

CUE FOR PORTIA

(*A note on Usury*)

. . . And Mr. Timothy worth a hundred and fifty thousand pound nett if he's worth a penny. Compound interest at five per cent. doubles you in fourteen years. In fourteen years three hundred thousand—six hundred thousand in twenty-eight—twelve hundred thousand in forty-two—twenty-four hundred thousand in fifty-six—four million eight hundred thousand in seventy—nine million six hundred thousand in eighty-four—why, in a hundred years it'll be twenty million. And we shan't live to use it. It is a will. (From John Galsworthy's *To Let*.)

THE passage above comes from the concluding chapter of one of John Galsworthy's masterpieces. Those who have read the book will recollect the scene. For those who have not I will explain. The old veteran, Timothy Forsyte, has directed his entire property to be formed into a trust which through the provisions of the will will probably remain intact for the better part of a century. The words quoted are put into the mouth of old Gradman, the solicitor's clerk, and the glee, utterly free from envy, with which he utters them, is one of the most perfect touches in the book.

Now you can make a very interesting experiment with this passage. Give it to read to the average educated English Catholic of normal artistic sensibility and take note of his comments. He will admire what rightly deserves to be admired, the sensitive delineation of the lovable Gradman, the success with which the author brings home a sort of primitive force in old Timothy, that huge embodiment of the possessive instinct, a force that reaches beyond the grave and still continues to mould and impose itself on succeeding generations. But it is most rare for him to comment on the following fact, that had Timothy's hundred and fifty thousand been converted, say, into flocks and herds, those herds would certainly not be miraculously exempt from the vicissitudes of Nature (as modern money largely claims to be exempt) and that one could not predict with certainty that in a hundred years they would be worth twenty million pounds.

BLACKFRIARS

He sees nothing wrong in the automatic mechanical growth, utterly unrelated to the organic growth of real wealth, of this huge sum of money.¹ No, he assumes, like the rest of the world to-day, that money has in itself an inherent right to fixed increase, and it never occurs to him to question that right. In brief, it will never occur to him to mention the word "usury."

There is food for thought in the fact that a man like St. Thomas would have read the passage set at the head of this article with instinctive recoil and horror, and that such a feeling is in most cases entirely absent from the breast of the reader, if he is a modern Catholic Englishman. For the repugnance to usury is not based on mere social expediency, but is one that is rooted very deep in human nature. It finds its expression in the code of almost every civilized people. It is clear that something has been atrophied and has decayed, and yet it seems that nobody is sufficiently interested to enquire into the reason.

It is, of course, true that Canon law to-day permits the accepting of legal or customary interest without any other title, but that does not mean that the Holy See recognizes an inherent right of money to a permanent rent in all circumstances and on all occasions, or that the tradition of civilized humanity against usury should be completely lost.

In a certain Catholic gathering I once had occasion to make a speech, during the course of which I said that deliberately to seek a profit by means of money lent at fixed interest was in my opinion contrary to Christian teaching. Well, from the manner in which that remark was received, I might have been denying the existence of daylight or any other self-evident truth. Nor were any of those who thus commented, so far as I could judge, basing themselves on the permissive clauses in the canon regarding legal interest. From the type of remark passed I very much doubt whether anyone knew of the canon's existence. They honestly thought that the notion I expressed was something no sane man had ever said before.

¹ Timothy's fortune would of course necessarily be invested in mortgages and fixed interest-bearing securities.

CUE FOR PORTIA

One incident, however, stands out beyond all the others. It was the question put to me why, if lending money for interest was wrong, had Our Lord commended the doing of this very thing in the Parable of the Talents?

There are only two conclusions to be drawn from the asking of that question. It is possible that the gentleman who asked it thought that St. Thomas and thousands like him had never read the Scriptures, and that nobody had hitherto asked or found an answer to that simple and obvious enquiry. The alternative (and I fear more probable) explanation is that he did not know that every theologian in Europe held before the Reformation exactly the view that I expressed. He did not, in a word, know anything of the Church's teaching on this matter throughout the ages; the instinctive repugnance to usury, which is universal in the human race, was dead in him. The whole concept of "money breeding money" was alien to his mind.

But I submit that it is a bad thing that this instinct against usury should be lost. It is a bad thing for the individual, for through its loss the mind receives a sort of tilt or bias which makes its grip weak on certain transcendental truths, man's place in Creation and the end of his being, the purpose of the earth's bounty. In the last resort there must be disharmony between a vivid apprehension of these things and the mechanical empire of money which cuts across and defeats them. That the loss of this instinct is a bad thing socially is in my view self-evident.

We are not here arguing of a false intellectual conviction but of a form of spiritual atrophy, the loss of a normal and instinctive reaction. Very small is the number of Catholics to-day who see anything violently wrong in the fact that our state is one of universal indebtedness, that no business can be carried on without money profitably borrowed from one of a small group of professional money lenders, that national money which should be a means of exchange and nothing else has now been replaced by bank money, a loan commodity to be manufactured and withdrawn to suit the private gain of those who control it.

Most curious of all, the clergy, whose vigorous interaction

BLACKFRIARS

with the lay mind should be the genetic force of Catholic opinion, show on this subject the timidity of an excessive and regrettable discretion. They will assert that these matters lie outside their sphere, that the Church has sanctioned the taking of legal interest, and that that is the end of the matter.

But that is very far from being the end of the matter. For we are not here concerned so much with the interest rates as with that characteristic of usury which has given it its traditional epithet—*usura vorax*. We are concerned with that system of monetary lending by which the lender secures a lien on and gradually absorbs the bulk of our real wealth. In other words, while they think that the discussion turns on whether Shylock may or may not in certain cases demand interest, the question at issue is whether Shylock shall or shall not by virtue of his bond be allowed to cut Antonio's heart out.

But you cannot deal with Shylock without taking into account the ultimate propensities of Shylock's character. You may allow him upon your markets, but a wise man will remember what type of man he is. Now wise men throughout the ages have known two things about Shylock, the first by instinct, the second partly from instinct, partly from experience. The first was that Shylock's claim that money has a right to increase from the mere fact of its being lent, i.e. that money could breed, had about it in the last resort something monstrous and unnatural. Secondly that if Shylock were allowed to exercise this right without vigorous check and scrutiny, he would sooner or later cut across the most elementary rights of everybody else. In a community actively informed by the Catholic spirit, that check should be vigorous and automatic.

The Church has condemned Shylock's claim as a claim, and she still condemns it in principle to-day. The Canon law is quite specific on this point that no profit may be claimed on the loan of a fungible thing "by reason of the contract." If the Doge chooses to allow Shylock a limited activity on his markets, she will not put him under an interdict. She will not forbid the faithful to accept moderate legal interest, but it must be remembered that, though she appears

CUE FOR PORTIA

acquiescent in this matter, it is the Church which is always holding Portia ready behind the scenes,² by which I mean that the Church has proclaimed, in a hundred different ways, that Antonio has an inalienable right not to be disembowelled.

Now my point is not only that we forget to give Portia her cue but that we forget the essential need of having Portia in readiness when Shylock is on the stage, so that while we are discussing whether Shylock shall or shall not be allowed to trade upon the market, and if so under what conditions, Shylock is merrily cutting Antonio into little pieces all over the Rialto, while Catholics who should be the first to protest have very little to say on the matter: and this happens because the world to-day has lost the instinctive knowledge that Shylock is a very dangerous, not to say diabolical, person.

It is because we have lost that healthy "awareness" with regard to usury, nay, because we ourselves largely treat Shylock's principle of money breeding money as self-evidently justified, that we refuse to believe that he is capable of evil; Shylock to-day is a gentleman with a seat in the senate. Consequently poor Antonio's disintegration when forced on our notice must have been his own fault. It was due to drink, or betting, or Bolshevism, or inefficiency, or, failing this, to economic necessity or the trade cycle. Any theory except that Shylock may have had a hand in it. There is, in a word, a quite singular reluctance to see the facts of the case or to correlate where Shylock is concerned, cause and effect.

Surely nothing is more remarkable in the popular teaching of history, even among Catholics, than the suppression of the part played in the social transformation of the last two

² It is very curious to note how many people in talking of the *Merchant of Venice* will speak of Portia as finding a "legal loophole." This is misleading. Portia is not a person who has thought of a sort of "dodge." She is the symbolic figure of natural justice vindicating her rights. It is most unfortunate that Shylock was a Jew, for this has caused certain other considerations to influence our minds in judging the play. But for this the great symbolism and moral lesson of this story would have been more widely appreciated.

BLACKFRIARS

hundred years by tolerated usury and its offspring "Dutch Finance."³

Yet these two things have altered the face of the world more radically than the steam-engine or the electric telegraph. How many people know that modern bank money, which has entirely usurped the functions of a currency, is simply a system of profitable debt, that the whole human race lives and has its being in the toils of the money-lender's net?

The discovery is not a new one; the facts are obvious; Cobbett saw them; Disraeli saw them; and both knew well enough what was their origin. How then can any serious sociologist discuss the question of usury without constant reference to the huge extent of modern indebtedness and its devastating effects on the fundamental human institution, private ownership of the means of production? How, in a word, can we discuss Shylock without taking into consideration his innate propensity to cut out the heart of his victim? The answer comes, because we have forgotten what manner of man this Shylock is.

It is for this reason that Catholic moralists, who should have made it their business to examine every inch of the field of modern financial method, who should have been active in stressing the necessity of that great counteracting principle of justice which Portia symbolizes being held in perpetual readiness to operate, have impotently turned their back on these problems, have ignored the huge problem of world debt, and treated the whole question as though it were a sort of portent for one man to lend another a hundred pounds.

I therefore put forward the following plea, that every effort be made to promote a more active study among Catholics of this subject of usury, but that it be studied in its

³ I use advisedly the expression current shortly after the time this thing was introduced. The essence of the trick is to issue, in the form of profit-bearing loans certificates or promissory notes, in respect of treasure which you do not actually possess. This was the principle on which the Bank of England was founded, and on which all banking since has been carried on. It is in reality not Dutch at all, but, though coming from Amsterdam, has quite another origin.

full relation to the economic and historical realities of the day, and in particular to the known and admitted facts of the present monetary system, and that the operation of the whole machinery of Banking and Loan Finance be taken into account. Let it be thoroughly brought home to students that, whatever concessions to expediency may have been made, the Church has never ceased to repudiate the usurer's central claim, the claim to an absolute and inherent and unvarying right to profit on the money-lender's part, and that the whole conception of money breeding money is as damnable to-day as it ever has been in the past.⁴

Most important of all, it should be reaffirmed that explicitly and by implication, and quite apart from any question of interest rates, legal or otherwise, or from any title to interest, the Christian tradition has vehemently condemned that system of monetary lending which inevitably results in a perpetual gravitation of real wealth out of the borrower's hands and an increasing maldistribution of property.

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⁴ I see that the already venerable superstition which would appear to refute this statement is not yet dead. I mean the superstition that modern money is in some special manner fruitful. Not even the Big Slump has killed it. Thus a Catholic priest, while actually inveighing against usury, writes:

"The abolition of interest can hardly be advocated on moral grounds at this time of day. Catholic theologians have long agreed that, although money was not fruitful in the Middle Ages, it must be regarded as fruitful in our own times and therefore interest can always be charged for a loan whether productive or not. They would say (what is quite undeniable, I think) that the immense material changes since the Renaissance—in short, the unlimited expansion of production—have created a world in which there is always a profitable investment waiting for the limited amount of gold and silver which is called money."

Contrast this with the remark of a writer in a recent issue of the *Fortnightly Review* (apparently a stockbroker, and therefore one who, whatever might be his principles, at least knew his facts):

"The first thing to note about any investment is that it is probably a bad investment."

This illustrates my point very well and shows that this question cannot ever satisfactorily be studied by those unequipped with a knowledge of the concrete realities of the business world.