

CHAPTER XIX.

FROM LEVITICUS TO POLITICAL ECONOMY.

I. ORIGIN AND PROGRESS OF HOSTILITY TO LOANS AT INTEREST.

AMONG questions on which the supporters of right reason in political and social science have only conquered theological opposition after centuries of war, is the taking of interest on loans. In hardly any struggle has rigid adherence to the letter of our sacred books been more prolonged and injurious.

Certainly, if the criterion of truth, as regards any doctrine, be that of St. Vincent of Lerins—that it has been held in the Church “always, everywhere, and by all”—then on no point may a Christian of these days be more sure than that every savings institution, every loan and trust company, every bank, every loan of capital by an individual, every means by which accumulated capital has been lawfully lent even at the most moderate interest, to make men workers rather than paupers, is based on deadly sin.

The early evolution of the belief that taking interest for money is sinful presents a curious working together of metaphysical, theological, and humanitarian ideas.

In the main centre of ancient Greek civilization, the loaning of money at interest came to be accepted at an early period as a condition of productive industry, and no legal restriction was imposed. In Rome there was a long process of development: the greed of creditors in early times led to laws against the taking of interest; but, though these lasted long, that strong practical sense which gave Rome the empire of the world substituted finally, for this absolute prohibition, the establishment of rates by law. Yet many

of the leading Greek and Roman thinkers opposed this practical settlement of the question, and, foremost of all, Aristotle. In a metaphysical way he declared that money is by nature "barren"; that the birth of money from money is therefore "unnatural"; and hence that the taking of interest is to be censured and hated. Plato, Plutarch, both the Catos, Cicero, Seneca, and various other leaders of ancient thought, arrived at much the same conclusion—sometimes from sympathy with oppressed debtors; sometimes from dislike of usurers; sometimes from simple contempt of trade.

From these sources there came into the early Church the germ of a theological theory upon the subject.

But far greater was the stream of influence from the Jewish and Christian sacred books. In the Old Testament stood various texts condemning usury—the term usury meaning any taking of interest: the law of Moses, while it allowed usury in dealing with strangers, forbade it in dealing with Jews. In the New Testament, in the Sermon on the Mount, as given by St. Luke, stood the text "Lend, hoping for nothing again." These texts seemed to harmonize with the most beautiful characteristic of primitive Christianity; its tender care for the poor and oppressed: hence we find, from the earliest period, the whole weight of the Church brought to bear against the taking of interest for money.*

The great fathers of the Eastern Church, and among them St. Basil, St. Chrysostom, and St. Gregory of Nyssa,—

* On the general allowance of interest for money in Greece, even at high rates, see Böckh, *Public Economy of the Athenians*, translated by Lamb, Boston, 1857, especially chaps. xxii, xxiii, and xxiv of book i. For view of usury taken by Aristotle, see his *Politics* and *Economics*, translated by Walford, p. 27; also Grote, *History of Greece*, vol. iii, chap. xi. For summary of opinions in Greece and Rome, and their relation to Christian thought, see Böhm-Bawerk, *Capital and Interest*, translated by Smart, London, 1890, chap. i. For a very full list of Scripture texts against the taking of interest, see Pearson, *The Theories on Usury in Europe, 1100-1400*, Cambridge (England), 1876, p. 6. The texts most frequently cited were Leviticus xxv, 36, 37; Deuteronomy xxiii, 19 and 26; Psalms xv, 5; Ezekiel xviii, 8 and 17; St. Luke vi, 35. For a curious modern use of them, see D. S. Dickinson's speech in the Senate of New York, in vol. i of his collected writings. See also Lecky, *History of Rationalism in Europe*, vol. ii, chap. vi; and above all, as the most recent historical summary by a leading historian of political economy, Böhm-Bawerk as above.

the fathers of the Western Church, and among them Tertulian, St. Ambrose, St. Augustine, and St. Jerome, joined most earnestly in this condemnation. St. Basil denounces money at interest as a "fecund monster," and says, "The divine law declares expressly, 'Thou shalt not lend on usury to thy brother or thy neighbour.'" St. Gregory of Nyssa calls down on him who lends money at interest the vengeance of the Almighty. St. Chrysostom says: "What can be more unreasonable than to sow without land, without rain, without ploughs? All those who give themselves up to this damnable culture shall reap only tares. Let us cut off these monstrous births of gold and silver; let us stop this execrable fecundity." Lactantius called the taking of interest "robbery." St. Ambrose declared it as bad as murder. St. Jerome threw the argument into the form of a dilemma, which was used as a weapon against money-lenders for centuries. Pope Leo the Great solemnly adjudged it a sin worthy of severe punishment.*

This unanimity of the fathers of the Church brought about a crystallization of hostility to interest-bearing loans into numberless decrees of popes and councils and kings and legislatures throughout Christendom during more than fifteen hundred years, and the canon law was shaped in accordance with these. At first these were more especially directed against the clergy, but we soon find them extending to the laity. These prohibitions were enforced by the Council of Arles in 314, and a modern Church apologist insists that every great assembly of the Church, from the Council

* For St. Basil and St. Gregory of Nyssa, see French translation of their diatribes in *Homélie contre les Usuriers*, Paris, Hachette, 1861-'62, especially p. 30 of St. Basil. For some doubtful reservations by St. Augustine, see Murray, *History of Usury*. For St. Ambrose, see the *De Officiis*, lib. iii, cap. ii, in Migne, *Patr. Lat.*, vol. xvi; also the *De Tobia*, in Migne, vol. xiv. For St. Augustine, see *De Bapt. contra Donat.*, lib. iv, cap. ix, in Migne, vol. xliii. For Lactantius, see his *Opera*, Leyden, 1660, p. 608. For Cyprian, see his *Testimonies against the Jews*, translated by Wallis, book iii, article 48. For St. Jerome, see his *Com. in Ezekiel*, xviii, 8, in Migne, vol. xxv, pp. 170 *et seq.* For Leo the Great, see his letter to the bishops of various provinces of Italy, cited in the *Jus Can.*, cap. vii, can. xiv, qu. 4. For very fair statements of the attitude of the fathers on this question, see Addis and Arnold, *Catholic Dictionary*, London, 1884, and Smith and Cheetam, *Dictionary of Christian Antiquities*, London, 1875-'80; in each, under article *Usury*.

of Elvira in 306 to that of Vienne in 1311, inclusive, solemnly condemned lending money at interest. The greatest rulers under the sway of the Church—Justinian, in the Empire of the East; Charlemagne, in the Empire of the West; Alfred, in England; St. Louis, in France—yielded fully to this dogma. In the ninth century Alfred went so far as to confiscate the estates of money-lenders, denying them burial in consecrated ground; and similar decrees were made in other parts of Europe. In the twelfth century the Greek Church seems to have relaxed its strictness somewhat, but the Roman Church grew more severe. St. Anselm proved from the Scriptures that the taking of interest is a breach of the Ten Commandments. Peter Lombard, in his *Sentences*, made the taking of interest purely and simply theft. St. Bernard, reviving religious earnestness in the Church, took the same view. In 1179 the Third Council of the Lateran decreed that impenitent money-lenders should be excluded from the altar, from absolution in the hour of death, and from Christian burial. Pope Urban III reiterated the declaration that the passage in St. Luke forbade the taking of any interest whatever. Pope Alexander III declared that the prohibition in this matter could never be suspended by dispensation.

In the thirteenth century Pope Gregory IX dealt an especially severe blow at commerce by his declaration that even to advance on interest the money necessary in maritime trade was damnable usury; and this was fitly followed by Gregory X, who forbade Christian burial to those guilty of this practice; the Council of Lyons meted out the same penalty. This idea was still more firmly fastened upon the world by the two greatest thinkers of the time: first, by St. Thomas Aquinas, who knit it into the mind of the Church by the use of the Scriptures and of Aristotle; and next by Dante, who pictured money-lenders in one of the worst regions of hell.

About the beginning of the fourteenth century the "Subtle Doctor" of the Middle Ages, Duns Scotus, gave to the world an exquisite piece of reasoning in evasion of the accepted doctrine; but all to no purpose: the Council of Vienne, presided over by Pope Clement V, declared that if any

one "shall pertinaciously presume to affirm that the taking of interest for money is not a sin, we decree him to be a heretic, fit for punishment." This infallible utterance bound the dogma with additional force on the conscience of the universal Church.

Nor was this a doctrine enforced by rulers only; the people were no less strenuous. In 1390 the city authorities of London enacted that, "if any person shall lend or put into the hands of any person gold or silver to receive gain thereby, such person shall have the punishment for usurers." And in the same year the Commons prayed the king that the laws of London against usury might have the force of statutes throughout the realm.

In the fifteenth century the Council of the Church at Salzburg excluded from communion and burial any who took interest for money, and this was a very general rule throughout Germany.

An exception was, indeed, sometimes made: some canonists held that Jews might be allowed to take interest, since they were to be damned in any case, and their monopoly of money-lending might prevent Christians from losing their souls by going into the business. Yet even the Jews were from time to time punished for the crime of usury; and, as regards Christians, punishment was bestowed on the dead as well as the living—the bodies of dead money-lenders being here and there dug up and cast out of consecrated ground.

The popular preachers constantly declaimed against all who took interest. The mediæval anecdote books for pulpit use are especially full on this point. Jacques de Vitry tells us that demons on one occasion filled a dead money-lender's mouth with red-hot coins; Cæsarius of Heisterbach declared that a toad was found thrusting a piece of money into a dead usurer's heart; in another case, a devil was seen pouring molten gold down a dead money-lender's throat.*

* For an enumeration of councils condemning the taking of interest for money, see Liégeois, *Essai sur l'Histoire et la Législation de l'Usure*, Paris, 1865, p. 78; also the *Catholic Dictionary* as above. For curious additional details and sources regarding mediæval horror of usurers, see Ducange, *Glossarium*, etc., article *Caorcini*. The date, 306, for the Council of Elvira is that assigned by Hefele. For the decree of Alexander III, see citation from the Latin text in Lecky. For a long

This theological hostility to the taking of interest was imbedded firmly in the canon law. Again and again it defined usury to be the taking of anything of value beyond the exact original amount of a loan; and under sanction of the universal Church it denounced this as a crime and declared all persons defending it to be guilty of heresy. What this meant the world knows but too well.

The whole evolution of European civilization was greatly hindered by this conscientious policy. Money could only be loaned in most countries at the risk of incurring odium in this world and damnation in the next; hence there was but little capital and few lenders. The rates of interest became at times enormous; as high as forty per cent in England, and ten per cent a month in Italy and Spain. Commerce, manufactures, and general enterprise were dwarfed, while pauperism flourished.

catalogue of ecclesiastical and civil decrees against taking of interest, see Petit, *Traité de l'Usure*, Paris, 1840. For the reasoning at bottom of this, see Cunningham, *Christian Opinion on Usury*, London, 1884. For the Salzburg decrees, see Zillner, *Salzburgische Culturgeschichte*, p. 232; and for Germany generally, see Neumann, *Geschichte des Wuchers in Deutschland*, Halle, 1865, especially pp. 22 *et seq.*; also Roscher, *National-Oeconomie*. For effect of mistranslation of the passage of Luke in the Vulgate, see Döllinger, p. 170, and especially pp. 224, 225. For the capitularies of Charlemagne against usury, see Liégeois, p. 77. For Gregory X and the Council of Lyons, see *Sextus Decretalium Liber*, pp. 669 *et seq.* For Peter Lombard, see his *Lib. Sententiarum*, III, dist. xxxvii, 3. For St. Thomas Aquinas, see his works, Migne, vol. iii, Paris, 1889, quæstio 78, pp. 586 *et seq.*, citing the Scriptures and Aristotle, and especially developing Aristotle's metaphysical idea regarding the "barrenness" of money. For a very good summary of St. Thomas's ideas, see Pearson, pp. 30 *et seq.* For Dante, see in canto xi of the *Inferno* a revelation of the amazing depth of the hostility to the taking of interest. For the London law of 1390 and the petition to the king, see Cunningham, *Growth of English Industry and Commerce*, pp. 210, 326; also the *Abridgment of the Records in the Tower of London*, p. 339. For the theory that Jews, being damned already, might be allowed to practise usury, see Liégeois, *Histoire de l'Usure*, p. 82. For St. Bernard's view, see *Epist. CCCLXIII*, in Migne, vol. clxxxii, p. 567. For ideas and anecdotes for preachers' use, see Joannes à San Geminiano, *Summa de Exemplis*, Antwerp, 1629, fol. 493, *a*; also the edition of Venice, 1584, ff. 132, 159; but especially, for multitudes of examples, see the *Exempla of Jacques de Vitry*, edited by Prof. T. F. Crane, of Cornell University, London, 1890, pp. 203 *et seq.* For the canon law in relation to interest, see a long line of authorities cited in *Die Wucherfrage*, St. Louis, 1869, pp. 92 *et seq.*, and especially *Decret. Gregor.*, lib. v, lit. 19 cap. iii, and *Clementin.*, lib. v, lit. 5, sec. 2; see also the *Corpus Juris Canonici*, Paris, 1618, pp. 227, 228. For the position of the English Church, see Gibson's *Corpus Juris Ecclesiastici Anglicani*, pp. 1070, 1071, 1106.

Yet worse than these were the moral results. Doing what one holds to be evil is only second in bad consequences to doing what is really evil; hence, all lending and borrowing, even for the most legitimate purposes and at the most reasonable rates, tended to debase both borrower and lender. The prohibition of lending at interest in continental Europe promoted luxury and discouraged economy; the rich, who were not engaged in business, finding no easy way of employing their incomes productively, spent them largely in ostentation and riotous living.

One evil effect is felt in all parts of the world to this hour. The Jews, so acute in intellect and strong in will, were virtually drawn or driven out of all other industries or professions by the theory that their race, being accursed, was only fitted for the abhorred profession of money-lending.*

These evils were so manifest, when trade began to revive throughout Europe in the fifteenth century, that most earnest exertions were put forth to induce the Church to change its position.

The first important effort of this kind was made by John Gerson. His general learning made him Chancellor of the University of Paris; his sacred learning made him the leading orator at the Council of Constance; his piety led men to attribute to him *The Imitation of Christ*. Shaking off theological shackles, he declared, "Better is it to lend money at reasonable interest, and thus to give aid to the poor, than to

* For evil economic results, and especially for the rise of the rate of interest in England and elsewhere at times to forty per cent, see Cunningham, *Growth of English Industry and Commerce*, Cambridge, 1890, p. 189; and for its rising to ten per cent a month, see Bédarride, *Les Juifs en France, en Italie, et en Espagne*, p. 220; see also Hallam's *Middle Ages*, London, 1853, pp. 401, 402. For the evil moral effects of the Church doctrine against taking interest, see Montesquieu, *Esprit des Lois*, lib. xxi, chap. xx; see also Sismondi, cited in Lecky. For the trifling with conscience, distinction between "consumptibles" and "fungibles," "possessio" and "dominium," etc., see Ashley, *English Economic History*, New York, 1888, pp. 152, 153; see also Léopold Delisle *Études*, pp. 198, 468. For effects of these doctrines on the Jews, see Milman, *History of the Jews*, vol. iii, p. 179; also Wellhausen, *History of Israel*, London, 1885, p. 546; also Beugnot, *Les Juifs d'Occident*, Paris, 1824, pt. 2, p. 114 (on driving Jews out of other industries than money-lending). For a noted mediæval evasion of the Church rules against usury, see Peruzzi, *Storia del Commercio e dei Banchieri di Firenze*, Florence, 1868, pp. 172, 173.

see them reduced by poverty to steal, waste their goods, and sell at a low price their personal and real property."

But this idea was at once buried beneath citations from the Scriptures, the fathers, councils, popes, and the canon law. Even in the most active countries there seemed to be no hope. In England, under Henry VII, Cardinal Morton, the lord chancellor, addressed Parliament, asking it to take into consideration loans of money at interest. The result was a law which imposed on lenders at interest a fine of a hundred pounds besides the annulment of the loan; and, to show that there was an offence against religion involved, there was added a clause "reserving to the Church, notwithstanding this punishment, the correction of their souls according to the laws of the same."

Similar enactments were made by civil authority in various parts of Europe; and just when the trade, commerce, and manufactures of the modern epoch had received an immense impulse from the great series of voyages of discovery by such men as Columbus, Vasco da Gama, Magellan, and the Cabots, this barrier against enterprise was strengthened by a decree from no less enlightened a pontiff than Leo X.

The popular feeling warranted such decrees. As late as the end of the Middle Ages we find the people of Piacenza dragging the body of a money-lender out of his grave in consecrated ground and throwing it into the river Po, in order to stop a prolonged rainstorm; and outbreaks of the same spirit were frequent in other countries.*

* For Gerson's argument favouring a reasonable rate of interest, see Coquelin and Guillaumin, *Dictionnaire*, article *Intérêt*. For the renewed opposition to the taking of interest in England, see Craik, *History of British Commerce*, chap. vi. The statute cited is 3 Henry VII, chap. vi; it is found in Gibson's *Corpus Juris Eccles. Anglic.*, p. 1071. For the adverse decree of Leo X, see Liégeois, p. 76. See also Lecky, *Rationalism*, vol. ii. For the dragging out of the usurer's body at Piacenza, see Burckhardt, *The Renaissance in Italy*, London, 1878, vol. ii, p. 339. For public opinion of similar strength on this subject in England, see Cunningham, p. 239; also Pike, *History of Crime in England*, vol. i, pp. 127, 193. For good general observations on the same, see Stephen, *History of Criminal Law in England*, London, 1883, vol. iii, pp. 195-197. For usury laws in Castile and Aragon, see Bédarride, pp. 191, 192. For exceedingly valuable details as to the attitude of the mediæval Church, see Léopold Delisle, *Études sur la Classe Agricole en Normandie au Moyen Age*, Evreux, 1851, pp. 200 *et seq.*, also p. 468. For penalties in France, see Matthew Paris, *Chronica Majora*, in the Rolls Series, especially vol.

Another mode of obtaining relief was tried. Subtle theologians devised evasions of various sorts. Two among these inventions of the schoolmen obtained much notoriety.

The first was the doctrine of "*damnum emergens*": if a lender suffered loss by the failure of the borrower to return a loan at a date named, compensation might be made. Thus it was that, if the nominal date of payment was made to follow quickly after the real date of the loan, the compensation for the anticipated delay in payment had a very strong resemblance to interest. Equally cogent was the doctrine of "*lucrum cessans*": if a man, in order to lend money, was obliged to diminish his income from productive enterprises, it was claimed that he might receive in return, in addition to his money, an amount exactly equal to this diminution in his income.

But such evasions were looked upon with little favour by the great body of theologians, and the name of St. Thomas Aquinas was triumphantly cited against them.

Opposition on scriptural grounds to the taking of interest was not confined to the older Church. Protestantism was led by Luther and several of his associates into the same line of thought and practice. Said Luther: "To exchange anything with any one and gain by the exchange is not to do a charity, but to steal. Every usurer is a thief worthy of the gibbet. I call those usurers who lend money at five or six per cent." But it is only just to say that at a later period Luther took a much more moderate view. Melancthon, defining usury as any interest whatever, condemned it again and again; and the Goldberg *Catechism* of 1558, for which he wrote a preface and recommendation, declares every person taking interest for money a thief. From generation to generation this doctrine was upheld by the more eminent divines of the Lutheran Church in all parts of Germany.

The English reformers showed the same hostility to interest-bearing loans. Under Henry VIII the law of Henry

iii, pp. 191, 192. For a curious evasion, sanctioned by Popes Martin V and Calixtus III when Church corporations became money-lenders, see H. C. Lea on *The Ecclesiastical Treatment of Usury*, in the *Yale Review* for February, 1894. For a detailed development of interesting subordinate points see Ashley, *Introduction to English Economic History and Theory*, vol. ii, ch. vi.

VII against taking interest had been modified for the better ; but the revival of religious feeling under Edward VI caused in 1552 the passage of the " Bill of Usury." In this it is said, " Forasmuch as usury is by the word of God utterly prohibited, as a vice most odious and detestable, as in divers places of the Holy Scriptures it is evident to be seen, which thing by no godly teachings and persuasions can sink into the hearts of divers greedy, uncharitable, and covetous persons of this realm, nor yet, by any terrible threatenings of God's wrath and vengeance," etc., it is enacted that whosoever shall thereafter lend money " for any manner of usury, increase, lucre, gain, or interest, to be had, received, or hoped for," shall forfeit principal and interest, and suffer imprisonment and fine at the king's pleasure.*

But, most fortunately, it happened that Calvin, though at times stumbling over the usual texts against the taking of interest for money, turned finally in the right direction. He cut through the metaphysical arguments of Aristotle, and characterized the subtleties devised to evade the Scriptures as " a childish game with God." In place of these subtleties there was developed among Protestants a serviceable fiction—the statement that usury means *illegal or oppressive interest*. Under the action of this fiction, commerce and trade revived rapidly in Protestant countries, though with occasional checks from exact interpreters of Scripture. At the same period in France, the great Protestant jurist Dumoulin brought all his legal learning and skill in casuistry to bear on the same side. A certain ferretlike acuteness and liteness seem to have enabled him to hunt down the opponents of interest-taking through the most tortuous arguments of scholasticism.

In England the struggle went on with varying fortune ;

* For Luther's views, see his sermon, *Von dem Wucher*, Wittenberg, 1519 ; also the *Table Talk*, cited in Coquelin and Guillaumin, article *Intérêt*. For the later more moderate views of Luther, Melanchthon, and Zwingli, making a compromise with the needs of society, see Böhm-Bawerk, p. 27, citing Wiskemann. For Melanchthon and a long line of the most eminent Lutheran divines who have denounced the taking of interest, see *Die Wucherfrage*, St. Louis, 1869, pp. 94 *et seq.* For the law against usury under Edward VI, see Cobbett's *Parliamentary History*, vol. i, p. 596 ; see also Craik, *History of British Commerce*, chap. vi.

statesmen on one side, and theologians on the other. We have seen how, under Henry VIII, interest was allowed at a fixed rate, and how, the development of English Protestantism having at first strengthened the old theological view, there was, under Edward VI, a temporarily successful attempt to forbid the taking of interest by law.

The Puritans, dwelling on Old Testament texts, continued for a considerable time especially hostile to the taking of any interest. Henry Smith, a noted preacher, thundered from the pulpit of St. Clement Danes in London against "the evasions of Scripture" which permitted men to lend money on interest at all. In answer to the contention that only "biting" usury was oppressive, Wilson, a noted upholder of the strict theological view in political economy, declared: "There is difference in deed between the bite of a dogge and the bite of a flea, and yet, though the flea doth lesse harm, yet the flea doth bite after hir kinde, yea, and draweth blood, too. But what a world this is, that men will make sin to be but a fleabite, when they see God's word directly against them!"

The same view found strong upholders among contemporary English Catholics. One of the most eminent of these, Nicholas Sanders, revived very vigorously the use of an old scholastic argument. He insisted that "man can not sell time," that time is not a human possession, but something which is given by God alone: he declared, "Time was not of your gift to your neighbour, but of God's gift to you both."

In the Parliament of the period, we find strong assertions of the old idea, with constant reference to Scripture and the fathers. In one debate, Wilson cited from Ezekiel and other prophets and attributed to St. Augustine the doctrine that "to take but a cup of wine is usury and damnable." Fleetwood recalled the law of King Edward the Confessor, which submitted usurers to the ordeal.

But arguments of this sort had little influence upon Elizabeth and her statesmen. Threats of damnation in the next world troubled them little if they could have their way in this. They re-established the practice of taking interest under restrictions, and this, in various forms, has remained

in England ever since. Most notable in this phase of the evolution of scientific doctrine in political economy at that period is the emergence of a recognised difference between *usury* and *interest*. Between these two words, which had so long been synonymous, a distinction now appears: the former being construed to indicate *oppressive interest*, and the latter *just rates* for the use of money. This idea gradually sank into the popular mind of Protestant countries, and the scriptural texts no longer presented any difficulty to the people at large, since there grew up a general belief that the word "usury," as employed in Scripture, had *always* meant exorbitant interest; and this in spite of the parable of the Talents. Still, that the old Aristotelian quibble had not been entirely forgotten, is clearly seen by various passages in Shakespeare's *Merchant of Venice*. But this line of reasoning seems to have received its quietus from Lord Bacon. He did not, indeed, develop a strong and connected argument on the subject; but he burst the bonds of Aristotle, and based interest for money upon natural laws. How powerful the new current of thought was, is seen from the fact that James I, of all monarchs the most fettered by scholasticism and theology, sanctioned a statute dealing with interest for money as absolutely necessary. Yet, even after this, the old idea asserted itself; for the bishops utterly refused to agree to the law allowing interest until a proviso was inserted that "nothing in this law contained shall be construed or expounded to allow the practice of usury in point of religion or conscience." The old view cropped out from time to time in various public declarations. Famous among these were the *Treatise of Usury*, published in 1612 by Dr. Fenton, who restated the old arguments with much force, and the *Usury Condemned* of John Blaxton, published in 1634. Blaxton, who also was a clergyman, defined usury as the taking of any interest whatever for money, citing in support of this view six archbishops and bishops and over thirty doctors of divinity in the Anglican Church, some of their utterances being very violent and all of them running their roots down into texts of Scripture. Typical among these is a sermon of Bishop Sands, in which he declares, regarding the taking of interest: "This canker hath corrupted all England; we

shall doe God and our country true service by taking away this evill; repress it by law, else the heavy hand of God hangeth over us and will strike us."

II. RETREAT OF THE CHURCH, PROTESTANT AND CATHOLIC.

But about the middle of the seventeenth century Sir Robert Filmer gave this doctrine the heaviest blow it ever received in England. Taking up Dr. Fenton's treatise, he answered it, and all works like it, in a way which, however unsuitable to this century, was admirably adapted to that. He cites Scripture and chops logic after a masterly manner. Characteristic is this declaration: "St. Paul doth, with one breath, reckon up seventeen sins, and yet usury is none of them; but many preachers can not reckon up seven deadly sins, except they make usury one of them." Filmer followed Fenton not only through his theology, but through his political economy, with such relentless keenness that the old doctrine seems to have been then and there practically worried out of existence, so far as England was concerned.

Departures from the strict scriptural doctrines regarding interest soon became frequent in Protestant countries, and they were followed up with especial vigour in Holland. Various theologians in the Dutch Church attempted to assert the scriptural view by excluding bankers from the holy communion; but the commercial vigour of the republic was too strong: Salmasius led on the forces of right reason brilliantly, and by the middle of the seventeenth century the question was settled rightly in that country. This work was aided, indeed, by a far greater man, Hugo Grotius; but here was shown the power of an established dogma. Great as Grotius was—and it may well be held that his book on *War and Peace* has wrought more benefit to humanity than any other attributed to human authorship—he was, in the matter of interest for money, too much entangled in theological reasoning to do justice to his cause or to himself. He declared the prohibition of it to be scriptural, but resisted the doctrine of Aristotle, and allowed interest on certain natural and practical grounds.

In Germany the struggle lasted longer. Of some little significance, perhaps, is the demand of Adam Contzen, in 1629, that lenders at interest should be punished as thieves; but by the end of the seventeenth century Puffendorf and Leibnitz had gained the victory.

Protestantism, open as it was to the currents of modern thought, could not long continue under the dominion of ideas unfavourable to economic development, and perhaps the most remarkable proof of this was presented early in the eighteenth century in America, by no less strict a theologian than Cotton Mather. In his *Magnalia* he argues against the whole theological view with a boldness, acuteness, and good sense which cause us to wonder that this can be the same man who was so infatuated regarding witchcraft. After an argument so conclusive as his, there could have been little left of the old anti-economic doctrine in New England.*

But while the retreat of the Protestant Church from the old doctrine regarding the taking of interest was henceforth easy, in the Catholic Church it was far more difficult. Infallible popes and councils, with saints, fathers, and doctors, had so constantly declared the taking of any interest at all to

* For Calvin's views, see his letter published in the appendix to Pearson's *Theories on Usury*. His position is well stated in Böhm-Bawerk, pp. 28 *et seq.*, where citations are given. See also *Economic Tracts*, No. IV, New York, 1881, pp. 34, 35; and for some serviceable Protestant fictions, see Cunningham, *Christian Opinion on Usury*, pp. 60, 61. For Dumoulin (Molinæus), see Böhm-Bawerk, as above, pp. 29 *et seq.* For debates on usury in the British Parliament in Elizabeth's time, see Cobbett, *Parliamentary History*, vol. i, pp. 756 *et seq.* A striking passage in Shakespeare is found in the *Merchant of Venice*, Act I, scene iii: "If thou wilt lend this money, lend it not as to thy friend; for when did friendship take a breed for barren metal of his friend?" For the right direction taken by Lord Bacon, see Neumann, *Geschichte des Wuchers in Deutschland*, Halle, 1865, pp. 497, 498. For Salmasius, see his *De Usuris*, Leyden, 1638; and for others mentioned, see Böhm-Bawerk, pp. 34 *et seq.*; also Lecky, vol. ii, p. 256. For the saving clause inserted by the bishops in the statute of James I, see the *Corpus Juris Eccles. Anglic.*, p. 1071; also Murray, *History of Usury*, Philadelphia, 1866, p. 49. For Blaxton, see his *English Usurer, or Usury Condemned*, by John Blaxton, Preacher of God's Word, London, 1634. Blaxton gives some of Calvin's earlier utterances against interest. For Bishop Sands's sermon, see p. 11. For Filmer, see his *Quæstio Quodlibetica*, London, 1653, reprinted in the *Harleian Miscellany*, vol. x, pp. 105 *et seq.* For Grotius, see the *De Jure Belli ac Pacis*, lib. ii, cap. xii. For Cotton Mather's argument, see the *Magnalia*, London, 1702, pp. 51, 52.

be contrary to Scripture, that the more exact though less fortunate interpretation of the sacred text relating to interest continued in Catholic countries. When it was attempted in France in the seventeenth century to argue that usury "means oppressive interest," the Theological Faculty of the Sorbonne declared that usury is the taking of any interest at all, no matter how little; and the eighteenth chapter of Ezekiel was cited to clinch this argument.

Another attempt to ease the burden of industry and commerce was made by declaring that "usury means interest demanded not as a matter of favour but as a matter of right." This, too, was solemnly condemned by Pope Innocent XI.

Again an attempt was made to find a way out of the difficulty by declaring that "usury is interest greater than the law allows." This, too, was condemned, and so also was the declaration that "usury is interest on loans not for a fixed time."

Still the forces of right reason pressed on, and among them, in the seventeenth century, in France, was Richard Simon. He attempted to gloss over the declarations of Scripture against lending at interest, in an elaborate treatise, but was immediately confronted by Bossuet. Just as Bossuet had mingled Scripture with astronomy and opposed the Copernican theory, so now he mingled Scripture with political economy and denounced the lending of money at interest. He called attention to the fact that the Scriptures, the councils of the Church from the beginning, the popes, the fathers, had all interpreted the prohibition of "usury" to be a prohibition of any lending at interest; and he demonstrated this interpretation to be the true one. Simon was put to confusion and his book condemned.

There was but too much reason for Bossuet's interpretation. There stood the fact that the prohibition of one of the most simple and beneficial principles in political and economical science was affirmed, not only by the fathers, but by twenty-eight councils of the Church, six of them general councils, and by seventeen popes, to say nothing of innumerable doctors in theology and canon law. And these prohibitions by the Church had been accepted as of divine

origin by all obedient sons of the Church in the government of France. Such rulers as Charles the Bald in the ninth century, and St. Louis in the thirteenth, had riveted this idea into the civil law so firmly that it seemed impossible ever to detach it.*

As might well be expected, Italy was one of the countries in which the theological theory regarding usury—lending at interest—was most generally asserted and assented to. Among the great number of Italian canonists who supported the theory, two deserve especial mention, as affording a contrast to the practical manner in which the commercial Italians met the question.

In the sixteenth century, very famous among canonists was the learned Benedictine, Vilagut. In 1589 he published at Venice his great work on usury, supporting with much learning and vigour the most extreme theological consequences of the old doctrine. He defines usury as the taking of anything beyond the original loan, and declares it mortal sin; he advocates the denial to usurers of Christian burial, confession, the sacraments, absolution, and connection with the universities; he declares that priests receiving offerings from usurers should refrain from exercising their ministry until the matter is passed upon by the bishop.

About the middle of the seventeenth century another ponderous folio was published in Venice upon the same subject and with the same title, by Onorato Leotardi. So far from showing any signs of yielding, he is even more extreme than Vilagut had been, and quotes with approval the old declaration that lenders of money at interest are not only robbers but murderers.

So far as we can learn, no real opposition was made in either century to this theory, as a theory; as to *practice*, it

* For the declaration of the Sorbonne in the seventeenth century against any taking of interest, see Lecky, *Rationalism*, vol. ii, p. 248, note. For the special condemnation by Innocent XI, see Viva, *Damnatae Theses*, Pavia, 1715, pp. 112-114. For consideration of various ways of escaping the difficulty regarding interest, see Lecky, *Rationalism*, vol. ii, pp. 249, 250. For Bossuet's strong declaration against taking interest, see his *Œuvres*, Paris, 1845-'46, vol. i, p. 734, vol. vi, p. 654, and vol. ix, p. 49 *et seq.* For the number of councils and popes condemning usury, see Lecky, as above, vol. ii, p. 255, note, citing Concina.

