketh many bankrupts and undoeth many householders. But some say, all kinds of usury are not forbidden, there may be cases where usury may stand with reason and equity, and herein they say so much as by wit may be devised to paint out a foul and ugly idol and to shadow themselves in manifest and open wickedness."

He then threatens *Usurers* with excommunication. This was in fact nothing new as *Usurers* had been excommunicated, refused absolution and even Christian burial. This was because it was considered utterly incompatible with *Christianity*, as an hostile force which could not possibly be tolerated.<sup>64</sup>

Archbishop Laud is said to have disliked Jewell's writings, but it would not have been for the passages quoted. The contest had shifted - or rather the *Church's* front had been pierced - in Laud's day (1633-1645), but he was a violent opponent of the twin evil of *Enclosures*, which likewise sprang from the spirit of *Greed* and *Monopoly*.

It was this spirit that the worst of the *Reformers* tried to have sanctified by the *New Church*, and explains the wrath of Cobbett in his *History of the Protestant Reformation* and his *Legacy to Parsons* (1835). It was the spirit that stole the wealth of the shrines, that had been safe for centuries, that embezzled the estates of *Guilds* and *Chantryes* leaving only the *Oxford* and *Cambridge Colleges* and the *London Guilds* untouched. It divided the country into *Rich* and *Pauper* by going a long way towards eliminating the *Yeomen* and purloining their rights.

Nor does Bishop King of London compromise:

"How long will the *Usurer* and *Oppressor* of others, whose jaws are as knives and whose teeth be of iron, lie in the bed of mischief...yet dare I give sentence against it the same as the *Roman Laws*

<sup>61</sup> This was published in 1634: the year that Cardinal Richelieu founded the *Académie française*; *The Two Noble Kinsmen*, Shakespeare's collaboration with John Fletcher was entered into the *Stationers' Register*; and *The King's Men*, the company of actors to which *William Shakespeare* (1564-1616) belonged through most of his career, performed *Cymbeline* at the *English Court*. [Ed].

<sup>62</sup> The book's full title is: *The English Usurer, or Usury Condemned, by the most famous divines of the Church of England*. It was dedicated 'to all His Majesty's subjects for the stay of the further increase of the same' and the author described as John Blaxton, preacher of God's word at Osmington, in Dorsetshire. This was published in 1634: the year that Cardinal Richelieu founded the *Académie française*; *The Two Noble Kinsmen*, Shakespeare's collaboration with John Fletcher was entered into the *Stationers' Register*; and *The King's Men*, the company of actors to which *William Shakespeare* (1564-1616) belonged through most of his career, performed *Cymbeline* at the *English Court*. [Ed].

<sup>63</sup> See *Appendix II* for references to relevant passages in Dante's writings. [Ed].

<sup>64</sup> We may compare the attitude of modern *Catholicism* to *Freemasonry*.

did; wherein because a thief was bound to make restitution of double, the *Usurer* was bound to make restitution of fourfold. The meaning is plain enough, that they esteemed usury to be a double theft, and that at the least is my judgement.”

Bishop Lake, of Bath and Wells, adds his testimony in a sermon:

“The devil is the plain image of Usurers, who live by the sweat of other men’s’ brows and cunningly grow rich by undoing by a seeming relief.”

These prophetic sermons give an insight into the effects of the spread and temporary legalizing of usury.

Bishop Downham of Derry in Ireland was called the *Hammer of the Usurers* and in Maccabean style declares that *Usurers’ Lending* is an act of self love and of covetousness, that usury is not only a vice but a detestable vice. He says:

“The *Usurer* sins against God, his neighbour and himself. As Chrysostom says *tokos ekgonos apistias*, Usury is the child of faithlessness. The *Usurer* sinneth by idolatry, is a servant of *Mammon*, is unjust and uncharitable.”

Bishop Babbington of Worcester gives the sixth testimony. He says:

“Surely these are cursed flies indeed, the suckers of our sap, the bibbers of our blood, the pinchers of our hearts, the stringers and wringers of our very souls.”

It might be a direct reference to taxes, war, poverty, insanity and suicide, which are now and always the results of usury.

Such men as these were the stalwarts in the battle against usury which was raging in the sixteenth century. They remembered most of the points of medieval doctrine, although references to *Partnership (partaggio)* might be expected as the antidote which had worked so well before. But at last the *Usurious Financiers* could point to an authority: *John Calvin*.<sup>65</sup> R.H. Tawney shows that Calvin alone of the religious leaders accepted the change and encouraged a puritanical religion of *Work for Work’s Sake*, even if this involved a change of principle.

The *Catholics* had been careful to enquire what kind of work it was, and had insisted on the importance and the rights of the *Producer*. But the *Merchant* and *Financier* - the middle men and parasites on a true order - were now to come to the top with religious sanction.

A *Merchant* asked Calvin whether usury was intrinsically evil, and he replied that it was not.<sup>66</sup> His denial was hedged round with reservations, and he regretted that it was for his advice to the *Merchant* that he would be best remembered. But the letter was the *locus classicus* for the *New Financiers*, whose malpractices were no longer bound back by religion, and Calvin was soon followed by other *Reformers*. He was at one in spirit with Bishop Gardiner, for instance, who proclaimed the *Royal Supremacy*, and said at the end of his life:

“Negavi cum Petro, exivi cum Petro, sed nundum flevi cum Petro.”  
*I have denied with Peter, I have gone out with Peter, but I have not yet wept with Peter.*

Calvin, in fact, was as much a man of his time as Cranmer, the “fit instrument for the King to work by.”

Burnet in his *History of the Reformation* said that Cranmer thought of:

“Ecclesiastical offices being as much subject to the *King’s* power as all other offices.”

These were the men, ignoring *Divine Sanctions* and the *Laws of Nature*, whose opinions prevailed or were an excuse for the greedy. And unfortunately this great renunciation of *Church Teaching*, which had been so finely chiselled in previous centuries, came soon enough to be accepted by the *Church* herself for, as we shall see, the influence of the Calvinists was strong in England as well as in Geneva. Calvin wrote:

“It is a perilous piece of work. If we condemn it [usury] altogether, we place heavier burden on men’s’ conscience than God Himself in *Holy Scripture*...I cannot see usury altogether condemned by any testimony of *Holy Scripture*.”

<sup>65</sup> John Calvin (1509-1564) was a *French Protestant Theologian* who developed a system of *Christian Theology* called *Calvinism* or *Reformed theology*. In Geneva, his ministry attracted other *Protestant Refugees* and over time made that city a major force in the spread of *Reformed Theology*. He is renowned for his teachings and writings, in particular for his *Institutes of the Christian Religion*.

<sup>66</sup> Epistle 383.



He admitted that it was rare to “see a *Usurer* a good man,” but decided that *Usuries* were particularly forbidden to the *Jews*. He was thinking of the passage in the *Book of Deuteronomy*.<sup>67</sup>

“Unto a stranger thou mayest lend on usury.”

But this verse cannot be read apart from the preceding verse:

“Thou shalt not lend on usury to thy brother.”

In the first place, the whole is a prohibition and not a permission; and in the second, there is no *stranger* to the *Christian*. Rather every man is his *brother*. It was truly enough a perilous piece of ground on which to base the *Permission of Usury*, and is an almost incredible inversion of the usual approach towards the *Moral Law* of the *Old Testament*.

It is significant that in Landor’s *Imaginary Conversation*<sup>68</sup> between Melancthon and Calvin, the former charges Calvin with trying to reintroduce the *Religion of the Jews*. Calvin must have known that the *Jews* had been the great *Moneylenders* until they were expelled from the various *Christian* countries, and the permission he gave did in fact constitute the *Calvinistic Usurers* a chosen race. Calvin’s conclusion was:

“We see not that usuries are simply forbidden, but only so far as they are repugnant to *Equity* and *Charity*.”

The *Calvinistic* position was for years contested, but it is most remarkable that it was the position that eventually found favour over the whole of *Christendom*, in practice if not in theory. Calvin initiates the era when usury was not only legalized but started to be moralized, or to receive at least a moral sanction. We see the gradual caving in of *Christian* resistance, which Jewell, Sandys and others had so stoutly maintained.

These are the origins of the landslide of the seventeenth century. But the Elizabethan turmoil still remains to be considered, and the last outstanding figures who challenged Calvin’s thesis. The reign of Mary was, as far as usury is concerned, a pause before the storm. The *Calvinists*<sup>69</sup> were driven to the *Continent* like a swarm of flies, only to return with fiercer purpose.

The law of Edward VI which prohibited usury was at all events unrevised until Elizabeth’s age, although Mary did not dare to return the despoiled Church lands. William Cobbett roundly held that the *Reformation* was a tragedy for the working man and that the suppression of the *Monasteries* increased *Pauperism* to embarrassing proportions, together with *Land Enclosure*, which was another issue debated at the time.

Cobbett is concerned not so much with the *Usury Laws* as with the general trend towards a new manifestation of selfish greed - later called *Individualism* - which marked the change from the *Catholic Order*. This sturdy countryman’s views are worth considering against the usual biased views which disregard the crueller sides of the social changes. These are only recorded in such old volumes as that of Blaxton, but are an aspect of the times very much to the point.

The new learning as well as the old had at first resolutely withstood the *Usurer’s* advance to power and propriety. Latimer had ‘fulminated against usury’ but the power of the *Calvinists* was by this time making itself felt in *Church* and *State*. A new callous world of *Commercialism* was in the making, and for it to attain its objects of *Wealth* and *Power*, the old laws that restrained *Unlawful Greed* had to be brushed aside. Such figures as Gresham were the protagonists of the *New Order*, which has proved so chaotic.

There were no longer *Monasteries* or *Convents* to shelter the unfortunate, and Cobbett showed what this meant for thousands of English people. It was a beginning of the move - to gain such impetus from the *Industrial Revolution* - from the country to the town, where *Quick Money* could be made through the questionable dealings of the rising *Financial Class*.

Typical of the compromises of Elizabeth was the law of 1571. It was called *Against Usury* but usury was actually permitted provided that it did not exceed ten per cent. But the law included a word of defiance to the *New Plutocracy*, for:

“all usury, being forbidden by the *Law of God*, is sin detestable.”

This compromise of 1571 re-enacted the law of 1545, but its importance is due to its central position in a controversy on usury which lasted for about forty years, and did not die out for fifty more. We shall review the dispute in some detail.

<sup>67</sup> *Deuteronomy Chapter xxiii, verse 20.*

<sup>68</sup> *Imaginary Conversations* by W.S. Landor.

<sup>69</sup> Among them was a Scottish clergyman *John Knox* (1510-1572) who was leader of the *Protestant Reformation* and the founder of the *Presbyterian Denomination*.

R.H. Tawney has supplied much valuable material in his introduction to Dr. Wilson's attack on usury, while Lancelot Andrewes wrote a treatise, which has for many years remained among his printed papers in its Latin original. After noticing the trends in the conflict, and the main points in Wilson's thesis - who, as a *Lawyer*, stood as the counterpart of Calvin - we shall examine the work of Andrewes in detail. He was the last great protagonist of the sanities of the past, and his rejection from the *Primacy* in 1610 marks the virtual end of resistance to the new trends. Wilson wrote his treatise to obstruct the *liberal* legislation of 1571.<sup>70</sup>

Francis Bacon<sup>71</sup> took up the intermediate position. He understood the arguments against usury; that it is a pity the Devil should have God's part, the *tithe*; that the *Usurer* is the greatest Sabbath breaker because his plough goeth every Sunday so that he breaks the command "in sudore vultus tui non alieni" - that they should have orange tawny bonnets, because they judaize; and that it is against nature for money to beget money. But took the view that it was a "concessum propter duritiem cordis" permitted because of the hardness of men's hearts for "some others have made cunning propositions of banks, discovery of men's estates and other inventions."

He goes on to mention the "discommodities" of usury. It makes less merchants, for "were it not for this lazy trade of usury, money would not lie still." Secondly it makes poor merchants, for "as a Farmer cannot husband his ground so well if he sits at a great rent, so the Merchant cannot drive his trade so well if he sit at a great usury." Thirdly, it leads to "the decay of customs of kings and states." And fourthly, "it bringeth the treasure of the realm into a few hands...the *Usurer* being at certainties, the others at uncertainties"

"Ever a state flourisheth when wealth is more evenly spread... It beats down the price of land, for usury waylays merchandizing and purchase...It doth dull and damp all industries, improvements, inventions...It is the canker and ruin of many men's' estates; which in process of time breeds a public poverty."

The frequent reference to the mystical term *Trade* is notable, a term that he does not stop to define. And so, when he enumerates the advantages of usury, he mentions first that in some respects it advances *Merchandizing*. It helps those in difficulties, for:

"...whereas usury doth but gnaw upon them, bad markets would swallow them quite up."

But in the days when money was issued from *Local Mints*, there was no need to have recourse to the *Usurer* or any such false antithesis of 'either...or'.

"It is impossible to conceive the number of inconveniences that will ensue if borrowing be cramped...all states have ever had it [usury] in one kind or rate or other. So as that opinion must be sent to *Utopia*."

But he fails, again, to distinguish between *Usury* and *Partnership*, wherein there was a sharing of risks. So he seeks not alternatives to usury but the reform of usury. Two things are to be 'reconciled' although again he omits any reference to *Partnership*:

"The one, that the tooth of usury be grinded, that it bite not too much; the other, that there be left open a means to invite moneyed men to lend to the *Merchants*."

Bacon suggests "...two several sorts of usury, a less and a greater." Of the two rates, one is to be "...free and general for all, the other under license only." Usury is to be reduced to five percent. Then "let there be certain persons licensed to lend to known *Merchants* upon usury at a higher rate." The rate is to be eased from what it has been, licences will not be given to *Corporate Bodies* and *Licensed Lenders* are to be indefinite in number but each shall be 'of fixed abode'.

"Let it be no *Bank* or *Common Stock*, but every man be master of his own money [and] restrained to certain principal cities and towns of merchandizing...so the license of nine will not suck away the common rate of five [for] it is better to mitigate usury by declaration than to suffer it to rage by connivance."

This is a reintroduction of the principle of the *Ghetto for Usurers*. There were few who both recognized the evil of usury and were willing to allow it. Bacon's position (apart from the rates he suggested) was that taken by the legislators of 1571. To take account of the influence of American silver on European prices, the following year Bodin added:

"Et ceux qui soutiennent sous voile et religion que les usures modérées et rentes constituées à 4 ou 5 percent sont justes, attendu que le débiteur en tire plus de profit que le créancier, abusent de la Loi de Dieu qui défend si disertement qu' on ne la peut révoquer en doute."

<sup>70</sup> The latter day revival is presented in greater detail in Chapter XIII *The Recovery*.

<sup>71</sup> Essay XLI.

“And those who use deceit or religion to support their assertion that moderate usury and interest fixed at four or five per cent is just, provided that the debtor obtains more advantage from it than the creditor, abuse the law of God which prohibits it so eloquently that it cannot be questioned.”

Usury and enclosures were the two great practical problems of the sixteenth century. Usury was a live topic until the sixteen forties, when enclosures were still hotly debated, particularly by Laud. But in sixteenth century England property was still widely distributed, and the proletariat was still small, although it was increasing.

We have noted the *Tudor Laws* to prevent the rise of factories and the domestic system. The majority owned property or worked for the family firm. Tawney remarks that ‘the typical worker is not a wage-earner, but a *Peasant Farmer*, a *Tradesman* or *Small Master*’.

It was a period of tension, of the increase of sheep farming which resulted in a de-population of the land, in the loss of common rights which made all the difference to a small *Yeoman* working on a narrow margin of profit, of the growth of joint-stock organization and of a rudimentary factory system.

In 1563, maximum wages were fixed owing to the shortage of labour, but their purchasing power was much less than it had been fifty years before. It was still in the main what would now be called a ‘distributive state’ with the emphasis on *Self-Sufficiency*. Apart from the tenure of land, the borrowing of money was a chief problem of these small farmers.

Tawney says that their ‘need of advances was inherent in the nature of things’ owing to the uncertainty of the seasons. There had been a mass of legislation on borrowing, and many evasions were perfected, such as time bargains and fictitious partnerships. *Usurers* had been found in villages even in the fourteenth century, and their type was not much changed by the time of Gustav Flaubert's provincial Monsieur Lheureux of the mid-nineteenth century.<sup>72</sup>

Except in larger towns, usury was not a full time profession but a sideline practiced by the *Rich Farmer*, *Innkeeper* or *Tradesman*, and it had a good deal in common with *Pawn-broking*. Sometimes the *Clergy* were tempted. The *Village Usurers'* rates were often iniquitous - a penny or two-pence per week on a shilling, for example. Moreover, as in *Old Testament* times, loans were often made in kind.

As the writer of a pamphlet in 1594 entitled *The Death of Usury or the Disgrace of Usurers* expresses it:

“He that puts forth money dares not exceed the rate of ten in the hundred; but he that uttereth wares doth make the rate at his own convenience.”

Not only *Farmers* and *Peasants* were forced to borrow in difficult times, but *Craftsmen* had to buy raw materials and *Tradesmen* needed capital to buy wares. Fitzherbert warned *Farmers* against working on borrowed capital, for:

“The *Copyholder* or *Yeoman* of *Tudor England* was apt to step into the position where he was little more than the caretaker for his *Creditors*.”

Standing crops were pledged or sold ruinously cheaply. The *Producer* received a beggarly price, while the *Consumer* bought the same grain at top price.

More significant was the rise of the *Commercial Capitalist*. He was fighting successfully against the independent *Producer*, whose *Guild Organization* had been shattered, and the *Producers* were becoming the ‘...servant of an employer, on whom he depends for orders, for raw materials, and for the sale of his wares’.

The *Domestic System* gave him less independent status than he had held when the *Guilds* were effective. As at other times of difficulty - and the age is not dissimilar to that of two centuries or so later - *Emigration* was being commended and this is a sure sign that times are out of joint.

Cushman commended it. Indeed, if we are to see later *Christian Social Movements* as germane to our subject (usury), it is vital to grasp the connection between usury and the world both at this critical and fatal era for the *Usury Laws*, and at later times when usury itself was seldom mentioned.

Connections between the old *Small Scale Usurer* and his imposing international counterpart of later centuries are to be found in this period, where the *Money Dealer* was emerging; and the miseries that both types of *Usurer* have generated are substantially the same. This is clearer now than when Tawney wrote.

<sup>72</sup> Gustave Flaubert (1821-1880) was a French writer who is counted among the greatest Western novelists. Monsieur Lheureux appears in *Madame Bovary* his first published novel in 1857.

*Public Pawnshops* were also commended, but many found themselves at the *Usurer's* mercy since the abolition of the *Local Mints*. He was called at the time 'the insatiable *Usurer* which gnaws the poor people daily to the very bones'.

The *Business Classes*, meanwhile, were overtaking the *Landed Gentry* in wealth, and plunging into extravagances which brought many of them into *Debt* and many acres were mortgaged to *Money Lenders*. Satirists and playwrights of the period made frequent references to this social background. Not a few *Members of Parliament* thought the laws dealing with usury were 'antiquated relics of popery'. The long rise in price stimulated the formation of many new companies after 1570. Unluckily the *Partnership Doctrine* was little heeded by these greedy profiteers.

The *Gentry* became in their turn caretakers of the *City Merchant*. Gresham (rashly sued for usury by Sir Henry Woodhouse) and Pallavicino were typical of the rising class of *Financiers*. The *Italians* understood financial dealings accurately.

Audley was another financier, whose vast fortune enabled him to build Audley End (it had been monastic land), and James remarked that although a *Lord Treasurer* might afford it, it would be too expensive for a *King*.

*Rack renting* was all too common, particularly when a *Usurer* had procured an estate from his victim, when he at once raised the rents. Audley was quick to resell such estates. Massingham showed how the evil was spreading:

"...there being scarce one shire in Wales or England where my monies are not lent out at usury, the certain hook to draw in more."

There was a fairly rapid transfer of land to the new *Monied Class*, and although the *Peasantry* disliked these *Absentee Landlords*, attempts to limit the transfer were futile. The same struggle and hostility of *Debtors* towards *Creditors* took place after the *Battle of Waterloo*. But the *Monied Interests* prevailed everywhere and profited by the rise in price.<sup>73</sup>

The *Spanish Bullion* did much the same as the *Treasure* from India nearly two centuries later. Apart from the greedy small *Usurer* and mortgages, what would now be called *Capital Enterprises* were started. Mines, munitions and cloth trades were expanded and cloth was exported in ever larger quantities.

Land was being enclosed into huge estates.

"[The *Capitalist*]...without interfering directly in the process of production gathered into his own hands all the threads of commercial organization."<sup>74</sup>

Businesses which employed a thousand men were growing, and *State Control* was favoured by the *Privy Council*. Capital was needed (£1000 or more) for these enterprises and in the cloth industry:

"...Credit intervened to bridge the gaps between the successive stages...and to pay wages before the sale of the end product."

Even the *Cottager* needed credit to buy his wool or yarn, and the *Wool Broker* or *Brogger* acted as his *Banker*. Shrewsbury said that the *London Money Market* was indispensable to *Provincial Industry*. In *Depression Years* like 1586 and 1621, *Financiers* were a heavy burden to *Manufacturers* as well as to the *Landed Interest*.

Minerals too excited the interest and cupidity of the new *Landlord Class* and the ancient trades of coal, lead and tin mining flourished again. *Credit* was vital, and the danger of *Monopoly* and *Rigged Prices* was grave.

*Joint Stock Companies* were floated, as when the City of Nottingham issued £1 shares in 1601 to work a local mine. These modern developments took place when the teaching on usury was still in men's minds, and in them we see the connection between the new and the old order.

Tin was paid for twice a year and *Wages* had to be found in the intervals. They were supplied by *Pre-emptors*, a small group of *London Capitalists* who sold much dearer to the *Pewterers* etc. than they bought from the mine.

Strong arguments were advanced for nationalizing the *Tin Industry*:

"...for the riches of the *Commonwealth* being drawn into someone or a few men's hands savours of a monopoly."

In 1625 the author of *Usury Arraigned and Condemned* wrote:

<sup>73</sup> Ezra Pound made the observation that: "...the death stab is in having foreigners in *Parliament*, or indeed any MP not owning land in the district he is sent from if it be country, while city representation should be by trades."

<sup>74</sup> R.H.Tawney (1880-1962) in *Religion and the Rise of Capitalism* (1926).

“What a world of *Trading Debtors* are eaten up with usury.”

The *Craftsman* who had lost his *Guild Organization* found it increasingly difficult to maintain his independence of the *Financier* and many sank into *Wage-earners* or were *Servants* of an *Employer*:

“... who had him more completely at his mercy, because he not only provided raw materials and marketed his goods, but often advanced the working capital.”

This is the dark side of the *Domestic System* and recalls Roger's theory of a conspiracy.

The social change and extortion redoubled agitation against usury. It was no academic point but concerned the *Poorer People* intimately and they knew it. Miners demanded a *National Bank* as they were charged 2d. in the shilling for their Wages.

“*Book Credit* between *Shop-keeper*, *Wholesale Manufacturer* and the *Producer of Raw Materials* was already highly developed.”

The *Age of Credit* - and of the *Monopoly of Credit* - was beginning and there was a swing away from traditional doctrine just when the restraint was most needed. The *New-rich Class* desired every check to their greed to be abandoned and soon enough theorists were found who argued that it was injurious to none.

In this the stage was set for the unrestrained barbarity of the *Industrial Revolution* when no sanction, human or divine, was opposed to the savage lust for money of the *New Tyrants*. The opponents of usury realized that they were contending for more than an old fashioned theory, but that usury's admission would bring misery and monopoly.

Another financial development - perhaps the most significant of all if we are to understand the relation of later developments to our subject - was that of the *Foreign Exchanges*. A new class was arising who were to dominate even the *Manufacturers* themselves, and whose world was to be that of *Crisis*, *War*, *Armament* and *Financial Wizardry*. Their activities had been condemned by the law of Henry VII which stigmatized “damnable bargains grounded in usury.”

Antwerp and Lyons were becoming great *Financial Centres* with Antwerp predominating as had Constantinople some centuries earlier. London was in the second rank and her *Exchange* did not open until 1571. Italians were prominent in *London Finance*, in addition to *Wool Staplers* and *Merchant Adventurers*. Large loans were raised from *Continental Bankers* to pay foreign *Armament Firms*. There was opposition to the tax on exchange transactions and Cecil complained that they:

“go to and fro and serve all princes at once... and lick the fat from our beards.”

The cosmopolitan business had been arising, with more profitable ties than those of national loyalty. The final development of the process is his modern descendant who demands world union or a *World State*. It was the antithesis of the policy of England's great kings such as Edward I and III.

By the mid-fifteenth century provision of *Credit* for *Merchants* was a regular trade. *Mercers* specialized in financing the *Wool Trade*. Foreign trade, particularly the export of woollen cloth, expanded under Henry VII with *Financiers* like the *Fuggers* taking at least half of the profits.<sup>75</sup>

The successful *Trader* was in fact a *Banker* although still called a *Merchant*. Wealth was thus passing from the *Producer* into the hands of the *Financial Manipulator* who had more cunning and influence. The *Poorer Class* - which was increasing - suffered severely. R.H.Tawney wrote:

“Down to the sixties of the sixteenth century, the bill on Antwerp was the commonest form of commercial currency. Bullion was not usually moved, even for the settling of the Government's debts on the Continent, but was discharged by bills on some continental market”<sup>76</sup>

Richard Gresham warned Cromwell in 1538 that the result of restricting the freedom of exchange would be the collapse of the cloth export trade and a movement of gold from London. Such considerations were henceforth to be the weightiest in national councils. In 1551, the prohibition of exchange transactions brought commercial paralysis, and the *Financiers* brought the severest pressure to gain their freedom to exploit.

*Canon Law* and *Parliament* tried to restrict a *Bill of Exchange* to:

“an instrument for the transference of money from place to place”

<sup>75</sup> Hence the law defining usury more accurately.

<sup>76</sup> R.H.Tawney in *Religion and the Rise of Capitalism*.

It might appear that *Theologians* did not understand *Credit* or the *Financier Ethics* but the elements of a *Loan* and its concomitants of *Profit* were always present for the *Discounter* was making a *Loan* for which a *Fee* would be charged.

The element of *Speculation* was always present. Vast sums and elaborate organization were involved. They were not 'exchange real' or 'natural exchange', which could hold little interest for the *Financial Adventurer* but 'dry' or 'merchant' exchange 'with gain the sole object' - *solo con oggetto di guadagnare* - the unlawful bargains of Henry VII's *Act against Usury*. The *Financiers* replied that if exchange were barred, bullion would be drawn abroad. As late as 1612, Fenton, in his *Treatise of Usury*, called them:

"...a griping usury under the title of exchange."

The *Loan* was usually short and the *Rate* high. But it evaded the *Usury Laws*. The advantage of the *Financier* who constantly turns over his money as against the *Farmer* who only has a yearly harvest needs little comment. They were engrossing more than *Providence* intended an individual to possess.

The *Exchanges* had been conducted for many years at the continental centers of exchange in Antwerp, Lyons, and Venice. They were still rather new in England - and suspect in nationalists' eyes, being the foundation of:

"...a system of *International Credit*...the reserves of the *European Market* being at the disposal of any firm of good standing...[and were very useful for]...*Merchants* and *Bankers* who desired to earn a *High Rate of Interest* on *Short Loans*."

Such rates had nothing in nature to back them, but were a robbery based on fiction of someone or something. This became obvious later when *International Usurers* sucked more and more wealth and power into their hands by these means. The rate of increment in nature is never so quick or so sure. Such merchandise was rightly called by a European traveller "clear and plain usury."

Tawney hardly appreciated the new dangers and abuses inherent in the system. The methods of *cambium* and *recambium* which had been perfected in the Netherlands were widely used, while the discounting of bills was elaborated. Sixteen percent was not an uncommon profit so much greater than anything the *Farmer* could achieve, and with few of the risks of *Partnership* or genuine *Trade*. A multiplicity of *Agents* grew up to serve the new interest, which before long was to dominate Europe. Gresham was notably quick in the *International Money Market*.

"The degree to which *Futures* and *Arbitrage*<sup>77</sup> outweighed the rate of interest at which the bill was discounted and was a measure of the degree in which speculation entered into the transaction."

Astrology was even employed in these unnatural calculations. A generation bewildered by the 'magic' of the *Financiers* forgot the *Poor Laws* at home and the *Enclosure* of the *Common Lands*. It is not many years since booms and slumps were ascribed to spots on the sun. We hear of an early form of the raid on sterling.

"...*Bankers* and rich *Merchants* of the Low Countries who make the exchange rise or fall as they think good for their gain and our loss."

Rightly enough this kind of business was not regarded as legitimate trade, but it was bound to grow, for such parasites are generated when there is an unbalanced keenness on *Trade for Trade's sake*, as is reflected in Bacon's opinions. It inevitably involved a neglect of the real wealth and assets of the country (its land) and a change of emphasis from that which saw in the *Agricultural Labourer* the highest kind of vocation.

The *Merchants* borrowed at five percent in Westphalia and lent at ten percent in London. It was not good for England to have such as Sir John Gresham for confidential *Government Agents*, who inevitably involved them in questionable transactions - such can never be for the welfare of the country.

It was useless to "pray God it may be discovered to the weal of our realm" for the *Financiers* were exactly concerned not to give value for value since that was how they made their gains and raised their fortunes.

"Usury and continuous usury was avowedly the essence of the whole business."

Such a rotten basis was bound to bring disaster and it was not fifty years before the *Civil War* between the old ways and the new 'usury as the payment for time appeared naked and unashamed. Tawney, in his consideration of the supply of credit emphasizes that:

"...[the advancing of loans] was normally a by-employment of the prosperous trader or farmer...in the intervals of his normal occupation. A *Banker* was rather a *Moneylender* engaged in *International Finance*."

<sup>77</sup> Changes in markets.

Even clergy<sup>78</sup> were involved. It was a transition period when the clash between the old morality and the new lack of it as far as money is concerned was violent. The provision of *Credit* was not yet, at any rate, the *Monopoly* it was to become. The *Local Usurers* should have been a warning against extending the evil, and against capitulation to the *Money Power* that was so sinister a feature of Elizabethan times. *Local Usurers* often maintained a gang of roughs, but did not yet operate under state auspices or have *The Army* to guard them.

Even the *Commissioners* appointed to enforce the moderate law of 1571 were terrorized by the larger *Usurers*, who were adept at evading taxes, and had much in common with the *Gangster*. London saw the beginning of :

“...a commercial plutocracy and of an urban proletariat.”

And here the *King Financiers* emerged, moving in the mysterious sphere:

“...inaccessible to anyone without large capital and international connections.”

At the same time the *Goldsmiths* of whom Fenton complained<sup>79</sup> were coming to the fore as *Deposit Bankers*, although it was half a century before they reached a great position. The *Government*<sup>80</sup> even indemnified *Lenders* against the *Prohibition of Usury*. The country was paying dear for the suppression of the *Mints*.

The *Scriveners*<sup>81</sup> are important for they developed into *Financial Experts* and *Consultants* and were included in the same denunciation as *Usurers*. Naturally, they took to *Money Lending* and *Deposit Banking* themselves. Stubbs in his *Anatomy of Abuses* calls them:

“...the instrument of the Devil, whereby he worketh the frame of this wicked world of usury.”

Their exactions led to clamours for a *Public Bank*. Many were finding that:

“Usury doth offer such excessive gain and such freedom from all kind of common charge...and command over bondmen.”<sup>82</sup>

The most cunning class was that of the *Usurers* and they struggled against the traditional precepts of decent society. No Saint Antonino came forward, as he had a century earlier in Florence, to keep *Business* within the *Church's Morality*. Not that he would have been welcome if he had. Religious energy was directed to splitting up *Christendom* not to its proper work of applying the truths which the *Christian Way* had revealed and which had been refined by the *Theologians*.

A very different religion - one of greed which exalted *Abstinence* and looked askew at *God's Abundance* - was to emerge, a travesty of the *Catholic Faith*. It was in fact to be the veneer which the *New Financiers* cast over their inordinately profitable game, if not a spell to check the curiosity of the people.

The *Church's* rightful insistence that a bargain should benefit both parties to any transaction suited these *parvenu Money Marketeers* no better than it would the advocates of *Bretton Woods*, which is much the same type of transaction on a colossal scale.

The *Goldsmiths* doubtless realized that as long as all their *Depositors* did not require their *Bullion* at once, it would be possible to issue *Credit* of a larger amount than the *Deposits*.<sup>83</sup> But ‘the sale of time itself’ and the tampering with God's providential ordering of the world was a privilege which the *Usurers* arrogated greedily.<sup>84</sup>

A century later a lonely sage put it frankly when he wrote in 1673 that:

“...it grew to a proverb that usury was the brat of heresy.”<sup>85</sup>

In the eighteenth century, they were began to say that ‘trade was one thing and religion another’. And by the next century they were declaring that ‘business is business’.<sup>86</sup> Luther stood away from *Calvinists* when he

<sup>78</sup> See for example *Sermon of God's fearful threatenings for idolatry* by Porder (1570).

<sup>79</sup> See *Treatise of Usury* (1612).

<sup>80</sup> In 1561 for instance.

<sup>81</sup> The main job of the *Scriveners* was as experts in the drafting of documents.

<sup>82</sup> See *Usurie Arraigned and Condemned* (1625).

<sup>83</sup> This manipulation has been institutionalized in modern times in the concept of the *Capital Adequacy Ratio* designed to provide legal sanction to the *Bankers* lending out of often as much as £12 for every £1 of savings deposited by their *Customers*. This financial technique was used extensively as a control valve for the money supply by the *French Central Bank* in the 20<sup>th</sup> century. And in 2008 the *Central Bank of China* raised the ratio to 15% to rein back inflation [Ed].

<sup>84</sup> Bossuet in his *Traité de l'usure* rightly taunted Calvin and Bucer for ‘defending extortion’.

<sup>85</sup> See *A Brief Survey of the Growth of Usury in England with the Mischiefs Attending It*.

<sup>86</sup> And in the 20<sup>th</sup> Century it was a commonplace to hear: ‘it's not personal it's just business;’ and ‘what's good for *General Motors* is good for America’ [Ed].

attacked usury in his 1520 sermon and in his 1524 tract against usury. His principles are *Christian* and practical enough, although scorned as idealistic:

“Men should lend freely as the *Gospel* commands; sell at the price fixed by common estimation; eschew speculation and monopoly...and conduct their trade without injury to their neighbour.”

Sixteen percent was bound to be injurious to someone not far distant. It was really Calvin and Bucer who were impracticable and whose estimate of human nature was so childish compared with that of the *Catholics*, whose system had worked, while that of the *Reformers* - after the short terror of Geneva - never did, but deteriorated into the squalor of a *Usurers'* prayer meeting. And the *Usurer's Prayer* is always for scarcity.

It is notable that the great *English Dramatists* opposed the innovations. As late as 1595 the Archbishop of Canterbury allowed Miles Mosse to dedicate to him his *Arraignment and Conviction of Usury*. It was a century before similar tracts such as *Lombard Street Farewell Sermon Answered* or the *Welsh Levite toss'd de novo*.<sup>87</sup>

Despite this, Elizabethan opinion was still that:

“As it belongeth to the *Magistrate* to punish, so it is the part of the *Preacher* to reprove usury [even though] the poor sillie *Church of Christ* that could never find a lawful usury before this age in which we live.”<sup>88</sup>

Morality was not yet called ‘*monkish superstition*’, but already ‘*the circumstances of the parties and the purpose of the loan*’ began to be regarded as possible mitigations of the sin. However *Advanced Reformers* like Latimer, Becon and Crowley ‘fulminated against usury’. It was rightly argued that even if well to do merchants borrowed on usury, they would pass on the charge to the consumer in higher prices.<sup>89</sup>

“Usury walketh in the dark, it biteth few know when, where and whom.”

This moral fervour however was unavailing against the cunning men whose power was growing daily. Calvin, their patron saint, not only ‘appealed to common sense’ - his own, not that of the *Church* - and treated as despicable the *Christian* distinction between *Partnership* and *Usury*. He suffered in this fatal instance from the pride of life, or of his own intellect. The Greshams and their tribe now had an authority. And their business morality, now sanctified, was well on the way to being secure from clerical interference. Baro and Bullinger expounded this *Economic Calvinism* in England.

R.H. Tawney gives too little weight to the medieval distinction between *Partnership* and *Usury*, which is the essence of the whole matter, when he appears to commend<sup>90</sup> Calvin's ‘economic realism’ or holds that ‘land and capital are convertible investments’.<sup>91</sup>

Times were unquestionably changing and in many respects for the worse while the national heroes were and no longer *Saints* but *Pirates* and a privateer could be called the *Good Ship Jesus*. But this was all the more reason why the *Christian Doctrines* should have been further sharpened, not discarded; for *Justice* is never outworn.

The *State* vacillated between the *Old Morals* and complete *Financial Libertarianism*, which the *City Interest* were scheming for. Opposition was met from the *Peasantry* and small men, who saw that the *Usurer* was a parasite bringing *Dispossession* and *Pauperism*. Power fell into the hands of the “few men having unmerciful hearts.” Two hundred and fifty years later, Cobbett was opposed to the same class, firmly entrenched and with many foreign recruits. Bentham considered that protests were from the thrifless against the thrifty.

<sup>87</sup> This was written by a preacher named David Jones and provoked more than one rejoinder. See later chapter.

<sup>88</sup> From *The Lawful use of Riches, 1578*, translated by Rogers from the Latin of Nicholas Hemming.

<sup>89</sup> Margrit Kennedy in *Interest and Inflation Free Money (1989)* provides a concise modern analysis of German business where in capital-intensive enterprises as much as half the price may derive from usury. [Ed]

<sup>90</sup> The terms are slippery in Tawney's phrases because *Land* and *Capital* are not convertible investments, as anyone who ever wanted to convert land knows. [According to Ezra Pound] *Capital* has been ‘smeared over a whole gamut of different things’ e.g. *Leihkapital*, capital in the form of transportation facilities. *Land* is sometimes a ‘convertible investment’. But *Property* and *Capital* are terms with a distinct meaning. Wyndham Lewis' distinction should be borne in mind throughout this section between *Loan Capitalism* and the *Capitalism* of the local garage. *Loan capitalists* deal solely with *Finance*, *Productive Capitalists* deal with goods and services.

<sup>91</sup> Four years earlier in *The Acquisitive Society (1922)* Tawney begins his discussion of ‘property and creative work’ with the words: ‘The application of the principle that society should be organised upon the basis of functions offers a standard for discriminating between those types of private property which are legitimate and those which are not’. In *The Tawney Legacy* William Shepherd writes: ‘Nowadays most economists have learnt to discriminate between ‘goods’ and ‘bads’ in our gross national products, but if Tawney had his way, they would also be distinguishing between property and ‘improperty’. ‘Property,’ exclaimed Tawney, ‘is not theft, but a good deal of theft becomes property’. [Ed]



Such towns as Coventry, Leicester, Glasgow and Worcester enforced heavy penalties against the *Usurer*. Banks for the 'relief of common necessity' were suggested and introduced into the *House of Commons* in 1571. The *Government* was paying fourteen percent for loans, a dear price for the *Suppression of Local Mints*.

The *Common Boxes* of the *Guilds* and *Churches* did something to offset the pressure of the *Financial Monopolists*. A *Public Pawnshop* was set up in Berwick. But England was now disgraced by *Paupers* on a large scale, as a result of *Sheep Farming*, *Usury* and the *Suppression of the Convents*, and after savage attempts to exterminate them, *Charities* were established on the model of the mount of Ypres (instituted in 1534).

The 'insatiable desire of *Usurers*' was no longer despised by all, and the cry arose:

"Alas that ever any Christian assembly should be so void of God's Holy Spirit that they should allow for lawful any thing that God's work forbideth."

The prohibition of 1552 only stimulated evasions, although the penalty of prison was here and there enforced. But the *Usurer* desired, then as later, the aura of respectability as well as the security of legal status. The first expedient of Europe's growing *Financial Interests* was to split the prohibition into a sanction of 'moderate gain' and a prohibition of 'excessive usury'.

As always, the *Usurer's* estimate of *moderate gain* was infinitely higher than any profit a *Farmer* or *Craftsman* could expect. When monetary transactions were beyond the scrutiny of ethics (or of the public) his triumph was assured. It is no coincidence that he secured his victory at a time when religious solidarity was weakened, and the old struggle against injustice had given way to sectarian bitterness.

As long as attention was concentrated on differences within *Christendom*, his vice was less liable to molestation from the *Christian Community*. *Individual Enterprise* was the watchword of the gang of *International Financiers* in whose eyes the doctrine of the *Survival of the Fittest* began to take on the aspect of practical politics, and the precepts of *Justice* or *Charity* were thought of as antiquated restrictions, or relegated to the level of ambulance work. The question, *fittest for what*, was not asked. Unless it is, civilization descends to the jungle.

The *State* tried to curb the internationalists by emphasizing the office of *Royal Exchanger*. In 1601 Malians in the *Canker of England's Commonwealth* talks of the abuse of the exchange but this did not stop the profitable dealings of the *Financial Experts*. The 'natural' exchange had too temptingly developed into 'dry' and the so called *Merchants* were able to bring almost irresistible pressure on the 'absolute' Tudor governments.

The *Government* was in a weak position through its *Debts* and the views of Antwerp (much like those of *Wall Street* today) had the last word. One of the remedies proposed was to have an excess of *Exports* over *Imports* which, in the inverted world of the *Financier*, would bring *Bullion* into England.

From this doctrine the ills that have sprung are innumerable. In the first place, it means that more goods to use are sent out of a country than are brought in. Secondly, the *War for Export Markets* often develops into *Physical War*, and is one of the leading causes of *Modern War*.

Burleigh himself was appointed *Exchanger* in the attempt to nationalize the exchanges, a policy which was to save many from "impoverishing by borrowing on usurie". A goldsmith held the post several times. Italian and English *Financiers* bitterly resented the attempt, and were galled by the tax on their transactions. It was an interference not only with *Liberty of Finance*, but with England's international standing.

The goldsmiths protested that interference would ruin them, and in 1627 were up in arms against Lord Holland for prohibiting "the exchange of gold and silver by unauthorized persons within three miles of London," and in spite of vigorous *Crown* exposure of the effects of "goldsmiths' malpractices," a *Select Committee* of the *House of Commons* resolved that "both patent and proclamation were a grievance."

This, in 1628, was another victory for the *Financial Class*, who were approaching towards supreme power, and shows what the ruling interest in the *House of Commons* was. The *King* in this and other matters was the opponent of the *Money Power*. It was very rash of him.

The *Financiers* brought such pressure, after the prohibition of 1552, that efforts were directed to showing the difference between *Usury* and *Interest*. The vital difference had not so much been this (so liable to quibble) but between *Usury* and *Partnership*, which was henceforth disastrously obscured.

"Usury and trewe interest be things as contrary as falsehed and trewth."

Borrowing is one of the "commodities which issued by the society of man." This is the significant period when moralists' attention was being transferred from *Partnership* to *Interest*, and the way being prepared for objection to usury to be considered a 'monkish superstition'. The *Usurers* desired complete freedom for these financial

operations both from the *Church* (already split and weakened) and from the *State*, which they were in a position to threaten with *Bankruptcy*.

Disturbances in the Netherlands made Gresham look at home for money and to attain this his leading idea was to repeal the *Usury Law* although at first he had Cecil against him. Thomas Wilson spoke with great weight against usury, mentioning the *Fuggers* - a salutary warning indeed - but could not carry the *House*.

Yet, as Tawney points out, the Act of 1571 did not merely abolish that of 1552 and revive that of 1545, but added a clause that gave the *Usurer* no legal security for recovering his usury. It need not be paid even though promised. It could be complained of.

The *Financier* would be fairly content with these provisions for the time being, as the large fish he was playing dare not go back on his bargains and would struggle to borrow themselves out of debt rather than risk cutting off the source of supply by bringing an action.

The *Government* in its attempt to maintain public order did its best to see that the *1571 Act* was administered, *Usurers* were heavily fined, special commissioners were set up, there were a multitude of complaints to attend to. The Council tried to get these matters settled out of court. For example:

“The Bishop of Exeter is advised to induce a *Usurer* in his diocese to show a more Christian and charitable consideration of these his neighbours”.

Generally, however, the *1571 Act* produced anything but hardship for the *Usurer*. There were enough ways for him to make a dead letter of the protection the law tried to give the *Borrower*. Conditions were attached (such as the death of the borrower's son) which were alleged to introduce the element of uncertainty, or the right to repay the loan before the interest was due.

The evidence shows that the *Usurer* got the better of matters when a *Borrower* was rash enough to challenge him in the courts. He contrived such bargains that he obtained a good deal more than the legal ten per cent. Penalties of more than ten per cent, for instance, were exacted for breaking impossible conditions attached to the loan (such as very quick repayment) and the *Christians* of the older school might well complain of damnable bargains. William Fulbecke writing in 1618 upheld the *Catholic* position well into the seventeenth century.

But there was another party, led by Ames etc., who argued on the ‘*interchangeability*’ of *Land* and *Capital*, and stressed *Charity* rather than the *Nature of Money*. These disagreements gave the *Usurer* his chance to throw off the leading strings of morality and to assume his gigantic stature: the position that ‘economics were one thing, ethics another’. *Traditionalists* like Capel<sup>92</sup> and Holmes<sup>93</sup> still held that usury was wrong in its nature, but the majority of its adversaries argued from the practical and economic effects<sup>94</sup> of the practice. And the *Usurer* by then was clever enough to demonstrate the expediency of his system.

<sup>92</sup> *Tentations, their Nature, Danger & Cure* by Capel (1633).

<sup>93</sup> *Usury is injury* by Holmes.

<sup>94</sup> *Tract against Usurie Presented to the High Court of Parliament* (1621), and *Usurie Arraigned & Condemned* (1625).

## Chapter 9. Usury Legalized

In this chapter we shall look at four writings about usury from the second half of the 16<sup>th</sup> century. We will consider first the writing of a *Layman* Dr Thomas Wilson<sup>95</sup> in his *Discourse Upon Usurye* published in 1572; then two popular conceptions of usury as portrayed by Thomas Kyd in his *Spanish Tragedy* first performed in 1599 and William Shakespeare in *The Merchant of Venice* written around 1594. Finally we will examine a *Latin Sermon* entitled *Legalised Usury is Unlawful*, delivered in Cambridge in 1585 by a *Churchman*, Bishop Lancelot Andrewes, whose writings are barely available to the public even in Latin.

In 1586, the year after *Andrewes' Sermon*, every parson in the *Diocese of Canterbury* was told by Whitgist to read Heinrich Bullinger's<sup>96</sup> *Defence of Usury* in which, for the first time, usury was commended. Even Calvin had only allowed it. But a bare permission was not enough. The yeast would leaven the whole dough.

At the time the *Progressive Theologians* were more in fashion than Thomas Wilson or Lancelot Andrewes. For the *Sack of Antwerp* in 1576 and the *Defeat of the Spanish Armada* had given Britain something like the *Financial Hegemony* she was to enjoy later. Largely by *Plunder*, the *Gold from Peru* and the *Silver from Potosi* had found its way to London. Slaving was most profitable, and founded many notable *Fortunes*.

In 1595 the *Dutch East India Company* was established, to be followed five years later in 1600 by its British rival the *British East India Company*. It was into such an atmosphere of *Frenzied Greed* and *Adventure* that Andrewes, Wilson and Bullinger delivered their discourses. *The City* chafed at the *Aristocracy*, each seeking allies among the evicted *Yeomen* and those annoyed at the rise in *Rent*. Macaulay would write later that:

“But for the hostility of *The City*, Charles I would never have been vanquished...and Charles II could scarcely have been restored.”<sup>97</sup>

It is alleged that Charles II was set up by the *Merchants* who feared the *Soldiers*. Be that as it may, *Capital* accumulated, and ‘its instruments became the *Ruling Class*’.<sup>98</sup> Typical of the type was Sir Josiah Child, who in his *Discourse on Trade* declared:

“We can with ease pay a greater tax now in one year than our fathers paid in twenty.”

Dr. Thomas Wilson<sup>99</sup> was a *Diplomat* and a *Member of Parliament*. Eventually he would be *Dean of Durham*<sup>100</sup>. His *Discourse upon Usurye* is discussed at greater length in an appendix. It had additional importance as being the work of a *Layman*.

In his *Preface* Wilson reminds his *Patron* that ‘the world is made for man and man is made for God’ and he asked Dudley:

“...to recall men to *Justice* who are so ready to wallowe in syn [lest] the *Antichrist* himself be *Lord of the Harvest*.”

In Wilson's opinion ‘usury is more rampant in England than in anye place in *Christendom*’.

Wilson gives special warning against the *Dissembling Gospeller*, remarking that ‘the *Magistrate* abusing his office deserves more *Punishment* than doth the *Private Person*’. He wrote as a man who had exercised public authority in positions of trust, and approved of the Roman censors:

“The Romans never began to decay until usury lorded among them.”

This was substantially the opinion of Theodor Mommsen<sup>101</sup> when writing three hundred years later.

<sup>95</sup> *Discourse on Usury* by Thomas Wilson was written in 1569 and published in 1572.

<sup>96</sup> Heinrich Bullinger (1504-1575) succeeded Zwingli as head of the Zurich church and pastor at *Grossmünster*. He was one of the most influential theologians of the *Reformation* whose importance is only just beginning to be recognised. [Ed].

<sup>97</sup> Thomas Babington Macaulay (1800-1859) was a *Whig* politician and an *MP* for Edinburgh. He wrote extensively as an *Essayist* and *Reviewer*. During the 1840s he began work on *The History of England from the Accession of James the Second*, publishing two volumes in 1848 and two further volumes in 1855. He had planned to bring his history down to the reign of George III but later his hope was to complete his work with the death of Queen Anne in 1714. However by the time of his own death in 1859 he had finished only one further volume. A sixth, bringing the History down to the death of William III, was completed by his sister, Lady Trevelyan, after his death. [Ed].

<sup>98</sup> Brooks Adams in *Law of Civilization and Decay* written over a hundred years ago and available in a few libraries.

<sup>99</sup> An abbreviation for *Doctor of Canon Law*. [Ed].

<sup>100</sup> Such a career suggests a rather more practical and up to date man than Tawney would allow.

<sup>101</sup> Christian Matthias Theodor Mommsen (1817-1903) was a German scholar, journalist, politician and archaeologist who was regarded as the greatest *Classicist* of the 19<sup>th</sup> century. He was a member of the *Prussian* and *German Parliaments* and his work on *Roman History* was regarded as a classic. In 1902 he was awarded the *Nobel Prize in Literature*. [Ed].

In his own day Wilson could see *Waste* and *Want* caused by usury which was ‘universally used’. His is not the protest of an old fashioned or cloistered *Traditionalist* but of a practical *Man of Affairs*. He has a good word for *Preachers* who ‘cry out continually against all *Usurers* with open mouth and in all their sermons’.

The *Usurers* would let the *Preachers* have their word when ‘others have the deeds and live in all wealth and idolytre in thys world’. The *Magistrates* were not cooperating with the *Preachers* so Wilson called for:

“...a new Solon<sup>102</sup> who would come with a *Seisachtheia*<sup>103</sup> - a *Relief of Burdens* - and take away the *Usurers*’ books and their *Gains* and forbid such filthy *Lucre* by bringing in a *novas tabulas* - a *Clean Slate*.”<sup>104</sup>

Wilson writes of:

“...the extermination of wolves, who in their sheepskins covertly devour the flock of England - a sweet smelling sacrifice in the sight of God. Thieves steal for necessity, but *Usurers* rob and undo all men for *Greedy Gluttony*.”

“...the *Usurers* scratch up the whole *Realm of England*. Either they should be exterminated<sup>105</sup> or the *Common Law* of Edward should be revived whereby if twelve men could prove it, the ‘goods of the *Usurer* should turn to the good of the *Prince*’.

“...for men’s hungry desires grab after a great deal more than *Nature* craves. One man would have little cause for *Borrowing* if people could be content with the blessed frute of this *Lyttle Paradise of England*.”

*Free Lending* was to be looked for from *Christians*. Yet in the 20<sup>th</sup> century a *Clergyman* charges interest on a *Loan* to a friend ‘because it was good for him to pay it’. Wilson desires that:

“His natural country be perfect and blessed without danger of evil or infection of mischief to corrupt and destroy the noble land.”

Wilson’s discourse is addressed to a *Statesman*, Lord Robert Dudley, Earl of Leicester, who studied *Constitutions* and *Laws* in Latin and Italian. In it we see the clash between the *Patriot*, in the line of Edward I and III, who desired the *Welfare* of his *Own Land*, and the *International Class* of *Profiteers* who have sold their *Natural Loyalties*.

Wilson admits that he is aware that *truth produces hatred - veritas odium parit*. But he believes that the *Christian* should expect his usury from God.<sup>106</sup> The doctrine that God repays even if the poor man defaults does, it is true, require a somewhat more disinterested faith than was apparent after the *Reformation*. We may not hold with Cobbett that *Greed* was the mark of the *post-Reformation Church* but this vice was more prominent and less bridled as the years from the *Middle Ages* succeeded each other.

Wilson explains that his *Discourse* will be in the form of an argument in which the *Preacher* Okerfee<sup>107</sup>, the *Merchant* Gromelgayner, the *Civilian* and the pettifogging *Lawyer* take part.

“To see the world, none are so ready to defend usury as those that have the least understanding in any profession.”<sup>108</sup>

Commendatory verses are written by William Wickham, *Chaplain* of Queen Elizabeth, John Garbrand of Oxford and John Cocus. Two of them mention Cato’s opinion that *Usury* was equivalent to *Murder*. The opening of the last of the three is striking. John Cocus writes:

<sup>102</sup> Solon (638-558 BC) was an Athenian *Statesman*, *Lawmaker* and *Lyric Poet*, renowned as a founding father of the Athenian polis. The geographer *Pausanias* lists him as one of the *Seven Sages* of the ancient world. [Ed].

<sup>103</sup> *Debtors* had to surrender their land but continue cultivating it - giving one sixth of its produce to their creditors. Should the *Debt* exceed the perceived value of a *Debtor’s* total assets, the *Debtor* and his family would become the *Creditor’s* slaves. The same would result if a man defaulted on a *Debt*. The *Collateral* was the *Debtor’s* personal freedom. Solon’s *seisachtheia* (relief of burdens) immediately cancelled all outstanding *Debts*, retroactively emancipated all previously enslaved *Debtors*, reinstated all *Confiscated Property* and forbade the use of *Personal Freedom* as *Collateral* in all future *Debts*. A ceiling to maximum property size was also instituted. [Ed].

<sup>104</sup> Michael Hudson was busy researching Babylonian economic history at *Harvard University’s Peabody Museum* when he wrote his history of *Debt Cancellations* or *Clean Slates*. The *Henry George School of Social Science* in New York printed a few dozen copies and stapled them together as a 124-page booklet entitled *The Lost Tradition of Biblical Debt Cancellations*. This pamphlet forms the basis of *Truth from Mesopotamia* by Boudewijn Wegerif. [Ed].

<sup>105</sup> *The Law* was bloody enough on thieves.

<sup>106</sup> In *Cristian Prologue to the Cristian Reader*.

<sup>107</sup> It is noteworthy that the *Church* was not yet the *Sanctifier of Avarice*.

<sup>108</sup> A good epitaph for the *Genevan Pettifogger*.

“*Est patriae Wilsonus amans, populique salutis, et graviter patitur publica damna seri.*”  
Wilson loves his country and the people's safety, and *Public Loss* is a burden to him.

John Garbrand, *Prebendary of Salisbury* and *MA (Oxon)* sent Wilson a letter he found among the papers of the late Bishop of Salisbury. This would have been John Jewell, whose interest in the subject has been noted before. Jewell wrote on 20th August, 1569:

“If I were an *Usurer* never so greedily bent to spoil and rapine *ut sunt faeneratores* - as *Usurers* do, yet would I think myself most unhappy if such persuasions could not move me. Life to the book, death to usury - *ut vivat liber, pereat usura.*”

Wilson's *Discourse upon Usurye* was written in 1569 and published in 1572.<sup>109</sup> It takes a similar form to Plato's *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.

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 an England that is 'most perfect and without any fault where Faith in Christ works in charity - *valet fides in Christo quae per charitatem operatur*. Meanwhile the *Merchant* would prefer his treasure in a chest 'with the key about me' than in *Heaven*. “Store, syr, is no sore.” But despite his arguments *Parliament* passed the compromise *Usury Law* in 1571.

Before considering the views of Andrewes, we turn to the popular view of the time. In 1599 Thomas Kyd wrote, in the *Spanish Tragedy*:

“The left hand path, declining fearfully, was ready downfall to the deepest hell;  
Where bloody furies shake their whips of steel, and poor Ixion turns an endless wheel;  
Where Usurers are choked with melting gold...”

The condemned *Usurers* are followed by *Wantons*, *Perjurers* and *Murderers*, this being the company in which they were prominent.

In *The Merchant of Venice* Shakespeare takes up the traditional attitude when Shylock says in an aside upon his first appearance the thoughts intended to remind the audience of the inherited economic wisdom on usury:

“How like a fawning publican he looks. I hate him for he is a *Christian*. But more for that in low simplicity he lends out money *gratis* and brings down the rate of *usance* here with us in Venice and he rails on me, my bargains and my well won thrift which he calls interest.”

To which Antonio replies:

“Shylock, although I neither lend nor borrow by taking nor by giving of excess, yet to supply the ripe wants of my friend I'll break custom.”

Shortly afterwards in the third scene of *Act One*, Antonio practically recalls the *Medieval Teaching* about *Partnership* when he refers to the story of Jacob and Laban,<sup>110</sup> and says:

<sup>109</sup> A more extensive discussion of Thomas Wilson's *Discourse Upon Usurye* is included as *Appendix 4*. [Ed].

<sup>110</sup> In the *Hebrew Bible* Jacob meets his cousin Rachel, Laban's younger daughter, by a well and falls in love. After a month he asks Laban for Rachel's hand in marriage. Laban agrees in return for working seven years. When the seven years are up, Laban switches Rachel for his older daughter Leah. In the traditional *Midrashic* version, which is not in *Genesis*, Jacob and Rachel suspected Laban would pull a trick like this as he was known as the *Deceiver* and had changed Jacob's wages hundreds of times. So they had devised signs by which Jacob could identify the veiled bride. But when Rachel saw her sister being led out, she had a change of heart because of the public shame Leah would suffer so she told Leah the signs. It was not until the following morning that Jacob realized. Laban justified himself by saying that it was unheard of to give the younger daughter before the older. So Jacob worked out a new deal with his Father-in-Law. Jacob could marry Rachel but he had to work another seven years for her. After the wedding celebrations for his marriage to Leah, Jacob marries Rachel...and works for Laban for another seven years. [Ed].

“This was a *Venture*, sir, that Jacob served for; a thing not in his power to bring to pass, but swayed and fashioned by the hand of heaven. Was this inserted to make interest good? Or is your gold and silver ewes and rams?”

To this Shylock replies ‘I cannot tell. I make it breed as fast,’ before making the observation that Antonio had ‘many a time and oft in the *Rialto* rated me about my monies and my *usances*.’

This provides Antonio with the opportunity to rebuke Shylock with the words:

“If thou wilt lend this money, lend it not as to thy friends; for when did friendship take a breed of barren metal of his friend?”

Antonio ends the verbal exchange with a reference to non-usurious trade:

“Come on, in this there can be no dismay;  
My ships come home a month before the day.”

Further passages in the *Merchant of Venice* show that Shakespeare was fully aware of *Economic Issues*. It is also clear where his sympathies lie. In the third scene of *Act Three*, Shakespeare has Shylock say: ‘Gaoler, look to him. Tell not me of mercy. This is the fool that lent out money *gratis*’. While two scenes later he has Lancelot comment that ‘this making of Christians will raise the price of hogs. If we grow all to be pork eaters we shall not shortly have a rasher on the coals for money’. To which Jessica retorts that ‘in converting Jews to Christians, you raise the price of pork’.

Elsewhere Shakespeare maintained the distinction between ‘summer seeming lust’ and ‘avarice’.<sup>111</sup> And in the second scene of *Act Three* of *Measure for Measure* Shakespeare has the bawd's servant Pompey remark upon the law closing the brothels:

“T’was never merry world since, of the two usuries, the merriest was put down  
And the worsier allowed by order of law a furred gown to keep him warm.”

This view is reminiscent of Dante's triple distinction in *The Inferno* between *Sins of Incontinence*, *Violence* and *Deceit*. He placed usury low down in the second division, very near Geryon, the *Monster of Fraud*.

Even in the 18<sup>th</sup> century the *Humorists*, and Smollett in particular, kept this trace of *Medieval Thought*. To them the *Sin of Incontinence* was not the only or the gravest sin.

In the next ten years, the *Canons of the Church* against usury were re-enacted, and there was some reaction against the *Puritans* when Bancroft succeeded Whitgift and ejected three hundred *Puritans*. In *Popular Comedy*, the *Puritan* was often synonymous with the *Usurer*.

But 1610 is probably the crucial date in *English Church History*, as far as usury and what it entails is concerned. For the choice for the vacant *Primacy* was between Lancelot Andrewes<sup>112</sup> and the ‘bigoted Calvinist’ Abbot, who was backed by those who would profit from Calvin's *System of Trade*.

To understand the meaning of this and the reason why the country wanted Andrewes for its *Archbishop of Canterbury*, we shall have to investigate the lesser known works of Andrewes and consider his *Treatise* which has remained in Latin.

Andrewes made no compromise about usury at all. In *The Moral Law Expounded* he treats of the *Christian Life* under the heading of the *Ten Commandments*. Under the *Eighth Commandment*: ‘Thou shalt not steal’, he discusses the *Rights of Ownership* which are: *Jus*, Possession; *Fructum*, Profit; *Consumptionem*, consumption, enjoyment; and *Alienationem*, transference.

The *Owner* has the right to translate the whole dominion or the profit - *jus fructum*. Andrewes also maintains the traditional distinction between *Consumables* (e.g. wine where use and consumption is identical for use involves consumption), and *Non-Consumables* (e.g. lands, houses etc., which could be used without being consumed or used up). He says:

“Now if he do translate a thing liberally and for a time, then it is called *mutuum*, a loan; he *Lendeth* it, but without consideration. And if he translate the thing but not the use of it, then it is *Borrowed* to be used, *commodatum*.”

He soon makes it quite plain whether it is possible to use money without consuming it. He says:

<sup>111</sup> Macbeth 14, 3.

<sup>112</sup> Some of Andrewes’ qualities have been appreciated by T.S. Eliot and others.

“We come to say there is *furtum occultum*, close theft...and a third thing under this heading we may account of the felonies of *gratuita beneficia*, of liberality; as *judex nummarius*, an *Usurer* to sell money, being *vitiosa contractus*, an *Unlawful Contract*.”

Andrewes meant by ‘unlawful’ that it was contrary to *Divine Law*, as did Aquinas, for usury at this time of writing was not banned by the *Human Laws of England*. These quotations display a knowledge of *Usurious Practice* and *Evasion* and require further explanation which is provided by Andrewes in his *Treatise on Usury* which deals with these questions and clarifies them fully.

Andrewes’ quotes Psalm 112, Verse 6:

“For he shall never be moved. The righteous shall be had in everlasting remembrance.”

And Psalm 37, verse 21:

“The wicked borroweth and payeth not again. But the righteous dealth graciously and giveth.”

And St. Luke Chapter 6, Verse 35:

“But love your enemies and do them good, and lend never despairing. Hope for nothing back<sup>113</sup> and your reward shall be great, and ye shall be the sons of the most High. For he is kind towards the unthankful and evil.”

This is a crucial verse in his arguments, following on from the previous *Verse 34*:

“And if ye lend to them of whom ye hope to receive, what thank have ye? Even sinners lend to sinners, to receive again as much.”

Andrewes was referring to the atmosphere of *Our Saviour's Kingdom* and clearly bringing out the contrast with that of the *Moneylenders' Realm*. Nothing must be hoped for, and it should return a great reward. To continue with Andrewes' doctrine:

“*Gratuitum* and *Mutuum* - Loan and no hope of recompense - must go together. Whosoever he be who setteth a *Price* upon that liberality, *vendere mutuum*, to *Sell a Loan*, it is a *Corruption of Virtue*, for *donatio* is *liberalis alienatio sine ullo mercede*, a *mutuum* is *ad tempus*. A *Gift* is a free *alienationem* – transfer - forever, without any reward at all, and a *Loan* is but for a time.”

This teaching sounds at first to be most restrictive on *Commerce*. But in the first place the *Catholic Mind* did not consider this a particularly bad thing. Secondly the *Doctrine of Partnership*, of sharing the risks as well as the profits, gave sufficient encouragement to *Honest Enterprise*.

Andrewes gives here a somewhat new argument against usury: It was one of the subjects to which he had given particular attention.

The work of Lancelot Andrewes has appeared relevant in several points to the 20<sup>th</sup> century - his *Devotions* are one example. His style impressed T.S. Eliot, who not only wrote an essay on him, but also opened his *Journey of the Magi* with a quotation;

The Rev. Canon Vidler also quotes from Andrewes in *Christ's Strange Work*, a passage in which the Bishop complained that all attention was given to *Gospel* and none to *Law*.

On the question of usury Andrewes makes a permanent contribution which is not rendered out of date by the centuries any more than his style, his devotion or his realization that *Law* is needed besides *Gospel*.

Aquinas had argued from the *Nature of Money*; the 16<sup>th</sup> century *Divines* argued from the results of usury; while Andrewes argues straight from the *New Testament*, after mentioning both the other reasons. He mentioned the first at some length when he classed usury as a *Theft*, and the second in using the word *Felonies*.

He quotes Leviticus Chapter 27 against *Coyners*:

“And all thy estimations shall be according to the shekel of the sanctuary. Twenty gerahs shall be the shekel.”

This principle still holds good, for in modern times it is not a question of the intrinsic value of the *Currency* but of *Purchasing Power*. By *Devaluation* and other devices<sup>114</sup> the *Purchasing Power* of a *Nation's Currency* may

<sup>113</sup> Hope for Nothing Back - *meden anelpize* - is an Andrewes' quotation.

<sup>114</sup> Ezra Pound pointed out that ‘*Coupons*, direct descendants of the *Truck System* that limited purchases to certain shops, are a *Devaluation*, as the unit will not buy certain goods without a supplementary ticket, doled out by the *Bureaucrats*.’

be damaged. This has certainly happened in England, as a comparison of prices now with those quoted some pages earlier will show.

Andrewes, then refers to *St. Augustine's Canon* that there is no remission of sin unless restitution of the theft is made - *non demittitur peccatum nisi restituatur ablatu* - and he mentions Nehemiah Verse 7:

“Then I consulted with myself and contended with the nobles and rulers and said unto them, Ye exact usury everyone of his brother. And I held a great assembly against them. Restore, I pray you, to them even this day their fields, their olive yards, their vineyards, their houses, also their hundredth part of the corn, the wine, the oil, that ye exact of them.”

These authorities both require the *Restitution* of usury taken on *Money* or *Goods* that have been lent. Andrewes, in his *Defence of Tithes*, said that by this method, *Priest* and *People* shared in the *Vagaries of Nature*, and were involved together in *Plenty* or *Scarcity*.

In his treatise he called St. Augustine a substantial writer' but took care to find out what he said about usury. Aquinas gives more than once the answer to the question of *Restitution*, which makes a reality of *Christian Penance*.

Andrewes insists on the standard of the *Just Price* - *justum pretium* and his conclusion is:

“If we come not to increase money - *generare pecuniam*, by none of these ways, we are *Just Lords*.”

In discussing the *Eighth Commandment* in *A Pattern of Christian Doctrine*, Andrewes mentions:

“Benefits and good turns which should be done freely, and not looking for a reward, as the *Usurers* sell their money.”

From about 1450 or on Langland's evidence a good deal earlier, *Money Power* had been warring on *Christian Morality*. The common complaint, needless in view of the *Partnership Doctrine*, was that *Usury Laws* were restrictive and prevented the *Expansion of Trade*.

By the crucial date of 1610, this power had gained its first moral ally in Calvin, and opposition was being shuffled away as old-fashioned. Such men as Bullinger were useful, with their *Decades*, to the new aspirants for the real throne of power.

But the *Church* wanted Lancelot Andrewes - a quite outstanding Christian and Bishop in many aspects, - as her Archbishop, and the *Faith* might yet have been preserved. He was the *Enemy of Usury and Enclosures* as is made clear in his *Book on Tithes*, and the *Friend of the Common Man* and of the *Welfare of the Country*. While opposing enclosure Andrewes threw his full weight against usury, for the spirit of *Usurious Monopoly* was the spirit of *Enclosure*.

It will never be known why those in control preferred not to have Andrewes and contrived to supplant him with Abbot 'the apostle unaware of modernity, secularism, usury and industrialism who was a good man according to his lights'<sup>115</sup> for he built alms houses at Guildford. But he was apparently quite unsuited to the *Office of Primate*. It would appear that the interests of the *Church* were not the first consideration of those in control.

Andrewes was the outstanding champion, in the name of *True Religion*, of the earlier system in which the *Church* controlled<sup>116</sup> *Business Morality*. Not yet were cruel malpractices condoned with the excuse that business was business.

To Andrewes, all life was God's, and money was a vital aspect of life. On the other hand, the interests that had by 1610 gone far towards control still felt a real or specious need for religion of a sort, but could not afford a recurrence of the religion of the *Church* which touched on money.

In his *Word in Season* on the *Pillars of Government*, Andrewes shows an awareness of the real issues not displayed by latter day *Statesmen*. The pillars are *True Worship of God* and *Right Administration of Justice*. *True Worship* involves *pietas* - the love of God and man (one word covers both), and this carries with it *aequitas*, which is fundamentally inconsistent with the practice of usury. He writes that:

“To hate sin for conscience sake is a pillar on which the building of the *State* will stand in safety...the Christian duty of parting charitably with one's own must strengthen the *Civil* one of not taking injuriously the property of others.”

<sup>115</sup> “...and if thy light be darkness...”

<sup>116</sup> Religion: Binding back to reality.



Today, the duty of not taking injuriously the *Property* of others receives no strengthening of any kind, but rather the taking is strengthened by *Force of Law* and implemented through *Tax* and *Legalized Confiscation*.<sup>117</sup>

Before, however, considering the results of 1610 on the teaching of the *Church* and the practice of the *State*, it would be helpful to consider the whole teaching of Lancelot Andrewes on the subject. Few realize that he gave the matter special attention. But in fact he delivered a *Latin Treatise* about it.

A translation of this after more than 350 years will be the best answer to those who maintain that the great<sup>118</sup> Andrewes gave the burning question of usury only passing attention. I shall give the full translation, which is not elsewhere available, and the text can only exist in rare Latin copies. Such works up to a few years ago would have been left in that limbo, but today we realize that Andrewes' zeal was not misapplied and that his scale of values was better proportioned than our own.

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<sup>117</sup> Hence the crime wave?

<sup>118</sup> There are few who would deny him greatness.

## Chapter 10. Legalized Usury Is Not Legal<sup>119</sup>

### Introduction

The title page of Bishop Andrewes' treatise reads as follows: 'Concerning Usuries: a Theological Computation made in the Public Theological School of Cambridge by Lancelot Andrewes, Doctor of the School of Theology. London. Printed by Felix Kyngston for R.B. & Andrea Hebb. 1629'.

In the Harleian manuscript (6824, no, 16, Folio 79), the title of the computation was 'A learned Thesis Concerning Usury, even that allowed by Human Law by Lancelot Andrewes propounded for Study in the Public Schools for the Baccalaureate in the School of Theology, Cambridge' and was dated 22 April, 1585.

For his Preface Andrewes adopted the formula often used at the time that is briefly expressed in the second verse of the 121<sup>st</sup> Psalm: 'My help is from the Lord, who made heaven and earth'. His preface runs as follows:

"May God Almighty in His goodness bid that this Afternoon work of ours be by his assistance directed and completed. May he by his Spirit to be near this court, and to bless us and all others wherever they are; for them the investigation of His truth is before their hands: and may He also bid that no account be taken of our own business or times, or of the present position of the Church or of the State; let us uncompromisingly search out the truth in every dispute; and let us firmly cling to the truth when discovered, live according to it, and finally die in it and (if that be His will) for it; Through Jesus Christ Our Lord. Amen."<sup>120</sup>

Andrewes begins his *Thesis Concerning Usury* by showing the manner in which usury violates the laws of *Justice* and *Charity*. He then defends his views against the attacks of his critics by analysing usury in the *Old Testament* before reconstructing his arguments upon legal principles and the duties of Christians in the personal and public sphere. Andrewes then changes tack and discusses the attitudes to usury in civil, canon, ancient and provincial law before seeking support from the great minds of the early Eastern and Western Church and their Councils and more recently the Schoolmen of the Middle Ages and the progressive theologians of his own day. He brings his treatise to a close with an appeal to history, experience and the philosophers of Rome and Athens. He ends with a flourish. 'Time overtakes me. It is time for the arena!'<sup>121</sup>

### Scope and Purpose

The emphasis in my learned treatise concerning usury is twofold. Firstly it is intended as a response to the *Anglican Persecutions* as those such as Dr. R. Cousin's in his *Abstract of Certain Acts of Parliament* where he accuses our theology of being *avaricious*, *usurious* and therefore *hostile to the State*.

Secondly there is the criticism that has lately arisen *at home* where there is a class of men who cultivate the mistakes of the Church with minutest diligence. They wink at the ulcers of politics, at the evil of usury, at the enclosure of common pasture, at other impositions of this kind and, if you will allow me to say it, at the Cameline sins as well.

This double complaint, first made by an *enemy* then by a *friend*, has caused me grief, and my grief is the reason for this investigation which you learned and *distinguished gentlemen* have undertaken. That both may be satisfied, let the former know, however there be some of our Theologians who are not displeased at this whole business of usury, that our *School* was not the cause of this *gout*; and that the more respected, reverend hearts and disciplined hands were not responsible.

Let the latter know that his complaint, and how true it I do not know, but if true, to be regretted from the heart, has borne some fruit. Then, if there be any of a contrary opinion, let them contradict.

<sup>119</sup> In all other chapters the use of italics to emphasise a word or phrase has been at the discretion of the *Editor*. However in this chapter, Henry Swabey had underlined a great many words and phrases and then noted at the end of the chapter that 'the italics throughout are those of Andrewes'. These emphasised words and phrases are here rendered in italics. Hence Swabey's own footnote is now correct and 'the italics throughout are those of Andrewes'. [Ed].

<sup>120</sup> In m.h. 2, 'The ancient boundaries of common pasturage must not be moved'.

<sup>121</sup> Henry Swabey wrote this chapter rather as a novelist or a playwright might. Swabey sets the scene in the brief introduction, then the lights dim and Lancelot Andrewes strides in from the wings to address his audience, going immediately into a discussion of the scope and purpose of his presentation. This is a little too abrupt for ordinary people. Bishop Andrewes would have been aware of the preacher's golden rule that you: 'Tell 'em what you're going to tell 'em; tell 'em; and then tell 'em what you told 'em. This paragraph addresses this need while also providing a link between Swabey and Andrewes. It was written by neither. As is the habit with the modern media, the headings are not those of the author. [Ed].

My propositions about lending free and without interest, and about the maintenance of the right of common pasturage for the poor are as you have heard. I do not think them untimely, especially considering the morals of these times. For Charity has grown so cold that there is no need to pour it out cold in investigations of this kind.

My purpose, then, being to discuss *Usury*, an understanding of its meaning will show that of my inquiry also.

By *Usury* I mean *Profit contracted from a loan*. These three: *Loan*; *Profit* and *Contract* define satisfactorily the full force of usury. I say *Loan* to avoid the charge of not having left room for *Hire*; *Profit*, for I have thought of *Loss*, when the *Principal is retained*; and *Contract*, for I do not prohibit *Reward*.

By *lawful*, I mean allowed by the different *usury laws* of each nation; as 10% is *lawful* in this country; 8% in France; 6% in Germany; 12% among the ancient Greeks; 12% among the Romans. It is the same whether the cloak is *Interest*, *Use of a Loan*, *Buying under Contract and Reselling*, *Exchange*, or *Lending*.

Give *unlawful* as wide a meaning as you please. For I intend if I can to show you that it violates the *Scriptures* of each Testament, the action of the *Church*, the opinion of the *Fathers*, the answer of *Theologians*, old and more recent, the *Threefold Law of Three Kinds*, the records of *History*, and finally, *Experience* itself. Let this be our end.

### Christian Law

The rule of *Law* among Christians is twofold, composed in part of Justice, in part of Charity. Usury violates both. The rule of Justice is in the first place a maxim, secondly the reason for the maxim. Usury is condemned by both. With regard to Scripture, a *Maxim* among the *Theologians* is fused in the word of God. And as for the Law, 'The *Law* is stronger than words'. *Law is the most powerful word*. So let us begin with *Law*.

The words of the *Law* forbidding usury are eloquent and tuneful enough:

"Thou shalt not be as a creditor to him"<sup>122</sup>

"Thou shalt not take usury from him... Thou shalt not give him money upon usury."<sup>123</sup>

*Avarice* has sought in it two considerable ambiguities: It has sought and found:

- The one is the derivation of the word *Neshec*.
- The other the explicit mention of the *poor*.

I will expatiate shortly on each.

*Usury* is forbidden they say and that is *Neshec*<sup>124</sup>. But *Neshec* is derived from a word that means 'a biting': Therefore if usury be not *unmannerly*, *toothed* and *biting*, the Law took no action against it. And this answer Molinaeus<sup>125</sup> welcomes in *glowing, emphatic* terms, *without reservation*.

I do not think that the saying of Galen that 'Etymology is a deceptive witness' which has long been current in the Schools, occurred to these men. For they rely so much on the analysis of a word. Considerations of danger apart, what confusions would be caused in Theology if they were allowed to take in hand each word of the Law such as 'Thou shalt not kill, thou shalt not commit adultery, thou shalt not steal'

Then could they deny the prohibition of these commandments because they could not square them with the accurate derivation of the words. And so this is the answer to them.

- If you are concerned with the strength of your position, it is weak.
- If you are concerned with the precedent, it is dangerous.

These reasons are sufficient. But I add a third.

- *All usuries, even lawful, more or less bite*.

The *strangling* usuries it is true fix their teeth deeper, like the *wolf*. But the others are *mordant*, they '*shave close*' as the Greek proverb says, and draw *blood*, like the *dog-fly*, the *bite* of each of which is assigned in the Scriptures. Certainly the tooth of every usury is not equally fearful. But no usury is toothless.

<sup>122</sup> Exodus 22, verse 25.

<sup>123</sup> Leviticus 25, verse 19.

<sup>124</sup> Swabey here footnotes: 'From Hehen root RBH increase'. One of Swabey's citation on the front page of the manuscript reads 'Neshek, from the root NShK means bite and usury; Nahash, from the root NkHSh means serpent'. [Ed].

<sup>125</sup> Humanistic scholarship was at its height when Grotius matriculated at the *University of Leiden* in 1594. One of the obligatory subjects was Aristotle's *Logic*. Petrus Molinaeus was *Professor Extraordinarius* of logic at Leiden from 1593 to August 1595 and in 1598 published his *Elementa Logica* which was a concise summary of his lectures. [Ed].

Fourthly this reply contravenes the principle of the Law<sup>126</sup> itself that ‘Thou shalt love thy neighbour as thyself’. For it is an *evil rule, let it be done provided it does not bite*. Evil I say and *Pharasaic*. This is *Christian, let it be done provided it benefits*. For whether it *bites* or not does not matter, if we are looking for real justice; what matters is whether it *benefits* or not.

Fifthly to treat every aspect, the word *Tarbit*<sup>127</sup> favours our case, for it is used not only in the *Prophets* but in the *Law* as well ‘for explanation’ as Kimchi decided. It settles the whole case. That word is the same whether you consider its derivation or its application. It keeps the usurers in close confinement. And as I have said before, it settles the whole case.

### Objectors & Translators

Calvin is an eminent and distinguished man who should never be mentioned with contempt. But I disagree with him for he is not dead set against the usurer. He does not avoid this term considering that the acts of profiteering were sophistical in the time of Ezekiel and that a new name with exactly the same meaning was discovered by the people, as the word *Neshek* had become unpopular.

The same term is used in the *Law*, although it is too vehement to assert this explicitly. For their living in hard circumstances in Egypt made them forget that up till then it had applied to the exaction of usury; so their hatred of the old term made them invent new. The circumstances of *Camp* and *Desert* are quite the same.

Finally all *Translators* oppose it. The Chaldean speaks of ‘growth’. The Rabbis use ‘*tarbit*’, the gentlest name for this is what they usually call their own *usuries* when they want to give their most honourable name, with a slight vowel change. The Arab calls it ‘what is received above the principal’. The Persian ‘an addition’. The two Septuagints, followed by Basil, Nyssenus and Naxianzenus, call it ‘excess’.

Balsamon, a Greek *Commentator* on Nyssenus, defines the word as follows: ‘When anyone gives anything on condition that he receives back more of it than he gave’. Tertullian<sup>128</sup> mentions the ‘*overreaching of usury*’. Hieronymus, followed by Vatabulus, ‘more than’ was lent. Paginus and his school, *increment*. Indeed, the nature of the word and of its use favours us.

And if their dishonest pens were not allowed to erase the word from the *Law*, they would never enable the usurers to practice, not *lawfully* at any rate. For 11% is ‘*tarbit*’, and 8%, 6%, 4%, although *lawful* by human law are *unlawful* and *illicit* by *divine* law, for in the *Law* they are expressly prohibited.

### Judaic Law

Mention is made of the *poor* in Exodus<sup>129</sup> and Leviticus<sup>130</sup> therefore *usury* is safe provided we do not exact it from them. This is another knot, but easily untied. They mention these two passages but do not like the third in the 23<sup>rd</sup> chapter of Deuteronomy where the law is stated without reservation or any mention of the *poor*. But they argue that this plea must be understood in the light of the former. This is a perversion for the later books were written almost entirely to interpret the earlier. So much for that.

In Exodus ‘to the poor’ is placed second after a particular single instance and ‘to my people’, first as a general precept. But poor, they say, explains the foregoing previous clause. No one else would say that any more. But to avoid obscurity let them have this. The reference to the *poor* was added because greater care is needed on their behalf, as they borrow more often than others. There was less probability with the rich. So, like a wise *lawgiver*, he regulated the *precept to general cases*.

And that this is the genuine meaning of the passage, and that Moses intended the same as Plato ‘that no one should ask his neighbour for water before he had himself dug as far as the potter’s earth’ is proved by the seventh verse of the 15<sup>th</sup> chapter of Deuteronomy, where the *Law* about lending is stated. Here are stated *circumstances*, ‘If there be with thee a poor man’ and amount, measure, ‘sufficient for his need in that which he wanteth’.

In different words he had expressed a meaning not different from Plato’s. So the *poor* are named because more often involved, and the *rich* passed over because more seldom involved. The former is not named to be immune while the latter is passed over because liable.

<sup>126</sup> Leviticus xix, verse 18.

<sup>127</sup> *Neshek*, usury, was prohibited; *Tarbit*, increment (from root RBH, grow) was allowed. But they called *Neshek* *Tarbit*. So, e.g., lending food at *Tarbit* was forbidden. Lev. 25, 37.

<sup>128</sup> Chapter 4 of his *Marcio*.

<sup>129</sup> Exodus 22, verses 24 & 25.

<sup>130</sup> Leviticus 25, verses 35 & 36.

What, I ask you, is the result of this? The *Law* forbids the exaction of *usury from the poor* but allows it from the rich then? Do you want to know? I will compare some similar instances.

- The *Law* forbids ‘the afflicting of *Widows* and *Fatherless*’. The conclusion is the same. It allows the affliction of those who have *Father* or *Husband*.<sup>131</sup>
- The law also forbids ‘anyone to let the *blind* to stray from the path’. The conclusion is the same: it allows no one should show the way to a *man with sight*.<sup>132</sup>
- The *Law* prohibits you ‘*withholding the wages* of a *hired servant*, if he is *poor*’. The result is the same. If he is a little more flourishing there is no real opposition to *withholding* them.<sup>133</sup>

But the passage about lending I mentioned above<sup>134</sup> is the most awkward of all for them. The *Law* says ‘Thou shalt make a *loan*’ and adds ‘if he is *poor*’. The inference here is the same as elsewhere. ‘Thou shalt *only lend* to the *poor*’.

I hope they recognize their own conclusion. The *Law* forbids us to *lend on usury* to the *poor*. Therefore it is to the *poor* we must not *lend on usury*. But if it is lawful *only to lend to the poor* and it is lawful *only* if this kind of conclusion is valid, while to impose *usury* on the *poor* is *unlawful* even in their own judgment, as it is lawful *only to lend to the poor*, every kind of *usury* will be *unlawful*.

### Rich & Poor

I will come nearer to approach the question. I want to know why it is lawful to lend on *usury* to the *wealthy*, when it is wrong to do so to the *poor*? All reflections will, I am sure, produce no other reason than that *the rich man has more money*. I think it is like a *portent*.

Calvin says ‘He is *richer* and can *lose it without harm*’. Gentlemen, is not this a plea for *burglars*? Does not the argument apply to a *thief* as well as to a *usurer*? This is his argument, is it not? I must spare the *poor*, but here is a moneyed man. He can *lose* and really feel *no inconvenience*. But, be he *poor*, be he *rich*, a *theft* from him is illegal.

Also *usury*, clearly, my friends, clearly it is a kind of robbery; someone has neatly called it ‘*land piracy*’. But neither is affected by his *money-bags*, whether rather *smaller* or rather *bigger*, but by those words of the *Law* which are as fatal to the *usurer* as to the *thief*: ‘Nor anything that is his’.<sup>135</sup> And those things are *his* which his industry has gained, as we shall soon remark. For ‘*Each shall feed on the labours of his hands*’. I say no more.

You see now, I hope, that neither *Neshec* nor the mention of the *poor* stops the law being ‘unrelenting’, that is that all usuries, humane or not, and whether exacted from men of *gorgeous* or *beggarly* circumstances are condemned as *unlawful*.

I still press the *Law*. The functions of the *Law* are *Prohibition*, *Evolution* and *Punishment*. We have dealt with *Prohibition*. The *Evolution*<sup>136</sup> of the *Law* is next. That concerns where, in what class, and among what type the charge is allocated: its magnitude and blackness, its seriousness or its levity and its assessment.

And in the Scriptures without doubt, where they are always admiring a *Saul among the prophets*, usuries are rated *heavily* and *sternly*. For Ezekiel, who knew divine *Law* thoroughly, casts all *increment from loans* into the midst of the filth of the most serious crimes.<sup>137</sup> And, as Basil says, ‘places it among the greatest of evils’, *idolatry*, *adultery*, *uncleanness*, *violence*, *theft*, and gives it a baleful name, that is ‘a capital crime’, so that it is easy for us to assess it.

*Punishment* comes next which is of two kinds: in this life and in the future life.

- In this life. *Transference to different heirs is a proof of unjust ownership*; unjust ownership that is because *unjustly acquired*.<sup>138</sup>
- In future life: The *curse* of God, as St. Ambrose infers: ‘*If then he that putteth not his money to usury is blessed, without doubt he that does is accursed*’.<sup>139</sup>

<sup>131</sup> Exodus 22, verse 22.

<sup>132</sup> Deuteronomy 27, verse 18.

<sup>133</sup> Deuteronomy 24, verse 14.

<sup>134</sup> Deuteronomy 15, verse 7.

<sup>135</sup> Exodus 20, verse 17.

<sup>136</sup> ‘Classification’ would appear a better term than ‘Evolution’.

<sup>137</sup> Ezekiel chapter 17, verse 3.

<sup>138</sup> Proverbs 28, verse 8.

<sup>139</sup> Proverbs 15, verse 5.

But if this second passage is less satisfactory because Neshec is used all is sufficiently explained ten verses later.<sup>140</sup> *He has given his money upon usury and has taken the increase. Shall he then live? He shall not live. He that hath done this abomination, he shall surely die, his blood shall be upon him.*

### Legal Principle

Law has settled the matter. I come to the *principle* of the Law, as I proposed in the second place.

The *principle* of a lawful contract and the general *rule* is neatly explained by St. Paul 'That there may be equality'. This is the equality that is in the Ethics called the *Fount of Justice*, which is either in the *will* or the *object* and externally applied.<sup>141</sup>

Regarding the will, Christ, the most trustworthy interpreter of the Law and Will of his Father, places it here. Let us treat others as we wish them to treat us. No one wishes usuries, even lawful usuries, inflicted on himself; but he prefers less to greater and none to any. Let him then treat *his brother* accordingly and may this Law flourish. Perish *usury*!

I have met people who lie without a blush and say that they really prefer it in this way. I tell them to be quiet, or at least to ask who believes them. They will never make me believe, even on oath, that there is any man of such miserable understanding that he prefers money *on usury* to *free, loaded to unimpaired, a low rate of usury to none at all.*

So much for the *Will*. We now deal with *Equilibrium* in *objects* themselves. *Equilibrium* is violated in many ways. For though *equality* may be exactly *maintained*, it is violated, and St. Paul's terms are useful here, if there ever be 'deficiency' and when there is 'excess'. In usuries, the extra itself is an 'excess' and clearly there is no 'deficiency'.

*Labour, Expense* and *Risk* are accepted as 'deficiencies' for a contract. But the usurer incurs none. There is no *labour*, for when he is standing, sitting, transacting other business, keeping holiday, lying awake or sleeping, the months remain, called by Basil 'the fathers of usury', and equally with the months the *usuries*. There is no *expense* even of a farthing.

As for *risk*, there is absolutely no *danger*. If the capital is lost, the loss is the debtor's, the creditor is indemnified. He has made himself safe enough by agreements, covenants, bonds, receipts, sureties, collaterals in land and person, mortgages and pledges.

Wherever is the deficiency in *usury*? For there is no profit in the whole of *Jurisprudence* which is not associated with one of these three. I know they will allege damages. Damages? From *loss incurred by delay*? That must be repaired and by the rule of the Apostle: 'that others may be eased and ye distressed'.<sup>142</sup> Provided that *gain* be not sought, *loss* may be avoided.

Further they will allege *profit that does not accrue (lucrum cessans)* to which they give the name of *Inter-Usury*. Do you hear this? What they want us to think of is a *possible gain* that is not *obtained* and a *possible loss* that is not *incurred*.

They will further tell us to entitle them to *11% lawful usury*. Look how unfair this is. For a simple 'deficiency' there is a double 'excess'. They demand something for nothing. They seek a certain gain from an uncertain transaction, which even Terence condemns, and *they unjustly sell hope at a price.*

It is still more uncertain, for a *day is fixed* for the debtor; yet *usury*, will be exacted, and plain injustice done both ways. *Reason* decides the matter, and *reason* not alone but backed by law, that capital should only make *profit* when it runs a *risk*. So the *usurer* is guilty of injustice in the first place, because he demands 'excess with deficiency', that is *profit without expense, gain without loss.*

The second argument is that there are certain *things* that are determined by *measurement* and *amount*, that money is one of these, and that their *use* should not appear in the *price*. It should not appear, because nothing can be expected from their *ownership*. Nothing can be expected, because they are of no *use* to anyone except for *consumption*.

And I cannot see how any *use* can be made of them unless in the very act of *using* their *substance* is *demolished*. It would be extremely dishonest if a man who had lent me some loaves demanded first the *price* of the *loaves*, that is of the *ownership*, then the *price* of their *use*, that is of *mastication*.

<sup>140</sup> Ezekiel 17, verse 13.

<sup>141</sup> II Corinthians 8, verse 4.

<sup>142</sup> II Corinthians 8, verse 13.

I have said that *coins* are to be *reckoned* among this class of *articles*: My authority is Leviticus<sup>143</sup> where *coin* and *food* are associated in the same clause. I have also mentioned Nehemiah<sup>144</sup> where 12% on *money, coin, wine, oil*, is reckoned as the same in nature and as the injustice which the same law orders to be restored.

Common sense would enable anyone to realize what the lawyer says, that *money* by its very use and continuous exchange is to a certain extent annihilated, not absolutely indeed, but for its owner; so the *usurer* is guilty of the second injustice of looking for profit from that class of object from which clearly none can be derived save the *profit of injustice*.

A third reason is this. The *Law* makes the strictest provision for *just* and equal measure.<sup>145</sup> But money is the measure of *exchanges*, this being its function from the first. While the usurer so vitiates *equality* that he makes the *very measure*, the source of all *equality, unequal*.

In exchanging commodities all money that is worth £100 ought to have a *fixed price*, whoever owns it. As it is worth more to the *usurers*, bringing him £110 and less to the debtor to whom it brings only £90: a '*great and small weight*'; a '*great and a small measure*'.<sup>146</sup>

So the result of even *lawful usury* is that 'equality is not preserved'. While they previously violated the *Law*, they now violate the *principle of the Law*, so that there is no *justice in them*. What of *Charity*? Surely there is some hope here when *Justice* fails. So let us examine *Charity*.

### Personal Charity

*Charity* is exercised towards God and man and we should exercise it towards both. The *usurer* favours neither aspect of *Charity*, and neither favours the *usurer*. If it is genuine, it descends first from *Heaven* for as Gregory rightly says, *The stream of charity must be led from the fount of piety*.

I consider it essential to the constancy of his *charity* to God that everyone in trade should not only be convinced but should have found by experience that Divine Providence is indispensable to him. Their position must be that they not merely need but realize that they need *Divine Providence* for when 'he does good and gives from Heaven rain and fruitful seasons' he will be loved. He will be angry, give the opposite, and be appeased. The former makes us thank Him, the latter makes us pray.

But actions will abound with faith and charity with increase. *Usury* on the other hand avoids *owing its livelihood to heaven* or *expecting anything from heaven*, or *sighing to heaven*. For be it *clear* or *stormy*, it is just the same to him. Whether the debtor thrives or not, he is indifferent. If the '*overflowing scourge*' comes, it does not hamper him.

For his whole concern is to remove himself altogether from the hands of God, and to place himself and his possessions entirely beyond the pale of Providence. What else is this but building himself a '*tower that overtops the clouds*' and then, as the atheist poet has well expressed it, 'Freeing his mind from the bond of Religion'.

Ethnicus once noted that '*no class of men has a worse opinion of God than the lenders*'. The race of *usurers* is therefore the enemy of *Heaven*. It only knows about the *Earth*. So let us come down.

*Charity* exercised towards a *neighbour* regards his *public* or *private good*, whereas *usury* regards neither. The canon of charity towards a neighbour is: 'Let each seek his neighbour's good'.<sup>147</sup>

Does the *usurer* seek what is *another's good*? He certainly *does seek it!* For he seeks *security from another's danger, profit from another's expense, leisure from his toil*, which Fabius thought the *blackest crime*. *He gathers the fruit from the tree which another planted*. Paul wrote against this that he 'seeks his own profit' but 'from another's not his own labour'.<sup>148</sup>

There is this further aspect. 'He seeks not his own'. Does not he seek his own? Certainly, and that is not all, for he seeks for *himself* in his *brother, his gain* in his *brother's gain*; always *certainty* in *uncertainty*; often *large* in *small*, while *something* in *nothing* is not unknown. And he does not seek his *brother's* property unless he finds his *own* in it. Nor bear any part of a burden without imposing another.

The open door of approach reveals a mortal dead argument against usury, showing the usurer in another light. For he corrupts the *act of virtue* as it is called in the Schools, which is proper to *vice* alone. He corrupts

<sup>143</sup> Leviticus 25, verse 37.

<sup>144</sup> Nehemiah 5, verse 11.

<sup>145</sup> Leviticus 19, verse 36.

<sup>146</sup> Deuteronomy 25, verses 13 & 14.

<sup>147</sup> I Corinthians 10, verse 24.

<sup>148</sup> I Corinthians 10, verse 24.

*Generosity*, which is the prime part of *Charity*. Yes, the special features of *Generosity* are *Giving freely* and *giving on loan*. These he proclaims and turns into a *traffic*.

The Holy Spirit has twice enjoined that a *loan* should be *free*.<sup>149</sup> Christ looked to this connection when in Luke<sup>150</sup> with 'lend' he joined 'hope for nothing in return'. Those who expound *Sacrifice of Capital* delete 'lend' from this passage and substitute 'give', so that if the capital is not returned it is a 'gift' and not a 'loan'.

But even this helps our cause. For if the meaning of a *Christian loan* is not to expect the *capital* back, still less is it to expect *capital* and *usury*; and still less again to seize it as a right by bond, pledge and order. But this question leads to another which I am not pursuing.

However the following question I do pursue, and it will be my next proof. In the same passage in Luke<sup>151</sup>, Christ cites the evidence against sinners 'for sinners lend to sinners to receive as much again'.

Reason at once says, what honour is there for *Christians* not to do what *sinners* do, for our *justice* should exceed theirs. But we are in such a miserable state that to Christ's 'what grace' we can answer 'abundant', when we do not *lend* at all without receiving again '*unequally*' and so we are beyond and below even the *sinners*.

### Public Charity

*Usuries* then make a *traffic of private charity*. What then of *public*? For if 'not that others may be eased or ye distressed' is a good principle, this is a better: 'Not that others may be eased and the state distressed'. How then does he treat public charity? Just the same.

Cousin's in his *Abstract of Certain Acts of Parliament* reckoned that *Theology* that is a friend of usury is an enemy of the State. For *if it be expelled, the seal of a good constitution is fixed on the state*<sup>152</sup> (and if it is not the seal of corruption.<sup>153</sup>

However in Nehemiah<sup>154</sup> twelve percent was demanded and permitted on corn, wine, oil. But Nehemiah wisely repelled it on the authority of *the canon of the Law*. He did so on four grounds.

First, because, as in that instance, the evil of *usury* is the frequent cause of violence. For there are *two parties* almost continually involved. On the creditor's side, *Force* is applied, though the *usury law* gives it gentler names. On the debtor's side, he cannot *pay* and is unable to *stop the moon*.

So it is usual, indeed unavoidable, for *disputes* to arise, not only in the *law court*, where legal battle is joined, but even in *open fight*, where *arms* decide the matter. Jeremiah is a witness to the first:<sup>155</sup>

"It causes *grumbles, curses, quarrels*."

Molinaeus himself bears witness to the latter, for he is convinced without bias of the truth that this was the only cause of the just *secession* of the *people* from the *Fathers*.

Secondly money put out at *usury* must be hired either to a *rich* man or a *poorer*. If a *rich* man has grasped it, the result will be either a *monopoly* or a *protopoly*; and although these two may be dissembled for a time (and they can be) they nevertheless cause a *fester* in the *State*. This cannot be overlooked when the State is peaceful, and when it is disturbed cannot be borne.

If a *poor* man has received it, he generally soon rushes into some 'disastrous excess'. He sees a *pile* for the first time, forgets his cares, and takes one *glorious day*; then another. Afterwards he is forced to *repay*, and finally to become *bankrupt*.

The result of bankruptcy is that if anyone raises his *standard*<sup>156</sup>, whether a David or an Absalom, all who are in low water at home hurry to join him at once and in a body. Our politicians should not disregard this evil when *bankruptcies* are so frequent; no one who, as I have described, has made a shipwreck of his *fortune* has not first run his boat on the *usurer's* rock.

Thirdly, it is not in the interest of the *State* that 'the man who does not work' should 'eat' in it. Clearly the *profit* of everyone in the State whose *riches* are gained through *inactivity* arise from *idleness*. If this is allowed, the

<sup>149</sup> Psalm 38, verse 26 and Psalm 122 verse 5.

<sup>150</sup> Luke chapter 6, verse 35.

<sup>151</sup> Luke 6, verse 34.

<sup>152</sup> Psalm 72, verse 14.

<sup>153</sup> Psalm 55, verse 14.

<sup>154</sup> Nehemiah 5, verse 11.

<sup>155</sup> Jeremiah 15, verse 10.

<sup>156</sup> As in I Samuel 12, verse 2.



*engineering* trade and the defence of *town* and *country* will be abandoned. Is anyone so senseless that he prefers to *gamble*, to spend *tortured* days and *sleepless* nights and to run the risks of *market*, *weather* and *sea*, with vague hopes, when he can grow old at home with his family and without physical sweat or mental distraction, beyond the injuries of *weather* and *storms*, in fat idleness and on *profit* no less fat?

Finally, *public usury* means *public affliction*. I know that *individual* estates and fortunes will be relieved. But the *individuals'* love of *produce* and *viands* will bring home to them the *burdensome affliction* of their estates and fortunes when, as always, the *usurers* authorize that their vitals shall be gnawed.

I tell you straightly that *loan charges* amount to hundreds of thousands a year; we have just paid 11% on a million. Would it be of no public benefit if the State were relieved of such a *burden* each year? For *taxes* have to be doubled, when profit arrives with usury; and we have to comply with the imposition of higher prices, not only to indemnify *companies*, but to pay off the *money-lenders*. If *usury* is retained, I cannot sell under a pound; efface it and you can have it at three quarters the price. Clearly then, the *State has to pay its own usury*.

### Civil Law

And why, I shall be asked, does the *law* of the State make *usury* licit? It does not do this, it only *permits* it. And the very fact of them being *permitted* is the best proof that they are not *licit*. For if this were so, if its *nature* were lawful, there would be no need of *permission*.

Again, this permission does not *advocate* them. For it is one thing to advocate, another to place a *limit*. It would prefer them *eradicated* and non-existent, if *avarice* permitted it to be so. Because it does not, it prefers them *restricted* and *limited*.

This very *limitation* is nothing but a proof, as once was a bill of divorce among the Jews of the hardness of their hearts.<sup>157</sup> Are not the *bonds of usury* among *Christians* proof that they have no *feelings*? Yes, proof of *no feelings*, proof that their *love* is not *tepid* but *cold*. For if it had grown even slightly warm, the *usury laws* would have become obsolete, if not in *law*, or *fact*, certainly in the opinion of every nation.

Meanwhile, let the *court of theologians* not be affected by *human law*; things are not *lawful* because they are *allowed* or *limited* in it. Bucer<sup>158</sup> has wisely said:

“*In many things the World has nothing to blame, but God has something to condemn.*”

For the motive which is most important to them is nothing to us, namely *compensation*. And the motive which can move them should not be able to move us, namely ‘Respect of Persons’ in reference to the poor. And I am surprised that our *theologians*, especially that the sharp witted Calvin, should use them! Calvin says:

“*To prevent many from thinking themselves reduced into difficulties growing more bold in their desperation and without choice falling into every crime.*”

What is the argument of those who advocate brothels? *Abolish brothels and you flood the world with lust*. I ask you, what is the difference? *Abolish usuries and you will swamp the world with paupers*?

But *stews* have been abolished, and there is less *filth* in the world. This is the true consequence, and I wish that usury could be abolished with such a desirable result.<sup>159</sup>

But whatever the result, we must retain the principle that it is *more useful for a cause of offence to appear than for truth to be deserted*. Again, in theology, *let us do no evil that good may come*.<sup>160</sup> Much less must *evil compensate evil*. The Fathers unanimously condemned Lotuz for this, when he wanted to prostitute virgins at a brothel, to prevent their being ruined by men. This is what usurers do who feed on twelve percent to prevent the world being ruined by *illegal profit*.

*Loans of Piety*, so called, are for a different reason, which is really commiseration. For they enable widows and orphans to be relieved without impairing *capital*. This *piety* makes them claim that it is necessary in these for the *father of the family* to suffer more before his death than the *orphan* benefits after it. For the heritage loses more in *usury* than accrues to the heir from the loan.

<sup>157</sup> Matthew 19, verse 9.

<sup>158</sup> Martin Bucer (1491-1551) was a German Protestant reformer born in Alsace. In 1506 at the age of 15 he entered the *Dominican Order* and was sent to study at Heidelberg where he became acquainted with the works of Erasmus and Luther and became a convert to the reformed opinions. In 1521 he abandoned his order with papal dispensation and soon afterwards married a former nun, Elisabeth Silbereisen. Bucer's opinions on the sacrament were Zwinglian. He wrote *Tetrapolitan Confession* which sought to maintain church unity with the Lutheran party to unite Lutheran, south German and Swiss reformers, leading to the charge of ambiguity and obscurity.

<sup>159</sup> *Measure for Measure* by William Shakespeare, Act III, Scene 2.

<sup>160</sup> Romans 3, verse 8.

Further, at the 10<sup>th</sup> Session of the *Council* over which Leo X (1513-1521) presided, all save the Archbishop of Traversis were in favour of *loans*. But he alone considered all the evidence and correctly inferred from Exodus<sup>161</sup> that ‘*neither shalt thou favour a poor man in his cause*’. For as God has willed and forbidden, we ought to be as careful with a man reduced to *poverty* as with one elevated to *riches*.

God has often given evidence of his special care for *orphans*, and it would have been as easy for him to have listed ‘*orphans*’ in Scripture<sup>162</sup> as ‘*foreigners*’; the same number of syllables. And if he had wished them to be relieved by some *Loans of Piety*, he could have easily authorized usury *on account of orphans*.

If any member of my audience is an orphan, thank God for your fortunes, for you see daily many *with no fortune*. Use them honourably and rely on the *Divine promises*, which are given more richly to *widows and orphans* than to other mortals.

And if the *City Merchants* want to do business with the money of *orphans*, there is nothing to prevent them taking it up without a *bond*, from taking the *fortune*, I repeat, without *compact* and making profit with it. Then they can assign a part of the profit as *alms*, but without any *covenant*.

### Eastern Church

I have said enough of the State. So we come to the action of the *Church*. I undertook at the beginning to show you that at no time was usury allowed. When I recall the passage in St. James<sup>163</sup> that ‘*your gold is rusted*’ I infer that the first *Christians* and those who were *Christians* soon after the time of Christ, I cannot say, were ignorant of, but I will say execrated *usury*. If this had not been so, and if they had been willing to practice as usurers, they could easily have preserved their *gold* and *copper* from *rust*.

Vicentius, who is a careful author, relates that in those early days, any who had a bad reputation for *usury* was at once so hated by the rest that they were unwilling to give him the *kiss of peace* in church, or to *greet* or *talk* with him in the street. His house was called the *house of Satan*, and no *Christian* was allowed to ask for *fire* there. The church that followed inherited this loathing and was the enemy of all *usuries*.

Let us review the East from where I will cite six witnesses. You will see its attitude and that of the Fathers who flourished in it. I will begin with the Father who was nearest Christ, Clement of Alexandria:

“There is much to say about exchange and partnership, but this is sufficient: the Law forbids taking usury from a brother; and it does not only mean by a brother those born of the same parents, but any man of the same race, ideas, speech. It does not justify lending on usury, but helping the needy with liberality of heart and hand.”

Basil is much more forceful. A whole sermon in his commentary on the 14<sup>th</sup> Psalm, as he reckoned it, is an uncompromising attack on *usury*. I refer you to it. The following extract will show his attitude to *usury*:

“You are rich? Do not lend on usury. You are poor? Do not borrow on usury. For if you are well off you do not need the usury, while if you have no money you will not pay the usury.”

Gregory, his brother, follows Basil. In his Letter to Bishop Litonius, he writes:

“*In Holy Scripture both ‘usury’ and ‘excess’ are forbidden even if they have the appearance of a business contract.*”

Balsamar has already defined ‘*excess*’ for us as an *addition to capital*. Aquinas mentions in his name a more severe condemnation. I cannot find it, and so pass it over. Gregory Nazianzenus follows him. In his Oration on his father, who was killed by a hailstone, he says:

“Usury and excess have polluted the earth, gathering where they have not planted and reaping where they have not sowed, they increase not the land but the need of the poor.”

Chrysostom shall be our fifth authority. In many passages, he was a ‘*bitter scourge of the usurers*’ and then the whole Epilogue of his sermon on the 17<sup>th</sup> chapter of Matthew is so earnest that he attacks the *Laws* themselves pretty fiercely.

*A dangerous disease that needs careful attention has seized the Church*. It is a long passage and you must run through the rest of it yourselves, and it suggests to me that the *Christians* hoarded their goods and that the *Church* was then first infected by the *disease of usury*.

<sup>161</sup> Exodus 13, verse 3.

<sup>162</sup> Deuteronomy 23, verse 2.

<sup>163</sup> James 5, verse 2.

In his sermon on the 16<sup>th</sup> chapter of Genesis he says:

*“He has commanded the Jews from the beginning, Thou shalt not lend on usury. What excuse then did the people deserve who were more inhuman than the Jews, and were inferior to the men under the law, after the grace and compassion of our Lord?”*

Our sixth authority shall not be Chrysostom but an eloquent scholar, the author of an unfinished work on Matthew. In the twelfth sermon he wrote:

*“Christ tells us to make loans, but not on usury: for the usurer at first glance seems to be giving what is his, while he is really not giving what is his but taking away what is another's.”*

I have given you this group of six from the East, and will cite six more from the West. I think these should be enough witnesses.

### **Western Church**

Tertullian in the Fourth Book ‘Against Marcio’:

*“Read the next verses in Ezekiel on the just man. He has not given his money on usury and he will not take increase, the addition of increment which is usury. He rooted out usury first to enable him to accustom the man more easily to losing his capital, the profit on which he had (through the Law) taught him to forego.”*

Lactatius on True Civilization says:

*“Anyone who is owed money shall not take usury. This will keep the benefit unimpaired...and he must keep away from another man's property. For if he shall not spare even his own at other times, he ought to be content with it in this kind of duty. For it is unjust to receive more than he gave. Anyone who does so is a plotter for he plunders another's poverty while the just man will never miss an opportunity of doing anything in compassion. And he will never befoul himself with this kind of profit.”*

You may draw your conclusions from his syllogisms in the 14<sup>th</sup> chapter of his book on Tobias.

*“Any increase on capital is usury...If it is lawful, why do you shun the word? Why do you draw a veil? (This is what the people do these days who cunningly call it interest as a cloak for usury). If unlawful, as it is, why do you require an increase?”*

Hieronymus on the 17<sup>th</sup> chapter of Ezekiel says:

*“Note the progress. At the beginning of the law, usury was only prohibited to brothers; in the Prophet it was prohibited to everyone. In the Evangelist, Our Lord bids us as a proof of virtue to lend to those from whom we hope for not return. To avoid the quibble that he is not referring to legalized usury, he says that money is not lent on usury only if you do not take back more than you gave.”*

Augustus on the 37<sup>th</sup> Psalm:

*“If you lend anything, no matter what it is, and require back more than you gave, you are a usurer, and should not be approved for it. If you think this work is too mild, he speaks more plainly in his thirty fifth sermon on the words of Our Lord: here he condemns as illegal, money so obtained and speaks out: “Do not give alms where increment and usury are involved.”*

Leo the Great in his 16<sup>th</sup> Sermon, on the fast of December, says:

*“And so anyone who sees the consequences will find that usury is a sin; for the money lender is either miserable at losing what he has given or more pitiable taking what he has not given. The injustice of usury must be avoided...usury of money is destruction of soul.”*

This is the opinion of the *Fathers*, and the *Church* stood by them.

### **Theologies**

From the time of the *Fathers* to the *Scholastics* there was no change on *usury*. This is proved by Sychis on the 7<sup>th</sup> book of Leviticus.

*“You may consider that you are fulfilling Scripture as far as usury is concerned if you do not take from your brother more than you gave him. For it is not right to make money from piety.”*

From Gregory's condemnation of a certain Peter for that reason, existent in his Letter to the Neapolitans.

From the 12<sup>th</sup> Sermon of Antiochus on the Holy Bible, in which he asserts that *in every Christian nation it is forbidden to extract usury under any pretext.*

From the letter of Gilda, when he is asked about this *profit* which had been familiar to the Britons and was later found *deadly*.

From Bernard's 322<sup>nd</sup> Letter to the Spirenses:

“But if they [the Jews] fail anywhere, we grieve that the Christian usurers judaize worse, if it is right to call them Christians and not rather baptized Jews.”

The following Definitions are taken from his book *On the Care of Property*. What is usury? Legalized robbery. What is a legalized usurer? A robber who announces his aim in advance.

The *Schoolmen* maintain the opinion of the *Fathers* without any change. And the leaders of each party agree on it. Thomas writes on it in the third book of *Opinions*, among the *Disputed Questions* that their decisions have lasted to our day.

And in our time a new group of theologians has arisen that opposes the *Schoolmen* on many questions, but in this dispute is on their side and opposes *usury*.

- If any mortal has ever loathed *usuries* in his heart, it is Luther. Commenting on the verse in the 15<sup>th</sup> Psalm that is fatal to *moneylenders*, he says that it does not need *explanation* but fulfilment.
- Zwinglius on the 6<sup>th</sup> chapter of Luke.
- Erasmus, on the Purity of the Tabernacle.
- Melancthon on Psalm 111.
- Camerarius in a treatise on the 8<sup>th</sup> precept of the Catechism.
- Museulus in his Supplement to Psalm 15.
- Hemingius on the 5<sup>th</sup> chapter of James.
- Aretius in his *Commonplaces* 143.

I was thinking of your patience, gentlemen, and not of my time, when I did not quote separate passages.

But the Swiss and Genevans are idiosyncratic. They receive the *exiles from religion*, keep them on contributions that are *usuries*, and then - a *disease* that has hold of most mortals today - are ashamed to *retract*, creating a *dangerous precedent*. They maintain that what they have done can be done by others. I am not going to examine the particular *cases* with which they concern themselves, for I should never come to an end.

As for their *proofs*, they produce none, save the mention of the *poor*, *gain that is forfeited*, the *compensation of loss*, the *miserable position of orphans*, which we have discussed enough already. But I will say that anyone who looks at them closely will find them ‘*all at sea*’. And that apart from some cunningly invented *cases* which tangle the knot more and more - a very thin argument - they have none to bring. They seem to me to have ‘skimmed over’ the chief points of the whole *question*, and not to have given the case their full support.

And look at the uneasiness of Calvin himself on the 18<sup>th</sup> chapter of Ezekiel:

“*Usury certainly is an ungenerous profit that is unworthy of a religious or honourable man.*”

That is correct. Then he adds:

“*It is almost impossible for usuries to be exacted without hindering our brother.*”

Even this is not bad, but next he says:

“*It is possible to receive usury without being a usurer.*”

You could hardly understand this if he did not add:

“*It is possible to receive the profit once without sin, but not more often.*”

And why once only? I confess the *Theology* of this escapes me. If it were lawful to *lend on usury* or to *take usury*, you could do it *twice, thrice, four or ten times* if you wanted to. If *unlawful*, not even once. What more to it? Our attitude to even the most learned will differ when they glance at a question and run over it lightly, and when they study and examine it closely.

I have discharged my obligations about the *Church* and *Fathers* and *Theologians*, of the old and new *school*. But it may be objected that they are the opinions of *individuals*, and *individuals' decisions* are often sudden. They dash down in a *book* the prejudices of their *heated heads*. There is no *deliberation, discussion, decision*. But we find all these in the *Councils*.

I will meet my challenger. And I wish they would face them. For they pronounce the *hatred* and (if possible) the *universal death of usury*. They attack partly the usuries of the *clergy*, partly of the *laity*.

But because the flocks must be 'imitations' of the Shepherds who are the 'examples' to the 'flocks'. And because in the case of the *clergy* it is condemned as *filthy lucre*; and because it is a *Canon* that no one shall be *kept* or *dismissed* from *Holy Orders* except for a *serious sin* and, as they term it *mortal sin*; the *canons*<sup>164</sup> prohibiting *usury* to the *clergy* may be applied to the *laity* also.

### Councils

But to prevent you thinking that I am misusing words or have abandoned the subject of *legalized usury*, I shall first investigate how the *Councils* argued on *usury*.

- It is defined as *the demand of more than was given*.
- The first Council of Nicea, canon XVII. It is defined as a *mortal sin* because it is punished by *dismissal from the clergy*.
- Similarly in chapter 12 of the first Council of Arles, and in chapter 14 of the second, for the punishment is *refusal of the sacraments*.
- And in the 13<sup>th</sup> chapter of the first Council of Carthage, because it is considered *filthy lucre*.
- In the 20<sup>th</sup> chapter of the Eliberine Council it is decreed that *ordained usurers be defrocked and lay usurers excommunicated*.
- In the 13<sup>th</sup> chapter of the Council of Tyre, no one at all is to receive *usuries*.
- It is said in the Greek Synods that usurers forget the *fear* of God and the Holy Scriptures and must therefore be more heavily punished.
- The most bitter is the 25<sup>th</sup> chapter of the Lateran Council under Alexander III; but the definitions were less exact and so I omit it.

The Councils have judged: after *deliberation, discussion, decision*. If they appeal to civil law, even if their demand is unfair, that is, assuming they mean the law itself and not the *ornaments of the law* - its force and essence and not some convention - they will not escape today.

### Law

I am ready for them, for I have swallowed a little of it on this law. A little, as a theologian should. But plenty for the matter before me.

First the whole of canon law is on our side. You may well be surprised at Molinaeus who 'wiping his mouth' three times I am sure, of the laws of 515 takes it upon himself to tell us that *Civil Law* has not been corrected by the Canons.

Distinction 47 of the Decrees, 14th of the Cause. Three and four deal exclusively with *usuries*, they follow the supplement of the Agerther sin Council; they review and condemn the guilt of the *crime*. Even the 5th of the Decretals condemns it; but I will not descend to the dregs.

Two Letters in the Tome of the Councils - the first of Gelasis, the second of Leo<sup>165</sup> - both condemn. The judgment of all is that *usurers* are still the same.

They must not receive the *Eucharist in Church* or give *offerings*. They are to lose *visitation* when sick, *absolution* when dying, and *burial* when dead.

Even more severe, *advocates of usury* who seduce others to it, *agents* who go between, *clerks*, who defend it, *magistrates* who favour it, and *confessors* who give absolution for it, are involved in their crime and the same condemnation is inflicted on them.

Ancient *Civil Law* is no more favourable. I mean the Twelve Tables. Cato says of them, at the beginning of his Treatise:

“It was the opinion of our ancestors, incorporated in their laws, that the thief should be fined twice the extent of his theft, a usurer four times.”

So they thought a usurer worse than a thief.

We infer from the age of Augustus that men who attempted to overthrow the *Commonwealth* were legally degraded and considered *dishonourable* in that age.

<sup>164</sup> 'Canon' originally meant measure or standard.

<sup>165</sup> Chapter 1 (i) in Letter 4.

If these are the *principles of Law*:

- The nature of a loan is that it should be *free*.
- *Certain* profit must not be required from an *uncertain*.
- When nothing is *changed*, *profit* must not be exacted.
- A *partnership* is not valid unless both parties share the *profit for use*, according either to *natural* or *civil* law.
- *Profit* must not be sought from *another's* goods when the *owner* is *unwilling*. And he is unwilling when of his own *free choice* he has not agreed

As the great Author has said at the beginning; and the wise Hotoman in his Comment on the title concerning usuries, citing the *Law* and the *Prophets* says:

“If *civil* law does not mean rejecting Sacred Laws but imitating the *Sacred Canons* on *Marriage* and *Usuries*, and in *accepting the Council of Nicea*; if it finally means that *the lesser law does not abolish that of the greater*, Caesar that of Jehovah, then the *new law* also settles the *law of usury*. Only the *hardness of our hearts* can obviate this, and obtain the *codicils of permission* quite contrary to our *right*.”

But let us leave this whole dispute to Hotoman and join with Molinaeus, whom he calls a *wordy* rather than a *convincing* advocate of these *compacts*.

I will not pass by our *Provincial Law* before it has also given its evidence against usury. It is in three parts:

- The Britons had an old ‘Mulantian Law’, as they call it, found in Gilda, that no one should be accused of fraud who *deceived a usurer*.
- The Saxon's 37th law said that all *usury* should be delivered to the *spleen of the commonwealth*.
- The Normans had a law passed in the 4th year of Edward I against the Jews, who were expelled from the whole island, and the Coursines also, who were Pontifical bankers, worse than the Jews themselves.

The question was decided by *Canon Law* until the fifth year of Edward VI, our *noble prince*, whom no man thought a monster, and whom we shall mourn all our lives. In his reign, the *first fruits* of the Reformation were made secure, especially by the following *stratagem*. The *usury laws* passed in his Father's reign were annulled entirely, and all *usuries* down to three and a half percent were heavily penalized.

### History

Now we come to *History*. If we rely on *Sacred History* we shall learn:

- the state of the *Jews* in Jeremiah's time when *usury* was allowed and Nehemiah time when it was forbidden.

We shall notice:

- the Seisachtheia - the ‘Shaking off of Burdens’ of Solon in Athens.
- the Egyptian law on the body of a father that was a pledge for *usuries*.
- the bright fire of Agis in the Spartan forum is a bright witness of what *those races* thought of *usury*.

The changes in it are clearer in Roman History. I will give you a summary, for I should take too much of your time if I detailed each instance.

You have already heard that the Twelve Tables pronounced the usurers *double thieves*. Later, a little usury was allowed, probably 3½%. The love of money then increased it rapidly to 12% and it had to be forbidden altogether. Again it was 8½% and again it steadily increased, until cut back by Quintus Ogulnius in Rome, and Cato and Lucullus in the Provinces.

At length Tiberius abolished it as Alexander from Alexandria relates, a man of varied learning. Then it crept on as before, taking advantage of *public peace* and of the *Emperor's intelligence*. Justinian placed a limit but it knew no limit until at length Basil, the father of Leo, prohibited it. It was again allowed, and once more was a heavy burden on the Christian world. Albertus Caesar forbad it a fifth time.

The same remedy for *usury* was necessary in the time of Charles VI. He lived at peace and prohibited it throughout his dominion at the Diet of Augustus in 1530.

So I can see no better or shorter way than at once and for ever abolishing a vice that has so often made its abolition necessary. As often as this happens and the *State* prohibits it, *usury* itself is convicted of *injustice*.

Those who *ignorantly* argue that it is for the good of the State not only affront God - for he has forbidden His commonwealth to practice it – but, as you see, oppose the antiquity and reliability of all *Histories*.

### Philosophy

We have now only to examine the fragmentary remains of the *Nations*. So we will investigate into the shades of their *philosophies*. If the usurers are condemned by this dim light, they must realize that they are deserted and that their case has no advocate whatsoever.

I will give you three Greeks and three Romans from the large number available. They may be taken to represent the rest, in view of the little time left us. Plato's<sup>166</sup> says that 'the best procedure in the State is to legalize the refusal to the usurer of principal and interest'. Aristotle<sup>167</sup> says that 'usury is currency born from currency. Therefore this kind of profit is entirely contrary to nature'. And Plutarch in his: 'On the undesirability of Usury' aptly calls them 'lies' and 'bugs'<sup>168</sup> and shortly finishes the whole question off with the words:

"You have money? Do not borrow on usury, for you do not need it."

"You have none? Do not borrow on usury, for you will not pay it off."

Looking round the *Romans*, who was more severe than Cato? But what could Cato have said more harsh against them than that to him '*lending on usury* to a man was a synonym for *killing a man*?' The saying is reported at the end of the second book of Cicero's Duties. Seneca, in the seventh book on Benefits, asks:

"What are *increase, usury*, but names unnaturally coined for human advantage?"

Pliny in the third chapter of the 33<sup>rd</sup> book of his Natural History neatly called it *profitable idleness*; as it has in our time no less neatly been called the *alchemy of Satan*, save that we with superior art cook our *money* without *expense* or *smoke*, and change '*copper*' into '*gold*'.

And in case you think they rely only on *authority*, you will see that they make *usury* bleed with the *barbs* they apply for they treat the whole matter in the light of *reason*, and show that *usury* has all the aspects of *villainy*.

- It violates the *purpose of money*: for it was invented to transfer other things, but is transferred for itself. So *goods* and the *price of goods* are assimilated: both of these are *vicious*, because the *end is not served*.
- It violates the *nature of money*. A *sterile* object does not bear increase. If it did, it would be worth more when *pregnant* than without *offspring*. But *capital* does not do this. Both of these are *vicious*, because *contrary to nature*.
- It violates the *nature of contracts*. It is not a *loan*, for a *loan is given and not sold*. It is not a *lease* for in that case the *lessor* runs the risk, in this the *borrower*.
- It violates the nature of *matter*. For by it *something* is produced from *nothing* - Plutarch's objection. And what was once *one* is made *more than one* - Baldus's objection. It gathers *profit* where *none exists* and perhaps *never will exist*. It sells to the *debtor* either *nothing* or the *same thing twice*, either his *time* or his *own labour*.
- It violates the laws of *reason*. No one has ever asked a price for a *loan for the day*.<sup>169</sup> Yet an amount of usury could be paid *each day*, reckoning it as a fraction of the *year*. But he does not dare ask *payment on the spot*, although he is in his *rights* to ask for *payment on the spot* for what is *rightly for sale*.
- It violates the laws of *speech* for surely *accommodate* means *giving for the convenience* of you and not of *me*. And *giving a loan (mutuum)* means giving *mine (meum)* to be *yours (tuum)*. And what *right* have I to demand *inconveniently* what I gave *for your convenience*? or to extort *usury* for what *I made yours* as if I had not *made it yours*?

### Experience

As the final part of my undertaking let us try *experience* on those unmoved by *reason* or *anything else*. It is the *mistress of fools*, and good enough to *make them wise*. But *wise* like the *Phrygians* and not before they have been *beaten* at the *usurer's game*. But I am speaking of the Republic, where *usury* was not free but *restrained* by the fetters of the Laws. Look at the results of *usury*.

<sup>166</sup> Laws V.

<sup>167</sup> Politics I, VII.

<sup>168</sup> The origin of Baldus' 'wood worms' I should expect.

<sup>169</sup> Salmasius noted Greek avarice in the verb *haemerodaneidzein*. Diogenes Laertius used the word *haemerodaneistes*, one who lends on daily interest', in about 200AD. Andrewes' mind was too clean to foresee present stock exchange practice!

Firstly there are *continuous degradations into the proletariat* and the number of *bankrupts*, whose only hope in squandering their fortunes was that there was someone from whom they could borrow at eleven percent.

And then the *swindles, distress, unrest*. And the *disguises, cut prices, name without a man, 'reciprocal usage'*, buying *under contract of reselling*. All this will at least convince us that such loans should not be allowed when the fortune is unimpaired, and that where they have been allowed they should, if possible, be repaid.

Even *Kings* are not exempt from this evil. Even *Kings* cannot withstand it so do not imagine that I am only speaking of *commoners*. In my time a *usury* law sanctioned the *Lithuanian financiers*. Under pretext of *banking* they had so handled the business of the kingdom that Sebastian the *king* was forced either to banish *usury* from the market or himself from the *kingdom*. He chose the former, and usury was driven right out of the kingdom, a notable 'experience'.

Again, there is the case of the powerful king of Spain. It could be much more significant, but he has been bled too long by that *leech*. They say that the Genoans suck usury from all the merchandise he sends. I know that the wares taken from them into Spain are of good material but they intercept with their usuries a good percentage of what he should receive.

I will only add the children's' rhyme:

Jack's fall is lucky for Jill  
If it stops her climbing the hill.

It would be too easy to pile up more of these 'experiences' in our day, but in spite of my hurry, time has overtaken me. It is now time for the arena!



## Chapter 11. Usury Moralized

At the opening of the seventeenth century, there were signs that the puritans were not going to have matters all their own way. There were men of integrity and learning like Wilson and Andrewes, whose opinions had weight. But the *Whig* current had set in, a stiff breeze was blowing from Geneva, and when in 1610 the people wanted Andrewes for their Primate, Abbot the 'bigoted Calvinist' was chosen to that high office by James I.

There were however still a few to protest and Bishop Sanderson in his sermon *A Populum on Callings* as late as 1621 remonstrated without compromise:

"It is with the usurer as with the drunkard. If he asked me against which of the Ten Commandments he offended, I could not really give him an answer, because he sinneth against so many."

Andrewes condemned usury under the prohibition of theft.

"He fleeceth many but clotheth none. He biteth and devoureth. The King, the Church, the poor are wronged by him."

"Can it possibly enter any reasonable man's head to think that a man should be born for nothing else but to tell out money and take in paper?"

It is most significant that Bishop Sanderson was Charles I's confessor. It has been held, that Charles I realized that he was fighting against a new money power which was enlarging the sphere of the old usurers. Against them he was protecting the people, as their guardian from these heartless monarchs. The struggle ahead was between *Sovereignty* and *Money Power*, not between *King* and *People*. The King opposed this new monarchy, and claimed to be protecting the freedom of the people.

At all events, the result of the protests of Sanderson and others was that a law was passed in 1624 which was called *Against Usury*. It is true that it legalized usury up to 8%, but traditional teaching was still held, for the permission was granted by the *State*,

"...provided no word herein contained shall be construed or expounded to allow the practice of usury in point of Religion or Conscience."

Usury was legal, but still not moral.

If the Church had maintained her strong stand against usury, the attention of all would have been turned on an inadequate financial system, which related currency and credit to bullion instead of to real or potential goods.

The spoils of the buccaneers and the silver of Potosi had been unable to supplement it, particularly when the treasure was drained away. But the black England of the industrial barons was to supplant the green England of Shakespeare, and the usury laws were under unremitting *Whig* pressure.

The tradition that condemned usury limped on until about 1640. Blaxton published *The English Usurer*, but he was an obscure country parson. One or two more vituperations were issued. In fact, the need for bullion had ended, for money was passing in England from its primitive phase.

For in 1640 the goldsmiths were beginning to issue notes in excess of the gold they held on deposit. A Nottingham paper reported that:

"The rise of banking in England has often been dated from the seizure by Charles I in 1640 of the bullion deposited in the *Tower of London* by the *City Merchants*. It was, in fact, returned to its rightful owners but for safety thereafter they deposited the bullion with the goldsmiths, whose 'side-line' as money changers developed greatly in the *Civil War*.

"They gave receipts for money lodged with them, which were the earliest form of bank notes in England, and circulated freely as coin."

Claude Goldring gives substantially the same account, adding that in Charles I's reign there was about £ 200,000 in the *Tower*, the *Mint* there being the only convenient place where one could deposit money.

"Charles seized the lot and called it a loan. The whole of the banking business was at this time handed over to the goldsmiths, and during the *Civil War* they hid their money as best they could.

"When it was certain that the King would be beaten, the citizens unearthed their cash and handed it over to the goldsmiths, who now gave interest for the money placed in their care. As might be expected, the goldsmiths grew rich. They introduced a little craft into their business. On the grounds of patriotism, they lent Cromwell money, but saw to it that they got good interest. Their

capital increased at such a rate that in a few years they had £ 1,300,000 deposited in the *Exchequer*.

“Charles II had a better haul than his father when he seized the lot. But the goldsmiths did not intend to take this sitting down. They raised such a clamour that Charles II had to give them 6% interest. This was tantamount to an admission that it had been a loan, and in the days of William III the goldsmiths were receiving 3% on the money.”

Two observations may be made. The first is that the tie between money - cash, circulating medium - and bullion was being loosened. A bold stroke might well have severed the connection and based money on the real wealth of the community. This would not have suited the goldsmiths and bankers who were growing rich and powerful on the usury they were receiving.

A generation earlier such terms as *Banker* and *City Merchant* would not have displaced the older term of *Usurer*: that was their business. In the second place, the impression is given by those who favour the bankers (usurers) that Charles I was a thief and a robber, and much history has been written from the cosmopolitan *Whig* point of view.

The falseness of this impression - at least a qualification - may be gathered from the scholar, patriot and *Christian Socialist* Thomas Hancock. He specialized in this period and reached a very different conclusion. In fact, the protection from extortionate enclosing landlords that *Church* and *King* gave the people is one of the themes of *The Pulpit and the Press, and other Sermons (1904)*.

He lists many clergy who protested against the *Nobility* who had not merely robbed the *Church* of her lands but:

“...partly by force, partly by fraud, had converted to their own use the pastures which formerly had been common.”

Hancock continues:

“The building up of huge landed estates and the formation of *New Nobilities* out of the robbery of the poor and the robbery of the **Church**, which is the peculiar heritage of the poor, marked each of the four great judicial epochs in the life of the *English Church* during the sixteenth and seventeenth century:

“The *Dissolution of the Monasteries* under Henry VIII; the *Spoliation of the Church* under Edward VI; the *Abolition of the National Episcopate* and the *Expulsion of all the Liberal and Catholic Clergy* by the tyrannical *Nonconformist Parliament* during the *Civil War*; and the imposition on the people of the so called *Commonwealth* by the military oligarchy of the sectaries in 1649, all alike ended in the 'estating' of a greedy landlordism out of the plunder.

“The *Fathers of Nonconformity* from the very first had the eager support and encouragement of the aristocracy and the plutocracy. These two terms indeed were not used then. The usual terms of the pulpit were *Landlords and Usurers*.”

Bancroft said,

“They do greatly urge in the ministry the *Apostolic Poverty*, that they obtain the prey.”

It was another prelate who reminded them that the saints had cast their treasurers at the Apostles' feet!. Bancroft also said:

“Covetousness hath thrust them into this schism.”

Hancock continued:

“The poor and their clergy fled to the *King* as their only possible champion ...the sympathies of the English democracy, of the anti-puritanical poor, remained throughout on the side of the *King*.”

And Laud was the unflinching opponent of the engrossers, though it is doubtful whether he maintained the Anglican onslaught against usury. He was the champion of:

“...the *Common Prayer Book*, of the common law of Christ, of the common man, which made those who thought they were - after the manner of the Jews - a chosen and superior people, detest and kill him. He also tried to insist on the ancient Christian duty of restitution, and was especially anxious to protect the common schools, as well as the common land and Church.”

Laud and Charles took vigorous measures against the new rich.

“Laud cited powerful landlords into the *High Commission Court* for seizing almshouses, common lands and the endowments of free schools portions of common churchyards, and even for 'walling up ancient ways'.”

He defended the poor against the embezzlement of the proud and against:

“...the inhumane *Calvinist* theology and puritanical non-conformity and separatism.”

Yet he had in him nothing of the selfish demagogue but had, as his biographer tells us:

“...a dislike to that popularity which was too much affected by his predecessor, Archbishop Abbot.”

But the ringing of the changes in the type of Archbishop - Whitgift, Bancroft, Abbot, Laud - had loosened the Church's hold on social ethics, and Laud seems to have lost the consciousness of the danger of usury which Andrewes, if he had preceded him, would most certainly have upheld.

It was for Milton, says Hancock, to prove:

“...how a handful of colonels, parliament men, great landlords, and fanatical preachers, who were hated by the people, could usurp to themselves any divine or human right to call themselves *The People*.”

Hancock even questions Milton's integrity. When showing that the profits of disendowment have seldom reached the poor but invariably gone to the rich and powerful, he says:

“It was so with that den of *Liberationist* robbers, the *Long Parliament*, whose members seized the Episcopal and cathedral lands.”

Such were the opponents of ‘bowling and other games’ on the Sabbath Day, the worshippers of the ‘lean goddess of Abstinence’. And this is the opinion of one learned historian of the true issues at stake between Cromwell and the King. In Milton's time, Salmasius was writing his three learned volumes on usury - a bibliophile's rarity.

Cromwell was no unintelligent dictator (monarch). He is said to have reintroduced lead tokens to expand the currency, such as had been used by Elizabeth.<sup>170</sup> And in the second place, he re-admitted the Jews.

In his days, it was not likely that usury would be interfered with, but Tawney in *Religion and the Rise of Capitalism* notes that:

“The classes - Puritan disciplinary body - of Bury in Lancashire decided in 1647 after considerable debate, that 'usury is a scandalous sin, deserving suspension upon obstinacy'.”

Cromwell was in fact the leader of the *Whig* cosmopolitan interest lauded by the historians ever since, and a letter from a continental Jew promised him a loan for which the price was King Charles I's head.

In 1660, Charles II was restored, but the old ways were passed, as is shown by an act of the same year ‘for restraining the taking of excessive usury’, which limited it to 6%. All previous acts had been ‘against Usury’, but by this time the ‘beast with a hundred legs’, (*Usuria* by *E. Pound, Canto XV*) was domesticated and allowed into the house on a string.

We may see also the vast change, amounting to a practical desertion of ethics in the question of money, in the works of Jeremy Taylor and Richard Baxter.

Bishop Taylor (1613-1667) has the reputation of having opposed usury, and doubtless he still thought it was wrong in itself. But the following passages (from his *Great Rule of Conscience*, Book 2, ch. II, 7, (1), *Cautions to be observed in civil permissions of an unlawful act or state*) shows the gap that separated his thought and time from that of Andrewes. It is, of course, true that many priests had spent some time on the galleys. He writes:

“That the thing so permitted be, in the present constitution of affairs, necessary; and yet will not be without the evil appendage. Thus it is necessary in all communities of men there be borrowing and lending; but if it cannot be without usury, the commonwealth might promise not to punish it; though of itself it were uncharitable and consequently unlawful.

“For it is either lawful or else it is unlawful, for being against justice or against charity. If it be against justice, the commonwealth, be permitting it, makes it just; for as it is in the economy of the world, the decree of God doth establish the vicissitudes of day and night forever; but the sun, by

<sup>170</sup> Vide M. Butchart's invaluable *Money*.

looking on a point, not only signifies, but also makes the little portions of time and divides them into hours, but men, coming with their little arts and instruments, make them to be understood, and so become the sun's interpreters.

“So it is in the matter of justice, whose great return and firm establishments are made by God, and some rules given for the great measures of it. And we, from his laws, know just and unjust, as we understand day and night.

“But the laws of princes and the contracts of men, like the sun, make the little measures and divide the great proportions into minutes of justice and fair intercourse; and the divines and the lawyers go they lower, and they become expounders of those measures, and set up dials and instruments of notice, by which we understand the proportion and obligations of the law and the lines of justice.

“Just and unjust we love or hate respectively by our warrant from God; and from him also we are taught to make the general lines of it: as, Do what you would be done to restore the pledge, hurt no man, rob not your neighbour of his rights, make no fraudulent contracts, no unjust bargains.

“But then what are his rights and what are not; what is fraudulent and what is fair; in what hath he power, in what hath he none; is to be determined by the laws of men.

“So that if a commonwealth permits an usurious exchange or contract, it is not unjust, because the laws are the particular measures of justice and contracts, and therefore, may well promise impunity, where she makes innocence, as to the matter of justice.

“But if usury be unlawful because it is uncharitable, then when it becomes necessary then it is also charitable comparatively; and as to charity, no man by the laws of God is to be compelled (because it is not charity if it be compelled; for God accepts not an unwilling giver, and it is not charity, but an act of obedience and political duty, when by laws, men are constrained to make levies for the poor); so much less can they be compelled to measures and degrees of charity.

“And if to lend upon usury be better than not to lend at all, it is, in some sense, a charity to do so: and if it be when it will not be otherwise, there is no question but *The Prince*, that allows indemnity, is not to be damnified himself.

“I instanced in this, but in all things where there is the same reason there is the same conclusion.”

This casuistry may be contrasted with that of the *Roman Catholics*. They never permitted usury - there was a division on the question of *montes profani* and *montes pietatis* - but elaborated their teaching on interest.

Andrewes had been at pains to show that legalized usury was unlawful according to the Law of God.

Richard Baxter, the non-conformist, goes lower, and in about 1670, enunciated the full Calvinistic attitude. In Part IV of the *Christian Directory* he asks:

“Is it lawful to lend upon usury, interest or increase, receiving any additional gains for money lent? There is some such gain or usury unlawful and a heinous sin: some usury is not a violation of *Natural Laws of Piety, Justice or Charity*; nor against the supernaturally revealed *Laws of Moses or Christ*.”

He asserts that the *Law of Nature* does not forbid all usury, and gives “notoriously charitable instances” when the taking of usury is justifiable. It is only evil “when against Justice or Charity”. In fact, he admits the Calvinistic point that usury is not evil in itself.

So within a century, indeed within little more than a generation, a few inferior minds had shuffled away the thought of sixteen centuries. As James Harvey asked in *Paper Money* (1877):

“Who has ever heard a sermon holding forth usury as a sin?”

The last was preached by David Jones at *St. Mary Woolnoth* in 1692. He considered it the

“...preacher's duty to protest against usury”

and quoted Bishop Sanderson, who deplored that:

“...men should be born for nothing else but to tell out money and take in paper.”

David Jones appears to have lost his parish for this breach of urbanity - in the year when the debt started too - and his outburst was hushed up by ‘a discourse upon usury or lending money for increase, proving the lawfulness thereof, published at the request of several judicious and sober Christians’.

A few hack phrases are canted out, while it is admitted "that the subject of late years has not been controverted on one side or the other"; and that 'the dealings of usury are become universal'.

In 1694 the *Bank of England* was founded.

This was, in the *Church of England*, the end for over two centuries of the delicately elaborated Catholic teaching on the *Just Price, Partnership, and Usury*.

The stages are clear. Local mints were suppressed and usury was legalized. Then usury was moralized.

The pressure of finance had been too strong, and the age of *laissez faire* (often dated from 1688) began with the Church's blessing - or at least without any protest. The Non-Jurors showed that there was disinterested honesty left, but ignorance - under her cloak of emancipation and enlightenment - hid effectively Christian economic light.

There is a Church of unusual design, dedicated to Charles the Martyr<sup>171</sup> and there are four other churches of the same dedication in England, built about 1680. This would seem to indicate a revolt of a spiritual kind against Oliver Cromwell and the usurious puritans and *Whigs*.

But David Jones's experience made it clear that Abbot had done his work, and that usurers were less affected by the building of these churches than by the *Oxford Movement*. This should interest those who regard the mason's idealism with reverence. No question is possible but that the *Bank of England*, according to the standards of *Catholic Doctrine* - and there had been no other Christian teaching on money - was usurious.

Tawney remarks that in Elizabeth's reign

"There had been something like deposit banking in the hands of the scriveners."

William Paterson is thought to have written of the blessings of this usurious system in 1624, under the initials of HM. It must be insisted that he, and nine tenths of the leading business men, were *Presbyterians* and *Non-Conformists* and that business was becoming their religion - not justice, charity, consumption, partnership, but harsh individualism, competition, the economic man.

Unfortunately the *Anglican Church* was too supine to challenge the new 'morality', let alone to call for a reversion to the older creed. Besides, most of the bishops and priests of integrity had refused to break their oath of allegiance to James II.

Those who have read Butler's *Hudibras* will have a fair idea of the canting type of the *Independents* and *Presbyterians* who were climbing into the saddle. HM describes the natural wealth of Great Britain - a strong argument, incidentally, against overseas trade, and says that Britain is 'as capable of living within itself as any nation; having not only all things necessary for the life of Men, but Abundance, Materials and Stores'.

From this he argues for a '*Royal Bank of Credit*'.

It is true that Charles I and Charles II had considered it their right to issue coin. But this new venture was going to allow Paterson<sup>172</sup> to take interest on 'all monies created out of nothing'. The issue of money was, in fact, going to pass from royal into private hands, and at a time when the issue need no longer be restricted artificially by the amount of gold and silver that happened to be in the country.

Paterson, or his scribe continues:

"Now money is but a medium of Commerce, a Security which we part with, to enjoy the like in Value, and is the standard of all Commodities, and esteemed so by the world. And such is a Bank-Bill, it will obtain what we want, and satisfy where we are indebted, and may be turned into Money again when the possessor pleaseth, and will be the Standard of Trade at the last."

He continues,

"There is created in this *Royal Bank* by *Act of Parliament* such a Fund as may give out *Bills of Exchange* or *Credit Carrant*, that such always be answered by Money on demand... We may make an estimate of the value of credit upon a good Fund, by the bills accepted upon the late Assessments instead of Money, whilst their credit was carrant, being no other security but the honesty of the man, and a Shadow of an Estate, both which may fail.

<sup>171</sup> At Tunbridge Wells.

<sup>172</sup> Credit is due to Paterson for freeing goods from gold. He was dropped by his partners, possibly for some display of integrity. John Law, (1671 - 1729), was ruined by the French nobles who made him over-issue. He talked with Peter the Great in Paris in 1718.

“But I have heard of a gentleman that hath seen the same Money transmitted nine times in one morning, by writing off the Credit from one to another, and the money is specie left untouched at last. Much more may be done by this bank credit, their fund being such cannot fail, unless the Nation be destroyed: for that all men’s interests are secured by *Act of Parliament*.

“England’s Glory, or The Great Improvement in General of Trade by a Royal Bank or Office of Credit.”

As HM makes clear, the third stage in monetary science had been reached - the stage of credit. The bullion and paper note stages were left fifty years behind, and the machinery of credit could have been put to the service of the nation.

Instead, it was usurped, as the issue of money was usurped, by a private corporation, who extracted usury on ‘all monies created out of nothing’. They were literally trading on the credit of the nation; ethics in monetary matters had been discarded with its clean terminology, and the process of issuing money was to be confused for generations with that of lending.

Thomas Attwood, in *Observations on Currency, Population and Pauperism*, gives this information about tokens (1818).

“In the ‘golden days’ of Queen Elizabeth there were three thousand trades people and others who issued lead tokens<sup>173</sup> which passed as coin of the realm, and no doubt contributed, in a great degree, to that burst of prosperity.”

“A mistaken policy destroyed the lead tokens of Elizabeth without providing an adequate substitute; and I have no doubt that this impolitic conduct contributed to the public distress and disturbances which soon after terminated in the death of Charles I.

“Oliver Cromwell knew better the principles of national prosperity, and under the *Protectorate* the leaden tokens were again issued by many thousands of tradesmen, and again a new energy was given to the productive powers of the country. These leaden tokens answered all the useful purposes of coins of the realm; and bank notes are but an improvement on them.”

Such tokens were issued by trades-people in the eighteenth century, and many survive. But by this time the penny had dropped in purchasing power, so that the halfpenny tokens - coins were copper then and remained so until the days of Victoria, and pennies were large and cumbersome - did little as rivals of the Bank-notes. The leaden tokens were the last useful survivals of the principle of local mints. Copper tokens were the last recorded survival of all.

Some people did see the danger. An anonymous *Discourse upon Money* (1696) says that:

“Great and Public Banks in a State are very pernicious for where the treasure is, there will be the power. If Monopolies of Little Things are declared unlawful, then *a fortiori* a Monopoly of Money (and it is plain such banks are no other) must be so with a witness.”

*quoted in M. Butchart’s Money*

He cites the Roman bankers who ‘became so rich and powerful’, mentioning their ‘Lucre and unjust gain’.

In 1700 another or perhaps the same writer says that the monopoly of money and credit ‘seems the most dangerous’ and will put the ‘Trade and Treasures of the nation entirely in their power’.

And he asks whether the Bank’s ‘admitting or refusing the Discounting Bills or Notes for Merchants and Traders’ will not then become the standard of every private person’s reputation, and ‘give great advantage to their Favourites and Discouragements to the Rest of the Traders’.

The following extracts from the statutes regulating the foundation of the *Bank of England* throw light on the matter from a political point of view. (*5 & 6 Wm. and Mary, 20, 1694*).

“XIX. And be it farther enacted by the authority aforesaid that it shall and may be lawful for their Majesties, by commission and under the great seal of England, to authorize and appoint any number of persons to take and receive all such voluntary subscriptions as shall be made on or before the first day of August, which shall be in the year of Our Lord one thousand six hundred ninety four, by any person or persons, natives or foreigners, bodies politic or corporate.

“XX. And be it further enacted that it shall be and may be lawful to and for their Majesties, by letters patents under the *Great Seal of England*, to limit, direct and appoint, how and in what

<sup>173</sup> Carthage is said to have risen to eminence by means of similar tokens.

manner and proportions, the said sum of twelve hundred thousand pounds, part of the said sum of fifteen hundred thousand pounds, and the said yearly sum of one hundred thousand pounds, part of the said yearly sum of one hundred and forty thousand pounds, and every or any part or proportion thereof, may be assignable or transferable, assigned or transferred, to such person or persons only so shall freely and voluntarily accept of the same, and not otherwise; and to incorporate any and every such subscribers and contributors, their heirs, successors, or assigns, to be one body corporate and politic, by the name of the Governor and company of the *Bank of England*, and, by the same name of the governor and company of the *Bank of England*, to have perpetual succession and a common seal.

“XXVIII. Provided, and nothing herein contained shall any ways be construed to hinder the said corporation from dealing in bills of exchange or in buying and selling bullion, gold or silver, or in selling any wares, goods, or merchandise whatsoever, which shall really and bona fide be left or deposited with the said corporation for money lent and advanced thereon, and which shall not be redeemed at the time agreed on, or from selling such goods as shall or may be the produce of the lands purchased by the said corporation.”

Claude Goldring says:

“The financial genius behind the foundation of the *Bank of England* was William Paterson, born in 1658 of good family in Lochnabar, Dumfriesshire. He is said to have preached as a *Scottish Covenanter*, probably lived in Holland, was a merchant in New Providence in the Bahamas, and raised a Spanish galleon at enormous profit. He supported the 1688 Revolution and was connected with the foundation of the *Board of Trade*.”

A *Bank of England* was discussed in Cromwell's day and advocated after the restoration, but no proposition was made until 1691. The Government then wanted to borrow £1,200,000 at 8% and the lenders were, ‘by way of encouragement’, to be incorporated by the name of the *Governor and Company of the Bank of England*.

Paterson is of the type *par excellence* of the new merchant-financier, who had not, like his predecessors of a century before, to contend with the die-hards who supported the usury laws. The way was open for him.

But even then it is clear enough that the foreign intervention was resented in England.<sup>174</sup> Queen Mary, on the strength of a letter from her husband in Flanders, pressed the scheme through after a six hour sitting against the *Government* and the *Opposition*.

“*Whigs* and *Tories*, goldsmiths and pawnbrokers, resolutely opposed the scheme. They declared that the whole wealth of the nation would be in the hands of the King. The governor and directors of the new company would have more power over the nation's purse than the *House of Commons*. Charles Montague, afterwards *First Lord of the Treasury*, carried the bill through the *House of Commons*.”

Macaulay said of the *Bank*:

“It is hardly too much to say that during many years the weight of the *Bank*, which was constantly in the scale of the *Whigs*, almost counterbalanced the weight of the *Church*, which was constantly in the scale of the *Tories*.”

Not seventy years earlier, Francis Bacon, Lord Verulam, had remarked in *Essays Moral and Political* (1625),

“Above all things good policy is to be used, that the treasures and monies in a state be not gathered into few hands, for otherwise a state may have a good stock and yet starve; and money is like muck; no good except it be spread.”

Bacon understood the danger of eliminating the middle *Yeoman* class and of dividing the state into the extremes of poverty and wealth, and this is the first of many occasions on which the fact of poverty amid plenty is remarked on - or, in this case, noted as a danger.

William Paterson frankly admitted that he would have the profit on all monies created out of nothing. If this thesis is correct, and the old prohibition against usury had to be swept aside and forgotten before such a bank could be founded - we may note the collateral securities mentioned in the *Act* - then Paterson was the first in the line of the new usurers. They plied the old trade - as did the Croesus of the exchanges - but with the vastly more profitable material of the creation of credit. They lent the nation her own credit. Such financial credit bore not relation to the real credit of the nation, but the *Bank* had control of the nation's money for its own profit.

<sup>174</sup> Disraeli in *Sybil* deplored ‘*Dutch Finance*’.

Such was the system that came over from Holland, against the wish of *Parliament* and against the good sense of the people. It was the direct result of the peculiar *Revolution of 1688*, which - dressed up as it may be in romantic colours borrowed from a cottage near Chesterfield<sup>175</sup> or an island in Derwentwater - was baldly the triumph of the internationalist *Whig* elements and their new system of *laissez faire* economy.

Apparently the *Church's* opposition to usury was finally smothered and the last interest in the complicated system of *de facto* robbery now inaugurated, so favourable to the less desirable elements. This interest was, in fact, smothered for a quarter of a millennium, but we shall see that eventually and by devious ways it did again emerge, the final movement of our symphony.

It is worthwhile seeing what a 'modern' bishop of the time - he has even been suggested as the man who conceived the scheme - thought of this usurious arrangement. Bishop Gilbert Burnet, in the *History of His Own Times* (1734 - the same year as Bishop Berkeley was writing to a very different purpose in his *Querist*) wrote, under AD1693:

“Among other funds that were created, one was for constituting a *Bank*, which occasioned great debates. Some thought a *Bank* would grow to be a monopoly. All the honey of England would come into their hands: and they would in a few years become the Masters of the Stock and Wealth of the Nation.

“Others argued for it. That the credit it would have must increase Trade and the circulation of money, at least in *Bank Notes*. It was visible that all the enemies of the *Government* set themselves against it, with such vehemence and zeal, that this alone convinced all people that they saw the strength that our affairs would receive from it.

“I had heard the Dutch often reckon up the great advantages they had from their *Banks*; and they concluded that, as long as England continued jealous of the *Government*, a *Bank* could never be settled among us, nor gain credit enough to support itself. And upon that, they judged that the superiority in Trade must still lie on their side.

“This, with all the other remote funds that were created, had another good effect. It engaged all those, who were concerned in them, to be, on account of their own Interest, zealous for maintaining the *Government*; since it was not to be doubted but that a *Revolution* would have swept theses away.

“The advantages that the *King*, and all concerned in Tallies, had from the *Bank* was so sensibly felt, that all people saw into the secret reasons that made the Enemies of the Constitution set themselves with so much earnest against it.”

Yet in spite of what Cobbett was to know as 'these vast improvements, ma'am,' the English labourer was still in a nearly desperate condition. His purchasing power rose slightly after the middle of the seventeenth century, but he was barely able to earn by a year's toil what 15 weeks work would have purchased him before the *Reformation*. It was indeed a revolution in reverse for him.

The Act of 1592 which had prescribed that each labourer's cottage should have four acres of land was continually broken, and there were new features to make life distasteful to him. The assessment of property for the poor rate in 1601 had a bad effect on the wage, while, in the words of Rogers, the law of parochial settlement of 1662 'consummated the degradation of the labourer'.

In 1697, the law authorized churchwardens or overseers to give the labourer a license to move, but he could be moved back if he became chargeable on his new parish. There was a growing brutality in legislation, and a landlord sometimes pulled down cottages so that he had no responsibility for labourers.

Instead of internal prosperity, the attention of Britain was now focussed on foreign conquest, war, all provoked by trade rivalry. More familiar features of the modern world arose.

There was nothing to take the place of the guilds, although the *Domestic System* at least kept work in the home and on the holding. The anti-combination laws of Edward VI were confirmed in 1683. Wheat that year was at the famine price of 100/- to 150/- a quarter.<sup>176</sup>

<sup>175</sup> Meeting places of leading revolutionaries, in Derbyshire and Cumberland, in the middle and north of England.

<sup>176</sup> The labourer's wages were from 1/- to 1/6d a day. Bread alone would have been 6d a pound. In 1835 half a pound of bread was considered an average daily consumption for an individual.



## Chapter 12. Usury in the Eighteenth Century

Mr. Tawney remarks that it is in vain to look for social teaching from the eighteenth century Church. Indeed, Convocation<sup>177</sup> was closed in 1717, and Samuel Richardson in *Clarissa* gives a faithful portrait of many lick-spittle clergy in Mr. Brand, the heroine's enemy. It was the century of the rising manufacturer, slowly pushing the landed gentry to the background. New inventions were constantly discovered, looser rein given to greed in the industrial revolution.

The manufacturer's turn was to come, but for the time he was supreme (at least on the face of things). Bullion was supplied abundantly by the spoils of Clive and Hastings from India. In fact the Indian plunder probably precipitated the industrial revolution itself.

Even agriculture was stimulated and the Rev. John Chevass was the patron of an improved form of barley seed, which he observed in a labourer's garden. The turnip enabled larger flocks to be wintered. This resulted, in its turn, in a rapid increase in enclosures. A third of a million acres of commons were absorbed between 1710 and 1760, but nearly seven million between 1760 and 1843. This meant the final eviction of the *Yeoman* and still heavier population for the towns.

Yet all the time the debt was growing - like an evil seed growing secretly. Brooks Adams points out that:

“In 1756, when Clive went to India, the nation owed £ 74,576,000 on which it paid an interest of £ 2,753,000. In 1815, this debt had swollen to £ 861,000,000 with an annual interest charge of £ 32,645,000.”

There is little wonder that De Stendhal in *Rouge et Noir* said in 1830, that England was crushed by the interest charges. Adams said:

“In some imperfect way, her gains may be estimated by the growth of her debt, which must represent savings.”

But the English were to find, and still find, that a national debt does not work out at anything but a crushing burden, and that financiers are the sole beneficiaries, with negligible exceptions. But, in a blind and timeserving Church, Bishop Berkeley of Cloyne served his time in a very different sense.

While the most adventurous clergy sought an outlet for their activities in missionary work - the *Society for the Propagation of the Gospel (SPG)* and SPCK were founded soon after the *Bank of England* - Berkeley, by no means neglecting the claims of the mission field, wrote his *Querist*.

Montgomery Butchart, the author and compiler of *Money, the Views of Three Centuries*, calls Berkeley's an ‘isolated’ instance of perception. Berkeley, it is true, did not revive the medieval doctrines on money but he tackled the problem from the other angle - that the monetary system did not work. Accordingly he asked the following questions in his *Querist*, which have a modern enough ring. (*Quotations are from the 1750 edition, the successor of those of 1735, 1736, and 1737*).

"Whether the true idea of money, as such, be not altogether that of a ticket or counter?"

"Whether the denominations being retained, although the bullion were gone, things might not nevertheless be rated, bought and sold, industry promoted and a circulation of commerce maintained.

"Whether a fertile land and the industry of its inhabitants would not prove inexhaustible funds of real wealth, be the counters for conveying and recording thereof what you will - paper, gold or silver?"

"Whether, without the proper means of circulation, it be not vain to hope for thriving manufactures and busy people?"

"Whether, without private banks what little business and industry there is would not stagnate? But whether it be not a mighty privilege for a private person to be able to create a hundred pounds with the dash of a pen?"

"Whether we are not in fact the only people who may be said to starve in the midst of plenty?"

He called a national bank the ‘true philosopher's stone’ of a state. Berkeley's work may be contrasted with the opinion of Hume, who commended avarice. Indeed, the Church as a whole seems to have imbibed the

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<sup>177</sup> The Church's parliament

philosophy of Kant, who separated *phenomena* from *noumena*, and to have restricted her ministry to the elusive *noumena*.

Berkeley had denied these kinds of distinction, and gave his intelligence to the whole of life, which was to him entirely spiritual. The influence of the *Deists* was towards the same artificial separation of things of the spirit from those of daily life. Greed took up an even more disproportionate part of men's' energies than usual, and what with the dazzling wealth and seductive teachers, clergy were ineffectual in social life.

Tawney remarks that George III regarded even Paley as a dangerous revolutionary. Bishop Butler achieved something indirectly by insisting on the *Natural Order*, but this was to take decades to bear fruit.

The startling events of the eighteenth century are too well known to be more than briefly noted here. But the immediate misery they produced acted in time as irritant to the clerical conscience, and this started, also in time, the realization that the Church had once dealt with social problems. From this it was a step - if a long one - to recovery of the ethic of the just price and eventually this led to the re-examination of money and usury.

After the *Civil War*, Norwich and the Western towns revived, but Halifax increased in importance, and the grim future of the industrial North Midlands began to take shape. The Dutch wars and victories over the French allowed for expansion of exports such as would make a modern *Chancellor of the Exchequer* envious. The introduction of turnips about 1740 provided for larger flocks, but wool was still needed from Spain and Ireland. England was moving towards her position as the work (or sweat) shop of the world.

Daniel Defoe said of the Western counties:

“Those who pretend to have calculated the number of people employed in these four counties (Somerset, Wiltshire, Devon and Dorset), assure me that there are not so few as a million of people constantly employed there in spinning and weaving for the woollen manufacturers alone.”

*The Complete English Tradesman*

This is part of the answer to William Cobbett's question as to former large populations in what were in his day small villages. Defoe notes the abundance of coal and running water near Halifax and - being a typical mercantilist - the Leeds market, and the great exports to America, Russia, Prussia and Holland.

The woollen industry from his time onwards began to concentrate in Yorkshire, although it lingered as a handicraft in Gloucestershire and remained domestic in Norwich.

Everything favoured the 'commercial adventurers' who, Brooks Adams says, 'conquered the kingdom' and held sway from the Boyne until Waterloo.<sup>178</sup> The civilization of Venice, Genoa, and the Arabs, he points out, shrivelled when Portugal had established direct communication with Hindustan.

Italy was ruined by the loss of the Eastern trade, the Spanish Empire was declining, and the revocation of the *Edict of Nantes* in 1685 drove the *Huguenots* to Britain, which became the center of the world exchanges. It is true that bullion was exported heavily by the *East India Company* in the first quarter of the eighteenth century, but the need for this was 'dramatically supplied' by the captures of Indian treasure under Clive and Hastings. In Major General Fuller's phrase, this 'fertilized' the industrial revolution.

Other needs were met. The roads had declined after the *Dissolution of the Monasteries* and, although wheeled traffic came gradually into use in the last half of the fifteenth century, wool was usually carried on packhorses. Also, 'fresh bands of robbers and highwaymen appeared after every war'. Roads were impassable in winter, and the last service that the lord was willing to have commuted was carting.

We note how money constantly ousts services and rights all through this period. The fellies<sup>179</sup> on wagons were made ridiculously wide to keep the wagons out of the ruts, while the turnpike system did something for the roads. But Telford and MacAdam arose to give them a surface, rivers were improved, then canals were made and after them the railways. The Duke of Bridgewater and James Brindley, his agent, were responsible for a network of canals over Yorkshire and into Lancashire, in about 1760. The Stockton - Darlington line was opened in 1825.

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<sup>178</sup> Another aspect of the *National Debt System* was that the interest was a first charge on the nation, and as it had to be provided out of taxes, the American colonies were thought of as a useful source of taxation. And, against *Magna Carta*, the *American Colonies* were unconstitutionally taxed without their consent. (We may contrast the statement in a year book, 20 Henry VI, 8, "a tax granted by the parliament in England shall not bind those of Ireland, because they are not summoned to our parliament). By insisting that they had a right to tax America, without the consent of America, Townshend, Lord North and George III precipitated the *American War of Independence*.

<sup>179</sup> Outer circle of wheel.

But the *Yeoman* no more partook of the benefits of improvements in husbandry than the artisan of the industrial arts. It is true that roots (mentioned two hundred years earlier by Tusser as garden plants) were now used in the fallows and provided winter feed for the sheep.

But the sheep was no more a friend of the small farmer now than he had been in Sir Thomas More's day. Clover, sainfoin and ryegrass were used extensively - they had been known a century earlier - and 'agriculture was the nation's reigning taste'. Readers of Fielding's *Joseph Andrewes* will remember Parson Trulliber. Bakewell and Coke improved the breeds of sheep, and Townshend's emphasis on root crops prevented the slaughter of sheep in the autumn. Potatoes and cabbages were widely used for the first time, while Young said that 6 an acre was the minimum for successful agriculture.

Unhappily this was accompanied by a series of *Enclosure Acts* which increased in tempo. There were more than 100 enclosure acts between 1700 and 1750, more than five times as many between 1750 and 1810. Arthur Young said that in 1770 the ratio of town to country dwellers was 1:1 - and in 1820, 2:1.

The victories of the eighteenth century had opened up a 'gaping market' for the towns: the Mediterranean, Brazil, the Americas, India, Germany. Seven million acres were enclosed between 1760 and 1843 and around the latter date several 'doomsday books' of enclosures were published.

It was a fatal period for the *Yeoman*, and many drifted to the towns, some - like Peel - to make fortunes. Others were not so fortunate. The *Bank of England* issued £ 15 notes and shillings - she had only issued £ 20 notes since the foundation - and private firms in the country issued paper.

"By 1750, the *City of London* was probably richer than the *House of Lords* and the *Bench of Bishops*."

Until the flood of inventions, wages had risen by about 20%, and the labourer participated in the prosperity of the land. The ox had been tripled in weight, the fleece quadrupled, and food was exported (the population being about eight million).

But whereas wheat had risen 6½ times in price, (since the rise), wages had only risen 3½ times. (6/- to 40/-; 2/- to 7/-). A 4 lb. loaf that cost ½d. in 1495, cost 5d. in 1770; butter had risen from 1d. to 7d., cheese from ½d. to 4d, mearth from d. to 4d. Rent had increased from 6d. to 10/- an acre.

A bounty of 5/- was granted if wheat did not fetch more than 48/- a quarter. This was immediately after the 1688 Revolution, and numerous enclosures started under Queen Anne. Almost six million acres had been enclosed by 1854, over a third of the cultivable surface of England and Wales.

Prices fell between 1715-65, while wages had increased by 20%, and nearly two million pounds bounty was paid in eleven years. England was still exporting food, but changed then to importing it.

But bad harvests hit the poor and:

"the weight of taxation fell on them with increasing severity, for the most fruitful<sup>180</sup> source of taxation is that of necessary consumption and cheap luxuries."

Towards the end of the century, rents increased - partly to pay taxes - the farmer's profit narrowed, the labourer was ground down, cultivation became slovenly and disaster came "to which there is no parallel in the annals of agriculture." (*Rogers*)

The inventions which changed the woollen industry and moved it from the home to the factory are familiar. As early as 1738, Kay's flying shuttle made weaving still quicker than spinning But Hargreave's spinning jenny adjusted the balance. Arkwright improved this and yarn was exported.

Cartwright's inventions and the use of steam quickened the pace, and machinery was extensively used in the West Riding. There were riots and petitions to stop the use of machinery as social chaos increased. The demand for hand spun yarn decreased and wages fell.

"Domestic spinning had practically ceased to exist by 1830." (*Morris and Wood*)

The traditions of the woollen industry slowed down changes, it is true, but the factory system emerged irrevocably, and the worker no longer had his own time or his own tools. Hours were up to 16 a day, drains and houses were insufferable.

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<sup>180</sup> Taxation is never "fruitful": Rogers should have added, "in the devil's kingdom or under perverse social imbecility," at the end of this sentence.

The barbarous industrialists (with exceptions) ground the last farthing out of the wretched proletariat, swollen by the enclosures. Moreover, such safeguards as the Tudors had left were swept away. Gig mills came back, apprenticeship was a dead letter, the number of looms per owner was no longer restricted. The *Gordon Riots* were a symptom of misery and bewilderment, but the *Combination Laws* rendered corporate action liable to the utmost rigors of the law. These were repealed in 1824.

After the *Luddite Riots* in the Midlands, a bill was passed which made frame breaking a capital offence. The *Worsteds Acts* allowed search to be made for stolen materials, assuming the guilt of the suspect. The sufferings of women and children are notorious.

A few clergy saw where their duty lay. Mr. Prescott, the Rector of Stockport, obtained a 2/- rise in wages, but the manufacturers afterwards recanted. Crabbe gave an accurate picture of the rural slum in *The Village*, and his whole outlook was in the balanced tradition of English realism.

Trollope later followed in this line. Crabbe's poem on *Freemasonry* is of modern interest, as is his most apposite conclusion that if they have a benefit to give, they should not keep it secret. The price of wheat had not yet reached its nadir - it was high in Parson Woodford's time - but rural distress was growing more squalid.

It was not until the end of the century that the results of the new financial arrangements began to obtrude themselves on others than Bishop Berkeley. We are approaching the stirring times of William Cobbett - few can remain unmoved by his eloquence and unique power of vituperation - and to the calamities and crises of the hungry forties.

To understand the reason why both Karl Marx and *Christian Socialism* emerged in that decade - why there was such hunger - it is essential to give some account to the background. This alone explains the stimulus given to social thought.

In the century that has elapsed since 1848, strides have been made towards recognition of the medieval tradition and of the need for reform along the lines suggested by Bishop Berkeley. These two arguments - from ethics and expediency - have not coalesced, but both are present today. And it was particularly the years towards the end of the eighteenth century that precipitated the need for such ideas. The sheltered society of the clerics of Jane Austin was not to persist long, and already there were warning signs and voices.

Edward Gibbon, incidentally who died in 1794 was led by his studies of Rome to notice usury:

“The Latin language very happily expresses the fundamental difference between the *commodatum* and *mutuum*, which our poverty is reduced to confound under the vague and common appellation of a loan. In the former the borrower was required to restore the same individual thing with which he had been accommodated. In the latter it was destined for his use and consumption, and he discharged this mutual engagement by substituting the same specific value.”

“Usury, the inveterate grievance of the city, had been discouraged by the *Twelve Tables* and abolished by the clamours of the people. It was revived by their wants and idleness, tolerated by the discretion of the praetors, and finally determined by the code of Justinian.

“Persons of illustrious rank were confined to the moderate profit of 4%; 6% was pronounced to be the ordinary and legal standard of interest; 8% was allowed for the convenience of manufacturers and merchants; 12% was granted to nautical insurance but except in this perilous venture, the practice of exorbitant usury was severely restrained.

“The most simple interest was condemned by the clergy of the East and of the West. But the sense of mutual benefit, which had triumphed over the laws of the *Republic*, had resisted with equal firmness the decrees of the Church and even the prejudices of mankind.”

An interesting note - for the time - on the etymology of *foenus* and *tokos* says:

“The principle is supposed to generate the interest: a breed of barren metal, exclaims Shakespeare - and the stage is the echo of the public voice.”

Gibbon was at least aware that there had been teaching in the *Church* and restrictions in the *State* on the practice.

Typical of several broadsheets (still in existence) towards the end of the eighteenth century, at the time when Pitt was introducing the income tax, is the following called *Tax or Axe*. It may be noted that the purpose of income tax is to pay the national debt interest, and that over a period of years before the last war the figures of the amount collected in income tax and that paid in this interest were extraordinarily close. It was immensely swollen by the war that concluded at Waterloo.

Tho' tis in this case With a good brazen face Hard holding the helm are the ninnies The National Debt They'll swell greater yet Tho' tis three hundred million of guineas.	I boldly declare Whoever they are That pretend for to govern a Realm If they suffer the State To be drowned in debt They deserve to be kicked from the helm.
But say what we will Pitt Taxes us still Our tea and our wine and our drams They have taxed our light † By day and by night And our lawyers, poor innocent lambs.	O that a good nob Had hold of the job Cheap plenty would have a free scope, Each national bite He'd soon put to right With a little good sense and a rope.
Soon as we say Ba There's a tax for to pay: This seems like tyrannical laws, To be laid in the grave A tax they must have, But then we get free from their claws.	O Rulers of State Your wisdom is great 'Tis plain by invention of tax But old Jonnie Bull Looks sulky and dull And has dreamed of a halter and axe.

† 'light' refers to the 1784 tax on windows to pay the National Debt interest. The usurers had to be satisfied first.

The prosperity of the industrial revolution was passing by the end of the century, and Nathan Rothschild arrived in London the same year as the income tax (1798). He had brothers at the strategic points in Europe - Frankfurt, Paris, Vienna and Naples, and the family was to achieve its object of wealth and power beyond the dreams of avarice.

What Adams calls the *Era of Contraction* soon came and Rothschild and his fellow usurers were the type into whose hands 'the great hoards of London now passed'. Fifty years were to bring the country (and the Continent) to the brink of disaster.

The wars, plunging Europe into debt, favoured the *Financiers*, and the *Gordon Riots* had been symptomatic that the benefits of industrialism were thinly spread. Yet Cobbett could still write that:

"In 1790 the nation was in a state of real prosperity. We heard then of none of these distresses, no overstock of people and overstock of goods at the same time, none of these corn bills and this hole-digging work..."

"All these signs of prosperity have made their appearance while rents were trebling. If rents do come back, it is as clear as daylight that the present landlords if encumbered must lose their estates right speedily; and if not encumbered, the landlords must be brought down, and will soon be insignificant creatures compared to the fund lords, who are daily rising over them; and who in a short time will and must have a complete ascendancy..."

"The pulling down of 200,000 small farm houses and making the inhabitants paupers was not an improvement."

*1821 Register*

By 1795, the Rev. Mr. Davis in *The Case of the Labourers in Husbandry* wrote:

"Thousands of parishes have not now half the number of farmers which they had formerly; and in proportion as the number of farming families has decreased, the number of poor families has increased."

Earl Stanhope in his evidence before the *Lord's Commission on the Poor Laws (1831)* testified that the destruction of small farms had:

"...much diminished the comforts of the people and injured the prosperity of the country."

Between 1795 and 1830, wages declined by 80%, while the cost of wheat almost doubled on what it had been during the previous half century. To supplement the falling wages, the *Allowance System* was introduced, which paid from the rates enough on top of the wage to keep the labourer and his family alive. This was first adopted by the Speenhamsted, Berkshire magistrates, towards the end of the century.

Poverty was driving mothers to the factories, and the 'sleeping in' system appeared. Work often lasting from 5 am to 9 pm. Child labour was cheap, and as the poor tenants were evicted the pauper children were bound to cotton mill proprietors, and were often carted off in droves from London to York or where they were required.

Romilly said (1811) that parishes that so bind their poor children are rid of them for ever. Thom, a cotton mill apprentice, wrote *The Mitherless Bairn* in 1808 and Crabbe's 'workhouse clearing men'" are well known.

Punishments were savage in the extreme and Pitt suggested that children should work from 5 am to 9 pm As Cobbett faithfully records, many parsons acted as magistrates and were unable to champion the downtrodden but:

"the Rev. J. Hodgson of Jarrow risked his own fortunes in drawing public attention to accidents in the collieries"

and the Rev. G. S. Bull of Bierley, Bradford, took an active part in the movement for a ten hour day.

But the message of religion was that of resignation and of compensations hereafter (*Wesley, d. 1791, Grimshaw, Venn etc.*). It is true they gave some education, but grievances outside the working world, either to do with foreign slaves, or prisons, etc., were the concern of the reformers of the time. Dr. Percival did act for the child workers, and Owen claimed education and co-operation. Even some employers advocated a shorter day for children.

After the Stuarts, the State neglected its duty of maintaining the minimum wage. The Gloucester justices tried to do so in 1726, the weavers drew up a petition in 1728, some Elizabethan clauses were re-enacted in 1756.

But *laissez faire*, the policy of international usury, was now the watchword of the country, competition and trade ousted the just price, and 'the worker felt its full severity'. They had lost the guilds, and combinations were harshly dealt with - the London tailors were forbidden to combine in 1720, truck payment and clothiers' combinations were outlawed in 1725. But the State neglected its complementary duty of enforcing the minimum wage.

The *Allowance System* was answered by the employers paying practically no wage at all, while the rates went up. The weavers, for instance, found themselves subsisting on potatoes and porridge if they could afford it (their wages declined from 13/10 in 1802 to 6/4 in 1812, and again to 4/3 1/2 in 1817). Yet, for the first twenty years of the nineteenth century the average price of wheat was 98/6d.

But for the manufacturing lords, all seemed well, and the period of expansion came to its peak in 1809 when "prices reached their greatest altitude." Napoleon was at his height and Adams sees in this moment an impressive poisoning of the world on "the brink of a new era." Some worried about the new income tax, but most producers "thanked Mr. Pitt and the war" for the high prices (Felix Holt - George Eliot).

But the next year Napoleon crashed. He represented to Adams the martial and imaginative type, and he adds:

"From 1810 nature has favoured the usurious mind, even as she favoured it in Rome from the death of Augustus."

But Napoleon had a shrewd knowledge of the real events that were shackling Europe and was the enemy of *Finance*. He wrote in 1812:

"One might think that all the politics and all the interests of this unhappy Continent are bounded by the price of a cask of sugar." And,

"The good of that Europe which seems to envelop her (England) with good will counts for nothing with the Merchants of London. They would sacrifice every state in Europe, even the whole world, to further one of their speculations."

There is evidence<sup>181</sup> that towards the end of his life the Duke of Wellington, who came to see something of the destructive work of the international usurers, regretted having utterly destroyed Napoleon. It was his fall that gave the usurers more power. For the seed of debt had been growing while the flower of *Christian Economics* had withered and died.

It is no coincidence that after the repeal of *financial morality* and the introduction of *laissez faire* (the law of the jungle, which favours the survival of the fittest for jungle life) the *Bank of England* was founded on a usurious basis and debts became their monopoly.

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<sup>181</sup> vide MacNair Wilson's book on *Napoleon*

During the whole of the eighteenth century, the Church's authority in matters of business was negligible and such religion as survived was organized in a separate department, cynical or sycophantic. As long as the system produced only incidental miseries, temporary abuses or local manifestations of industrial slavery, it was practically unquestioned.

It is curious that there are so few references to Berkeley's *Querist*, as it must have been widely read, passing through several editions. As a result, when trouble came the Church was as unprepared as the State to find a remedy. The trouble was foreseen by Cobbett.

Meanwhile the dealers in money, like any monopolists, were anxious that the amount of currency should be limited. This would mean that as production expanded, money would buy more and debtors would be in their creditors' power.

Now, although debts had been piling up and the whole system of national finance was built on debt, the plentiful notes had kept the traders - and to a lesser extent the gentry - afloat.

“A supposed obligation to meet the needs of commerce [and the discount of all arising out of commerce] appears to have been the principle on which the amount of the circulation was regulated.”

These are Lord Overstone's (*Lloyd*) words, who had very different ideas. The ‘moderation and regularity of issue’ worked quite well on the whole but did not favour the Rothschilds. In 1774, through Lord North's intervention, gold currency was to be regulated by weight as well as by tale, and in 1797 the *Bank of England* suspended cash payments, which resulted in a rapid rise of price. The *Directors* had been willing to discount all legitimate commercial paper, and the dearth of specie had been relieved by notes, now of £ 15 and £ 10 as well as of £ 20, as they had been from the foundation of the bank.

It was the usurer's instinct to keep money short, and if they could institute a fixed quantity of circulating medium, they would be able to control it and the nation. On the motion of Frances Horner, the *Bullion Committee* was appointed in 1810. But the merchants were still strong enough in *Parliament* to defeat the recommendations of the *Banker - Usurers*. As Chambers said,

“I do not conceive gold to be a fairer standard for Bank of England notes than indigo or broadcloth.”

The controllers of gold naturally wanted their commodity as the standard, which would deliver all commerce over to their mercy. Silver, incidentally, was a rival to gold, and it was in their interest to have this demonetized.

We may clearly understand the position if we imagine that radium, or some other very rare metal, were made the backing of the currency. The owner of radium would be in such a commanding position that he would have the world at his feet. There was no question raised at that time whether the state<sup>182</sup> had an inherent right to issue and control its own circulating medium. This right had been usurped by a handful of cunning men. The bank further strengthened its position by the acts of 1708 and 1800, and was beginning to push out the other banks who had the right to issue legal tender.

The country, before Waterloo, was crippled with debt and the interest that had to be paid on the debt. Now she was squeezed from both sides. Debts multiplied and currency was deliberately restricted. Before Waterloo, misery was acute. It is true that, due to Lord Byron's attack, the death penalty had been repealed for breaking stocking frames. But low wages brought ‘manufacturing districts even greater misery than that of the agricultural.’ There was no joint action in these years (it was illegal), no restraints on the employment of labour.

Tooke gave details of the depreciation of paper money in 1813, which hit those with small incomes and low wages. In this year the depreciation was about 30%, which cut the purchasing power of wages by a third.

In 1814, the duty of the quarter sessions to assess wages was abrogated (it had been a dead letter, for wages had followed the price of food and remained at a bare subsistence level) as *Rogers* shows.

The *Allowance System*, which originated in 1795, had tended to depreciate wages and to throw heavier burdens on ratepayers. By 1818, allowances were costing £ 18 million - about 13/9d<sup>183</sup> a head of the population.

<sup>182</sup> Or the *Crown*: why the King's head?

<sup>183</sup> The purchasing power of wages, according to Leoni Levi, was 55¼ : 232 between 1800 and 1820; 62¼ : 146¼ from 1820 to 1840 for seven necessities.

### Chapter 13. After Waterloo

After the *Battle of Waterloo*<sup>184</sup>, the *Financial Interests* struck first by discarding *Silver* in 1817 and forcing the *Cash Payments Bill* through *Parliament* in 1819 to the dismay of the older Peel<sup>185</sup> who complained bitterly to his son. The *Monetary Interests* were now beating the *Manufacturing Interests* resulting in the severest suffering for *Labourers* of all kinds. It is one of the curiosities of literature that *Walter Savage Landor* considered Peel was the only statesman of any integrity in the period. But this was rather for his interest in Southey. The gratitude between the families extends to this day.

The *National Debt* rose steadily, or rather by leaps and bounds. In 1755 it was over £ 72 million with annual *Interest* payments of four and a half million pounds. Twenty years later in 1776 the figures were £ 124 million with the annual *Interest* payment little changed.

After the *American War of Independence* the *National Debt* reached £ 239 million in 1786. By 1808 it was up to £ 664 million and by 1825 it stood at £ 796 million. The rate of interest was about three and a half percent.<sup>186</sup> After the 1914-18 war, the *National Debt* was close to £ 3,000 million.<sup>187</sup>

The French writer Stendhal<sup>188</sup> neatly summed up the situation when he wrote in 1830:

“Le noble Angleterre est écrasé aujourd'hui ; car chaque Anglais, avant de payer son pain, est obligé de payer l'intérêt des quarante milliards de francs qui furent employés contre les jacobins. Elle n'a plus de Pitt [et] Pitt lui-même reviendra, qu'avec tout son génie il ne parviendrait pas à mystifier les petits propriétaires anglais, car ils savent que la brève campagne de Waterloo leur a coûté, à elle seule, un milliard de francs...l'Angleterre n'a pas une guinée a vôtre service.”

“Noble England is crushed today; for each Englishman, before paying for his bread, is obliged to pay the *Interest* on the forty milliard francs used against the *Jacobins*. She has no longer a Pitt [and] even if Pitt himself returned, he would not succeed with all his genius in mystifying the small English *Freeholders*, for they know that the short *Waterloo Campaign* alone cost them a milliard francs... England has not a guinea for you.”

The *Yeomen* had already been practically eliminated but nonetheless *Interest* on the *National Debt* dragged down the *Rural* and *Industrial Interests* as well as the *Workers*. The people had little hope from the *Politicians*, the *Party Struggle* being neatly summarized by Stendahl:

“Sur le vaisseau de l'État, tout le monde voudra s'occuper de la manœuvre, car elle est bien payé.”

“Upon the *Ship of State* everyone was busy manoeuvring for it was well paid.

The strictures of Cobbett arose against this background. He saw the *Monetary Revolution* at close hand and with rare insight began to revive the word usury. He decried the *Taxes* and *Blessings* of the *National Debt* and expressed his dislike at the flood of *Immigrants* who were robbing the *British Workers* of their rewards.

<sup>184</sup> The Duke of Wellington referred to the *Battle of Waterloo* as ‘the nearest-run thing you ever saw in your life’. His defeat of Napoleon on Sunday 18<sup>th</sup> June 1815 depended less on tactics than on a thunderstorm the previous night that allowed Wellington to hold his defensive position in the morning until his Prussian allies arrived later in the afternoon. Bonaparte’s defeat ended his rule as *French Emperor* and marked the end of *The Hundred Days* began with his escape from Elba and the immediate mobilization of states against him in the *Seventh Coalition*. [Ed].

<sup>185</sup> Sir Robert Peel (1750-1830) was the father of Prime Minister Sir Robert Peel (1788-1850). He was a politician and industrialist and one of early *Textile Manufacturers*. His father and grandfather were *Yeoman Farmers* engaged in the infant textile industry when organized on the *Domestic System*. In politics, the older Peel was a staunch *Church and King Tory* unlike most Lancashire *Mill Owners* who were *Nonconformist* and *Radical* in their outlook. As *MP for Tamworth* he campaigned for the *Health and Morals of Apprentices Act* to limit *Working Hours* and provide *Schooling*. [Ed].

<sup>186</sup> Swabey here makes the point that with an equivalent *Capital Adequacy Ratio* of ten percent on their deposits, the annual return for the interest recipients was really 35%. [Ed].

<sup>187</sup> In the nine decades since 1918, the *National Debt* has swollen to 150 times this size. In *Sovereignty & Seignorage* Sabine Kurjo McNeill writes that: ‘The current ‘public sector net debt’ is £432 billion according to the *National Office of Statistics* to which thirty-six accounts or *Debt Instruments* contribute. Among these are *Central Government* holdings of *Local Government Debt* as well as *Local Government* holdings of *Central Government Debt*. In 1998 administration of the *National Debt* was institutionalised in a *National Debt Office*’. [Ed].

<sup>188</sup> Stendahl is the nom de plume of Marie-Henri Beyle (1783-1842). His 1830 novel *Le Rouge et le Noir* (*The Red and the Black*) and *La Chartreuse de Parme* (*The Charterhouse of Parma*) written in 1839 represent early examples of the psychological novel. André Gide felt that *The Red and the Black* was a novel far ahead of its time, when the prose in novels included dialogue descriptions, while Stendhal spent much of the novel inside the characters' heads describing their feelings and emotions and even their inner conversations. [Ed].



Lord Caernarvon and his political friends opposed Cobbett's policies. They put their trust in *Enclosures*. John Walter MP wrote to the electors of Berkshire in 1834 pointing out that 1 532 *Enclosure Bills* had been passed up to 1797 with 2,804,197 acres being enclosed during George III's 41-year reign after 1760. From 1792 to 1820 the number of bills passed was 2 287 with 'the number in each session being greater in proportion to the dearness of corn at the time'. In 1826 Cobbett asks:

"Does not the loss of estate threaten all but the *Loanmongers* and other *Jews*?"<sup>189</sup>

On his rural rides in 1821 Cobbett looked at Highbury and wondered how long it might be before a *Jew* was in possession. The tenet of St. Ambrose - *maledictus captans annonam* - was conveniently forgotten. Cobbett asks:

"Perhaps his *Lordship* thinks there is no fear of the *Jews* as to him...but can *Tenants* sell fat hogs at 7/6d. a score<sup>190</sup> and pay him more than a third of the rent?"

In Salisbury the price was down to 5/- or even 4/-6d a score. The price of corn was menacingly low, a bad harvest was thought of as a remedy, while the *Wen of London* was enlarging as a growth 'naturally produced by the *Funding System*'.

In 1822 the *Small Note Bill* was continued with Cobbett complaining of 'the *Interest of the Debt*'. At the end of 1821 he warned his listeners against taking a farm 'unless on a calculation of best *Wheat* at 4/ a bushel and a best *South Down Ewe* at 15/- or even 12/-' and in the *Political Register*<sup>191</sup> he describes to his readers the talents of their rulers, 'the *Loan-Jobber* Baring who had just made an enormous grasp and the *Oracle* Ricardo' and explains the way in which *Farmers* were being plunged into 'anxiety, embarrassment and jeopardy'.

In fact as early as 1818 Cobbett had foretold that a *Gold Standard* at £3.17s.10½d per ounce of *Standard Gold* would reduce the *Price of Wheat* to 4/6 or 5/ a bushel.<sup>192</sup> Seventeen years later in 1835 Lord Weston was to write in a letter to the *Chelmsford and Essex Agricultural Society*:

"Nor would it have risen but for the different means found to prevent the full operation of *Peel's Bill*. Our statesmen were as little informed as babies of what Mr. Cobbett understood so well."

At a meeting at Battle in 1822, an amendment was proposed imputing the distress to '*Restricted Currency* and *Unabated Taxation*'. Cobbett pointed out that during the war *Farmers* were prosperous enough while the *Ports* were open but that the *Bill* restricting and virtually prohibiting *Corn Imports* since 1819 had not helped them.

In the war there was a 'boundless issue of paper' but with *Peace* the issues were out, the law being that the *Bank* should pay in cash six months after the *Peace*'. Thus *Peel's Bill* had:

"...doubled if not tripled the real amount of the taxes...giving *Triple Gains* to every *Lender* and placed every *Borrower* in *Jeopardy*."

Cobbett saw that *Landowners* would suffer but that this first revolution would be 'far, very far indeed, from the end of the drama'. Thus the *Ploughman* was 'a creature starving in the midst of abundance'. It was 'unsparing taxation' and 'accursed paper money' that had accomplished this. 'The *Fund Lords* increase in riches'.

<sup>189</sup> For much of *English History* the word *Jew* was used interchangeably with the word *Usurer*. Ellen Cardona in an essay on *Pound's Anti-Semitism at St. Elisabeth's: 1945-1958* writes that Ezra Pound continued the practice while always insisting that his venom was directed against *The Big Usurers* and he knew full well that many of them were not *Jewish*. [Ed].

<sup>190</sup> A 'score' is a measure of weight equivalent to 20 lbs [Ed].

<sup>191</sup> In 1802 William Cobbett started his own newspaper the *Political Register*. At first it supported the *Tories* but he gradually became more radical and was not afraid to criticise the government. In 1809 Cobbett was convicted for sedition and sentenced to two years in *Newgate Prison* after he attacked the use of German troops to put down a mutiny in Ely. On his release he continued his campaign against *Newspaper Taxes* and government attempts to prevent *Free Speech*. By 1815 the tax on newspapers had reached 4d. a copy, at a time when only the rich could afford to pay 6d. or 7d. for a newspaper. So Cobbett started publishing his *Register* as a pamphlet for 2d. His readership increased forty-fold to 40,000 and the *Register* became the main newspaper read by the working class while Lord Castlereagh called it 'two-penny trash'. In 1817 threatened with arrest Cobbett fled to Long Island, New York from where he continued to publish the *Register*. [Ed].

<sup>192</sup> The bushel is a measure of capacity used locally for corn and fruit and varied from place to place and according to the kind or quality of the commodity. Frequently it was less a measure of capacity than a weight of so many pounds of flour, wheat, oats, potatoes, etc. All these *Local Measures* were harmonized in 1826 into an *imperial bushel* containing 2218.192 cubic inches, or 80 pounds of distilled water weighed in air at 62° Fahrenheit. The *Winchester bushel* which is still in general use in the USA and Canada and was much used in the UK from the time of Henry VIII is slightly smaller, containing 2150.42 cubic inches, or 77.627413 pounds of distilled water. [Ed].

In other words, *Contraction in Currency* was being applied after a *Wartime Inflation* which had led many to *Speculate* and run into *Debt*. *Rents* that had been payable when money was in abundance were now impossible to meet for *Restricted Currency* made prices fall and *Taxes* ‘two or three times as galling’.

Meanwhile in *Parliament* Lord Liverpool called *Overproduction* a cause of *National Distress*.

“We shall have hay carried to London at less than £3 a load<sup>193</sup>. So here the evil of overproduction will be great indeed.”<sup>194</sup>

In 1822 at *Chertsey Fair*:

“Cart colts, two or three years old, were selling for less than a third of what they sold for in 1813. Cows which would have sold for £15 in 1813 did not get buyers at £3. Pigs were dirt cheap.”

Prices were falling and the bottom was knocked out of the market by the restriction of *Currency*, while *Interest* on *Debts* and *Taxes* was not reduced. This virtually meant a doubling or trebling of usury. The *Scarcity of Money* played into the hands of those who controlled money. No longer could *Coin* be issued to meet the *Public Necessity*.

Cobbett thought it was giving too much credit to Pitt and his followers to attribute the ruin of the *Landlords* to *Contrivance*, but says:

“The effect was the same as if those who assembled at the *Crown and Anchor* in 1793 to put down the *Republicans & Levellers* by prosecution and *Spies* had conscientiously gone to work to induce ‘the owners and occupier of the land to convey their estates and capital into our hands.’”

His conclusion was that:

“The *Yeomen* drew their swords to keep the *Reformers* at bay, while the *Tax-eaters* were taking away the *Estates* and *Capital*. It was the sheep surrendering up the dogs into the hands of the wolves.”

There had been many meetings like that at the *Crown and Anchor* inspired by fear of the results of the system. None of them glanced at its causes. One result of outlawing *Combinations* was that undesirable elements stirred up a network of *Secret Societies*.<sup>195</sup> On the Continent, these were led by groups like the *Freemasons*. There had been the *Loyal and Constitutional Association* under the chairmanship of a Mr. Reeves in 1793 and other meetings in 1797.

“Through a base in fraudulent *Paper Money*, *Loan Jobbers*, *Stock Jobbers* and *Jews* have got the *State* into their hand.”

But *Dutch* as well as *Jews* had their mouths open for *English Property*.

“Mr. Ricardo proposes to seize upon a part of the *Private Property* of every man, to be given to the *Stock Jobbing* race.”

It is a good epitaph on all *Capital Levies* and nearly all *Taxes*. Here then we see Cobbett with eyes open to many of the basic issues. It may be that through him, years later, the *Church of England* once more began to take seriously her social obligations. The connection was clarified in Cobbett's mind by reading a remarkable *History of England* which appeared in 1819 by John Lingard, a devout and learned *Roman Catholic*.

The claim of the *Catholics* to protect the *Poor Beings* once more makes a connection between *Religion* and *Social Life* on the one hand, and with the *Usury Laws* on the other. At least this was mentioned in Cobbett's own *History of the Protestant Reformation* written in 1824 and 1825. But it was a further quarter of a century before these connections began to be made in *Church of England* eyes to any extent, and even then only by a movement within the *Church*, not by the *Church of England* herself.

Possibly these dates mark the turn back to her responsibilities on the *Church's* part, and a glimmer of what the traditions had been. Cobbett at least claimed to be a member of that *Church* to the last, and was a naturally devout *Countryman*, appalled by the decadence of the *Church*; something he took no trouble to hide in his *Legacy to Parsons* in 1835. For his times Cobbett shines a practically unique light on all the right issues. His proposals might not have cured the trouble but he saw what the trouble was and accurately described the mounting *Misery* of the people.

<sup>193</sup> Loads were normally of 18 cwt.

<sup>194</sup> These words of Lord Liverpool were still being echoed by the *Politicians* as late as 1939.

<sup>195</sup> Disraeli wrote of 1830 in *Endymion* that ‘Europe is honeycombed with secret societies’. Of 1829 he wrote that ‘The *English Church* had no competent leaders among the clergy’.

Then, just as more recently, hollow terms were used to mask the underlying *Squalor*.

“The words, *Liberty, Freedom, Rights* and the rest of the catalogue which hypocritical knaves send rolling off the tongue are worth nothing at all. It is *Things* we want.”

He commended the *American Government*, not because it was *Republican* but because it was cheap.

“The people choose those who make the *Laws* and vote the *Taxes*...the costs that come and take the dinner from the *Labourer* and the coat from his back.”

Stendhal said the same a few years later.

The *Farmers* could not employ the *Labourers* - many of them would have been sons of evicted *Yeomen* - so they were set to break stones and get paid out of the *Poor Rate*. It was a time of grim deterioration from the days of *Yeomen* and *Serfs*, each with their *Plot of Land* and their *Rights*.

The *Proletariat* had no land and no rights, and the growth of this class is always a mark of a society dominated by usury. Lord Castlereagh was nicknamed the *Great Hole Digger* and Canning the *Jester*. Six million pounds were paid in *Poor Rates* that year, seven million in *Tithes* and sixty million to the ‘*Fund People, the Army, Placemen* and the rest’.

It is remarkable that Cobbett calls the *War*, which had raised the much of the *Debt* ‘unjust and unnecessary’ and all its principles and objects ‘detestable’. He saw far into the cause of the trouble, but believed a return to the *Gold Standard* would improve matters if *Tithes, Taxes* and *Interest* on the *National Debt* were also reduced.

Return to a rigid *Gold Standard* was exactly what the *Usurers* were working for. Prices would clearly continue to dispossess the *Landed* in favour of the *Monied Interest*. Though they had been manipulated *Bank Notes* were or could be more useful than rags. The sheep sellers of *Weyhill Fair* were making less than a quarter they took a few years previously, so that *Farmers* knew they were facing ruin ‘unless another good war should come’.

The *Compilers of Statistics* have made it appear that a great number more people were engaged in *Manufacture* than was the case. Actually five sixths of the people were still engaged in *Agriculture*. But there is little doubt that ‘the infernal system of [Pitt's] followers has annihilated three parts out of four of the farm houses’ with a commensurate tumbling down of *Labourers' Cottages*, and continuous growth of the *Proletariat*. The *Nation's Wealth* was being drawn into the estates of the *Tax-eaters* of *The Great Wen*.<sup>196</sup>

Not fifty years before, every man in the *Parish* brewed his own beer. ‘The *War* and the *Debt* were for the *Tithes* and the *Boroughs*’. The *Parsons'* mistake was putting ‘*Tithes* on board the same boat as *Boroughs*’. Not undeservedly the *Clergy* were losing the confidence of the *Nation*. Their attitude greatly helped the popularity of *Conventicles*<sup>197</sup>. The *Suburbs* and their smooth roads were growing up near London and *Village Decay* had set in.

In 1820 Sir Moses Manasseh Lopez MP was convicted of bribery and corruption, which casts a sidelight on *Public Morals*. Even during the distresses of 1825-26 when wheat was 39/- a quarter and *South Down* ewes were down to 12/6, construction continued. For *Interest* on the *National Debt* was a first charge, as were *Taxes*.

It was in the *Loans*, the *Dead-Weight*, the stopping of *Gold Payments* in 1797 and in *Peel's Bill* that Cobbett saw the causes of distress. But a bill was passed to banish those who should criticize or have a tendency to bring into contempt the activities of the *House of Commons*. There was much bitterness that year against the *House*, and the *Parsons* as well. The breach between *Church* and *People* was being widened.

Distress among sections of the people had been evident since the *Peace*. The *Government's* bludgeon was swift and severe. In 1816-17 in a forerunner of the *Hunger March*, the *Blanketeers* moved towards London from the North carrying blankets.

<sup>196</sup> The *Great Wen* is a disparaging term for London coined by William Cobbett in the 1820s. He saw the rapidly growing city as a pathological swelling on the face of the nation. In 1830 in *Rural Rides* he writes: ‘But, what is to be the fate of the great Wen of all? The monster, called, by the silly coxcombs of the press ‘the metropolis of the empire?’ [Ed].

<sup>197</sup> *Conventicle* means outdoor meeting but the word took on a deeper meaning in the 17<sup>th</sup> century. *Conventicles* flourished between 1664, when the *Conventicle Act* forbade religious assemblies of more than five people outside the auspices of the *Church of England*, and 1689 when the act was repealed. The aim of the act was to discourage *Nonconformism*. But the effect was to compel *Covenanters* to vacate their parishes, with their *Congregations* in hot pursuit, following their pastors to sermons on the hillside. These field assemblies grew into major problems of *Public Order*. In 1665 the *Five Mile Act* was passed and also spectacularly misfired. The intent was to prevent *Nonconformists* from living in *Incorporated* and *Chartered* towns and led instead to a need to mitigate their effect seven years later with Charles II's *Royal Declaration of Indulgence* in 1672, which suspended the execution of *Penal Laws* and allowed a certain number of *Non-conformist Chapels* to be staffed and constructed provided the pastors were granted a *Preaching Licence* by the *Sovereign*. [Ed].

In 1819 the Manchester massacre of *Peterloo* brought shame without repentance. The same men who stooped to these methods suspended *Habeas Corpus* shortly before and introduced the *Six Acts. Methodism* as an escape grew in popularity. As early as the time of Samuel Richardson they were commended for preaching to *The Colliers*. Landor said much the same of Wesley. It is perhaps significant that Sir Charles Grandison<sup>198</sup> presented his lady not with a *Farm* or an *Estate* but with an *Indian Bond*.

But the *Jews* and *Jobbers* were unabashed, and by 1823 had twenty coaches running each day from London to Brighton, where they congregated.<sup>199</sup> *Labourers* were drawn off from the country to repair the roads. Among prosperous middle men, the *Quakers*, a *Sect of Non-Labourers*, were taking their place.

But (a sign of the passing of a culture) *Homespun* and *Woven Linen* was most rare in England, though still common in America, for the '*Lords of the Loom* have taken from England this part of its due'. The *National Debt* and *Taxes* drew wealth into great masses, which resulted in *Congregating Manufacturers* and "making the many work at them for the gain of the few."

This suited the taxing government, but the woman and girls of the country lost part of their natural employment, while the women and girls of the towns were unnaturally engaged in the mills. Cobbett's experiment of introducing into England from America 'the straw plat to supplant the Italian' is well known.

But the *Farmers* were poorer, employed less men, and stock was killed or sold younger. The *National Debt* stood at £ 8,000,000. The *Sussex Labourers* complained audibly of their *Let*, but:

"In the enlightened North the workers were compelled to work fourteen hours a day in a heat of eighty four degrees and were liable to punishment if they looked out of the window."

Cobbett pressed for reform, but when it came it was in favour of these *Lords of the Loom*, and Massingham calls it the supreme disillusionment of Cobbett's life. But that was in 1832 and is to anticipate. The picture is quite modern (like that before the 1939 war) for 'there must be something out of joint when the government is afraid of the effects of a good crop'.

The *Landlords* were so short-sighted that they abandoned the people's cause directly they thought prices were going to rise. *Labourers'* wages in Hampshire were down to 7/- a week. Spinning jennies filled the pockets of the 'rich ruffians', such as would have murdered Cobbett at Coventry.

George Rose and Pitt had boasted of *Enclosure Bills* as signs of national prosperity:

"When men in power are ignorant to this extent, who is to expect anything but consequences such as we now behold? The *Barings* are now the great men in Hampshire."

A Fulham *Brickmaker* had supplanted an ancient family, which would never have happened 'had there been no debt created to crush liberty in France and to keep down reformers in England'. The results make him exclaim:

"The vile *Paper Money* and *Funding System*, begotten by Bishop Burnet and born in hell; this system has ruined everything into a gamble."

The whole system was breeding a new *Bureaucracy of Tax Gatherers*, as a result of the 'late wars against the liberties of the French people'. Then as now there were huge churches in small villages, for example, the fifteen villages of the Dunmow in Essex hundreds have halved in population during the last century. It was a curious system that:

"...depopulates Romney Marsh and populates Bagshot Heath. It is an unnatural system, it is the vagabonds' system, and unless it was destroyed it would destroy the country."

His prophecy was nearly fulfilled in 1848, and something like a century later. It was indeed 'pauper making work'. The squandering of money is exemplified in his description of the Dover fortifications, where the hill was hallowed out 'like a honey comb. Line upon line, trench upon trench, cavern upon cavern, bomb-proof upon bomb-proof'. Such *Ministers* were a dreadful scourge intent as they were on keeping out not the *Armies* but the *Principles* of the French, he said.

<sup>198</sup> Samuel Richardson (1689-1761) is best known for his three epistolary novels: *Pamela: Or Virtue Rewarded* (1740), *Clarissa: Or the History of a Young Lady* (1748) and *Sir Charles Grandison* (1753). Richardson had been an established *Printer* and *Publisher* for most of his life when at the age of 51 he wrote his first novel and immediately became one of the most popular and admired writers of his time. *Sir Charles Grandison* was Richardson's attempt to create a male model of virtue. In its time *Sir Charles Grandison* was a bestseller and one of Jane Austen's favorite novels, inspiring her to write a theatrical adaptation around 1800. [Ed].

<sup>199</sup> Bournemouth in the 1950s is perhaps a modern equivalent.

Marshall in his *Digest* of 1833 suspected *Over-expenditure* and a wrongness in *Population Returns* and *National Accounts*. In the monthly *Magazine* for 1824, he disclosed that:

“The income of the first five years of the war, 1793-7, exceeds by the enormous sum of twenty five millions the sum shown to have been expended.”

This was indeed a balanced budget. In the *Public Accounts* for 1816 ‘about three millions more is charged than is actually due’. The matter was not cleared up by 1833.

The placeman Robert Bankes Jenkinson also complained of *Over-production* and prophesied a high price - 70 shillings a quarter - for wheat. He would, it was said, be *Minister* as long as he could pay the *Interest* of the *National Debt* in full, but would be ejected from office the moment he ceased to be able to squeeze ‘from the Normans a sufficiency to count down to the Jews their full tale’.

In the rich Kentish corn country, the *Labourers* were in a pitiable condition of *Poverty* and *Dirt*, such as did not degrade those of Sussex or Hampshire, despite their protests. The rich set spring guns and mantraps - which is not unknown today. Pitt was the ‘great bawler’, just the epithet that an enemy of Churchill might have used in the twentieth century!

Quite late in the year, *Government* inspired papers like the *Courier* were saying that wheat would be 70/- a quarter by November, when the current price was 40/-. This was to cool the *Reformers'* ardour, although the *Government* had been in the habit of congratulating itself on cheap wheat and bread, and had attacked those who kept prices for commodities high.

“The infamous *Traders* of the *Press* are perfectly well satisfied that the *Interest* of the *Debt* must be reduced, unless wheat can be kept up to nearly ten shillings a bushel...they know very well that the whole system, *Stock-Jobbers*, *Jews*, can't and all, go to the devil at once as soon as a deduction is made in the *Interest* of the *Debt*...dear bread does not suit their *Manufacturers*, and cheap bread does not suit their *Debt*.”

The clash of interest between *Manufacturer* and *Financier* is here apparent, although it would be more accurate to say that the *Manufacturer* wanted cheap bread and high prices for his wares, while the *Usurers* wanted low prices and steady usury.

Such was the ignorance of *Public Men* that Lord Lansdowne, when the prices rose in April, said that he had always thought the cash measures had little effect on prices, and he was now satisfied that they had no effect at all. It is again remarkable to what extent the *Quakers* were profiting from the variations in prices ‘among the sacks at *Mark Lane*’.

Cobbett was not alone in his opinion of the Ministers. Mr. Nicholls, a *Barrister* of *Lincoln's Inn*, blamed Burke and the great *Whig* families for the war - the Duke of Portland, Earl Fitzwilliam, and Earl Spencer. In his *Recollections and Reflections* (1819-20) he said:

“Mr. Burke had sufficient influence over the great *Whig* families to induce them to concur with the *King* in clamouring for a crusade against *French Principles*. Mr. Pitt was unable to resist, and that he might retain his situation as minister he was under the necessity of receiving the great *Whig Families* into his *Cabinet* and of embarking the country in a crusade.”

A ‘famous old borough monger’ had told Mr. Nicholls John in 1793 that:

“If we suffer this revolution to succeed in France, our order must be overset in this country. We will therefore try to prevent its success. Our trial may fail, but if we do not try we must be overthrown.”

These were the kind of sentiments that the *Usurers* would have found useful to their purposes, and we can hardly believe that they had no long term policy. The *Secret Societies* were useful to fan the flame, and the ruling class were too stupid to avoid giving material to the *agent provocateur*.

It is remarkable that George Cobbett,<sup>200</sup> *Farmer* and *Publican*, was against George III's government in the *American War of Independence*, and ‘would not have suffered his best friend to drink success to the kings' arms at his table’. It was a war provoked by the interference of *British Banking* in *American Currency*, for the *Bankers* deprived them of the right to issue their own money in favour of *Usurious Lending*, and by the imposition of tax by Britain.

<sup>200</sup> William Cobbett's father.

By 1825, a *Year of Great Misery*, the change in social order is marked. Notably, the *Farmers* had changed their manner of life from housing and feeding their *Labourers* at a long oak table and were aping the *Stockbrokers'* mahogany, parlour and bell pull.

Their *Food Allowances* were replaced by *Money*, but the *Wage* was so small that the twins of *Pauperism* and *Crime* were rapidly increasing.

“The blame belongs to the infernal *Stock-Jobbing* system...the sons become *Clerks* or some skimmy-dish or other. There would be a dreadful convulsion that must, first or last, come and blow this funding and jobbing and starving and enslaving system to atoms.”

The prediction, by and large, was soon fulfilled, but the system remained more cunningly enthroned than ever. Cobbett would have shared the laughter and joined the hissing of the *London University* students in 1848 when Lord Brougham told them not to participate in the revolutionary spirit of the time. He added:

“The *Debt* is fast sweeping the *Aristocracy* out of their *Estates*.”

Sir Charles Ogle, for instance, whose family had lived in the same house for two centuries, had sold up and gone for good and all.

The *Labourer* was earning 8/- or 9/- a week, while a pound of bread and a quarter of a pound of cheese cost 5d. The felon was fed better, although the *Labourer* was often employed at the same work of road-mending and hauling as the felon. The cry of the day was that all the great interests were prospering, but the great interest of the working man was omitted from the catalogue. All this was leading to ‘a dreadful convulsion’.

Lord Suffield, Lord Buxton and others were campaigning for the release of negro slaves, others for *Education*. They are reminded to ‘look at home for slaves to free’. The lack of *Education* was the imputed cause of the vast increase of the size and number of goals.

“The *Tax Gatherer* presses the *Landlord*; the *Landlord* the *Farmer*, and the *Farmer* the *Labourer*.”

The *Press* was as silent on these issues as on the *Debt*, the cause of the *Taxes*, on the *Dead Weight*, the thundering *Standing Armies*, enormous *Pensions*, *Sinecures* and *Grants*. The system was driving *Property* into large aggregates to save itself, and the *Yeomen* that survived were fast being evicted.

Of the *Whitchurch Mill*, that made *Bank of England Notes*, he said it had caused greater changes than had taken place in the previous seven centuries in its 131 years or even in the last 40 years. The *Drummonds* and *Barings* were notable gainers. Other *Merchants* did well but the *Financiers* even then were clearly doing better than any other class. The *Barings* had ‘swallowed up thirty or forty small gentry without noticing it’.

The *Bigger Gentry* were marrying into the families of the *Paper-Money People*...and ‘whether they be *Jews* or not seems to little matter’. The *Cotton Dealers* had a poor year in Britain and New York so that there was a clamour for the repeal of the *Corn Laws*. But:

“The *Farmers* can but just rub along now, with all their high prices and low wages. What would be their or their landlords' state if wheat were to come down to 4, 5 or even 6/- a bushel? Universal *Agricultural Bankruptcy*.”

The *Papers* meanwhile tried to distract the people from their suffering by declaiming against the ‘degraded condition of the people of Spain’.

“English people who spent their lives among sheep never tasted a portion of meat, so different from the times of Fortescue<sup>201</sup> when ‘the English are clothed in good woollens throughout and have plenty of flesh of all sorts to eat.’”

The Spaniards were unpopular because they had been saved from a *Bond Scheme* operated by the *International Crew of Usurers*, Jewish and otherwise.

“They would soon have had people licensed to make them pay for permission to chew tobacco or to have a light in their dreary abodes.”<sup>202</sup>

And they spoke of Peel as:

<sup>201</sup> 15th century.

<sup>202</sup> This is another reference to the *Window Tax*.

“The offspring of the great *Spinning Jenny Promoter* who subscribed ten thousand towards the late *Glorious War*, and said that two more years of his famous *Bill* or the repeal of the *Corn Laws* would unsettle modest *Squires* and *Parsons*.”

Many *Farmers* would not employ *Single Men* as the wages were needed for *Married Men's* families. The *Single Man* in North Hampshire and similar places received as little as 2/8d., which bought two gallon loaves a week, while in Sussex he received 7d. a day, for six days. This bought two and a quarter pounds of bread. The *Married Man's* nine shillings a week hardly bought a gallon loaf each for his wife and three children and two for himself.

*Felons* received a pound and a half of bread a day and usually some meat, which had to be allowed if they worked at the *Tread Mill*. Mrs. Fry was diligent in *Prison Reform*. According to MacLeod, *Circulation* had contracted by 12% by 1823. Then there had been a sudden rise in price due to the *Bill to Restrict Small Notes* till 1833, but decline followed in 1825. The *Administration* was discredited, and *Monetary Policy* was dictated by *Lombard Street* when in 1826 an act was passed to prohibit the *Issue of Small Notes*.<sup>203</sup>

Arthur Young's conclusions were that the *Agricultural Labourer's Wage* averaged 7/6d a week from 1767-89; 10/- up to 1810, and 12/9d for three years from 1811. Then there were declines of 7% up to 1814, 20% by 1820, 12% more in 1821; 5% again in 1822. They rose to 9/4 in 1824, 10/4 in 1837, 11/7 in 1860.

But *Rents* had risen and *Allowances* and *Allotments* been decimated. Girdlestone, later a *Canon of Bristol*, called attention to the miserable condition of these *Labourers*, who were not protected by *Factory Acts*, and were sometimes herded together in barns, like the *ergastula* of Rome. It was not until the time of Joseph Arch that these poor men found a leader and a voice. By then the *Agricultural Crisis* of the seventies was overtaking *Home Production*.

*Unemployed Weavers* suffered acute distress in spite of the 1824 repeal of the *Combination Laws*. This was at a time when London was becoming the centre of the world *Wool Market*. They had to wait until 1845 for the foundation of the *National Association of the Protection of Labour*.

This on the other hand was the year of the *General Enclosures Act* and it was a great century not only for *Enclosures* but for the *Commutation of Tithes* into a *Fixed Money Payment*. This meant that the *Farmer* had to pay the same if he had a ruinously poor crop and contributed not a little to alienate from the *Church* some of her stoutest supporters in the country. A half way stage was the *Assessment* of a field at 6d. for *Tithe* when arable and 4d. when under grass.

Even so *Wages* were at their best not one third of what they had been in the 15<sup>th</sup> century in terms of *Purchasing Power*. The *Peasant* used to occupy *Hut and Curtilage* at two shillings a year, keep pigs and poultry and perhaps a cow on his share of the *Common Pasture*, have his daily moonshine, food etc., and often his *Board* in *Harvest*. His day used to be of eight hours with four breaks in summer. Jesse Collins, supported by Arch, proposed *Small Holdings* in the *House of Commons*, and some legislation was secured. The *Farmers* were hostile as they feared independence on the part of the *Labourers*.

But two more decades elapsed before a movement within the *Church* arose to deal with these effects and in time to consider their causes. It was centuries since the *Parson* had maintained out of the *Tithes* those incapable of work. *Landowners* were ‘as mute as fishes’ while their *Estates* were taxed to pay *Interest on Debts* contracted to the *Stock-jobbers* and to ‘make wars for the sake of the goods of the *Cotton Lords*’. Prisons were not needed when the *Labourer* got twice as much instead of half as much as the ‘common standing soldier’.

“The *Great Masses of Property* have in general been able to take care of themselves: but the *Little Masses* have melted away like butter before the sun.”

The *Commercial Gentlemen* too were on the increase and they also tended to draw wealth from the country to the cities. They were formerly called *Riders* and *Travellers* but had given up horseback for travel in their gigs. Another change was the grant by the *Whigs*, when they were in office, of *Pensions* from the *Crown* to *Foreigners*, although this was unlawful and ‘no *Nationalization Bill* can take away that disability’.

Much though Cobbett understood of the troubles of his time, he saw little wrong with the *Bank of England's* monopoly.

“The *Bank* has issued no *Small Notes* though it has liberty to do it. The *Bank* pays in gold agreeably to the law. The *Bank* lends money I suppose when it chooses and is not it to be the judge

<sup>203</sup> A similar campaign against *Small Notes* was waged against *Paper Money* in America under President Andrew Jackson's *Hard Money Policy*. The intent was not to restrict exchanges of small value but to replace rag with metal so that small exchanges were done with coinage of intrinsic value. In 1835 Jackson remarked that he did not ‘join in putting down the paper currency of a national bank to put up a national paper currency of a thousand local banks’. [Ed].

when it shall lend and when it shall not? The *Bank* is blamed for putting out paper and causing high prices and blamed at the same time for not putting out paper to accommodate *Merchants* and keep them from breaking. It is the fellows that put out the paper and then break that do the mischief.”

This was the ordinary outlook that saw nothing wrong in the *Bank of England*, a *Private Corporation*, being the judge of when it should lend the *Nations Credit*. We are far from the *Bishops' Mints* when money was not lent but issued, and when there was no such monopoly. But Cobbett was content to put the blame on the *Small Note Bill*, which indeed resulted in some panic and the demand of *Gold* for the *Rags*. He had said it would drive the *Gold* out of the country and ‘bring us back to another restriction or to wheat at four shillings a bushel’.

But his rare intelligence deals with the subject of *Foreign Loans*, another development of the period. All the elements of the *Modern Financial System* were present, and the idea was being popularized. Peter Maculloch and other Scotsmen said that the *Interest* on the *Loans* would come from South America to enrich the country and *Surplus Capital* would be exported.

This scheme was soon to come and ruin *British Agriculture* for over a century by flooding the *Home Country* with cheap food which was produced by robbing virgin soil of its fertility.

“My perverted optics could see not *Surplus Capital* in bundles of *Bank Notes*. I could see no gain in sending out goods which somebody in England was to pay for without, as it appeared to me, the smallest chance of ever being paid again.”

Cobbett despised *Bonds* and expected little *Interest* back on them. In spite of Canning's efforts to ‘prop up the credit of these sublime speculations’ he thought those who subscribed to them ‘mad with *Avarice* or a *Love of Gambling*’.

Unless the *Bonds* were paid, the brilliant *Commerce* with which Canning was enchanted would come to an end leaving behind ‘the wretched *Cotton Lords* and the wretched *Jews* and *Jobbers* to go to the *Workhouse* or *Botany Bay*’.

The *Loans* were intended to amount to 21 or 22 million pounds, and 12 million pounds worth of *Goods* had been sent out of the country.

In 1826 *Corn* was a seventh lower in price than it had been the previous year. The price of *Wool* was declining rapidly. In 1824 it had been 40/- a tod<sup>204</sup> in 1825 it was 35/- in 1826 19/- and as a result *Wool* had dropped from 17d. to 8d. a pound, and it was not so long since it had been 30d. A ewe's yield was about 3 lbs., a weather's 4, and a ram's 7 lbs.

The price of horses and cattle - save the fat - was falling. A reasonable diet for a man, his wife and three children would have cost £63, but he only received £23 for all his expenses. The price of broadcloth fell from 1/3d to 1/- a yard, which was unprecedented and the misery of the *Weavers* on quarter time rivalled that of the *Farm Labourers*. There was a *Starvation Committee* in Manchester, and cottages, mansions, parsonages were falling down.

Meanwhile the big towns like London, Liverpool, Manchester and Cheltenham were growing apace, and twenty thousand houses were being added to the capital.

Lord John Russell reminded the *Manufacturers* that they had most frequently sought the aid of *Troops* to keep the people in order. This state of affairs led people to consider the ideas of Malthus. In 1816, when the *Luddites*<sup>205</sup> were active, Lord Brougham had quoted Malthus and said that it might be:

“...objectionable to withhold relief from the future issue of marriages already contracted but why may not such relief be refused to the children born of marriages contracted after a certain period?”

The idea of *Overpopulation* was too readily accepted and Cobbett pointed to the heavy depopulation of the *Countryside*. In the *Vale of the Avon* for instance there had ‘once been twenty four manor houses and were thirty one churches’, this being Cobbett's way of exposing:

<sup>204</sup> The *tod* was a measure equivalent to 28 lbs. avoirdupois. [Ed].

<sup>205</sup> The *Luddite Uprising* came to a head in 1812. In *Rebels against the Future: The Luddites and Their War on the Industrial Revolution*, Kirkpatrick Sale draws seven lessons for the *Machine Age* from the failed *Luddites* rebellion: 1. *Technologies* are never neutral; 2. *Industrialism* is always a cataclysmic process; 3. Only a people serving an *Apprenticeship to Nature* can be trusted with machines; 4. The *Nation State* is synergistically intertwined with *Industrialism* making *Revolt* futile and *Reform* ineffectual; 5. Resistance to the *Industrial System* must be based on *Moral Principles* and rooted in *Moral Revulsion*; 6. Viability of *Industrial Society* must be at the heart of *Public Consciousness* and *Debate*; 7. Analysis of *Industrialism* must be morally informed, carefully articulated and widely shared. [Ed].



“...the folly, the stupidity, the inanity, the presumption, the insufferable emptiness and insolence and barbarity of those numerous wretches who now have the audacity to propose to transport the people of England, upon the principle of the monster Malthus, who has furnished the unfeeling oligarchies and their toad-eaters with the pretence that man has a natural propensity to breed faster than food can be raised for the increase.”

This mixture of madness and blasphemy:

“...disregarded the vast changes that had taken place in a spot like this, which God has favoured with every good that he has to bestow upon man.”

Cobbett must have turned in his grave when, in 1838 a plan was gravely commended in a large volume for murdering infant children by ‘painless extinction’.<sup>206</sup>

Malthus<sup>207</sup> probably considered that the effects of the insane and unnatural system were its causes. The topsy-turvy state of affairs in the Avon Valley was a microcosm of what England was to be and still is, for wealth in corn and animals was carted wholesale out of the valley with very little return. The valley was depopulated, but the cries of overpopulation and overproduction showed that the distributing system had broken down.

The women and children there used to spin and card wool for making *Broadcloth* but *Work* and *Profits* had gone to Lancashire. A tax of 4d. a pot was imposed on beer, and a bill passed to admit certain grain at a low duty.

Many *Labourers* had been enticed eighteen months before by Black and others into *Factories*, from which they had been discharged and set to dig fields at 1½d. a rod. The rates were 3d. or 4d. a rod in the *Market Gardens* near London.

The Irish and Scottish poor who were literally dying of starvation were said in *Parliament* to be exercising ‘patient resignation’. The real powers at work are indicated in the newspaper reports in 1826 that:

“a number of official gentlemen connected with *Finance* have waited upon Lord Liverpool.”

A comment of the time was:

“We have nearly come to the system of Hindustan, where the *Farmer* is allowed by the *Aumil* or *Tax Contractor* only so much of the produce of his farm to eat in the year.”

For a similar revolution had taken place in India after the 18<sup>th</sup> century spoliations, and the power had passed to the *Marwaris*, who are described by the commission of 1875 to inquire into the cause of the riots:

“The *Marwari Moneylenders*’ most prominent characteristics are love of gain and indifference to the opinions or feelings of his neighbour...As *Landlord* he follows the instincts of the *Usurer*.”

The inflow of the *Marwari* began after the conquest of 1818. The wheel has now turned full circle, and the British have departed leaving vast public works - bridges, railway roads - to compensate for the wealth they took out in the 18<sup>th</sup> century.

In the desperation of the times, there was a small effort to reverse the process of ‘shutting out the *Labourers* from all share in the land’ by allowing them to cultivate strips, but it was not on a large scale.

The prices of mutton, cheese and wool still fell, while the *Tithes*, commuted to a *Fixed Money Payment*, tended to depress wages further, in the *Farmers*’ effort to squeeze them out of his takings. This gave the *Parsons* a shocking reputation for *Greed*.

Sir William Scott in 1802 had spoken in favour of the non-residence of the *Parsons* saying that they ought to appear at the watering places to gain their flock’s respect. It was advice that was too readily followed, while many of the *Parsonages* were deserted and falling down.

Another trend of the times was that *Brewing* was becoming a *Monopoly*. A foreign diversion was attempted this year against the King of Spain - a modern touch - who had refused to ‘mortgage the land and labour of his people for the benefit of an infamous set of *Jews* and *Jobbers*’, and had imposed a stiff tax on *Traffickers*.

<sup>206</sup> As with the *Abortion Act* of 1942.

<sup>207</sup> Thomas Robert Malthus (1766-1834) was an English *Political Economist*. Between 1798 and 1826 Malthus published six editions of his famous treatise *An Essay on the Principle of Population*. He wrote the original text in reaction to the optimism of his father and his father’s associates (notably Rousseau) regarding the future improvement of society. Malthus also constructed his case as a specific response to writings of William Godwin (1756-1836) and the Marquis de Condorcet (1743-1794). Malthus regarded ideals of future improvement in the lot of humanity with skepticism since population growth generally preceded expansion of the population’s resources: food in particular. The constant effort towards increased population subjected the lower classes to distress and prevented permanent amelioration of their condition. [Ed].

In 1827, Sir James Graham said of the *Landlords*:

“Substantial *Justice* is on our side; and who are they that are against us? The *Annuity* holders, the *Fundholders* and the *Economists*; a body which the *Landowners* if true to themselves and in concert with the people, cannot fail to defeat. It is not the price of bread alone which is a check upon our *Industry*; on the contrary, its effect is insignificant compared with that of *Taxation*; and every notion of *Free Trade* is worse than visionary unless accompanied by a large reduction of *Taxes* and *Duties*.”

A curious reversal of tradition may be noted in a *Branch Bank* at Gloucester which is:

“...quite ready, they say, to take *Deposits*, that is to keep peoples' *Spare Money* for them; but to lend them none without such *Security* as would get *Money* even from the claws of a *Miser*.”

Sheep prices had fallen in a year from 34/- to 23/- a head. The cost of the *Standing Army* was about equal to the *Poor Rates*, while the *Ricardos* and *Barings*<sup>208</sup> were growing enormously wealthy by *Monetary Manipulations* and were busy with loans to Greeks and Mexicans.

“The *Barings* are adding field to field and tract to tract in Herefordshire, and the *Ricardos* are animated by the same laudable spirit.”

The rapid change in the outlook of the *Nobility*, who had violently opposed the *Reformers*, is accurately described:

“You may form some little notion of the change when you reflect that your grandfathers would as soon of thought of dining with a *Jew*, aye and sooner have thought of dining with a *Chimney Sweep*, than of dining with a *Jew* or any huckstering reptile who had amassed money by watching the turn of the market; that those grandfathers would have thought it no dishonour at all to sit at table with *Farmers* or even *Labourers*, but that they would have shunned the usurious *Tribe of Loan Jobbers*, and other notorious *Changers of Money*, as they would have shunned the whirlwind or the pestilence.

“These *Usurers* now take precedence of you in many cases...to this you have brought yourselves by your jealousy of the people who are your natural friends and whose friendship you have lost, and thereby made yourselves the dependents of this *Tribe of Loan-Jobbing Vagabonds* whom you despise in your hearts, and whom you compliment in your *Works* and *Looks*.”

Byron had the same thought:

“Alas, the country! How shall tongue or pen  
Bewail her now uncourteous gentlemen  
The last to bid the cry of warfare cease,  
The first to make a malady of peace . . .  
But corn, like every mortal thing, must fall  
Kings, conquerors, and markets most of all.”

Byron understood more than most of his contemporaries the significance of ‘*Rothschild* and his fellow Christian *Baring*’. Glove manufacturers were comparatively prosperous, although the lowering of prices affected everyone except ‘*Monopolizers, Jews and Tax-eaters*’.

The ‘*Jew system*’ had already swept away *Little Gentry, Small Farmers and Domestic Manufacture*. In the Cotswolds there had been thirty *Blanket Makers*, but five now had the *Monopoly*.

“As fast as skill and care and industry can extract riches from the land, the unseen grasp of *Taxation, Loan Jobbing* and *Monopolizing* takes them away, leaving the *Labourers* not half a bellyful, compelling the *Farmer* to pinch them or be ruined, and making even the *Landowner* little better than a *Steward* or *Bailiff* for the *Tax-eaters, Jews and Jobbers*.”

In 1771 Arthur Young allowed 13/1d. for a man, wife and three children. The *Berkshire Magistrates* all owed 11/4d. in 1795; in 1826 it was 8/-, when 18/- would barely have been sufficient. Prices at *Weyhill Fair* were down by half: a ewe in lamb was 25/-; it had been between 55/- and 72/- in 1812 but had gone down in price since the war except in 1822 when there was what baring called a *Plethora of Money*.

Cobbett's *Petitions* had little effect. When the *Kent Petition* was refused in 1822, John Martin proposed that if it were received ‘the *House* should not separate until it had resolved that the *Interest* on the *Debt* should never be

<sup>208</sup> Both it seems were Dutch families.

reduced'. Castlereagh, who cut his throat some weeks later, was in favour of receiving the *Petition* in order 'to fix on it a mark of the *House's* reprobation'.

The harshness of the times was reflected in cruel *Game Laws*, which Mr. Justice Wilks implied were productive of *Tyranny*. It was a 'hollow and tinsel nation', like Rome before its fall. The 'relationships between *Master* and *Servant* are obliterated along with their names'.

And when there was danger, the announcement at *Lloyds* made the *Funds* rise. As Lord Chatham remarked:

"What was calculated to sink the country caused the hopes of these muckworms to rise. His miserable son augmented the number of these muckworms a hundredfold."

The decline had been evident since 1797. In 1796, a barley loaf had cost about as much as the shilling of a day's wage. Pitt then advocated the 'free circulation of labour' or *Mobility of Labour* is modern parlance. And he agreed with Whitbread's suggestion of a premium for large labourers' families.

The *Norfolk Petition* requiring an 'equitable adjustment' was not well received by Coke, Gurney, Brougham, Wodehouse or the *King's Speech*. The *Hampshire Petition* of 1817 was no more acceptable to the rulers. As Byron wrote:

"But where is now the goodly audit ale,  
The purse proud tenant never known to fail?  
The Banded Interest - you may understand  
The phrase much better leaving out the Land... What an evil's Peace!"

*Shops* had replaced *Markets* and *Fairs*, which resulted in more *Town Centralization*. There had been a decline in *Timber* from the *New Forest* from 315 000 loads in 1608 to 21 000; another proof of an unnatural and parasitic system that was out of tune with nature. It was said that the main object of the *Government* was:

"To give all possible encouragement to *Traffickers* of every description, and to make them swarm. The *Quakers* arose in England engendered by the *Jewish System of Usury*. Till *Excises* and *Loan Mongering* began, they were never heard of in England."

In 1827 the *Spitalfield Weavers* presented an address to the *King* in which they deprecated the disturbances of 1817 and 1819 and asked for *Justice*. Their lot had deteriorated from that of an *Honoured Craft* to the *Bitterest Poverty*.

In 1829 Golbourn and the Duke of Wellington said that they did not consider the withdrawing of two million pounds worth of *Pound Notes* would injure the country, but would make the *Bankers* readier to discount £5 notes. Three typical quotes from this period:

"We had an ignorant *Government*, an ignorant *Parliament* and something worse than an ignorant *Press*."

"The *Farmers* feel all the *Pinchings* of *Distress* and the still harder *Pinchings* of *Anxiety* for the future; and the *Labouring People* are suffering in a degree not to be described."

"The shutting of the *Male Paupers* up in *Pounds* is common throughout Bedfordshire and Buckinghamshire."

So the tragedy mounted and Cobbett, who had every right to be called a *Christian Reformer*, and who used once more the ancient term for the *Financiers*, saw the *Church* largely unconcerned, although he had a great respect for the 'working clergymen'. The *Usury Laws* had long been a dead letter, and in France were repealed in 1789.

In 1830 the *Poor* suffered severely, even in rich counties like Lincolnshire, although 'no human being should perish for want in a land of plenty'. Fat animals were seldom consumed where they were reared. It was said that:

"Hundreds upon hundreds of sheep as fat as hogs go by this inn door, their toes, like those of the footmarks at the entrance of the lion's den, all pointing towards the *Wen*."

Three pounds of bread a day was often all that a *Labourer* could buy. Bad harvests kept the price of wheat up to 7/- a bushel, but beef and pork were selling for 5/- and 4/6d. a stone, and wool was down to half its former price.

"One of the great signs of the poverty of the people in the middle rank of life is the falling off of audiences at the *Playhouses*."

A familiar question was asked again,

"How long will these people starve in the midst of *Plenty*?"

Property was guarded by fire-engines, steel-traps and spring guns.

Earl Spencer expected the new *Poor Law* to make *Wages* rise, but the contrary was the case. Sheep had dropped on an average 5/- a head, and the *Labourers* were becoming very bitter against the *Farmers*; although those at Barn End were more aware, and complained of the hundred thousand a year paid to disbanded *Foreign Officers* and their families, of the suggestion for checking *Labourers' Marriages*, and of losing half their wages in taxes now imposed on beer, shoes, candles, soap, sugar, tea, bread, meat, doubling the price of those commodities.

Cobden spoke of the 'almost fanatical outcry against the *Malt Tax* and in 1837 attacked the *Marquis of Chandos* for moving against it. He said *Labourers* would be better without beer.

Little meat was killed in Lincolnshire, and it was common to see:

“*Starvation* in the midst of *Plenty*. The land covered with food, and the *Working People* without victuals: everything taken away by *Tax Eaters* of various descriptions. Is the abundance which God has put into your hands to be the excuse for your resigning yourselves to starvation? My God! Is there no spirit left in England save in the miserable sand hills of Surrey?”

The words might also have been written in 1939, instead of 1830. Gaols still increased, while there were endless discussions about *The Poor* and *Poor Laws*. *Unemployed Labourers* were formed into *Roundsmen* who went round from one *Farmer* to another.

*Emigration* was going on at a great pace, and by 1848 had reached the huge figure of 350,000. *Capital* of between £ 200 and £ 2000 was usually required. The *Poor* went to Prince Edward's Island, Nova Scotia and Canada. The colonies in America, apart from some of Canada, would 'be left to the savages and bears in the course of a year' if it were not for the *Taxes* sent to the 'relations and dependents of the *Aristocracy*'.

The *Unitarian Bill* had been passed and the *Test Act* repealed, while an act was pending to admit *Jews* to the *Bar* and to *Parliament*. No *Clergy* objected to the bill allowing such rights to the *Jews*.

“The *Middle Class* are fast sinking down into the state of the *Lower Class*.”

Each year saw an increase in the *Property-less Proletariat* so many of whom had been *Independent Yeomen*. It was spiritual as well as physical degradation. There was a scheme for *Joint Stock Banks* which threatened, it is said, to break the *Bank of England*; which did break a number of people, and which finally broke down itself.

Some commercial employers used the *Tommy System* which amounted to *Payment in Goods*, a kind of *Barter*. If the *Employees* needed money, they had to sell the *Goods*. It was abused by people taking too much of their pay in drink. Without the system, a half instead of a quarter of the furnaces would have been out of blast.

In 1832 Lord Howick demanded that *English Country Girls* should be sent to Nova Scotia to avoid their breeding in England. The *Labourers* in Hampshire and Wiltshire, as disclosed in evidence before a *House of Commons Committee* commonly took cold potatoes to work.<sup>209</sup> Brougham, a *Crusader* against the *Paupers*, and Birbeck preached *Contentment* to the *Hungry*, while enormous new gaols were being built in the grandest gothic style. *Tithes* were leased to *Middle Men* in England as was done in Ireland.

In the North, the *Labourers* were not yet reduced to substituting potatoes for wheat. Lord Howick proclaimed that reform was only a means to cheap government, but even so the disease was deeper than 'keeping fifty thousand *Tax-eaters* to breed ladies and gentlemen for the industrious and laborious to keep'.

The *Reform Bill* gave the *Manufacturers* political as well as economic power and did nothing to help the downtrodden *Labourers* and evicted *Yeomanry*. It is true that Rickards and others discredited the doctrines of Malthus, but affairs moved on their inevitable way to the crisis of 1848.

*Colonial Wool* had been auctioned in London, the centre of the *World Wool Market* since 1821. The resolution of 1834 to make an onslaught on *Pauperism* was ineffectual. In 1836 General Sir John Ellery, in the debate on the *Factory Bill*, said:

“A *Recruiting Officer* would reject five out of ten of those who offered themselves for the *Army* in the *Manufacturing Districts*, whereas he would not reject one out of ten in the *Rural*.”

The maps of the time with dark areas shaded for *Criminal Districts* showed the *Manufacturing* and heavily *Populated* districts much the darker. The naive answer of the gentlemen of the 'league' was that this immorality was due to the bad example of the ignorant *Agricultural Parishes*.

<sup>209</sup> The potato has come into its own since the last war also.

*Public Nurseries* were used while mothers went to work, and there was a heavy sale of drugs and narcotics for the children: *Godfrey* contained 1½ oz. of pure laudanum to the quart. *Infants' Cordial* was stronger. The *Manchester Chamber of Commerce* protested in 1838-9 that the *Bank* caused confusion and misery. Between 1839 and 1849, there was a fall in price of 28%.

As the *Hungry Forties* succeeded the *Threatening Thirties*, supreme power passed into the *Financiers'* hands who were formerly called *Usurers*, and whom Cobbett partially described.

The *Bank Charter Act* of 1844 was:

“An act to regulate the issue of *Bank Notes* and for giving to the *Governor and Company of the Bank of England* certain privileges for a limited period.”

The country had lost the right of issuing its own money and the volume of money was controlled by *Financiers* who lent out the *People's Money* in insufficient quantity at *Interest*. It was the virtual triumph of the *Usurer*.

The issue of *Promissory Notes of the Governor and Company of the Bank of England*, payable on demand, was to be ‘separated and thenceforth kept wholly distinct from the *General Banking Business*’. And the *Issuing Business* was to be conducted ‘in a separate department to be called the *Issue Department of the Bank of England*’.

The *Court of the Directors* was authorized to appoint a *Committee* or *Committees* to manage the *Issue Department*, to dismiss its members, and to ‘define, alter, regulate the constitution and powers of such committee as they shall think fit’. Wide powers indeed. The *Issue Department* was to have:

“Transferred, appropriated and set apart *Securities* to the value of fourteen million pounds, whereof the *Debt* due by the public to the said *Governor and Company* shall be deemed a part...and so much of the *Gold Coin* and *Gold* and *Silver Bullion* then held by the *Bank of England* as shall not be required by the *Banking Department* thereof.”

This is a classic statement of *Debt Finance*, alleging that *The People* are in debt to their *Own Banks*, while the *Governor and Company* have plenary powers to decide how much *Bullion* may be allocated to the *Issue Department*. On these *Securities*, the *Issue Department* were to issue *Notes*. The volume of money to circulate was fixed and could even be reduced at a time of expanding trade and production:

“It shall not be lawful for the said *Governors and Company* to increase the amount of the *Securities* for the time being in the said *Issue Department*, save as hereinafter mentioned, but it shall be lawful for the said *Governor and Company* to diminish the amount of such *Securities*, and again to increase the same to any sum not exceeding in the whole the sum of fourteen million pounds, and so from time to time as they shall see occasion.”

This amazing power of reducing the *Currency* put the *Usurer* firmly in the saddle. He realized that if he rode too hard, revolution would be inevitable, but the power was given and produced enough trouble in the *Hungry Forties*. Douglas Jerrod's saying, that in 1833 no one was thinking about poverty and in 1839 no one was thinking about anything else, is an exaggeration, but indicates the widening of poverty. The *Gold Standard* was fixed at £3.17s.9d. per ounce of standard gold. Another somewhat masked *Restriction of Currency* was the allowance to the *Issue Department* to issue *Notes* beyond the fourteen million. A gracious concession.

Also any *Banker* issuing his own notes could stop doing so ‘provided always that such increased amounts of *Securities* specified in such *Order in Council* shall in no case exceed the proportion of two thirds the amount of *Bank Notes* which the *Banker* so ceasing to issue may have been authorized to issue’.

This was another *Cut* cloaked as a *Concession*. Nor was a *Banker* who issued his own notes and became bankrupt or ceased to carry on the business of a *Banker* or discontinued the issue of *Banknotes* allowed ‘at any time thereafter to issue any such notes’. *Centralization* in addition to *Restriction* was being inevitably enforced.

Two years later, in the debate which led to the *Repeal of the Corn Laws* (1846), Peel admitted that the country was ‘encumbered with an enormous load of *Debt*, and subject to great *Taxation*’.

Disraeli said that not only should a balance be maintained between the two branches of *National Industry* but that a ‘preponderance’ should be given to the *Agricultural* branch. He deprecated falling under the *Thralldom of Capital* ‘of those who, while they boast of their *Intelligence*, are more proud of their *Wealth*’.

The author of *Sybil or The Two Nations* was aware of at least part of the distortion in *Public Life*, although he never mentioned the question of the *Issue of Money*. He looked for ‘a force to maintain the ancient throne and immemorial *Monarchy* of England’ in ‘the invigorating energies of an educated and enfranchised people’.

He deprecated being 'rescued from the alleged power of one class only to sink under the avowed dominion of another' and saw in the *Agricultural Interests* the only security for *Self-government* and barrier against the 'Centralizing System which has taken root in other countries'.

The speech showed political wisdom, but failed to take into account that the *New Power* in the land that was supplanting both *Agricultural* and *Industrial Interest* - so conveniently warring between themselves - was the *Power of Money*, which was employed in a new and vaster type of usury.

Peel expected wheat, after the *Repeal*, to range from 52/- to 56/- a quarter, but between 1850 and 1853 it fell to 37/- or 45/- a quarter. He said it was a principle admitted by all that we should 'buy in the cheapest market and sell in the dearest', a dictum which takes no account of quality.

In 1846 Sir James Graham declared:

"This country can no longer be regarded as an *Agricultural* but as a *Manufacturing* country."

There were, it is true, clerical champions of the *Poor* during this period. The Rev. H.F. Yeatman of Dorset was the first to expose the fallacies of the early *Reports of the Poor Law Commissioners*. The Rev. G.S. Bull, William Brock, H.J. Marshall, and the Hon. and Rev. S.G. Osborne championed them:

"...and many other of the clergy whose united talents and great exertion produced most important effects for the good of the *Poor*."

The words are those of Cobbett's son, and refer to the ten or twelve years of commotion excited by the *New Poor Law*. But hardly yet was there a movement within the *Church*. They acted as *Humanists* or *Christians* rather than *Churchmen*, and social obligations were scarcely recognized.

There were *Reformers* also. While in 1833 John Koble launched the *Oxford Movement* by proclaiming that the interference of the *State* in the affairs of the *Church of Ireland* was national apostasy, Robert Owen was forming his *Trades Union*. The collapse of this the next year involved the *Tolpaddle Martyrs* in their enforced journey to Australia - although the *Combination Laws* had been repealed.

By 1939, says Maurice Reckitt<sup>210</sup>

"Even a *Tory Churchman* campaigned against the *New Bastilles* and Lord Shaftesbury against a ten hour day for *Factory Children* and against the employment of infants in mine passages which were too narrow for grown men or women."

*Lovett's Charter* was a rallying point, and John Forbes Ludlow, a barrister who died in 1911, began work with the *Free Trade League*. We have by now described the barrel of gunpowder which the social ills had formed. 1848 was no year of revolution in England, in spite of the *Chartists*. But it was a year of bitter crisis and suffering. Thus vast causes did produce an effect in the *Church*, which gradually came back to her ancient doctrines. Or at least some of her *Members* came near them including an *Archbishop*.

<sup>210</sup> In *From Maurice to Temple* by Maurice B Reckitt (1946) which provides a good view of 19<sup>th</sup> century social movements.

## Chapter 14. Christian Socialism

‘The rate at which animals and plants increase and minerals are produced under the hand of man; in other words, the rate at which the means of subsistence increase...is the ultimate cause of a rate of interest.’  
*Del Mar, The Science of Money*

In 1846 the *Social Reformer* John Ludlow<sup>211</sup> called on the *Chaplain of Lincoln's Inn*, J.F.D. Maurice<sup>212</sup>, to ask him for his help in a scheme for ‘bringing to bear the leisure and good feeling of the *Inns of Court* upon the destitution and vice of the neighborhood’. Reckitt<sup>213</sup> dates from this meeting the revival of the *Church's* interest in social justice as part of her faith and commission.

But it was not until the Spring of 1848 that Ludlow's letters from revolutionary Paris<sup>214</sup> kindled that spark ‘which was to fuse *Theology* and *Sociology* into a single inspiration and recover after two centuries of virtual apostasy a social witness for the *Church of England*’.

In the same year, Sir Barry Domvile writes in concluding his *From Admiral to Cabin Roy* that ‘...nearly a century has elapsed since Europe was shaken by a series of revolutionary explosions. The year 1848 saw the end of the *Chartist Movement* in this country, a revolutionary democratic movement of considerable magnitude. In this year Canon Kingsley, the well known poet and novelist, issued a placard which is worth remembering today. There is a lot of truth in it:

‘There will be no true freedom without virtue, no true science without religion, no true industry without the fear of God and love to your fellow citizens. Workers of England, be wise, and then you must be free for you will be fit to be free.’

This explosive atmosphere was not, then, without its effect on the *Church of England*. We shall note the chief figures in this movement, but it is not until very recent times that the subject of usury has again received attention.

It was still the age of effects, and it was to be a long and tedious journey until the causes of the disease were understood. James Harvey could still ask in 1875, ‘Who has ever heard a sermon condemning usury as a sin?’<sup>215</sup>

But the association of Maurice, Kingsley and Ludlow once more aroused the attention of *Christians* to social issues and - if the *Catholic* analysis was right - this awareness must eventually consider the problem of *Money*, which is the pivot and life blood of *Exchange*.

Some characters in the narrative stand outside the specific social movement, but their intelligence warrants their inclusion. In the main, it was moral anxiety at the effects of an evil system, a recovery of the *Doctrine of the Kingdom* - as opposed to individualism in religion - and a feeling that the life of the time was unnatural, that led men back to the earlier doctrines. Reckitt insists that Maurice was the *fons et origo* of this social movement and that:

‘...his greatness lay in his capacity to see and to show that his theology was deep enough to answer all the questions which a secularized economic development and secular idealism alike had raised...His capacity arose from a profound grasp of the answers which Christ in God had given to social questions’.

We may turn to the real conquest that was being achieved. In 1846 the ‘landed gentry succumbed to the combination which *Lombard Street* made against them’<sup>216</sup>. But the flow of cheap corn drained the *Bank* of gold,

<sup>211</sup> John Malcolm Forbes Ludlow (1821-1911). [Ed].

<sup>212</sup> John Frederick Denison Maurice (1805-1872) was an English theologian and socialist. Ordained in 1834, he became a leading figure in the intellectual and social life of London. He helped to found *Queen's College* for the education of women (1848), and the *Working Men's College* (1854). In 1853 he published *Theological Essays* and threw himself with great energy into the *Christian Socialism Movement*. Many streets in London are named in F D Maurice's honour. [Ed].

<sup>213</sup> Maurice Reckitt (1888-1980) was brought up as an Anglo-Catholic. His great-grandfather founded the well-known family business which later became *Reckitt and Colman*. As a young man he became involved with guild socialism and various Christian social movements. During the First World War, he joined the *Labour Research Department*, and in 1923 became Chairman of the *League of the Kingdom of God*. His most enduring achievement was *Christendom*, a quarterly journal of Christian sociology which he edited (and largely subsidized) from 1931 to 1950. He authored and edited numerous books on Christian social issues, of which the most readable and best-known is his account of the social movement in the *Church of England, From Maurice to Temple* (1947), based on his *Scott-Holland memorial lectures*. Maurice Reckitt established The Christendom Trust in 1971 which in 2005 was relaunched as the *MB Reckitt Trust*. [Ed].

<sup>214</sup> Ludlow's *Education Sentimentale* is a good example.

<sup>215</sup> We have seen that the last sermon on usury was probably that of David Jones in 1692.

<sup>216</sup> The combination of *Financiers* and *Industrialists*.

and in 1847 the directors refused further advances. It was the turn of the *Manufacturers* - also *Debtors* - to suffer. *Merchants* begged for *Notes* and did not care about the rate of interest<sup>217</sup>.

Although money was beyond price, the *Usurers* did not want total collapse - or revolution - so notes were again released under the direction of the almighty Overstone, who dictated the suspension of the act. There was extreme suffering. Wheat fell to 5/- a bushel and there were nearly a million *Paupers* in England and Wales.

In 1849 *Californian Gold* reached England and the *Currency* expanded. In 1851-52, the *Bank* received an addition to her *Gold Stocks* of about seven million. *Paper Issues* were increased from 19 to 23 millions. It was on facts of this kind that the welfare or misery of the vast *Proletariat* depended. But Overstone and the Rothschilds had not lost control.

“If a country increases in population, wealth, in enterprise and activity, more circulating medium will be required. This demand will raise the value of the existing circulation... *Gold* will rise.”

These are Overstone's words, and Adam's comment<sup>218</sup> on him and Rothschild etc. is that they were ‘*Financiers* beside whom the *Usurers of Byzantium* or the *Nobles of Henry VIII* were pigmies’. In 1819, the *Little Shilling Project* - to make 1/- pass for 1/6d. - had been launched. In 1952-3, the converse was proposed owing to the apprehended excess of gold. In neither case was there any proposal to relate *Currency* to *Goods Available*.

As spiritual counter-reaction to the dominant *Financiers*, the social movement in the *Church* was fully active by 1852. Maurice said he was a *Theologian* with no vocation except theology. His business was to preach the *Gospel of the Kingdom*. But he accepted the title (somewhat misleading a century later) of *Christian Socialist*. Through this group, the *Church* did face the challenge of the *Hungry Forties*, although they were concerned with social reform or social service and not with the basic fault of usury, with effects rather than causes.

Wilberforce typified the ‘other-worldly’ attitude to the *Poor*, assailed by Cobbett and the Hammonds. Tawney pointed out that three hundred years earlier the *Church* had failed to meet new demands ‘because the *Church* itself had ceased to think<sup>219</sup>. Instead the *Church of England* was pushed into a new type of ethic of sacrifice and abstinence (familiar words today) by the *Economists*, with usury as their premise. Hume wrote that ‘avarice is the spur of industry’. Absent were such champions as Jewell, Sandys or the *Hammer of the Usurers*, Derry.

Cobbett pointed out, among much else, that the *Labouring Man* was no longer coming to church. In *Hard Times* Charles Dickens showed a lack of public worship in the grim setting. William Wordsworth wrote an *Ode to Lost Piety*, and Anthony Trollope recorded the change from country to town life and ways and the resultant lapse from *Religion*. To this society the *Church* was startlingly different from what she had been in the days of Andrewes or Sanderson. Her social heritage had been jettisoned.

She had lost, in addition to specific teaching on the *Just Price*, *Usury* and *Partnership*, the *Doctrine of the Creation* so that it did not seem anomalous to the clergy that *Urban Industrial Society* should be ‘a contradiction of the eternal principles of the *Creator*’.<sup>220</sup>

It was the greatness of Maurice and Kingsley that they began to see this and, though its implications were only immediate works of social reform, it at least showed an awakening of the conscience and mind to the need for principles of justice. *Ethics* and *Religion*, almost totally severed outside home life for 150 years, were again related. It was only a movement among many, and many of the ablest Christian thinkers were to enter the forlorn defence of the historicity of *Genesis* in stead of upholding the truth that *God was Creator*.

<sup>217</sup> According to Henry Dunning Macleod (1821-1902), the difference between the prices of *Consols* for ready money and for account showed a rate of interest equal to 50% per annum. *Consols*...an abbreviation for *Consolidated Annuities*...are a *Government Bond* or *Gilt Edged Security* first issued in 1752 when all *Government Stock* was converted into a single *Consolidated 3.5% Annuities* bond. *Goschen's Conversion Act* of 1888 set the interest rate on these *Consols* at 2½% after 1903 and promised to pay back the *Principal* on 5 April 1923...or by *Act of Parliament* thereafter. *Governments* regard these *Consols* as a cheap overdraft that never needs repaying so they form a small part of the *Government's Debt Portfolio* managed by the newly created *Debt Management Office*...one of a number of quasi-governmental organisations (quangos) involved in manipulating money for *Her Majesty's Treasury*. Two other quangos are the privately owned *Company of the Bank of England* and the *Office of National Statistics*. Macleod published *Theory and Practice of Banking* in 1856 followed by *Elements of Political Economy* (1858), and *A Dictionary of Political Economy* (1859). His *Principles of Economist Philosophy* in 1873, and in 1889 *The Theory of Credit*. Between 1868 and 1870 he was employed by the government in digesting and codifying the law of *Bills of Exchange*. Macleod's principal contribution to the study of economics consists in his work on the theory of credit. A major feature of his work was to create a theory of money starting from a theory of credit instead of the other way round. In *The Theory of Credit* he says ‘Money and Credit are essentially of the same nature: Money being only the highest and most general form of Credit’. (page 82). [Ed].

<sup>218</sup> Brooks Adams in *Law of Civilization and Decay*.

<sup>219</sup> Adapting its *Usury Doctrine* was the most essential.

<sup>220</sup> These were the words of Father Keble Talbot at the *Anglo-Catholic Congress* of 1920.



The forces that had severed religion and morality were still at work, so that when Kingsley and Maurice took one step forward, the *Church* may not have taken two steps backward but there is evidence of retarded progress even of retrogression. Pusey doubted whether he and Maurice worshipped the same divinity.

It was an age of many reformers - Coleridge and Southey, Bentham<sup>221</sup> and Mill, Carlisle, Owen, Cobbett - while Karl Marx was writing in the *British Museum*. He noted that Luther prohibited usury, but was bemused by current thought on money and never examined its issue. The *Communist Manifesto* was another response to the crisis of 1848 which aroused *Christian Socialism*.

Cobbett stoutly held to the last that he was a member of the *Church of England* and came nearest the old traditions. He complained, among much else, of the *Worldliness* and *Stupidity* of the parsons and of the poor attendance at *Morning Services*.

Cobbett was the father of the *Agrarian Movements* in this country, and has a striking counterpart in John Taylor of Carolina who, at the end of the eighteenth century, attacked the *Bank*, insisting like Cobbett on *Good Husbandry*. In his *Enquiry into the Principles and Tendencies of Certain Measures*, Taylor said that 'a money impulse and not the public good is operating in *Congress*'.

But it was for Giuseppe Mazzini<sup>222</sup> to insist on the *Duties of Man* in answer to Tom Paine's *Rights of Man*. For Mazzini *Greed*<sup>223</sup> was the principal new vice. Public dishonesty in his day contrasted with the medieval period when bejewelled shrines were constantly visited. Once more the question of why there should be *Poverty* in the midst of *Plenty* was raised.<sup>224</sup>

It is true that there were social implications of the *Oxford Movement*<sup>225</sup> but two forces at least diverted men's attention from them. One was the sectarian kind of struggle between the *Oxford Movement* and the *Evangelicals* and *Clapham Sect*, who recommended resignation to the evicted *Yeomen* and other sufferers.

The other was the sweep of *Avaricious Industrialism* which was changing not just the face but the very soul of England. Industrialism was not without its prophets, as the *Economists* were considered, and their doctrines succeeded in the popular mind those of *Church and Bible*. Robert Southey<sup>226</sup> wrote:

"As for the *Political Economists*, no words can express the thorough contempt which I feel for them. They discard all moral considerations from their philosophy and in their practice they have no compassion for flesh or blood."

But this was not the opinion which the business world held of the *Wealth of Nations*, and Church leaders took from this world many of their ideas. Maurice, Kingsley and Ludlow appear as figures in the wilderness. The most that Wilberforce, and his like, required was that a country should be filled with men 'each diligently discharging the duties of his own station without breaking in on the rights of others, but endeavouring to forward their views and promote their happiness'.

It was cold comfort for those who had been dispossessed of their rights, and it was an optimistic kind of view for a society based on avarice with few restraining laws. Yet it has been repeated in our own day by the late Bishop of Jarrow, who said that the *Church* did not exist to make society fit for men but men fit for society.

The forces against the *Christian Socialists* were in fact moving forward in confidence of everlasting progress, with small concern for those who suffered in the advance. Ludlow wrote of *Wilfred Owen's Movement* that:

"Instead of seeking to distinguish in it what was genuine, living and hopeful and what was false, excessive and dangerous, they looked on bewildered or joined with its opponents to hoot and crush the whole thing down."

Dr. Arthur Wade was a notable exception when he headed the procession of protest against the scandalous sentence imposed on the Dorchester labourers. He was Vicar of Warwick, and said that to withhold God's bounty from those who want is the highest treason against heaven. Dr. Wade was in the great line extending

<sup>221</sup> A champion at usury!

<sup>222</sup> Giuseppe Mazzini (1805-1872) was an Italian patriot, philosopher and politician. His efforts helped bring about the modern Italian state in place of the several separate states, many dominated by foreign powers, that existed until the 19<sup>th</sup> century. He also helped define the modern European movement for popular democracy in a republican state. [Ed].

<sup>223</sup> David Hume called avarice 'the spur of industry'. Avarice differs from 'the profit motive', as sin from normal outlook.

<sup>224</sup> Charles Beard gives details in *Economic Origins of Jeffersonian Democracy*.

<sup>225</sup> The title of a book by W.G. Peck.

<sup>226</sup> Robert Southey (1774-1843) was one of the *English Lake Poets* and a *Poet Laureate*. He wrote biographies of John Bunyan, John Wesley, William Cowper, Oliver Cromwell and Horatio Nelson. He was also a renowned Portuguese and Spanish scholar, translating a number of works and writing a *History of Brazil* and a *History of the Peninsular War*. Robert Southey was the author of the immortal children's classic *Goldilocks and the Three Bears*. [Ed].

from Bishop Berkeley to modern denouncers of *Poverty amid Plenty*. But he argued rather from the results of the economic system, right as he was to do so, and did not attack what the *Church* had formerly regarded as the fundamental causes of this disaster.

Reckitt mentions the layman John Minter Morgan, who said that we should not 'ascribe to His laws the imperfections of Human institutions', and Dr. William King of Brighton, who edited the *Co-Operator*. Such men did respond to Owen's challenge, but the hatred of things medieval and their association with Rome was still operative enough to prevent them calling on or examining the tradition of the *Church*.

As Ruth Kenyon remarked in *Christianity and the Industrial Order*, it was the publication of William Ashley's book<sup>227</sup> that led men to consider again the *Just Price* and *Usury*. Religion at this time was less and less connected with public life and morality, so that Jews and atheists became eligible for the *Parliament* whose members were responsible for the election of bishops.

Thomas Malthus and his *Scarcity Economics* was another force against social thought or reform. Malthus probably looked at the results of industrialism and read a cause into them. In fact, his work actively discouraged helping the poor as he was priest not of God - as the fatalistic laws he enounced make plain - but of the *Usurious Masters of Britain*.

Thomas Hood (1799-1852) should be mentioned among poets and reformers. Besides his well known *Song of the Shirt* with its indictment of 'poverty, hunger and dirt', he took up the case of Gifford White, a labourer sentenced in the Spring of 1844 to transportation for life for writing a threatening letter to the farmers of Bluntisham, Lincolnshire. Hood's eloquent appeal did not prevail against the panic of the farmers and the obduracy of the *Home Secretary*. One of Eliza Cook's verses, written as a demand for a fitting epitaph, gives an idea of what the public thought of him:

"But Hood, 'poor Hood!' the Poet fool  
Who sang of Women's' woes and wrongs  
Who taught his Master's golden rule -  
Give him no statue for his songs!"

Ashley, Arnold and Dickens tried to help those on whom *Industrialism* bore most heavily, without appreciating the ghastly fact that the victims had largely been *Independent Yeomen* not long before and had been robbed of their position and dignity. Matthew Arnold wrote:

"What is the good of a national church if it be not to Christianize the nation and introduce the principles of Christianity into men's' social and civil relations?"

Wordsworth understood the spiritual effects of the new 'progress'.

But the significance of Maurice, and his associates, Kingsley and Ludlow, from our point of view is that he started a movement, which dates back to 1848 and has resulted in something like the *Doctrine about Usury* being enunciated by a section of the *Church*.

This was because Maurice was a *Theologian* who revived the *Doctrine of Creation* and was content to leave no part of life outside the *Kingdom of Christ*. He restored Our Saviour to his position of redeemed not merely of a few independent souls but of *World Disorder*.

The numerous Christian and anti-religious movements, protests and proclamations would have resulted in little but improved material conditions - for some here and some there - unless the man with the equipment had come forward who could integrate the thirst for *Justice* with the *Doctrine of Christ* and the repulsion at *Injustice* with the *Dogma of Sin*.<sup>228</sup> Charles Kingsley (1819-1875) was such a man.

Kingsley was the *Rector of Eversley* from 1843. He authored *Alton Locke* in 1849 and the *Water Babies* in 1862. Kingsley met Ludlow in London in 1848 when it was clear that the *Charter* was not going to be effective. They resolved to grasp the opportunity as representatives of the *Church*.

In spite of Kingsley's aristocratic and somewhat patronizing attitude, close ties were formed with *Chartists* and working men. Kingsley's hatred of Rome might have hampered the *Christian Socialists* in recovering medieval teaching, but it was balanced by Maurice's theology and led them to be interested, not merely in *Sanitary Reform* such as the prevention of diphtheria or to be apostles of *Muscular Christianity*,<sup>229</sup> but to look for defects in theology in contemporary representations of the *Faith*.

<sup>227</sup> Sir William Ashley's *Mediaeval Economic History* has been discussed previously.

<sup>228</sup> *From Maurice to Temple* by M.B. Reckitt (1947).

<sup>229</sup> The *Rector* objected to this title despite the fact that the race still held near Eversley bears his name.

Of all who have written of Kingsley, Reckitt is best qualified to point out the rector's unique and modern contribution. For his country life gave him an insight into the processes and very laws of nature, and anticipated modern thinkers who commend a return to *Organic Husbandry*. In the waste of manure, the pollution of water and the sub-human repetition work of factories,<sup>230</sup> he saw a defiance of the *Laws of Providence*.

Before his appointment as *Canon of Westminster*, Kingsley had been *Canon of Chester* and this took him through the *Black Country*. Once people begin to look at *Nature* for guidance, and to have reservations about *Mechanical Progress* and artificial aids or impediments to life, it should not be too long before they consider the *Nature of Money* itself.

John Stuart Mill and Karl Marx were similar in the way they took for granted the fundamental matter of the nature of money, without questioning the *Economists*. Both of them even went so far as to invest it with a power which a modern writer has compared to that residing in the *Divine Bread*. The kind of society commended by Marx is essentially industrial. And Kautsky remarked that more factories would have to be introduced before his brand of *Social Democracy* became practicable.<sup>231</sup>

Kingsley stood alone in the *Christian Socialist Movement* to challenge this assumption, a great contribution in the age when *Thinkers* were mesmerized by *Machines* to an even greater extent than at present. The other leaders, Maurice and Ludlow, were *Town-minded* and it hardly crossed their mind to doubt the premises of *Industrialism*.

Kingsley's *Sanitary Reform* was not the petty issue it appears<sup>232</sup>. Yet some people consider that Reckitt's judgement on Charles Kingsley tends to be harsh. A few extracts from the 1882 edition of his *Westminster Sermons*, which are not given by Reckitt, will reveal Kingsley's claims and limitations. He says in his *Preface*:

“It is time that we should make up our minds what tone *Scripture* does take towards *Nature*, *Natural Science* and *Natural Theology*.”

He calls the *Laws of Nature* ‘the voice of God expressed in facts’.

But he sees that there is a curse on the earth.

“Man's work is too often the curse of the very planet which he misuses. None should know this better than the *Botanist* who sees whole regions desolate and given up to sterility on account of man's sin and folly, ignorance and greedy waste.”

And he quotes Elias Friers:

“A broad band of waste land follows gradually in the steps of civilization...behind him, man leaves a desert, a deformed and ruined land...the planter now often leaves the already exhausted land to become infertile through the demolition of the forests, to introduce a similar revolution in the far West.”

Kingsley is aware of the results of violating *Natural Law*, although he may not have known the word *Erosion*. And he is aware of *Greed* in human and monetary dealings. But he did not go far enough to connect the two. Preaching on the *Fruits of the Spirit*, he attributes to the old *Evangelical School*:

“...the germs at least and in many cases the full organization and final success of a hundred schemes of practical benevolence and practical justice, without which this country, in its haste to grow rich at all risks and by all means, might have plunged itself ere now into *Anarchy* and *Revolution*.”

Kingsley, no less than Maurice, believed in the *Kingdom of Christ* as unassailed and undiminished by the *Laws of Political Economy* and tacitly assumed that God was mightier and juster than Adam Smith. Maurice asked:

“Do you believe that you are actually now in a *Kingdom of Heaven* which cannot be moved, and that the living, guiding, acting, practical real king thereof is Christ who died on the Cross...an eternal changeless kingdom and an eternal changeless king?”<sup>233</sup>

Speaking on the *War in Heaven* and the *Battle of Life* he declared,

“Why, Cyrus and his old Persians, 2,400 years ago, were nearer to the kingdom of God...they had a clearer notion of what the battle of life meant, when they said that not only the man who did a

<sup>230</sup> What we now call ‘employment’ and both political parties consider the end of existence.

<sup>231</sup> *Social Democracy* by X. Kautsky.

<sup>232</sup> Yeast is an expression of Kingsley's ideas.

<sup>233</sup> *The Shaking of the Heavens and the Earth* by John Frederick Denison Maurice.

merciful or just deed, but the man who drained a swamp, tilled a field, made any corner of the earth somewhat better than he found it, was fighting against Ahriman, the evil spirit of darkness on the side of Ormuzd, the good god of light.”<sup>234</sup>

In his sermon *On God and Mammon*, Kingsley noted some of the reasons for the downfall of society:

“The Jews did not heed the warnings of Our Lord, St. Paul or St. James...after the fall of Jerusalem even more than before, they became the *Money-makers* and *Money-lenders* of the whole world.

“Throughout all the *Middle Ages*, here in England, just as much as on the continent, they lent money at exorbitant interest; and then the *Debtors*, to escape payment, turned on them for not being Christians.

“And meanwhile, who are we that we should complain of the Jews now, or of the Jews of Our Lord's time, for being too fond of money? Is anything more certain than that we English are becoming given up more and more to the passion of making money at all risks and by all means foul or fair? Our *Covetousness* is become a byword among foreign nations; while our old English *Commercial Honesty* is going fast.

“The very classes among us who are utterly given up to *Money-making* are the very classes which in all denominations make the loudest religious profession.

“You are in *Christ's Kingdom*. If you wish to prosper in it, find out what its laws are. *God's Kingdom* is a well-made and well-ordered kingdom. The yoke of *Money-making* [is] not light and easy like the yoke of Christ, but heavier and heavier as the years roll on, while you have still to roll up hill the money bags which are perpetually slipping back,”

He warned the *Young* against spreading a ‘net of greed and craft’ about their feet.

“Choose the better part which shall not be taken from you; for it is according to the true *Laws of Political and Social Economy*, which are the laws of the *Maker of the Universe*, and of the *Redeemer of Mankind*.”

In his sermon *On England's Strength*, he said:

“Freedom is a vast blessing from God, but freedom alone will preserve no nation...How many free nations in Europe lie now in bondage, gnawing their tongues for pain, and weary with waiting for the deliverance which does not come?

“No, my friends, freedom is of little use without something else - and that is loyalty...true freedom can only live with true loyalty and obedience, such as our prayer book, our *Catechism*, our *Church of England* preaches to us.

“If our freedom has had anything to do with our prosperity, I believe that we owe the greater part of our freedom to the teaching and general tone of mind which our *Prayer Book* has given to us and our forefathers for now these three hundred years.”

These passages are not out of date, and it only needed the connecting link between his insight both into *Natural Law* and *Divine Law* on the one hand, and into the *Money-getting Mentality* on the other, to reintroduce Christian teaching on the way in which money could be legitimately used.

But Kingsley was one of his own generation in his antipathy to *Catholicism* and would not look back for guidance. But he did recall attention to first principles, although none of the trio understood the immediate causes of the distress and agitation of their times.

Maurice also attacks the new spirit of *Greedy Money-making*, and his course of sermons *On the Lord's Prayer* requires a return to the *Law of Love*. He mentions ‘passing continually in our streets creatures of our own flesh and blood, who have a look of hunger and misery’, and of hearing ‘masses of creatures spoken of as if they were the insects we look at in a microscope’.

But it was not for his particular words - even in the *Tracts on Christian Socialism* - that Maurice has his large place in this study. He instituted a movement that with many vagaries, led the *Church of England* back again to consider the *Nature of Money* and the meaning of the *Usury Laws*. Others also led the way to the pre-1694 position, but the *Church* at least had her share.

<sup>234</sup> The reference is to Zoroaster's teaching.

The *Christian Socialist Movement* was most active from 1848 to 1854. Maurice was the leader and he avoided the many parties that then, as always, claimed so much attention. He ‘earned the animosity of men of every school primarily by not belonging to any of them.’

It was his mission, as he wrote to Ludlow at the time:

“to show that economy and politics must have a ground beneath themselves, that society is not to be made anew by arrangements of ours, but is to be regenerated by finding the law and ground of its order and harmony, the only secret of its existence, in God.”

Maurice was finding his way outside the system in which a particular theory of money was the great existing reality, for ‘the *Kingdom of Heaven* is the great existing reality’, and at least he started the kind of thought that would stop at nothing until it found the *Law of God* and his *Purpose in Nature*.

It was such work that the *Fathers of the Church of England* had done. Foremost amongst them had been Lancelot Andrewes with his contrast of *Human Law* and *Divine Law*, for to his mind usury could be legalized by the human but must still remain a *Sin* against the *Divine Law*.

Later the name of *Socialist* did not help the return to first or *Natural Principles*. But in 1850 it was embodied in the *Principle of Association*, which was a step towards *Partnership*. The positive side of the *Medieval System* of which the *Prohibition of Usury* was the negative.

The experiment of *Trade Associations* failed, although the *Working Men’s College* was formed in 1852. But the forces working against a return to the full doctrine and authority of the *Church* in economic matters were still active, and it is significant that in 1854 all *Usury Laws* were abolished by *Act of Parliament*. The *Act* is very heavy on *Pawnbrokers*. But the moral defeat had occurred centuries before, and even the *Christian Socialists* would not have seen its relevance.

For the next thirty years or so the witness of the *Church* in social matters is sporadic. Maurice wrote in 1870:

“It seems to me sometimes as if the slow disease of money getting and money - worship, by which we have been so long tormented, must end in death.”

Westcott and others were beginning to formulate what was later known as *Christian Sociology*. It was a conscious attempt to base *Social Principles* on *Religious Doctrine*, notably the *Doctrine of Creation*. There were many *Christian Philanthropists*, like Gordon and Shaftsbury, but it was said,

“The drive for *Gain* had continued unhampered by *Religion* and even stimulated by it.”

Trollope has been accused of being out of date with his *Clergy*, but he wrote of what he saw, and Maurice was an outstanding exception. Trollope meets this charge at the end of his *Barchester Towers*.

Many leading and even conscientious *Christians* tried to make the system tolerable and to ameliorate some of its worst features while they were heart and should in sympathy with the aims of industrialism. *Victorian Religion* had much in common with the *Calvinism* which first sanctified *Commerce*, and there is little wonder that usury did not worry the conscience of *Clergy* or *Laity*.

There were at least two men of the period who saw accurately what was happening. One was the *Novelist* and *Poet*, Thomas Love Peacock<sup>235</sup>, and the other was the *Economist* James Harvey. Indeed, the subject now takes a peculiar twist, for it is not, largely, the clergy of the *Church of England* and only in some cases the *Laity* who lead the way to sane economic thought.

Such thinking has its effect on the *Church*. It is a contrast to the earlier period when the *Church* propounded economic teaching directly. This means that the thoughts of others are relevant besides those directly involved in the developing sociological movement, which Reckitt calls the seed growing secretly.

Peacock (1785-1866) wrote in his earlier books with considerable antipathy of the clergy. In *The Headlong Hall* (1816) there is the unattractive Rev. Dr. Gaster, and the next year in *Melincourt* the clergy are the Rev. Mr. Grovelgrub and the Rev. Mr. Portpipe. But in *Crotchet Castle*, the Rev. Dr. Folliott is a likeable representative of the *Church Militant*.

Peacock also wrote about *Borough Taxes* and *Paper Money* with rare understanding, although it was abuses of paper money and not paper money as such that was to blame. In his final book, the Rev. Dr. Opimian, named

<sup>235</sup> J.B. Priestley is one of the few 20<sup>th</sup> century writers who was still willing to praise the writings of Peacock. Priestley’s second long novel *Angel Pavement* caused consternation and soon slipped out of favour after the feel-good factor of his best-selling first novel *The Good Companions*. But it is one of his greatest and its roots lie in Peacock’s writings. [Ed].

after a delightful wine, is made to declaim one of the bitterest and most intelligent poems of the nineteenth century. G. Saintsbury does not approve of it, although he recognizes that:

“...when Peacock first wrote, the follies he laughed at were still, though they were ceasing to be, on the side of *Toryism* and opposition to *Progress*. By the time of *Crochet Castle*, they were mainly, by the time of *Gryll Grange* almost entirely, on the other side - that of *Progress* itself.”

The Rev. Dr. Opimian said (and this awareness is attributed at least to the *Church*):

“I will recite to you some verses on what appears to me a striking specimen of absurdity on the part of the advisors of royalty here - the bestowing the honour of knighthood, which is a purely Christian institution, on Jews and Paynim; very worthy persons in themselves and entitled to any mark of respect befitting their class, but not to one strictly and exclusively Christian; *Money-lenders* too, of all callings the most anti-pathetic to that of a true *Christian Knight*.”

Peacock wrote:

Sir Moses, Sir Aaron, Sir Jamramagie,  
Two stockjobbing Jews and a shroffing Parsee  
Have girt on the armour of old Chivalrie  
And, instead of the Red Cross, have hoisted balls three.

Now fancy our Sovereign, so gracious and bland,  
With the sword of St. George in her royal right hand,  
Instructing this trio of marvellous knights  
In the mystical meaning of Chivalry's rights.

You have come from the bath all in milk white array,  
To show you have washed worldly feelings away  
And, pure as your vestments from secular stain,  
Renounce sordid passions and seekings for gain.

This scarf of deep red o'er your vestments I throw  
In token that down them your life blood shall flow,  
Ere Chivalry's honour, or Christendom's faith,  
Shall meet, through your failure, or peril or scaith.

These slippers of silk, of the colour of earth,  
Are in sign of remembrance of whence ye had birth;  
That from earth you have sprung and to earth you return  
But stand for the faith life immortal to earn.

This blow of the sword on your shoulder blades true  
Is the mandate of homage, where homage is due,  
And the sign that your swords from the scabbard shall fly  
When 'St. George and the Right' is the rallying cry.

This belt of white silk, which no speck has defaced,  
Is the sign of a bosom with purity graced,  
And binds you to prove, whatsoever betides,  
Of damsels distressed the friends, champions and guides.

These spurs of pure gold are the symbols which say  
As your steeds obey them, you the Church shall obey,  
And speed at her bidding through country and town  
To strike, with your falchions, her enemies down.

Now fancy these knights, when the speech they have heard,  
As they stand scarfed, shoed, shoulder-dubbed, belted and spurred,  
With the cross-handled sword duly sheathed in the thigh  
Thus simply and candidly making reply:

By your Majesty's grace we have risen up knights  
But we feel little relish for frays and for fights:  
There are heroes enough, full of spirit and fire,  
Always ready to shoot, and be shot at, for hire.

True, with bulls and with bears we have battled our cause  
And the bulls have no horns and the bears have no paws;  
And the mightiest blow we ever have struck  
Has achieved but the glory of laming a duck.

With two nations in arms, friends impartial to both,  
To raise each a loan we shall be nothing loath;  
We will lend them the pay to fit men for the fray  
But shall keep ourselves carefully out of the way.

We have small taste for championing maids in distress.  
For State we care little: for Church we care less;  
To premium and bonus our homage we plight:  
'Percentage', we cry: and, 'A fig for the right!'

Twixt Saint George and the Dragon we settle it thus:  
Which has scrip above par is the hero for us:  
For a turn in the market, the Dragon's red gorge  
Shall have our free welcome to swallow Saint George.

Now God save the Queen and if ought should occur  
To peril the crown or the safety of her,  
God send that the leader, who faces the foe,  
May have more of King Richard than Moses and Co.

Peacock adds a note that in *Stock Exchange* slang, *Bulls* are speculators for a rise, *Bears* for a fall and a *Lame Duck* is a man who cannot pay his differences and is said to waddle off. Such awareness of the dealings of usury is at least attributed to the *Church*...in the person of Dr. Opimian.

This awareness also appeared in Byron's writings (1788-1824). He noted how rich Britain was in Jews, and the political results of a loan.<sup>236</sup> Napoleon too is said to have understood who the real powers were. But such knowledge in the *Church* must have been confined to a few *Doctor Opimians*.<sup>237</sup>

The *Patriotism* of the *Money Market* is well touched by François Ponsard<sup>238</sup> in his comedy *La Bourse* (Act IV, Scene 3).

<sup>236</sup> In *Don Juan* in particular.

<sup>237</sup> George Eliot's reference to the war and high prices has been previously noted.

**Alfred:** Quand nous sommes vainqueurs, dire qu'on a baissé;  
Si nous étions vaincus, on aurait donc haussé?

*When we were winning, to think we should have dropped!  
And when we were losing, so we should have raised?*

**Delatour:** On a craint qu'un succès, si brillant pour France;  
De la paix qu'on rêvait n'éloignat l'espérance.

*We feared that success, so brilliant for France;  
Of the peace that we dreamed would lose us the chance.*

**Alfred:** Cette Bourse, morbleu! n'a donc rien dans le coeur!  
Ventre affamé n'a point d'oreilles...pour l'honneur!  
Ainsi je ne veux plus jouir - qu'après ma noce –  
Et j'attends Waterloo pour me mettre à la hausse.

*This Market, bedammed, has a heart that is empty!  
And a belly that's empty has no ears...for honour!  
So I will no longer enjoy - save after wedding –  
And await Waterloo to set about raising the rate.*

In 1875 James Harvey, author of *Paper Money* and *Interest of Money a Legalized Robbery*, asked who had ever heard a sermon condemning usury as a sin. Harvey understood the nature of money clearly enough, and wrote:

“If labour is the source of wealth, labour should be the source of money. As the substance comes into existence, so should the shadow.”

Harvey anticipates a modern theory that money should be a certificate of work done. He complains that in the Rev. J. Green's *History of the English People*:

“There is not the slightest allusion to the financial policy of Mr. Pitt when in 1793 he passed the *Bank Restriction Act*. Nor any reference to the important effects on the prosperity of the country of Sir Robert Peel's reversal of that policy. *The History of England*, epitomized by Hume, passes over the subject without comment.”

He continues:

“*Finance* will prove to be the keystone of history, and historians will be compelled to bring it more prominently before students. The issue of *Paper Money* on the cultivation of land is described by Rector Twells in his pamphlet.”

Walter Savage Landor professed friendship for the *Church of England* and realized what money did. In *The Letters of a Conservative*, addressed to Lord Melbourne in 1836, he attacked the *Extravagance of the Bishops* and makes proposals for social reform. One of these may be quoted for its modernity:

“that between fourteen and twenty, none work longer than four hours consecutively nor beyond eight hours in the twenty four.”

Landor also remarked that:

“Mr. William Pitt was the most wonderful steam-engine that ever worked with human breath. But all that came from it is mingled and lost in air, excepting an insoluble body of *National Debt*, and an eternal blight on *Agricultural Labour*.”<sup>239</sup>

Landor continued:

“The *Clergy*, and principally the higher, must be treated like the *Patients* of Dr. Caius in the seating sickness; they must be kept from going to sleep.”

<sup>238</sup> François Ponsard (1814-1867) was born in Vienne, Isère and trained as a lawyer. His breakthrough as a playwright came in 1843 with production of *Lucrèce* at the *Théâtre Français* in Paris. *Lucrèce* was followed by *Agnès de Méranie* (1846), *L'Honneur et l'Argent* (1853), *Charlotte Corday* (1859), *Le Lion Amoureux* (1866) and the controversial *Galilee* (1867). Ponsard's plays represented a reaction against the romantic style of Dumas and Hugo, blending the liberty with time and place of the *Romantics* with the more sober style of earlier *French Drama*. Ponsard's 3-volume *Œuvres Complètes* was published in 1876. [Ed].

<sup>239</sup> We are reminded of Mr. Massingham's remark that the *1832 Reform Bill* was Cobbe's greatest disillusionment, because it gave the power to the *Industrial Lords*.

This was written in 1836, the year after Cobbett's death and the publication of *Legacy to Parsons* and was one more indication of the desperate spiritual plight of the *Church*, which Lord Melbourne did not expect to survive more than a generation.

A later passage shows Landor to be a man of no party like Maurice but with greater awareness of economic motives.

**Whig:** As our wars have usually been conducted, if every man in England had as much courage and as much strength as Samson, it would avail us little, unless we had in addition the scrip of his countryman Rothschild. Men like these support wars and men like Greville beget them.

**Tory:** Not a word against that immortal man, please sir! Your economists, the most radical of them, will inform you that not money but the rapid circulation of money is wealth. Now whatever made it circulate so rapidly? All the steam engines that were ever brought into action would hardly move such quantities of the precious metals with such velocity."

From our standpoint the significance of Trollope is that he saw the importance of money in life to the sundering of bone and marrow. He was a *Churchman*<sup>240</sup> and was not opposed to the cheering influence of the *Oxford Movement*. He was opposed to the dreariness of cant and to the hypocrisy and greed that could be embodied even in prayer.<sup>241</sup> The Vicar of Bullhampton, with his merciful love for the castaway Carrie Brattle was luckily not so outdated as some of Trollope's critics would have us believe.

But in one of his last books shortly before his death in 1882 Trollope let fly at the drift in contemporary society. In *The Way we Live Now*, an *International Financier* is elected to *Parliament* for Westminster and entertains the *Emperor of China*. A *Jew* is accepted into a country family, to buy it out, and a suspect *American lady* also has a hand in the invasion.

But the *Church* took little notice of the perceptions of these men, some of them her members, none of them hostile to her true vocation. Faith in God was shaken to its foundations, while the distinction between issuing money, as the *Bishops* had done, and lending it, as the Rothschilds were doing, was too sharp for minds that were speculating in slums.

The attitude of the *Church* is well demonstrated by the definitions given in *Latin-English Dictionaries*.

The Rev. J. Riddle, in his *1843 Dictionary*, translated *fenerator* as: 'one who lends on interest, a capitalist. In a bad sense, as usurer'. The Rev. John White, in his dictionary of 1876, also implied that lending for gain may be an honourable trade with little qualification in translating *fenerator* as: 'one who lends on interest, a money-lender; with odious secondary idea, a usurer'. This difference is not found in Dr. Samuel Johnson's dictionary. In *Classical Latin*, *fenerator* is never used save with the force it would have had in Cato of 'criminal or despicable blackguard'.

The only action referring to money that the *English Church* took during this period was in 1867, when the *Decrees of the First Four Councils* were 'declared authoritative by *Act of Parliament*', and 'reaffirmed as part of the *Rule of Faith* of the *United Church of England and Ireland*'.

The *XVIIth. Canon* of the *Council of Nicea* forbade the clergy to practice usury, and has already been quoted.

The thirty years up to the outbreak of the 1914 war were busy with many movements within the *Church of England* that tried to help workers, as the vast *Proletariat without Property* was now called. Stewart Headlam and Thomas Hancock led the *Guild of Saint Matthew*. Canon Scott Holland was prominent in the *Church Union* and edited *The Commonwealth*.

Both movements tried to help the poor and to stir the conscience of church people, who were then a considerable body. But neither made very fundamental criticisms of the society which produced these evils. The industrial and financial systems were then accepted, although one was based on unreality and the other on usury. However, the movements did keep alive the Church's conscience, while Joseph Arch drew attention to the plight of agricultural labourers.

Arthur particularly interested Bishop Gore, while a student. *Mammon Worship*, as it was then called, was a target for popular preaching, but in spite of those mentioned and the warning of Thomas Attwood<sup>242</sup> to the

<sup>240</sup> "I try to go to Church regularly."

<sup>241</sup> Cousin Henry, for example, the weak rascal who always said the *Lord's Prayer* in bed and the praying lady in John Caldigate.

<sup>242</sup> Thomas Attwood (1783-1856) was an *MP* in the *Chamberlain Family's* fiefdom of Birmingham. The Chamberlains were *Industrialists*; the Attwoods were *Bankers*. Attwood brought to *Parliament* an understanding of *Finance* and campaigned for *Currency* and *Parliamentary Reforms*. In sharp contrast to the *Orthodoxy* of his *Age*, Attwood understood that *Money*



*Chartists*, money power was not thought of. Indeed, the most aware of *Churchmen* tended to identify *Christianity* with *Socialism* - a doctrine that was no better defined than in the days of Maurice, and was apt to produce stupid reactions.

There was little attempt to regain the *Church's* authoritative position with regards to money and economic activity - such doctrines as the *Just Price*, for instance - and it was largely a movement of the heart within the *Financial Industrial* set up, in spite of *Theologians* such as Bishop Westcott.

But nearer the end of the century a deeper understanding of the problem's nature did appear, and had its effect on the *Church of England*, for Pope Leo XIII issued his *Encyclical Rerum Novarum*. It was a recall to the *Just Price*, notably of the *Labourers*, and said that unjust treatment of labour cried to heaven for *Vengeance*. At the same time, the *Roman Church* has never endorsed the teachings of *Socialism*, while it opposes '*Freemasonry, Communism and Zionism*'.

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backed by *Precious Metal* created the scarcity upon which the *Financiers* feasted. He campaigned for *Paper Money* backed by *Productive Power* and for the *Money Issue* to be by *Public Credit* instead of *Debt* on which the *Nation* pays interest to a *Private Corporation*. Austin Mitchell, *MP for Grimsby*, was the 2008 *Winner* of the *Attwood Award*. In *Chapter XI*, Rev. Henry Swabey quotes from Attwood's *Observations on Currency, Population & Pauperism*. [Ed].

## Chapter 15. The Recovery

It was the turn of the century. The *State of England* was at the height of its *Imperial Powers* - an empire upon which the sun never set. Meanwhile in the *Church of England* new men were coming to the fore. They wanted to be part of a new *Social Movement* but they were not content with a *Socialism* that was moving from *Humanism* to *Secularism*. Such were the late Bishop Gore and the Rev. P.E.T. (later Canon) Widdrington. And it was only later on that Conrad Noel wrote about usury.

This is not to deny the *Christian* idealism of such leaders as Keir Hardie<sup>243</sup> and George Lansbury, but few had yet seen that the *Prohibition of Usury* was fundamental for civilization or had really understood the problem in which they were involved. Bishop Gore, in his *Meditations on the Litany*, complained of the destruction of food while people were underfed. This was a direct attack on the results of ill regulated finance, and recalls the protests of Bishop Berkeley and those made in Cobbett's time. It goes deeper than the *Orthodox Socialist* idea of robbing Peter to pay Paul.

By 1906, the *Guild of Saint Matthew* and the *Church Social Union* (founded in 1889) had served their purpose of stirring the conscience and the *Christian Socialist League* was founded. William Temple soon made his appearance, but for the time the vagueness of *Christian Socialism* was accepted as sufficient. Conrad Noel was the first organizer of the *League*.

The *National Guild Movement* voiced opposition to the *Wage System* and, in the words of Canon Widdrington, 'turned our minds back to the social tradition of the Church'. But Egerton Swann called the *Just Price* 'purely the *Church's* own program', together with *Distributed Property* and *Guild Organization of Industry*. In 1922 this was a vital step, for it was from the consideration of the *Just Price* that the *Church* was originally let to consider the *Just Price of Money*, and so to ban usury because £100 is not worth more than £100. Otherwise, *venditur id quod non est*.

The *National Mission of Repentance and Hope*, launched in 1916, was important rather in its aftermath than its own immediate results. These were not so flat as the similar *Recall to Religion* issued twenty years later by Archbishop Lang, who had perhaps been too involved in the tragic happenings that surrounded the Abdication of a popular *King*.

The general question then was, a recall to what? For no better pattern was given for daily or social life. Unlike his successor, Archbishop Lang was unlikely to understand the old social doctrines of the *Church* in the *Age of Faith*, and *Roman Catholic* newspapers remarked then as they had done twenty years earlier that the Archbishop was more intimately involved with the *Financiers of America* than was desirable, and so was unlikely to criticize *Finance* at all radically.

But the *National Mission* had some contacts with the problems of an industrialized society. The small movements of the *Guild of Saint Matthew*, the *Church Social Union* and the *Church Socialist League* were no longer opposition societies, but the social message was enunciated in the name of the *Church*. This was the first important result, although its significance may be over-stressed. Secondly, the *Fifth Report* which resulted from the *Mission* gave birth to the *Industrial Christian Fellowship*, which again considered the problem of *Money*.<sup>244</sup>

While Egerton Swann was writing of the *Just Price* in 1922, the *League of the Kingdom of God* was founded, and the *Christian Social Movement* suffered from a schism of its own. The *Catholic Crusade*, which branched off - was influenced more by Marx's diagnosis and shared his ignoring of money, apart from Conrad Noel.

V.A. Demant, later *Canon of St. Paul's*, was fully acquainted with the defects of the *Financial Mechanism* and was beginning to gain influence at this time. With the *Birmingham Conference on Politics, Economics and Christianity*<sup>245</sup> William Temple emerged as the leader of the social movement, and behind him the *Church* moved nearer her traditional position and away from satisfaction with standard *Socialism*. There were still many, of course, still content with individual *Pietism* and who cared for none of these things.

<sup>243</sup> James Keir Hardie (1856-1915) was the first *Independent Labour Member of Parliament*, seven years before the founding conference of the *Labour Party*. Hardie grew up in poverty. From the age of eight he was a baker's delivery boy and the only bread-winner in his family. He never went to school but was self taught. Originally a supporter of Gladstone's *Liberal Party*, he became the first leader of the *Labour Party* which swept into *Parliament* in 1906 with 29 *MPs*. He resigned as leader two years later and spent the rest of his life campaigning for votes for women and developing a closer relationship with Sylvia Pankhurst. He also campaigned for *Indian Self-rule* and an end to *South African Segregation*. A pacifist, Hardie was appalled by the *First World War* and along with *Socialists* in other countries he tried to organise an *International General Strike* to stop the war. His stance was not popular, even within the *Labour Party*, but he continued to address *Anti-War Demonstrations* across the country and to support *Conscientious Objectors*. [Ed].

<sup>244</sup> Such names as the Rev. Tom Dixon come to mind.

<sup>245</sup> *OPEC*, 1924.

In 1926 the *Bishops* offered to intervene in the *General Strike* but they were heavily snubbed by Stanley Baldwin who said that the *Bishops* had no more right to interfere than the *Federation of British Industries* would have to alter the *Creed*. They had had a somewhat similar experience under Lloyd George<sup>246</sup>. However no Christian voice that I am aware of noticed the reintroduction of the *Gold Standard* by Winston Churchill, which was in fact a return to an even more pernicious form of usury and caused the *General Strike*<sup>247</sup>.

At this time V.E. Demant's distinction between *Economic Laws* and *Laws of Nature*; R.H. Tawney's *Religion and the Rise of Capitalism* and Sir William Ashley's research into *Catholic Economics* started to gain readers. Miss. Kenyon pointed out that these writings aroused interest in the subject of usury, which had lain dormant for 250 years, a *Rip van Winkle* kind of experience.

The work was carried on by the *Church Union Summer Schools*, the journal *Christendom*, and Archbishop Temple on the one hand, and stimulated on the other by growing disgust with the destruction of goods and their restriction at a time when millions were suffering from destitution. Sir John Boyd Orr testified that four million in Britain were on an insufficient diet. Once again it was dissatisfaction with the results of wrong finance as Dr. Demant, Archbishop Temple and others pointed out.

The question of usury itself was examined in a pamphlet of 1930, published by the *Christian Social Council*, called the *Christian Teaching regarding Usury and Investment* edited by Reckitt. The enquiry was initiated by Will Reason as one of the activities of *COPOS*. A fundamental defect will appear, in that the authors by and large failed to see what *Money* itself for.

Secondly they failed to note that, in about 1640 in England, there was a change from the *Bullion* to the *Paper Theory*. Then fifty years or so later, from *Paper Money* to the wide use of *Credit*. It is true that their terms of reference are limited. But the task is not complete without at least a sketch of these facts, as well as a distinction between *Money* that has been *Earned* and *Money* created by the stroke of a *Banker's* pen. Such distinction is clear in, for instance, Jeffrey Mark's *Analysis of Usury*. Nevertheless, the essays are of great value both in themselves and in that they show the renewed attention of the *Church of England* to these problems.

The Rev. R.G. Millidge deals with usury in the pre-Christian era and in the early days of the *Church*. It is mentioned, he says, in the *Code of Hammurabi*<sup>248</sup> in about 2000 BC, when it is required that interest be paid with the return of the loan. The usual rate was about 20% on *Corn Loans*, though it rose higher.<sup>249</sup>

He points out that in the earliest *Old Testament Codes* usury is forbidden on *Money* lent to the *Poor*. Only in the later code is permission given to lend *Money* to the *Stranger*. They had by then experienced the results of usury, as we have remarked, in the *Slavery of the Poor* and the *Exaltation of the Large Creditors*, which resulted in the *Two Nations*, which Disraeli saw in his time.

In Greece, Millidge continues, the rate of usury was left to *Free Contract* and the *Plutocracy* which arose in Athens caused Plato and Aristotle to attack usury.

In Rome, usury was prohibited in 341 BC. When Cato was asked what he thought of usury, he asked, 'What do you think of murder'? But these prohibitions were disregarded and:

“...a great part of Seneca's *Great Fortune* was acquired at *Usurious Interest* to *British Nobles* after the *Roman Conquest* of Britain.”

Millidge gives further information about the early period of the *Church*. He does not provide a definition of usury but writes that 'all indications point to the entire disapproval of usury'.

It was condemned by all the *Apostolic Fathers*, and Cyprian was well aware of:

“...the fatal symptoms of *Political Dissolution*, presented by vast accumulations of *Locked-up Capital*, by the abnormal growth of *Grazing Land*, and the gradual elimination of the *Independent Labouring Class*.”

<sup>246</sup> It has been said that Bonar Law was the only politician of integrity during this period.

<sup>247</sup> Christopher Farman's careful documentation of the events of early 1926 in *The General Strike of May 1926: Britain's Aborted Revolution* (London, 1974) provides support for Swabey's claim. The *Miners and Trade Unions* were played as pawns in some larger game with Prime Minister Baldwin's role being to ensure that negotiations were unsuccessful. [Ed].

<sup>248</sup> 1958-16 BC. Sixth ruler of First Dynasty of Babylon. He conquered the whole of Babylon. His law code was discovered at Susa. The 20% was on something that grew, not on metal.

<sup>249</sup> *The Henry George School of Social Science* in New York has printed a few dozen copies of a 124-page booklet entitled *The Lost Tradition of Biblical Debt Cancellations* by Michael Hudson, based on his doctoral research into Babylonian economic history at *Harvard University's Peabody Museum*. Hudson's work has been summarized by Boudewijn Wegerif and is available online as a 12-page booklet entitled *Truth from Mesopotamia* with a foreword and afterword by William Shepherd. [Ed].

St. John Chrysostom said that ‘nothing is baser in this world than usury, nothing more cruel’.

St. Jerome and St. Augustine condemned it as ‘receiving more than was given’. The Popes enforced the prohibition by degrading guilty priests and excommunicating laymen. Usury could be reclaimed from the *Usurer's Heirs*, nor was an oath not to claim back the usury binding.

The *Legislation of Justinian* allowed usury of from four to six percent in the sixth century. In the ninth century Charles the Great forbade it. An English canon of 785 quoted Psalm XV verse 4 and said that ‘we have also forbidden usury’. As St. Augustine says,

“who can have *Unjust Gain* without there being *Justly Deserved Loss*? Where there is *Gain* there is *Loss*. *Gain* in the *Coffers*, *Loss* in the *Conscience*.”

Under Alfred, the laws directed that *Usurers' Lands* be forfeited and forbade their burial in consecrated ground. In 1064, Edward the Confessor prohibited *Usurers* dwelling anywhere in his *Kingdom*. If any were convicted of *Exacting Usury* he was to be deprived of his *Estate* and deemed an *Outlaw*.

“And the *King* affirmed that it was while he was at the court of the *King of the Franks* that he learned that usury was the principal root of all vices.”

The *Norman kings* pledged themselves to the *Laws of King Edward* and were equally severe on usury.

*Justinian's Laws*, revived in the eleventh and twelfth centuries, produced changes. On this note, after providing such valuable evidence for an obscure period, Millidge hands over to Conrad Noel.

This is another valuable contribution which upholds the medieval standard without equivocation, and opposes the notion that there was an original distinction between *Usury* and *Interest*. The book is really about this point.

Noel points out that Samuel Johnson and all writers of dictionaries before him spoke of *Usury* and *Interest* as identical. He shows that the reintroduction of *Justinian's Laws* led such as ‘the shameless usurer’ Accursius (1182-1260) to defend the taking of *Interest*.

The *Church* vigorously opposed this as a violation of *Canon Law*. In 1311 Pope Clement V branded *Defenders of Usury* as *Heretics* and condemned the towns which compelled payment of interest by *Debtors*. Gregory said that authorities who did this or freed a *Usurer* from *Restitution* would incur *Excommunication*.

*Civil* and *Canon Law* now forbade usury. Interest meant *id quod inter est* - the difference between the *Lender's* state on the day he made the *Loan* and his less fortunate position on the day when the *Loan* should have been returned and was not. It is his proved *Compensation* for a *Loss*. According to Noel, ‘the attitude of the *Orthodox Catholic East* was against all usury until the corrupt sixteenth century’. And he adds that compensation was only paid if the money could have been used in the development of a man's *Own Craft* or in a genuine *Investment* which involved *Risk*, and that the *Trade* must benefit the *Community*.

John Duns Scotus<sup>250</sup> had more reservations and later *Evasions* like the *Contractus Trinus*, advocated by Eck and condemned by the *Provincial Council of Milan* in 1586 and the *Bull Detestabilis* of Pope Sixtus V, were considered inadmissible, as was the arrangement by which the period of *Gratuitous Loan* was a quarter.

So Noel does not allow the distinction between usury and interest as usually accepted, but fails to appreciate fully the *Catholic Doctrine of Partnership*, which allowed the *Investor* to share the *Profits* if he shared the *Risk* and permitted *Sufficient Trade*. Noel is aware, however, of the distinction between a *Productive Loan* and a *Loan for Consumption*; the former being condemned by an *Encyclical* of Pope Benedict XIV.

St. Jerome had said that the increase on a *Loan* was due to the *Labour of the Debtor* and could not be claimed by the *Creditor*. This was the decision of the *Council of Tours* in 1163. When Alexander III, in a letter to Beckett, applied the findings of *Tours* to the *English Laity*, he said that *Gain* arising from a *Loan for Agricultural Production* was the result of the *Debtor's Labours* and could not be claimed by the *Creditor*. As Gerson said in the 15th Century:

“to wish like the usurer to live without labour is contrary to nature.”

Usury was included in the *Mortal Sin of Avarice* in the official late medieval *Manual for the Guidance of Confessors*. As late as 1682 Bossuet in his *Treatise on Usury* condemned interest on *Loans for Production*. It is

<sup>250</sup> Blessed John Duns Scotus (1266-1308) was a *Theologian, Philosopher, and Logician*. It was during his tenure at Oxford that the systematic examination of what differentiates *Theology* from *Philosophy* and *Science* began in earnest. He was one of the most influential *Theologians* and *Philosophers* of the *High Middle Ages*, nicknamed Doctor Subtilis for his penetrating manner of thought. [Ed].

a pity that Noel had not the space or knowledge to go a little further and show how *Modern Finance* is not merely usurious but a *Usurpation*.

The essay of Lewis Watt<sup>251</sup> will be examined more briefly, not because he is of another communion or reached a different conclusion from Noel but because he is the author of the latest *Roman Catholic* booklet on the subject, of some fifty pages, which demands separate notice and with which our evidence will conclude.

Watts mentions the earliest reference to usury in *Ecclesiastical Legislation*, when it was forbidden to the *Clergy* at the *Council of Arles* in 314. As *British Bishops* were probably in attendance, this is of interest for our native *Church*. The *Council of Carthage* in 345 and the *Council of Aachen* in 789 disapproved of *Lay Usurers*. It was condemned by two *Synods* held in Chelsea and in Northumbria in 787 under *Legates* George and Theophylact.

Father Watt mentions that Alexander VII (1655-67) condemned the theory that a lender may charge for a loan because he has not asked for repayment until a fixed date; while Innocent XI (1676-89) condemned the theories that a creditor may charge for a loan because a higher value is attached to money actually possessed than money to be received in the future, and that payment for a loan may be exacted in virtue of gratitude.

Watt's later evidence is of importance. Benedict's letter *Vix Pervenit* in 1745 disallowed usury on the grounds that it was to be used for *Productive Purposes*, while he allowed *Societas* and *Legitimate Interest*. Controversy was violent on the Continent although it had died out here and the French *Anti-Usury Law* was in force until 1789.<sup>252</sup>

Civil laws allowed usury in Germany in 1535, in England in 1571, in the Netherlands in 1658. There is little wonder that usury was known as the 'brat of heresy'. Interest was allowed because the *Lender* forgoes profitable investment, and this we have met before as *lucrum cessans*.

Benedict XIV wrote in his encyclical *Vix Pervenit*, 1745AD:

"The species of sin which is called usury, and which has its roots in the contract of *mutuum*, consists in this: solely on the ground of the *mutuum*, the nature of which is to require that only so much be returned as was received, a person demands that more be returned to him than was received; and so maintains that, solely on the ground of the *mutuum*, some *Profit* is owed to him over and above the *Principal*."

In 1823 Cardinal de la Luzerne allowed a *Charge on Loans* to be employed in *Commerce* but not on *Loans* to be used for *Consumption Goods*. Then in 1917 Pope Benedict XV effectively destroys the pure doctrine expressed by his predecessor Benedict XIV when he wrote:

"If a fungible thing is given to another so that it may become his and that afterwards a thing of the same kind and of the same value may be returned, no profit may be taken by reason of the contract itself. But in transferring a fungible thing it is not of itself unlawful to contract for legal profit unless it is clear that this is immoderate, or even for greater profit if there is a just and proportionate title."<sup>253</sup>

In a final word about *Societas* and *Commenda*, Watt points out that in *Societas* the *Lender* is *Part Owner* while in *Commenda* he remains *Owner*. In *Mutuum* he parts with the *Ownership*. It is the *Owner* who bears *Risks* and is entitled to the *Profits*.

In an interesting note on *Capital*, he points out that the *Scholastics* did not regard *Money* as *Capital* but either goods naturally productive - land, animals for instance - or those whose use, as in the case of tools, was separable from their substance.

In short Watt comes to a somewhat different conclusion from Conrad Noel although neither considers the *Issue of Money* or the *Usurpation* of this *Mighty Privilege*. *Quadragesimo Anno* implied this the next year when it arraigned the *Manipulators* of money, which is the life-blood of society.

N.E. Edgerton Swann was among the first explicitly to restate the old teaching on the *Just Price*. He points out that Luther 'pushed the prohibition of usury to extremes, sweeping aside all the limitations and precise definitions'.

<sup>251</sup> *Usury in Catholic Theology* by Father L. Watt of the *Society of Jesus*, a religious order of the *Catholic Church*. The order's founder Saint Ignatius of Loyola (1491-1556) was a knight before becoming a priest and the order is the largest male religious order in the *Roman Catholic Church* with some 20,000 members - 14,000 of them priests. The *Jesuits* were founded just before the *Counter-Reformation* to reform the *Catholic Church* from within and to counter the *Protestant Reformers*, whose teachings were spreading throughout *Catholic Europe*. [Ed].

<sup>252</sup> A reason for the Revolution?

<sup>253</sup> *Canon Number 1543*.

The tradition of the *Just Price* and *Usury* was still confidently appealed to by the *Church Leaders* after the *Reformation* but the *Church* failed to find ways of applying these principles in a wider and more scientific sense.

Jeremy Taylor and Sanderson tried to revive the old doctrines, and Swann gives an interesting quotation from Sanderson:

“Usury is when a man intends merely to live upon his money, and to contract precisely for the loan, and look at nothing but only to have so much coming in, which how far it may be justified I have yet to learn, unless it be in such persons as by reason of blindness...are nowadays unable to follow any employment.”

The last traces of the *Church's* social inheritance ‘vanished with the Revolution of 1688’. Then *Convocation*<sup>254</sup> was closed in 1717. In the period of Bentham (1748-1832) and Paley ‘the most unqualified justifications of practically unlimited usury ever accepted by Christian people were formulated’. Adam Smith (1723-90) substantially agreed and the *Church People* as a whole accepted his teachings as unimpeachable axioms.

Reckitt concludes the work with a chapter on *How the Moral Problem Today must be Approached*. Reckitt is of importance in that he has edited *Christendom* for many years, which paper carries on in a sense the work started by Maurice, while the former's attitude to usury is that of many of his school.

He points out that the root problem is to restrain *Avarice*. We may agree that *Unearned Income* does correspond to ‘an undoubted economic fact - the increment of association’. But it is questionable whether ‘a price should be paid for the hire of capital for productive purposes, as it has to be for other requisites - seed, raw materials etc.’

This is hardly reconcilable with the teaching on *Partnership*. He is aware of modern methods of creating *Bank Credit*, and his conclusion that the problem is not merely academic - as it appears to be in Watt's contribution - is unimpeachable.

But it is a pity that no reference is made by any of the contributors to Bishop Berkeley's *Querist*, particularly to his question ‘whether it be not a mighty privilege for an individual to create £100 with the dash of his pen. For it is precisely on the problem of the *Issue of Money* that the old doctrines of *Just Price* and *Usury* need modern formulation.<sup>255</sup>

The *Bishops' Mints* have a lesson for the present to as great an extent as those doctrines themselves. Indeed in his *1946 Scott Holland Lectures* Reckitt notes the ancient teaching on usury and sees that it is in line with this that future thinking on these subjects must be directed.

Some kind of return to *Usury Teaching* was suggested by the two lines of thought of the *Scholars* who examined these doctrines and in some cases commended them, and by the *Christians* who were aghast at social conditions of *Poverty* amid *Plenty* and saw that *Finance* was a potent cause.

Thought was stimulated by the poet Ezra Pound, a mighty intellectual force in the thirties, who devoted a good deal of space in his *Cantos* to denouncing usury, and by the *Churchman* and *Poet* T.S. Eliot, who mentioned usury in a broadcast talk.

It is true that numerous *Church People* still accepted Blackstone's naive treatment of usury as the last word<sup>256</sup>. But Temple was not among these. In *Christianity and the Social Order* (1941) and in *The Hope of a New World* (1940), he showed that the *Church* has a right to ‘interfere’ in *Economic* and *Financial* questions.

He is well aware of Tawney's work, and notes that:

“the two main pillars of *Medieval Theological Economics* were the *Doctrine of the Just Price* and the *Prohibition of Usury*.”

*Calvinism* gave the opportunity for the rise of *Economic Man*. Archbishop Laud owed much of his unpopularity with the section of society then represented in *Parliament* to his vigorous action, often high handed, in checking the *Robbery of the Poor* by the *Encroachment of the Landlords* and the *Enclosing of Common Lands*. He stood for the ‘older social ethics of a peasant civilization’.

And he mentions the ‘splendid parish priests who fought for the people's rights’. Men like Comber, *Rector of Kirkby Moorside* (1760-1810) who resisted the *Enclosure Acts*, founded schools and in a variety of practical

<sup>254</sup> The *Church's* Parliament...

<sup>255</sup> The confusion of terms dates from the time when neshek (usury) was called tarbith (increase). The modern writer inherits an increment of error in which more words have been perverted. *Usurers* have been called *Jews*; Usury has been called Banking; opposition to usury has been called anti-semitism which in itself is opprobrious and inaccurate. We suffer from the lack of clear definition of terms.

<sup>256</sup> See *Appendix 3*. [Ed].

ways stood up for the *Depressed*. Greatest of all was Hook, *Vicar of Leeds (1837-1869)* who ‘steadily championed the cause of the *Common People*’.

Such are in the tradition of Archbishop Laud who ‘used the *Star Chamber* as a means of preventing the oppression of the common people by engrossing corn’. And of Archbishop Grindal whose injunctions to the *Laity* of the Province of York (1571) expressly emphasized the duty of ‘presenting to the Ordinary those who lend and demand back more than the principal, whatever the guise under which the transaction may be concealed’.

Temple thus appealed to the *Church's* authority as a guide in these matters, although the connection between the *Prohibition of Usury* and the present *Financial System* is not explicit. His own proposals begin with a criticism of the system of banking and are reminiscent of those of C.H. Douglas, who is a member of the *Church of England* and strongly upholds its *Realistic Position*.

“The system whereby a bank of any sort charges interest on credit created by the making of a book entry and issued for the benefit of the public is obviously open to question...it is wrong in principle that *Finance* should control *Production*...There seems to be as strong a case for converting the *Bank of England* and the *Joint Stock Banks* into publicly administered institutions as there is for the *State's Monopoly of Minting*.”<sup>257</sup>

He would probably have expressed his meaning better if he had been aware of the *York and Canterbury Mints*.

“When money, or an effective substitute for money, is created and lent by book entry, as may be the case in the issue of credit, it seems that no more charge is ethically defensible than what will cover the cost of administration, perhaps 1/2 or 1/3 per cent.”

He differentiates between the *Creation of Credit* and the *Loan of Private Money*:

“If one citizen lends his money to another citizen or to the State, he is entitled to some recognition in the shape of interest, at least up to an agreed total, because he is transferring a real claim.”

But a distinction is also necessary between interest-bearing and non-interest bearing national or public debt as the third President of the United States, Thomas Jefferson, understood when in 1816 he wrote to Crawford:

“...and if the national bills issues be bottomed (as is indispensable) on pledges of specific taxes for their redemption within certain and moderate epochs, and be of proper denomination for circulation, no interest on them would be necessary or just, because they would answer to everyone of the purposes of the metallic money withdrawn and replaced by them.”

Jefferson goes on:

“It happens that the ease with which we produce becomes a reason for not producing at all, because the *Markets* are glutted, though *Human Need* is not satisfied.

Under existing conditions we can only solve the *Paradox of Poverty* in the midst of *Plenty* by abolishing the *Plenty*. *Commerce* must become avowedly an *Exchange of Goods for Mutual Advantage*, in which all search for what is called a favorable *Balance of Trade* is repudiated.

The pursuit by every nation of a favorable *Balance of Trade* is inevitably a source of *Conflict*. For if the balance is favorable to one, it must inevitably be unfavorable to another.”

Temple was also aware of the threat from erosion, and his policy was based on *Money Reform* and a right treatment of the land. This was to recover a wide range of earlier teaching. He said that: “I should personally urge the total exemption of all *Agricultural Land* from *Death Duties*.” And that: “No scheme of publicly organized production can be satisfactory apart from the national control of credit.” And even more clearly:

“It cannot be justified that in modern conditions the *Banks*, even the *Bank of England*, should, in order to meet national needs, create *Credit* which earns interest for themselves. The *State*<sup>258</sup> must resume the right to control the issue and cancellation of every kind of money. Till that is done a body within the community will control what is vital to the welfare of the community. And that is a *False Principle*.

“*Finance* ought never to be in positive control. It exists for the sake of *Production*. And *Production* exists for the sake of *Consumption*. The *Hungry and Needy Public* ought to be the

<sup>257</sup> Temple fails here to distinguish issuing and lending.

<sup>258</sup> Whatever this means. It could still mean a body within the community.

controlling group.<sup>259</sup> *Finance* may rightly exercise a check, calling a halt to avoid *Bankruptcy*. But for positive control, it is functionally unfitted. Yet it exercises such control to a very large extent.”

The *Spring Session* of the *Church Assembly* in 1935 distinguished between *Employment*, which was labour done for money, and *Work* which fulfilled the creative instincts of mankind. A *Miner* might be employed in a pit, for example, and work in his garden.

The report went on to demand an impartial enquiry into the *Financial System*, and was altogether a document of great value and insight into the faulty working of the *Financial System*. It required that *Bankers* should not be assessors of the *Financial System*, that is, that they should not judge their own case.

It condemned the system not because it was usurious but because it did not work to fulfil the functions of a financial system. As Reckitt - a member of the *Assembly* - says in his lectures:

“A third problem is to find a *Monetary Mechanism* to distribute whatever it may be that a nation decides to grow or make.”

In 1941, these subjects were among others discussed at the *Malvern Conference*, in which Temple was again the leader. There was a failure in communication, aided by the war. For poverty amid plenty was no longer evident. Neo-Calvinism did not favour such subjects, which is a curious repetition of history or of religious temper.

As a result, the war had to be concluded before another pronouncement was made. This was an article in *Prospect for Christendom* which again showed the futility of old financial ways. Speaking of *Malvern*, Temple said:

“Our discussion led us to suggest that the remedy must be sought in a new appreciation of the true relations between *Finance*, *Production*, *Distribution* and *Consumption*, and adjustments of our *Economic System* in the light of this. We further considered that a reform of the *Money System* might be indispensable.”

In *Prospect for Christendom*, edited by Reckitt, David Peck's 1945 contribution *The Function of Finance* discusses the defects of the *Financial System*:

“The *Banks* may create out of nothing but the ultimate basis of the *Loan* is the *National Wealth*. They thus lend to the community what already belongs to it, and they then charge *Tribute* upon it. But much more than this iniquity, they want the *Loan* back again.”

Beck then argues for *Consumer Credit*. Many other *Clergy* and *Laity* have written and thought along these lines, laid out for them by C.H. Douglas and his demand for a *National Dividend*, *Compensated (or Just) Price*, and *National Credit Office*.<sup>260</sup>

We may finally look at the work of Lewis Watt who has been studying these issues<sup>261</sup> for some years, and whose 1945 work *Usury and Catholic Theology* must be somewhat authoritative for the *Roman Catholic Communion*. As there was co-operation before between Watt and what may loosely be called the *Christendom Group*, his work will not be without its effect on the *Church of England*.

It would have been well if he had prefaced his work with the remarks of Pius XI in *Quadragesimo Anno*, who wrote, when discussing the power of the few:

“This power becomes particularly irresistible when exercised by those who, because they hold and control money, are able also to govern credit and determine its allotment, for that reason supplying so to speak the life blood to the entire economic body and grasping as it were in their hands the very soul of production, so that no one may breathe against their will.”

And Pius mentions:

“a not less noxious and detestable internationalism or international imperialism in financial affairs, which holds that where a man's fortune is, there is his country.”

Watt, in his *Ethics of Interest*, said that the *Synod of Meaux* in 845 ordered bishops to suppress *Christian Usurers* while in the 12<sup>th</sup> century Alexander III and Urban III forbade usury. In 1274 the *Second Council of Lyons* prohibited letting houses to *Foreign Usurers* and declared invalid the *Wills of Usurers* who died without making *Restitution*.

<sup>259</sup> C.H. Douglas wrote: ‘in effect, if not in technique, money must originate in the individual so that the central power has to come to him for it. This curious craze for ‘all State’ money is wholly disastrous’.

<sup>260</sup> Also by Kitson and others.

<sup>261</sup> Although unfortunately not so much the issue of money.



In 1745 the occasion of *Vix Pervenit* was the *Loan* floated by the *City of Verona* at four and a half percent. The Pope's point was that it was no excuse if the *Borrower* was rich or if the *Loan* was going to be used for productive purposes.

The 19th century was not quite such a dead period in the Roman as in the *English Church*, though the limitations of such impact have been noted, when money was no longer *Bullion* and *Paper Money* had been succeeded by *Bank Credit*. For the *Penitent* who lent at moderate interest was to be prepared to obey any further decisions the *Holy See* might make. The matter was still on the books. The unfinished *Vatican Council* of 1869-70 was to have discussed it, and to have considered whether civil law gave the right to receive interest. Canon 1543 remains the official doctrine.

It is interesting that Louie XIV had renewed the anti-usury legislation in a more severe form, while Joseph II of Austria fixed the maximum interest at five percent. There is something in the contention that *Kings* opposes *Money Power*.

In *Usury in Catholic Theology* Watt recognizes the 'vast system of debt and credit' and the consequent demand that the 'concept of usury' be used as an instrument to deal with 'the problem of the social power exercised by finance'. This is indeed the kernel of the whole problem.

He notes also that the *Fifth Lateran Council (1512-1517)*:

'established the principle that credit-institutions are not guilty of usury if they make a charge to borrowers in order to cover costs of administration'.

But this is to justify a charge -even with an inflated bureaucracy like the modern *Bank of England* - of a fifth of one percent not five percent and upwards, because only costs are in question (*sumptus*).

Credit institutions are careful enough to guard against *dammum* and *periculum* by taking *Collateral Security*, *Title Deeds*, *Mortgages* etc. and through *Insurance*. Perhaps the most valuable part of the book is the quotation he gives from Contarini<sup>262</sup> in 1584 that:

"A *Banker* could accommodate his friends without payment of money merely by writing a brief *Entry of Credit* and could satisfy his own desires for fine furniture and jewels by merely writing two lines in his *Books*."

This perception occurs a hundred and fifty years before *Berkeley's Querist*. Watt adds that the essential characteristic of money as being a *Means of Exchange* is even more evident when it takes the 'disembodied form of entries in the *Books* of a *Bank*'.

He points out that *Public Loans* had been approved by St. Bernadino of Siena and St. Antonino of Florence. In a *mutuum*, the *Ownership* was transferred, and so the *Profits* belonged to the *New Owner*.

"The criterion by which to judge the nature of a *Contract* (whether it is usurious or not) is, who undertakes to bear the *Risk*."

When you cannot transfer *Ownership* and *Risks* you can expect to have your money back but not the *Profit*. Watt commends *Joint-Stock Companies*, but not *Debenture Loans* floated by cities and states which he considered fell into the category of *Rent-charges*. It is most dubious whether any *State* or *City Loan* can be justified in the light of present knowledge. Early in the 19th century Guernsey built a new market hall by issuing its own money.

In the sixteenth century Diego Laynez<sup>263</sup> wrote that:

"The astuteness of merchants, fostered by their lust for gain, hath discovered so many tricks and dodges that it is hardly possible to see the plain facts, much less to pronounce judgement on them."

One was the *Triple Contract*, in which three simultaneous contracts were made with one *Merchant*. Interest was gradually accepted by the *Theologians* when an extrinsic title, notably *lucrum cessans*, was present. Civil law

<sup>262</sup> Gasparo Contarini (1483-1542) was an Italian diplomat and cardinal born in Venice. He began his career in the service of his native city after scientific and philosophical training at the *University of Padua*. Ignatius Loyola acknowledged that Cardinal Contarini was largely responsible for gaining papal approval for the *Society of Jesus* in 1540. The *Catholic Encyclopedia* reports that his mild resoluteness and blameless character, made him respected everywhere. [Ed].

<sup>263</sup> Diego Laynez (1512-1565) was a priest and theologian born in Almazán in Castile. He was of Jewish ancestry and one of the six men who, with Loyola, formed the original group of *Friends in the Lord*. He succeeded Loyola as *Superior General of the Society of Jesus*. [Ed].

permitting it was held to show that the state of society was such that in a *Loan* a chance of *Profit* would normally be lost.

Sometimes the *State's altum dominum* over the property of citizens is cited. Perhaps the most significant of *Civil Permissions* is that in France where Louis XIV had tightened up the laws against usury. They were repealed in 1789 when interest was permitted and maximum rates were fixed.

There were still, at least, controversies in the 19<sup>th</sup> century and the Cardinal de la Luzerne and Marco Mastrofino wrote books on usury in 1823 and 1831. Pope Leo XI<sup>11</sup>, with perhaps less theological accuracy but more relevance, referred in his *Rerum Novarum* in 1891 to 'rapacious usury more than once condemned by the Church' still being practiced under a different guise.

Father Vermeech treats the *Instalment System* as an example of disguised usury where the total of the *Instalments* fare much in excess of the value of the commodity - *nimis superent valorem*.

The *Manifesto of the American Bishops* appeared six or seven years before Watt's 1945 booklet. Our final information on the antiquity of laws against usury in Britain comes from a pamphlet by Richard O'Sullivan, KC:

"The laws attributed to Edward the Confessor already treat usury as a crime. *Si alicuius inde probatus esset, omnes possessiones suas perdet et pro ex lege habetur* - anyone convicted of usury will have all his goods confiscated and be outlawed. For Glanvil<sup>264</sup> and for Bracton, usury is at once a *Sin* and a *Crime*. In his lifetime, the *Usurer* was dealt with as a *Singer* by the *Courts Christian*. And if he died unrepentant, the *King* had a claim to his goods."

O'Sullivan continues that 'a 1349 statute of Edward III embodies the *Doctrine of the Just Price*' when it was written that 'all sellers of all manner of victual shall be bound to sell the same for a reasonable price...so that the same sellers have modern gains and not excessive'. And an act of Edward III in 1353 directed that 'in the *Staple* Towns houses shall be let at reasonable prices, imposed by the mayor'.

O'Sullivan also noted that it had been clearly stated that:

"The difference between *Money* and *Credit* is of *Time* - of present and future. *Money* is backed, or should be based on, work done; *Credit* on work that is do-able. In each case the work should be to needed or wanted ends, inside a system, if it is to be *Sound Money* or *Sound Credit*. Under it all is the *Productivity of Nature* and the *Responsibility of the People*."

The *Theologians* have considered usury almost in isolation from the undoubted developments in *Monetary Science* and use since the time of St. Thomas. On the whole the *Roman Communion* in England and elsewhere, while it should be commended for not losing sight of the problem of usury as did the *English Church* for 250 years, has made rather too academic a question of it and left out of account that not only *Paper Money* but *Credit* also have superseded the old *Bullion Standard Coins*.

The problem of the *Nature of Money* and of *Credit* still remains. And in this connection, certain Theologians of the *English Church*, among whom William Temple was outstanding, have realized that *Financial Credit* is created by the *Bankers*, but is based on *Real Credit* while *Money* only has *Value* as representing *Goods*.

*Money* has been defined as a *Claim* and a *Measure of Price*. The root problem is whether the *Issue of Money* is to be left in *Private Hands* or is to be related to *Goods Available*, and whether *Credit* is to be regulated by the *Expectation of Available Goods*.

Money issued against goods that are not for consumption (whether exports or public works) tends to cause inflation, while the costing system itself tends to cause insufficient purchasing power. Available goods have been called the substance of things hoped for. Such problems are mentioned by Temple, and this is evidence for the return of the Church to her rightful position as the guardian of the community's financial ethics.

But the gap that separated David Jones and Bishop Berkeley still exists. The former condemned usury as a sin, the latter drew attention to the unsatisfactory nature of the *Issue of Money* and the great privilege enjoyed by a private individual who created £100 with the dash of his pen. The *Banks* do not lend deposits, but it is safe for them to lend about ten times the amount of the money deposited with them, and a *Loan* is of course initiated by a *Book Entry*.

The country needs above all else to have control of its own money and of the issue of its own money and credit, whereas the banks since Paterson's day have been practising the major usury condemned by Mark in his

<sup>264</sup> Glanvil was written by Hubert Walter, Bishop of Winchester, in the latter half of the 12<sup>th</sup> century. Henry of Bracton wrote *De Legibus at Consuetudinibus Angliae* in the middle of the 13<sup>th</sup> century. The bishop raised 'law to the level of literature', and the Archdeacon of Barnstaple, Bracton, wrote 'the crown and flower of English mediaeval jurisprudence'.

*Analysis of Usury.* The problem of *Money Issue* is then the fundamental problem of *Ethics, Rightness* and *Conformity with Nature*. Conformity to nature was the canon by which *Theology* measured the question of yield, or interest, or usury. Other canons are unreal, 'ungodly' and automatically disastrous.

The problem of usury is not, in fact, an academic matter that is only the concern of a few tender consciences in the *Roman Communion*, but it is a critical question of *Public Morals*. We saw the results after Waterloo of *Public Usury*, and Byron, Cobbett, Adams have had much to say on its iniquity.

The results were much the same after 1918, when a decline was organised. After 1945, *Inflation* was rather more evident, yet there was *Scarcity of Effective Currency* and not what was needed. Usury has advanced to a higher and more complicated stage, but the fact and the *Usurers* are still in evidence.

Usury is not the wrong term to be applied to such manipulations, and the same results follow from this *International Usury*, on a huger scale, as were described by Bishop Jewell. *Hunger, War, Suicide, Despair*.

The *Greed* of the *International Financier*, and his interlocking interests (called the *Chemical Empire*), is the same as that of the expelled *Jews* in 1290 but a thousand fold more sinful and disastrous. The *Privilege of Issue* has been usurped, and *Governments* have been at the mercy of those who control the issue.

Usury is not a dead or theoretic problem, but will always, as long as *Human Greed* exists and ramifies - *maledictus captans annonam* - be the leading moral problem in any society. And the surest argument and remedy is based not on results but on *Christian and Natural Principle*.

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**Appendix I. Dante and Money**

*Usury and the Church of England* has been subsequently revised from its original form as a Bachelor of Divinity thesis with the help of a friend who provided invaluable notes. He has also allowed me to add the following notes on Dante.

**Inferno XVII, 36.**

The usurers are on the edge (*gente seder propinqua al loco scemo* - people sitting near the empty space), before the descent on the beast Geryon, “that filthy image of fraud,” who has just been described.

The *Usurers* are mentioned after the description of *Geryon*, and are the very nearest to *Fraud of the Violent*. Their position on the brink of fraud suggests possibly a distinction between simple usury and usury with falsification of account. But they are trembling on the brink of fraud, as it were, with their human features completely unrecognizable.

**Inferno XXX, 74.**

We find the *Counterfeiters* very near the final degradation of the treacherous, and Dante's severity on them bears on his feeling about *Usury*. We may compare modern practises of inflation, devaluation etc.

**Purgatory. XV, 45 ff.**

Partnership is mentioned '*consorto*' '*compagnia*' (50).

“by so much more there are who say ‘ours’ so much the more of good does each possess, and the more of love burns in that cloister.” (55-7).

**Purgatory XVI.**

“.. evil leadership is the cause that has made the world sinful, and not nature which may be corroded (*corrotta*) within you" (103-105).

**Purgatory XXXIII, 51.**

“the Nairs will solve this hard riddle without scaith to flock or corn”. Such loss precisely has accompanied solutions to problems offered by the offspring of usury, scarcity economics.”

**Paradise XVI, 105.**

“they who blush red for the bushel”, shows preoccupation with the just measure (*'lo stajo'*, '*bushel*').

**Paradise XVI, 110.**

*'le palle dell'oro'*, the golden balls which “adorned Florence in all her great feats” are mentioned with disgust.

**Paradise XXIV, 84.**

“Right well hath now been traversed this coin's alloy and weight.”

**Appendix II. Sir William Blackstone**

Sir William Blackstone, in addition to being a renowned judge and writer on the law, was a solid churchman. He lectured at Oxford, and these lectures were printed in 1765 under the title of *Commentaries on the Laws of England*.

In his commentaries he gave the law on usury as it was then,

“by the statute 12 Ann. st. 2.c.16 it was brought down to five per cent, which is now the extremity of legal interest that can be taken” (2.463).

Blackstone defined usury as:

“an unlawful contract upon the loan of money, to receive the same again with exorbitant interest” (4.156)

Blackstone also wrote about usury (2-454-7):

“...the enemies to interest in general make no distinction between that and usury, holding any increase of money to be indefensibly usurious...hence the school divines have branded the practise of taking interest, as being contrary to the divine law both natural and revealed; and the canon law has proscribed the taking any the least increase for the loan as a mortal sin.”

He continued regarding the permission granted the Jews in the Mosaic law:

“to take it of a stranger...proves that the taking of moderate usury, or reward for the use, for so the word signifies, is not *malum in se*...”

And as to the reason supposed to be given by Aristotle, and deduced from the natural bareness of money, the same may with equal force be said of houses, which never breed houses.

And though money was originally used only for the purposes of exchange, yet the laws of any state may be well justified in permitting it to be turned to the purposes of profit, if the convenience of society (the great end for which money was invented) shall require it.

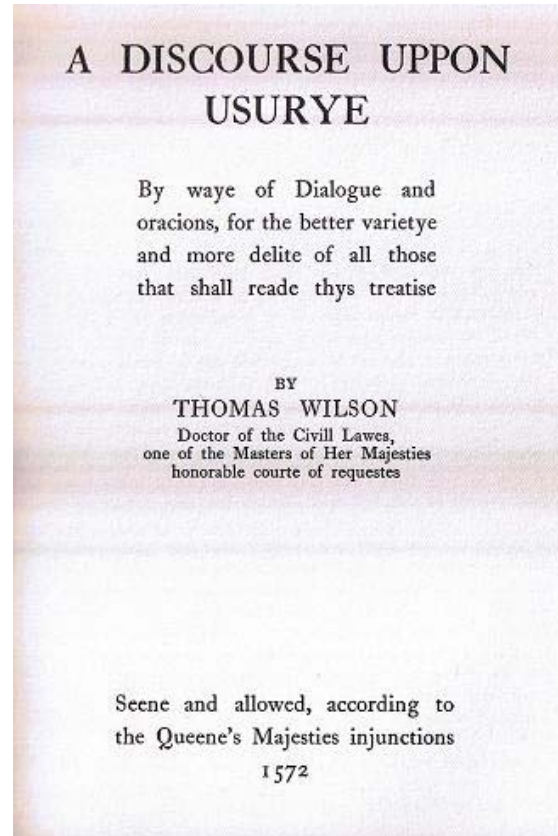
And that the allowance of moderate interest tends greatly to the benefit of the public, especially in a trading country, will appear from that generally acknowledged principle that commerce cannot subsist without mutual and extensive credit. Unless money therefore can be borrowed, trade cannot be carried on. And if no premium were allowed for the hire of money, few persons would care to lend it.

Thus in the dark ages of monkish superstition and civil tyranny, when interest was laid under a total interdict, commerce was also at its lowest ebb, and fell entirely into the hands of *Jews* and *Lombards*. But when men's minds began to be more enlarged, when true religion and real liberty revived, commerce grew again into credit; and again introduced with itself its inseparable companion, the doctrine of loans upon interest.

And as to any scruples of conscience, since all other conveniences of life may either be bought or hired, but money can only be hired, there seems to be no greater oppression in taking a recompense or price for the hire of this, than of any other convenience.

To demand an exorbitant price is equally contrary to conscience for the loan of a horse or the loan of a sum of money. But a reasonable equivalent for the temporary inconvenience, which the owner may feel by the want of it, and for the hazard of losing it entirely, is not more immoral in one case than it is in the other.

Without some profit allowed by law there will be but few lenders and those principally bad men, who will break through the law...and then will endeavour to indemnify themselves from the danger of the penalty, by making the profit exorbitant.



'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 III. The Antecedents of Banking by R.H. Tawney

The preceding sections<sup>265</sup> have shown that, by the latter part of the sixteenth century, agriculture, industry and foreign trade were largely dependent on credit. It remains to consider briefly what types of person mainly supplied it, and what signs, if any, are to be found of that movement towards the more systematic organization of money-lending in the hands of a specialized class of *Bankers* which was to attract so much attention after the *Civil War*.

To answer the first question with some precision would probably not be impossible, but it would entail a more elaborate statistical investigation than the writer has been able to undertake. The first conclusion which emerges is, however, little affected by the distressingly indefinite character of the evidence as to the occupation and social position of *Tudor Moneylenders*, and is, indeed, indirectly confirmed by it. It is that the advancing of loans was not yet, as it became in the following century, a specialized profession identified with the members of some particular trade or group of institutions, but was normally a venture taken up as a bye-employment by the prosperous *Tradesman* or *Farmer* in the intervals of his ordinary occupation.

The word 'Banker' was coming into use in England in the first half of the sixteenth century, to designate, in particular, *Moneylenders* engaged in international finance. But the vast majority of lenders were, in the rural districts, farmers, yeomen or gentlemen, and in the towns, merchants, shopkeepers, mercers, tailors, drapers, haberdashers, grocers and similar *Tradesmen*; and except when summarily damned with the opprobrious epithet of usurer or extortioner, they were described by the craft which was still their chief characteristic.

The ubiquity of credit transactions which drew from the moralist the shocked protest that not only 'money men' but "Merchantmen, citizens, noblemen, courtiers, gentlemen, grasiers, Farmers, plowmen, artificers," and even the clergy<sup>266</sup> lent money at interest, was itself a proof of the relative backwardness of credit organisation.

The phenomenon which meets us, in fact, in the world of finance is similar to that which occurs in *Manufacturing* industry. It is a stage of what may be called semi-capitalism, intermediate between the specialised financial mechanism of the later seventeenth century, and the casual pawnbroking which, though accompanied, of course, by larger operations, had been most characteristic of the *Middle Ages*.

It was this transition which produced the collision of old theory with new practice expressed in the controversy on usury. When Wilson wrote, a class whose interests were predominantly those of the *Financier* was in process of formation. But it had as yet only begun to disentangle itself from the indiscriminate mass of *Shopkeepers* and *Merchants* who carried on money-lending by substantially the same methods as had been employed for centuries, though more regularly and on a greater scale.

Impressive as had been the increase in the number and magnitude of credit transactions caused by the expansion of commerce and transference of property, it had not, at least before the end of the century, been accompanied by the concentration of the new volume of business in the hands of any single group of financial specialists; and it is not possible in the England of Elizabeth, as was regularly done after the *Restoration*, to point to half-a-dozen members of a single craft as *par excellence* the 'Bankers'.

If it is hardly an exaggeration to say that the use of credit was almost ubiquitous, the provision of it, nevertheless, was still decentralised, fluid, and unsystematic. In spite of the trail left by certain *Great Financiers*, it resembled the management of most industries and the ownership of most land, in being the province of the *petite bourgeoisie* of village and borough, who carried it on, not as a specialism with a technique of its own, but as an enterprise subsidiary to trade and agriculture.

This condition of things continued to be the rule for two generations after Wilson's death. But even in his day there were signs of a coming change. From the miscellaneous background of *Farmers*, *Tradesmen*, and *Merchants*, through whom this mass of credit transactions were carried on, certain figures were beginning to detach themselves as the forerunners of the financial class which was to play so conspicuous a part in English history in the seventeenth century.

<sup>265</sup> This is the final essay in the second section of R.H. Tawney's 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 *The Principal Types of Credit Transaction*. Included in this section are: *The Peasant and Small Master; The Needy Gentleman; The Financing of Capitalist Industry; The Foreign Exchanges*; and this essay *The Antecedents of Banking*. The third part entitled *Public Policy and the Money-Lender* includes the following essays: *The Damnable Sin of Usury; The Harrying of the Usurer; The Struggle over the Exchanges; The Compromise of 1571*; and *Conclusion*. The first part of R.H. Tawney's introduction is a 15-page essay about Dr Thomas Wilson. [Ed].

<sup>266</sup> R. Porder, *A Sermon of God's fearful threatenings for idolatrye* (1570).

One can observe, in the first place, the rise even in certain rural districts of men who, by the magnitude of their operations and still more by the regularity with which they carry them on, stand out from the mass of casual lenders, and who, if not practising a new trade, are at least practising an old trade in a new way.

The moralist might declare that:

“He who liveth upon his usury as the husbandman doth upon husbandry ought to be thrust out of the society of men.”<sup>267</sup>

But the enterprising corn-monger or landlord who had made a sufficient success of casual money-lending to be regarded as the Financier of his district naturally tended to turn it from a bye-employment into a regular profession.

How large a field for profitable business lay before him in parts of agricultural England was shown by the considerable fortunes which these ‘usurers by occupation’ could acquire. A single hundred of the wealthy county of Norfolk contained, an indignant correspondent wrote to the Government, ‘three miserable usurers’,<sup>268</sup> of whom two were worth £100,000 each and one £40,000; while even in the little moorland town of Leek, far from centres of trade and industry, a *Moneylender* could accumulate what was then the considerable fortune of £1,000.<sup>269</sup>

*Capitalists* of this magnitude naturally exercised an extensive, if secret, influence in their countrysides, and here and there, even in rural districts, we see growing up in *Elizabethan England* a new money power, which competes with the authority of the squire and the justice, and which, in the absence of express intervention by the *Government*, is sometimes strong enough to set the law at defiance. It is in the light of such conditions that what is apt to appear to the modern reader the high-handed interference of the *State* with matters of business, and what seem the hysterical outbursts of *Preachers*, are to be read.

In the opening years of Elizabeth’s reign, a Norfolk *Moneylender* had on hand, an indignant petition from the county complained, no less than thirty suits arising from usurious dealings with his neighbours, maintained a gang of bullies who intimidated witnesses, forcibly kidnapped and imprisoned an opponent with whom he had a quarrel, threatened to drive the parson out of the village, and set at defiance a royal commission appointed to investigate the disorders.<sup>270</sup>

Against *Financiers* of this type, even when their illegalities were unaccompanied by physical violence, local juries could not be trusted to give a verdict, or local justices to take proceedings, for both yeomen and gentry were apt to be their clients.

When it was proposed to transfer the trial of a Dorsetshire *Moneylender* to the more impartial atmosphere of London, he was sufficiently influential to get some friends on the *Privy Council* to raise the question of transferring it back to Dorsetshire, where, as the *Government* was informed by one of its agents,

“No good or direct proceeding can ever be hoped for, inasmuch as Webbe and his mother, being greatly moneyed, and dealing very much in the trade of usury, have many or most of the better sort indebted to them.”<sup>271</sup>

Even the two *Commissioners* appointed by the *Crown* in 1578 to inquire into breaches of the statute of 1571 were obliged to write to Burghley begging that offenders might be pardoned,

“...so that we may quietly travel without molestation within the counties specified in the commission.”<sup>272</sup>

Enjoying a sinister reputation among their poorer neighbours, alternately courted by the needier gentry who hope to raise mortgages on favourable terms, and frowned upon by the more public-spirited as men who ‘will never do any good to their country’,<sup>273</sup> these *Capitalists* are the despair of *Tax-collectors*, whom with bland mendacity they assure that their ‘riches are not in substance but in other men’s talks’,<sup>274</sup> and are a standing

<sup>267</sup> Knewstub (referring to views ascribed to Calvin), quoted Haweis, *Sketches of the Reformation*, ch. xii.

<sup>268</sup> *Hist. MSS. Com.*, App. To Fourth Report, *MSS. Of Earl de la Warr*, p.276.

<sup>269</sup> Lodge, *Illustrations of British History*, vol. II, pp. 386-7.

<sup>270</sup> *S.P.D. Eliz.*, vol. CLV, no. 65.

<sup>271</sup> *MSS. of Marquis of Salisbury*, pt IV, p. 277.

<sup>272</sup> *S.P.D. Eliz.*, vol. CXXVII, no. 76.

<sup>273</sup> Lodge, *loc.cit.*

<sup>274</sup> *MSS. of Marquis of Salisbury*, pt VIII, p. 282. The author of the remark was Pallavicino of all people.

grievance to other taxpayers, who grumble that, since they have no visible ‘stock’, they evade their fair share of taxation.<sup>275</sup>

Officials point them out to the *Government* as specially appropriate subjects for forced loans, and financial reformers<sup>276</sup> urge special taxation to bring them within the net. When king and parliament fall out, both turn to them, and sometimes they baffle both.<sup>277</sup>

In these country corn-dealers, Tradesmen and landowners, who, without altogether dropping their other interests, concentrate more and more on money-lending, we may, if we like, see the Tudor predecessors of the *Country Bankers*, who well into the eighteenth century combined banking with other kinds of business.

In the larger towns the situation was naturally not so simple. In some of the provincial boroughs of the sixteenth century we find traces of that movement among the wealthier *Merchants* to turn their savings from general commerce into financial operations - to advance money in order to develop the clothing and mining industries of the district, to finance the local agents of the *Government*, to invest in municipal loans - which provoked the protests of publicists against ‘the transportation of so many estates from trading to usurie’.

But it was, of course, in London that financial organisation was most powerful and most complex. The headquarters of the great commercial companies and the *entrepôt* through which passed probably three-quarters of the foreign trade of the country, the seat of an impecunious government and even more impecunious court, increasingly cosmopolitan in its connections, and with the beginnings both of a *Commercial Plutocracy*, and of an *Urban Proletariat*, London held a position of financial predominance over the *Agricultural* and *Manufacturing* counties hardly less complete, on its own small scale, than it is today.

The *London Money Market* supplied the machinery for financing the exports of *Wool Staplers* and *Merchant Adventurers*, did an extensive insurance business among *Shipowners*, took up *Government Loans*, met the demands of the landed gentry for advances on their estates, provided the long credits needed by *Clothiers*, and even found capital to invest in tin mining in Cornwall and coal mining in Northumberland and Durham.

In London therefore, more clearly than elsewhere, it is possible to trace the beginnings, though only the beginnings, of a process of differentiation in the mechanism by which this heterogeneous mass of business was handled. Though the combination of money-lending with some other kind of commercial enterprise continued to be the general rule, there was room for *Capitalists* who confined themselves to finance, and a rudimentary specialisation between *Financiers* cultivating different markets.

The development was naturally most marked at the extremities of the scale. At the bottom, the tyrants of an underworld portrayed by dramatists, were the *Pawnbrokers* who traded on the necessities of the poorer shopkeepers and distressed artisans, and whose numbers and exactions - ‘a thing able only to stupefy the senses’<sup>278</sup> - aroused astonished comment among writers on economic questions.

At the top was the small *Aristocracy of Great Financiers*, largely foreign, but recruited by an ever increasing number of Englishmen, who specialised in the exchange transactions touched on in the previous section, took handsome commissions for helping to place *Government Loans*, and moved in a sphere inaccessible to anyone without large capital and extensive international connections.

Between these two poles, the general character of whose business has changed surprisingly little in the course of three centuries, lay the great mass of intermediate money-lending carried on by *Tradesmen*, *Merchants* and *Lawyers*, and including every kind of transaction except the smallest and the greatest.

The characteristic of the business done by this class was its indiscriminateness. Mortgages, the financing of small businesses, investment in *Government Loans*, annuities, all were fish to its net, and it made its advances in the intervals of serving over the counter or hammering in the workshop.

It was through the enterprise of this solid *bourgeoisie* rather than through the more sensational *coups* of larger capitalists that the most momentous financial development of the next half century was to be made. For it was in the hands of the *Goldsmiths* that, according to the generally accepted tradition, banking, in the sense of accepting and relending deposits, developed during the *Civil War*.

<sup>275</sup> *Hist. MSS. Com., MSS. of E.R. Wodehouse*, fo. 454. The complaint relates to men who live in the “said parishes without occupying of land, being either sojourners, or usurers, or men of gainful trades, or otherwise able in respect of their stocks.”

<sup>276</sup> *E.g., The standard of equality in Subsidiary Taxes and Payments* (1647).

<sup>277</sup> See the amusing story told by Clarendon (VI, 59-60) concerning Lord Dencourt who “lived like a hog.” Clarendon belonged by tradition and social connections to a class which despised the “economic virtues.”

<sup>278</sup> *Lansdowne MSS.*, 73, 18, where a short account of London pawnbroking is given.

It is tempting to seek in the practices of the *Goldsmiths of Elizabethan London* for anticipations of that practice. But it must be confessed that the results of investigation seem so far to be mainly negative.

The *Goldsmiths*, members of a small, but ancient and wealthy company,<sup>279</sup> occupied a prominent position in the economic controversies of the sixteenth century, because of the peculiar relations of their craft to monetary policy.

Being obliged by the nature of their trade to buy and to hold stocks of bullion, they naturally became dealers in the precious metals, and their agitated opposition<sup>280</sup> to the occasional proposals of the Government to revive the office of *Royal Exchanger*, suggests that, at any rate by the early years of James I, they were more interested in bullion-broking than in making plate.

They provided change for persons who desired to turn gold into silver or vice versa, imported bullion and lodged part of it in the Tower to be coined, and generally did what, to distinguish it from the larger operations on the foreign exchanges, may be called retail money-changing.

The multiplicity of *Mints* in the Europe of that age, the absence of a standard currency, a bad coining technique, debasement, and the constant variation between the face value and the market value of coin, at once complicated the *Money-changer's* business and offered large opportunities of illegal gain. The result was a continuous struggle between the *State* and the forces of the market.

The *Goldsmiths*, intent on profit, naturally watched every opportunity to 'cull out' heavy coins for melting, turning into plate, and exporting for their value as bullion. The *Government*, whenever a depression in trade or complaints of a shortage in currency called its attention to the question, refurbished the four main weapons in its medieval arsenal, and issued proclamations prohibiting the export of bullion, fixing the rates of exchange between English and foreign currencies, suspending exchange transactions altogether, or reviving the office of the *Royal Exchanger* and either conferring a monopoly of exchange transactions upon him or, at least, prohibiting the buying of bullion by private persons above the rates fixed by the mint.<sup>281</sup>

It was of the nature of the case that in the course of this controversy almost every detail of the *Goldsmiths'* trade should come under the eye of private inquirers or of the authorities, and though their main interest was the alleged malpractices of the *Goldsmiths* with regard to the currency, it is inconceivable that any important new departure in their business should have escaped publicity.

In view of the searchlight turned upon them, and of their prominence as *Bankers* two generations later, it is a little surprising to find in the reign of Elizabeth no considerable body of evidence suggesting that the *Goldsmiths* played any special part as the pioneers of a new credit technique.

It is true, of course, that not only in the sixteenth century, but much earlier, *Goldsmiths* frequently appear in money-lending transactions. They provide ready money against the deposit of valuables, lend money to finance *Merchants* engaged in foreign trade or to needy gentlemen, and stand as security for the repayment of large sums borrowed by fellow *Tradesmen*.

It is true, also, that in an age when saving took the form of hoarding, and when what the ordinary borrower wanted was actual coins, the *Goldsmith*, dealing regularly in bullion, and in close relations with the *Mint*, had special opportunities for certain kinds, at any rate, of money-lending. He could, as a writer of the early seventeenth century remarked with some bitterness, advance a poor man 'a few light, clipt, cracked pieces' by way of what was ostensibly a free loan, and demand back three months later 'good, and lawful money'.<sup>282</sup>

In all of this, however, there was nothing which was not done equally by members of other trades. The *Goldsmiths* have no monopoly as *Moneylenders* in the reign of Elizabeth, nor, indeed, any special pre-eminence. The country gentlemen who fifty years later would have drawn on his *Goldsmith*, when he wants a loan of £200 in the sixteenth century writes to his *Draper*, and that though he is in touch with a *Goldsmith* who has already made him advances.<sup>283</sup>

The *Government* which, after the *Restoration*, would have followed the procedure for raising loans described by Clarendon and sent for the *Goldsmiths*, under Elizabeth places its loans with *City Companies*, with the *Merchant Adventurers*, or with syndicates composed of miscellaneous commercial interests, and that though it regularly consults leading *Goldsmiths* on questions of currency.

<sup>279</sup> The company's Court Book shows that in June 1566 it had 107 members. (Price, *A handbook of London Banker* p 67).

<sup>280</sup> E.g., Camden Society, *The Egerton Papers*, Petition of January 30, 1608.

<sup>281</sup> See R.H. Tawney's essay on *The Struggle Over The Exchanges*. See Note 1. [Ed].

<sup>282</sup> Fenton, *A Treatise of Usury* (1612).

<sup>283</sup> *Hist. MSS. Com., MSS. of Lord Middleton*, p.157. For another case of borrowing from a draper, see *MSS. of the Marquis of Salisbury*, pt. XIII., p. 177.

Clearly, both in the eyes of the *State* and of private individuals *Goldsmiths* were no more and no less likely to offer advances than *Grocers, Drapers, Mercers* and *Tailors*. There are, indeed, some signs of the development of something like deposit banking among some members of the craft at a date much earlier than that assigned by the tradition of the seventeenth century.

Even in the later Middle Ages one occasionally finds a client depositing money with a *Goldsmith* 'safely to keep'<sup>284</sup> and James, while a pensioner of Elizabeth, caused the Queen much annoyance by allowing part of the subsidies advanced him to 'be left in London for Goldsmiths',<sup>285</sup> instead of spending it on the objects for which it was given. But, as far as our present evidence goes, such practices were the foible of exceptional individuals, not a settled social habit.

The *Goldsmiths* were to make financial history between the *Civil War* and the *Revolution*. But, down to the end of the sixteenth century, in spite of their exceptional opportunities, they were as *Moneylenders* neither more nor less important than any other prosperous *Tradesmen*.

There were two other groups of *Tradesmen*, the character of whose business in the sixteenth century gave them some title to be regarded as financial specialists. The first consisted of the various textile interests. The part played by credit in the clothing industry has already been described.<sup>286</sup>

On the one hand, the *Manufacturers* needed advances to buy raw materials and pay wages, and the *Merchants* to finance the movement of what was overwhelmingly the most important export. On the other hand, the trade was extremely profitable, and some of the wealthiest *Merchants* of the age were connected with it; of ninety seven lord mayors between the accession of Henry VIII and the death of Elizabeth, seventy-two had made their money by one kind or another of dealing in cloth.<sup>287</sup>

Accustomed to trading on borrowed money and with large resources to invest, it was not surprising that the *Capitalists* of the *Woollen Trade* should hold a prominent position in the world of finance, and that contemporaries should ascribe to them a leading role in the development of a *Money-market* in London.

The *Wool Staplers* who exported to Calais in the fifteenth century turned as a matter of course to *London Mercers* to discount their bills. Fifty years later it was *Woollen Merchants* who financed the rapidly growing cloth exports to Antwerp, and who were criticised for practising an exchange business of doubtful respectability.

When, in August 1561, Elizabeth's *Government* placed a loan on the London market, of the twelve persons whom it specially indemnified against proceedings under the law against usury, seven were engaged in one branch or another of the clothing trade.<sup>288</sup>

The *Merchant Adventurers*, whose staple export was cloth, were repeatedly called upon to subscribe money for purposes of *State*. It was *London Haberdashers* who largely financed the Cornish tin industry. The *Needy Gentlemen* found in the *Tailor, Draper, or Merchant Adventurer*, a willing, if not an accommodating, mortgagee.

In so far as the financial activities of the woollen interests had any special characteristic, it was their association with foreign exchange business, and, apart from that, there are no signs that they made any contributions to the development of banking in the more restricted sense of the word.

A somewhat stronger claim to be regarded as pioneers might have been advanced by the members of another profession. The *Scriveners* had originally been expert amanuenses or notaries, on whom an illiterate age depended for the drafting and engrossing of documents, such as business contracts, wills and conveyances, insurance policies, or the ordinances of a company, which required to be put into due legal form.

But while their speciality was skilled clerical work, they were naturally interested in the legal and financial business done by *Brokers* and *Notaries* - there were said in 1574 to be 120 *Public Notaries* in London<sup>289</sup> - and though sometimes distinguished from the latter, they were more often identified with them.

As expert clerks, 'the common writers of court-hand of the city' had been recognised in 1373 as forming a separate craft, and had made the customary ordinances as to the examination of entrants to the trade, and the fees to be paid by members setting up shop.

<sup>284</sup> Quoted Abram, *Social England in the Fifteenth Century*, p.68.

<sup>285</sup> *MSS. of Marquis of Salisbury*, pt. V, p. 8 (1594).

<sup>286</sup> See Note 1. [Ed].

<sup>287</sup> See the list given in Stow, *Survey of London*. It includes twenty-three mercers, fifteen drapers, eleven haberdashers, eight clothworkers, and five merchant-tailors. The mercers were, however, interested in other things besides cloth.

<sup>288</sup> *S.P.D. Eliz.*, XIX, no. 2.

<sup>289</sup> *Lansdowne MSS.*, 113, No.9.

Though not formally incorporated till the reign of James I, they possessed in the sixteenth century the usual organisation of a body of craftsmen - a government consisting of a warden and assistants, a common hall where the company met, a place at the Lord Mayor's banquet, and property accumulated from the legacies of successful members.<sup>290</sup> In 1610 they were sufficiently wealthy to contribute £570 towards the new *Plantation* in Ulster. 'The mere *Scriveners of London*' were, in short, an organised and influential body.

"Brought and trayned up in that science [they] are sworne to make their writings duelye and justlye, and to kepe due registers of the same, and also have wardens of their companie to correcte their misdoings, if any need be."

They had even, like other guilds, performed a play. The craft was one which had some occasion to cultivate professional caution, and the theme which it selected was *The Incredulity of St. Thomas*.<sup>291</sup>

Such a profession took its character from the needs of the commercial and proprietary classes whom mainly it served, and the economic changes of the period opened new prospects before it. The constant mortgaging of land, and the growing dependence both of *Landowners* and *Traders* on credit transactions, involved a great increase in the half-clerical, half-legal business of "making bonds," made the *Scrivener* at once more dispensable and more expert, and put considerable sums of money into the pockets of the more successful members of the profession.

What we see, therefore, in the later part of the century is the development of the humble amanuensis into a specialist in certain branches of financial business. He becomes, in the first place, a skilled adviser who is consulted as to the financial standing of the parties to a bargain, who, in the words of Bacon, 'values unsound men',<sup>292</sup> and who remonstrates with the creditor disposed to take insufficient security or to advance money to an insolvent borrower.<sup>293</sup>

From being an adviser, he becomes a financial middleman, handling the kind of business done today by a certain type of *Solicitor*. The borrower who does not know where to turn consults a *Scrivener*. The *Scrivener*, who is in touch with the city, introduces him to a 'friend'. When the parties meet, 'the royal *Scrivener*, with deeds and writings hanged, drawn, and quartered',<sup>294</sup> is in attendance, and drafts the agreement.

Such '*Brokers*' naturally held a position of some influence on the edge of the business world. The *State* recognised their growing importance; fixed in the reign of James I the fees which they might charge for "procuring loans or making bonds"<sup>295</sup>; in its occasional outbursts of righteous indignation against the extortioner issued *Royal Commissions* to enquire into infringements of the laws against usury, in which *Scriveners* and *Usurers*<sup>296</sup> were included in a common denunciation; and pardoned the influential members of the profession when its zeal was spent.<sup>297</sup>

Nor did the development of the *Scrivener* end with mere broking. His intimate knowledge of business conditions and of the land market, his practice in weighing the standing of *Moneylenders* and their clients, and his sometimes not inconsiderable wealth, made it inevitable that, in addition to arranging loans, the *Scrivener* should himself take to lending money.

'The ancient trade of *Brokers*', stated a statute<sup>298</sup> of 1604, had been within living memory corrupted by the intrusion into it of:

"...counterfeit *Brokers* and pawn takers upon usurie...grown of late to many hundreds within the citie of London,"

and the complaint is confirmed by case after case among the business transactions of the last half of the sixteenth century.

The *Courtier* who desires to capitalise a pension, the *Goldsmith* who wishes to borrow £200 to buy a diamond, the *Country Gentleman* who has come to London to raise money on his estates, all turn to the *Scrivener*.<sup>299</sup> The

<sup>290</sup> Riley, *Memorials of London*, pp. 372-3; Sharpe, *Letter Books of the City of London*, K, pp. 234-5; Unwin, *Gilds and Companies of London*, pp. 88, 240, 337.

<sup>291</sup> Camden Miscellany, vol IV, *The Skryveners' Play* (ed. By Collier).

<sup>292</sup> Bacon, *Essay on Riches*.

<sup>293</sup> Deloney, *The Pleasant Historie of Jacke of Newberie* (ed. By F.O. Mann).

<sup>294</sup> Th. Middleton (ed. by Dyce), vol. V, *Father Hubbard's Tales*.

<sup>295</sup> 21 James I, c. 17.

<sup>296</sup> *S.P.D. Charles I*, CCCLXII, 31.

<sup>297</sup> *S.P.D. Charles I*, CCCLXV, 30.

<sup>298</sup> 1 James I, c. 21.

*Scrivener* undertakes either to lend the money himself or to find someone else who will; sometimes, in order to have the borrower more completely at his mercy.

‘The man is expert in his calling’, wrote Cecil to a correspondent who was involved with one of the tribe, ‘and likely there is no shift but he knoweth and practiseth’. He does the former while professing to do the latter, ‘borrows out of his own chest, which he calleth his friend and disguiseth it in the name of another’,<sup>300</sup> and demands higher interest accordingly.

It was not a long step from this type of lending to anticipating the demand for loans, and arranging that the *Tradesman* anxious to find an investment should entrust the *Scrivener* with money to lend as occasion arose. Hence we find developing also among the *Scriveners* a kind of anticipation of deposit banking.

The man who has a surplus of cash leaves it with a *Scrivener*, who pays interest to the depositor and re-lends it at a higher rate. ‘It is said’, wrote an author whose book was almost contemporary with that of Wilson, ‘and I fear me too true,’

“...that there are some to whom is committed a hundred or two of pounds...they putting in good sureties to the owners for the repayment of the same again, with certain allowance for the loan thereof...

“The *Scrivener* is the instrument whereby the devil worketh the frame of this wicked world of usury, he being rewarded with a good fleece for his labour. For, first, he hath a certain allowance of the arch-devil who owes [owns] the money, for helping to rent such for his coin. Secondly, he hath a great deal more usury to himself of him who borroweth the money than he alloweth the owner of the money. And thirdly, he hath not the least part for making the writings between them.”<sup>301</sup>

That the *Moralists’* complaint did not misrepresent the practice of the business world, at any rate in London, is shown by the storm of protest from *Scriveners*, *Notaries* and *Brokers* evoked by a proposal which threatened the profession in 1574.

Elizabeth’s *Government* was coquetting with one of its recurrent projects for at once raising money and ‘controlling’ an industry - it was a moment when State control of exchange transactions was much to the fore - by granting a monopoly.

A patent had actually been passed conferring on one Richard Candler:

‘the office of makinge and remakinge of all manner of assurances, policies, intimations...and other things whatsoever that hereafter shalbe made upon shippes or shippes’ goodes or other merchandise or anie other thinge or thinges in the Royalle Exchange aforesaid, or in anie other place or places.”<sup>302</sup>

The city, and in particular the *Merchants* most directly menaced, were immediately up in arms. It was protested that:

“All Notaries, Scriveners, and Brokers, and others being free of the citie of London...are utterlie barred from using their facultie, vocacion and callinge,”

And that the rates of insurance would be forced up to the detriment of trade, and that, as Candler knew nothing about the business, there would be endless delay in issuing policies.

More significant, it was urged that with the insurance work done by *Scriveners* and *Brokers* went a good deal of financial business which the grantee would be unable to undertake. On the one hand, the *Broker*, it was represented, often financed the *Merchants*, who,

“choosing such Brokers as they do knowe and to whome they are knowen, traded partlie upon their owne creditte and partlie upon the creditte of the Broker.”

On the other hand, the *Broker* not only made loans, but received deposits. *Merchants*, especially *Foreign Merchants*, who wanted to ensure property in England and had transferred money there for the purpose, were accustomed to:

<sup>299</sup> E.g., *MSS. of Marquis of Salisbury*, pt. V, pp. 37, 38, 359. For lending by Scriveners see *The Mistery and Misery of Lending and Borrowing*, by Thomas Powell (Somers Tract, Vol. VII).

<sup>300</sup> *Hist. MSS. Com., MSS. of Marquis of Salisbury*, pt. V, pp. 362-3.

<sup>301</sup> Stubbes, *The Anatomie of Abuses*, pt. I, pp. 128-9.

<sup>302</sup> *Lansdowne MSS.*, 113, no. 9, on which the remainder of this paragraph is based.

“putte their *Notaries* and *Scryveners* to receive the same in large sums, which hath been honestly and trewlie repayed into their handes agayne.”

Money left on call in this way would not lie idle, but would be used, as Stubbes complained, to finance the *Tradesmen* and *Landowners* who were clamouring for advances. The *Scrivener*, in short, by the mere necessities of his position, was developing into a *Banker*.

It is not surprising, therefore, to find a member of the *House of Commons* saying in 1640, when the question of contributing to a public loan was under discussion, that the course proposed:

“would perhaps enforce many of us to goe from Scrivener to Scrivener to borrow monie.”<sup>303</sup>

Nor is it surprising that members of the craft should have made fortunes. Abbot, Evelyn’s man of business, had been a wealthy *Scrivener* in the reign of Charles I. His apprentice became Lord Mayor as Sir Robert Clayton.<sup>304</sup>

It is evident that, in view of facts like these, the simple theory derived from the *Mystery of the Newfashioned Goldsmiths or Bankers*,<sup>305</sup> and repeated by one economic historian after another, requires to be revised. That famous tract was avowedly an attack upon one particular class of *Financier*; it was written thirty years after the events which it purported to describe; and it completely ignored the whole mass of financial business which for centuries had been carried on by *Moneylenders* of other kinds.

The importance of the *Goldsmiths* in the *Evolution of Banking*, especially after the *Restoration*, is not, of course, in question, and the forces which concentrated business in their hands towards the middle of the century is an important and neglected problem in the *Early History of Banking*. But they merely supplied one tributary to a stream which was fed from a multitude of different sources.

The absurdity of the view which regarded English banking as originating with the *Bank of England* - the consequences, not the cause of its development - has long been recognised. The theory which makes the *Goldsmiths* the picturesque heroes of the drab history of *Financial Capitalism* is almost equally legendary.

But these are problems which lie outside our period, and we must not enlarge on them. What was characteristic of Wilson’s day is less the development of banking than its informal, almost furtive, character. When practice had gone so far, it seems surprising that it should not have gone further.

It was probably common enough for private individuals to follow the practice of Wilson’s precocious apprentice and to entrust part of their savings to a *Merchant* who used them in his business and paid an agreed rate of interest upon them.<sup>306</sup> But of any general or organised system of deposit banking, at least *eo nomine*, there is no trace in *Elizabethan London*.

The idea was not altogether unknown. The convenience of banking machinery in economising currency was the theme of more than one economic treatise, and the economic possibilities of pooling contributions in a ‘common stock’ were canvassed by *Economists* and *Reformers*.

Against Bacon, who disapproved<sup>307</sup> of it, must be set the views of writers who complained that the difficulty of raising large loans in England drove *Merchants* to transfer their business to Holland and Italy,<sup>308</sup> and the various schemes advanced for encouraging the development of banking.

We have at least five proposals addressed to the *Government* in the reigns of Elizabeth and James I, one of which reached the stage of being introduced as a bill, urging the establishment of *Public Banks* as a protection against the exploitation of the public by the private *Moneylender*, as a means of controlling currency and the foreign exchanges by nationalising exchange business, and as a source of revenue to the *State*.<sup>309</sup>

But apart from the more or less surreptitious ‘colouring of other men’s money’ by the enterprising *Scrivener* or *Goldsmith*, and from the Funds, or, as they were often called, ‘*Banks*’, from time to time established to finance the tin mining industry, such ideas remained in the vast limbo of economic projects mastered only by the indefatigable Burghley.

<sup>303</sup> Notestein, *The Journal of Sir Simonds D’Ewes*, p. 257.

<sup>304</sup> Evelyn’s *Diary*, Nov. 18, 1679.

<sup>305</sup> 1676. Printed by Price, *The Grasshopper in Lombard Street*.

<sup>306</sup> *Hist. MSS. Com., App. To Third Report*, p. 37, gives an example. A London Merchant writes to a Doncaster Merchant asking him to get in some money lent in Yorkshire at twelve per cent., apparently by the writer’s aunt (1555).

<sup>307</sup> *Essay on Usury*.

<sup>308</sup> *Lansdowne MSS.*, 73, 18. “Divers Merchants and rich men that knowe not how speedily and certainly to take up 5 or 6 or 800 £ or 1,000 are compelled to transport goods to Holland and the Archduke’s country, or Italy.”

<sup>309</sup> *Hist. MSS. Com., MSS. of Marquis of Salisbury*, vol. I, p. 133; *S.P.D. Eliz.*, vol. CX, 51; vol. LXXV, 54; *Lans. MSS* 73, 18.



Indeed, since they all, with the exception of those designed for the tin industry, contemplated raising the funds which were to be advanced, not in the form of deposits by the public, but by some kind of taxation on income, capital levy, or forced loan, they were in themselves evidence of how unfamiliar the idea of the voluntary pooling of savings still was.

That it should have been unfamiliar is not surprising. If borrowing comes by nature, to entrust hard-won savings to an unknown *Financier*, requires, perhaps, some special infusion of commercial grace. The development of banking depends, in fact, on the general acceptance of conventions and standards which are natural only to classes formed by the routine of the *Counting-house*, and which they can popularise only as they become sufficiently powerful to set their stamp on social customs and institutions.

In the England of Elizabeth the habits of the *Peasant* and the *Country Gentleman* were only gradually being mastered by the new learning of the city. The benighted generation for which Shakespeare wrote, and Sidney (a sad spendthrift) fell, was one in which, as a committee of the *House of Commons* remarked sorrowfully in the early nineteenth century,

“Though glorious, the true principles of commerce were not rightly understood.”

Unilluminated by the religion which has as its jealous deity the lean goddess *Abstinence*, it thought *Profusion* more becoming than *Parsimony*, and held that even humble people might reasonably live ‘in some free and plentiful manner’.

Those who spent, spent with a fine recklessness: those who saved, hoarded and did not normally invest; for as a shrewd observer wrote:

“No man will send his moneys far off to put them into unknown hands.”<sup>310</sup>

The savings of the mass of the population, therefore, apart from land and the occasional purchase of annuities, consisted, according to their various stations, of corn, cattle, stocks of raw materials, furniture, plate, jewellery and coins. It is these things which passed at death and which men showed their thrift in accumulating.

The *Merchant* in Wilson’s dialogue, who thought it a merry jest to recommend laying up treasure in heaven, would have been hardly less amused at the suggestion that he should preserve it in the form of a credit entry in a ledger. The wealthier classes of his day followed his resolution to ‘keep it in a chest and have the key about me’.

Gresham, who was not a child in matters of finance, hoarded gold chains. D’Ewes’ father, a *Landowner* and official, in addition to plate, amassed some £3,000 in gold coin. Nearly a century later the most distinguished *Civil Servant* of his day kept a large part of his savings in a cellar. Such habits had still a long life before them. But, even in the sixteenth century, they were already undergoing a change.

The significant thing in the reign of Elizabeth was not the advance in banking technique, which in England was still in its infancy, but the discovery by considerable sections of the *bourgeoisie* that money-lending was not less profitable than agriculture, industry and commerce. The author of a pamphlet which appeared a generation later wrote,

“Doth not usury offer such excessive gain and such freedom from all kinds of common charge, with so much ease, security and command over the bondmen, that not only infinite both labourers and traders on sea and land (having gotten estates thereby) do transport the same into debts upon use, leaving their former honest industry and resolving to live idly upon usury, but also many which were sometimes the greatest traders, yea, in the greatest trading places, are seduced to employ their estates in this new trade.”<sup>311</sup>

It was the collision between these clamorous economic appetites and a long established body of religious and political doctrines which produced the struggle of ideas and interests portrayed in Wilson’s book. To those doctrines we now turn.<sup>312</sup>

<sup>310</sup> Bacon, *Essay on Usury*.

<sup>311</sup> *Usurie arraigned and condemned* (1625).

<sup>312</sup> See note 1. [Ed].

#### Appendix IV. Discourse Upon Usury<sup>313</sup>

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*.<sup>314</sup> 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:

<sup>313</sup> A search of *ABE Books* on 8<sup>th</sup> 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*).

<sup>314</sup> 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*<sup>315</sup>.

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*.<sup>316</sup> 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*.<sup>317</sup> 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.<sup>318</sup>

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

<sup>315</sup> 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]

<sup>316</sup> This distinction is also fundamental to *Islamic Law*. See, for instance, *Halal Mortgages* by Thomas H. Greco Jr. [Ed].

<sup>317</sup> *lucrum cessans* - gain that is foregone; *damnum emergens* - loss that arises.

<sup>318</sup> 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*.<sup>319</sup>

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*’,<sup>320</sup>; between *commodatum* - lending to a *Banker* - and *mutuum*.

<sup>319</sup> 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].

<sup>320</sup> 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.<sup>321</sup> 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.<sup>322</sup>

*Usura*<sup>323</sup> 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*.<sup>324</sup> 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

<sup>321</sup> Antoninus said that not profiting from misfortune such as shipwreck applied to the state too. So the *State* should not profit.

<sup>322</sup> 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].

<sup>323</sup> tokos, neshek

<sup>324</sup> 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 untilled’. 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 Cobbett<sup>325</sup> 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*.

<sup>325</sup> 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.<sup>326</sup> 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*.

<sup>326</sup> 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 Amorality* 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,<sup>327</sup> 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.<sup>328</sup> 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*.

<sup>327</sup> They are *Usurpers* as well.

<sup>328</sup> 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.<sup>329</sup>
- 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*<sup>330</sup> 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*<sup>331</sup> 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.

<sup>329</sup> 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.

<sup>330</sup> 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]

<sup>331</sup> 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.<sup>332</sup>

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.<sup>333</sup>

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 out<sup>334</sup> ‘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.<sup>335</sup>

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*.

<sup>332</sup> This passage is unclear. A Classical scholar should be able to clarify. [Ed]

<sup>333</sup> They called *Usurers* ‘vile artificers’.

<sup>334</sup> cf. ‘National’ Debts.

<sup>335</sup> 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's<sup>336</sup> 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.

<sup>336</sup> 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*.<sup>337</sup>

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*.<sup>338</sup> 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 law<sup>339</sup> 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 wrote<sup>340</sup> 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*'.<sup>341</sup>

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.

<sup>337</sup> 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.

<sup>338</sup> The description of modern *Financiers* and *Philanthropists* springs to mind, as well as many *Charities* formed out of tainted money.

<sup>339</sup> Law 37.

<sup>340</sup> Book. 7, chapter 16.

<sup>341</sup> 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 sections<sup>342</sup> 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

<sup>342</sup> 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.<sup>343</sup> 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*<sup>344</sup> 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.<sup>345</sup>

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*,

<sup>343</sup> 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).

<sup>344</sup> 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].

<sup>345</sup> 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.”<sup>346</sup>

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 Cranmer<sup>347</sup> 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. Bossuet<sup>348</sup> 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’.<sup>349</sup> 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’.<sup>350</sup>

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

<sup>346</sup> *Bernardi Papiensis Summa Decretalium* (edited by Laspeyres), Lib. V, tit. xv.

<sup>347</sup> Gairdner, *Letters and Papers of Henry VIII*, vol. XVI, 337.

<sup>348</sup> Bossuet, *Traité de l'usure*: for an account of his views see Favre, *Le prêt-à intérêt dans l'ancienne France*.

<sup>349</sup> Cooke, *Unum Necessarium, or the Poor Man's Case*.

<sup>350</sup> *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.<sup>351</sup>

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.”<sup>352</sup>

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 Sandys<sup>353</sup> and Jewel<sup>354</sup> 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’<sup>355</sup> to be dedicated to himself.

A clerical pamphleteer<sup>356</sup> 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.<sup>357</sup>

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.”<sup>358</sup>

<sup>351</sup> 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].

<sup>352</sup> Bucer, *de Regno Christi*.

<sup>353</sup> Sandys, second, tenth, and eleventh of *Sermons* (Parker Society).

<sup>354</sup> Jewel, *Works*, fourth part, p. 1293.

<sup>355</sup> Miles Mosse, *The arraignment and conviction of usurie*, 1595.

<sup>356</sup> 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.

<sup>357</sup> 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).

<sup>358</sup> *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.<sup>359</sup> 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.<sup>360</sup>

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’.<sup>361</sup>

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.

<sup>359</sup> Miles Mosse, *The arraignment and conviction of usurie*, 1595.

<sup>360</sup> *S.P.D. Eliz.*, LXXV, 54.

<sup>361</sup> *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.<sup>362</sup>

*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.

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<sup>362</sup> 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.”<sup>363</sup>

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’.<sup>364</sup>

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’.<sup>365</sup> 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

<sup>363</sup> Fenton, *Treatise of Usurie* (1612).

<sup>364</sup> *Briefve Survey of the Growth of Usury in England with the Mischiefs attending it* (1673).

<sup>365</sup> 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'.<sup>366</sup> Within ten years of his death, it was being expounded in England by Baro<sup>367</sup> and Bullinger,<sup>368</sup> 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*,<sup>369</sup> and a *Layman* of meticulous conscientiousness, like D'Ewes,<sup>370</sup> 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.<sup>371</sup> 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*.

<sup>366</sup> *Briefe Survey of the Growth of Usury in England with the Mischiefs attending it* (1673).

<sup>367</sup> See Cunningham, *English Industry and Commerce, Modern Times*, pp. 157-8.

<sup>368</sup> Bullinger, *Third Decade*, first and second sermons (Parker Society).

<sup>369</sup> Blakeney, *History of Shrewsbury*, vol II, pp. 364 and 412.

<sup>370</sup> Halliwell, *The Autobiography and Correspondence of Sir Simonds D'Ewes*, vol I, pp. 206-12, 322, 354, vol II, pp. 96, and 153-4.

<sup>371</sup> *Hist. MSS. Com., MSS. of Corporation of Burford*, p. 46.