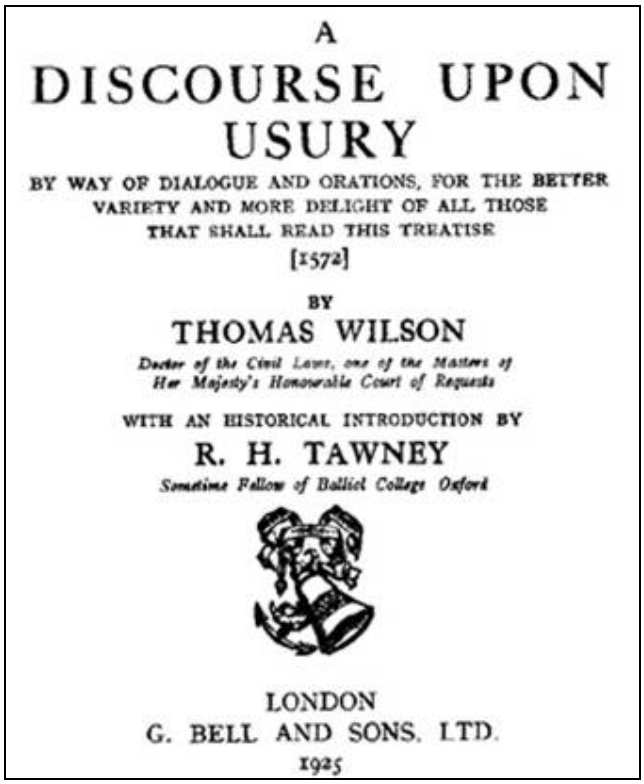
Conclusion

from

The Historical Introduction to A Discourse Upon Usury

by

R. H. Tawney


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
THOMAS WILSON
Doctor of the Civil Laws, one of the Masters of Her Majesty's Honourable Court of Requests
WITH AN HISTORICAL INTRODUCTION BY
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List of Contents

Thomas Wilson

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With the current setting towards an ever increasing freedom in the use of capital, the day of Wilson's *Preacher* and *Civilian* was nearly over. They did not surrender without a struggle. The stricter school of religious opinion continued to raise an unavailing protest against the growing disposition to remove the moral ban on usury from all interest below the maximum fixed by the statute.

Conservative writers took advantage of the section in the Act declaring that:

> "All usurie being forbidden by the lawe of God is sinne and detestable,"

to insist that the statute had, in reality, altered nothing.

True, the law winked at usury. But it did so:

> "…as he that shooteth with a caliver at birds, who winketh with one eye and shooteth with the other. So our law seeth not when the usurer letteth forth his money to interest; but, when an information is exhibited against him, it seeth the fact, condemneth the fault, and punisheth the offender; and though he taketh but after the rate of £10 in the hundred, yet shall he forfeit the full value of the interest."[1]

Men were subjects, it was argued, of *The Church* as well as of *The State*; the law of *The Church* condemned all interest as usurious, and *The State* left to *The Church* the punishment of bargains which, for reasons of practical expediency, it did not think fit to prohibit, but which it did not encourage and declined to enforce.

The more *Liberal Theologians*, working on the tradition which had started with Calvin, was developed by Bullinger, and had its most influential representative in the seventeenth century in Ames,[2] continued to reply to them with arguments designed to show that, since *Land* and *Capital* were interchangeable investments, *Interest* was ethically as justifiable as *Rent*, and that the crucial point was not the *Letter of the Law* which condemned the breeding of barren metal, but the *Observance of Christian Charity* in economic, as in other, transactions.

The literature of the discussion was voluminous. But it was obsolescent almost before it was produced.

For whether *Theologians* and *Moralists* condemned all interest, or only some interest, as contrary to morality, the assumption implicit in their very disagreement had been that economic relations belonged to the province of religion.

That buying and selling, letting and hiring, lending and borrowing, and all other economic transactions were one department of ethical conduct and to be judged, like other parts of it, by ethical criteria; that whatever concessions *The State* might see fit to make to human frailty, a certain standard of economic morality was involved in membership of the Christian church; that it was the function of ecclesiastical authorities, whoever they might be, to take the action needed to bring home to men their economic obligations.

Such doctrines had been common ground to Bucer and Wilson in the sixteenth century, and were to be affirmed with equal emphasis by *Puritans* like Ames and *Anglicans* like Laud in the seventeenth.

It was precisely this whole conception of a *Social Theory* based ultimately on religion which was being discredited by the *Man of Business* who in Wilson's dialogue said that:

> "The *Merchants'* doings must not be overthrown by *Preachers* and others that cannot skill of them."

While rival authorities were discussing the correct interpretation of *Economic Ethics*, the flank of both was turned by the growth of a body of opinion which argued that *Economics* were one thing and *Ethics* another.

The *Creed of the Commercial Classes* was a doctrineless individualism. By the reign of James I they had almost come to their own, and they used their power to oppose the interference of *Church* and *State* in matters of *Business*.

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[1] William Fulbecke, *A Parallele or Conference of the Civill Law, the Canon Law, and the Common Law of this Realme of England* (1618).

[2] William Ames, (*Guilielmus Amesius*) (1576-1633) was an English Protestant. He spent much time in the Netherlands, and is noted for his involvement in the controversy between the Calvinists and the Arminians. Ames was born of an ancient family at Ipswich, and was educated at the local grammar school and at Christ's College, Cambridge. Few Englishmen have exercised so formative and controlling an influence on European thought and opinion as William Ames although only a very small proportion of his writings are available in English. He was a master in theological controversy and a scholar among scholars. In 1778 his works were collected at Amsterdam into a five volume *Biographia*. [Ed].

The significant change which results from that movement is the *Secularisation* of the whole discussion. In the seventeenth century the *Practical Reformer* no longer tries to prohibit interest altogether. He recognises its necessity, and seeks only to effect a compromise which shall protect *The Poor* by fixing a higher rate for *Mercantile Transactions* and a lower rate for those of the *Necessitous Borrower*.

The *Pamphleteer* does not appeal, as normally in the past, to the trail of economic disaster alleged to be left by the *Usurer* as a practical confirmation of the curse laid upon usury by *Scripture* and by *The Church*.

He rests his case on the effects of high interest in causing *Merchants* to withdraw from active trade, increasing unemployment, intensifying the menace of foreign competition, and discouraging the improvement of land, and uses *Scripture* only to point an economic argument with denunciations of those that grind the faces of *The Poor*.[3]

Parliament is not asked, as in 1552 and 1571, to decide whether interest is lawful or unlawful: it has merely to consider the respective merits of ten per cent. and eight per cent. The *House of Commons* had debated anxiously, if unprofitably, under Elizabeth as to the correct interpretation of *Scripture*.

In 1640 it is more concerned with the danger of driving capital abroad.[4]

References to 'the great displeasure of God' disappear from statutes: they are replaced by considerations as to 'the great abatement in the value of land and merchandise'. The change of thought was momentous.

Can any intellectual revolution be more profound than one which substituted for a *Supernatural Criterion*, however shadowy its character and inconsistent its application, one version or another of *Economic Expediency*?

But this is not the place to examine its causes or discuss its consequences.

Dr. Wilson's book ends with the triumph of the *Preacher* and the conversion of the *Common Lawyer* and the *Merchant*. We will not follow them into an age in which the roles were reversed.

Complete Text of the Essays
by
R. H. Tawney
from his
Historical Introduction to Thomas Wilson's Discourse Upon Usury

Dr. Thomas Wilson

The Principal Type of Credit Transactions
◄ The Peasant and Small Master ►
◄ The Needy Gentleman ►
◄ The Financing of Capitalist Industry ►
◄ The Foreign Exchanges ►
◄ The Antecedents of Banking ►

Public Policy and the Money-Lender
◄ The Damnable Sin of Usury ►
◄ The Harrying of The Usurer ►
◄ The Struggle Of the Exchanges ►
◄ The Compromise of 1571 ►
◄ Conclusion ►

[3] For the change in the tone of discussion see *A Tract against Usurie*, *Presented to the High Court of Parliament* (1621), and *Usurie arraigned and condemned* (1625). The arguments of both are almost entirely practical and economic. But of course the earlier manner continued; e.g. Blaxton, *The English Usurer* (1634), Capel, *Tentations, Their Nature, danger, cure* (1633), Holmes, *Usury is Injury* (1640) and many others..

[4] Compare the debates of 1571 in D'Ewes' *Journal* with that of 1640 (printed Notestein, *The Journal of Sir Simonds D'Ewes*, p. 511): "It is conceived that this bill will make strangers withdraw their monyes."