

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 Tertullian, 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.

