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A subject of interest: usurers on trial in early nineteenth-century France

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This article examines perceptions and practices of habitual usury, a crime consisting of lending above the legal rate of interest on multiple occasions, in early nineteenth-century France using descriptions of usury trials found in the popular legal periodical the *Gazette des Tribunaux*. Following the French Revolution, French law legitimized lending at interest in principle, but punished 'habitual usurers' who 'made a profession' from lending above the legal limit. The decades that followed witnessed striking growth in banking, joint-stock companies and other financial institutions. Highlighting the connections between cultural constructions of the usurer and the actual processes deemed usurious, this article seeks to understand a paradox: that usury was deemed omnipresent in French society yet it was rarely prosecuted. By examining how habitual usury was defined and prosecuted in French courtrooms, this article shows how habitual usurers both validated and undermined stereotypical notions of predatory lending behavior found in popular culture of the time. Habitual usury trials also reveal the actual practices that allowed those excluded from formal financial networks to participate in the growth of capitalist relations. This article argues that the nineteenth-century obsession with the usurer can be explained by the crucial role played by usurious practices in the credit economy of the period. As such, prosecution of usury tended to focus on the character of the usury rather than the actual practice of illegal lending. This article suggests that by occasionally prosecuting particularly egregious 'immoral' moneylenders, the legal system and journals like the *Gazette des Tribunaux* worked to keep credit accessible to the 'underbanked'.

Keywords: usury, moneylending, French economic history, nineteenth-century economic history

JEL classification: N23, K42

One rainy day in April 1840 in Versoul, a village in the French province of Franche-Comte, Jean-Paul Rebillet entered the home of François Gatelet, a local gardener to whom he owed the relatively substantial sum of 100 francs.[1] Rebillet had come to plead with his creditor, known to be pitiless in the face of due dates, to renew a promissory note worth 100 francs. When Gatelet only agreed to renewal for an additional fee of 50 francs, Rebillet threatened to denounce him to the police for the crime of

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[1] *Gazette des Tribunaux* (henceforth *GT*), 20–21 Sept. 1841, p. 1249.

habitual usury. Without responding, Gatelet seized a hoe, turned towards Rebillet, and began to beat his debtor mercilessly.

Although this encounter ended more violently than most, certainly Rebillet could not have been the first villager to call Gatelet a 'usurer'. Indeed, in so much as his fellow citizens possessed a clear conception of a usurer, Gatelet clearly fit this image. Over a period of two decades, he had managed to increase his fortune twenty-fold through charging well above the legal rate of 5 percent annual interest to his desperate rural neighbors. Despite his growing wealth, the gardener-turned-lender dressed in rags and slept on a pile of straw while buying up bills from less ruthless creditors and using the threat of debtors' prison to extort money from debtors' family and friends. At Gatelet's trial, more than 50 witnesses, mainly farmers, manual laborers and owners of small vineyards, supported Rebillet's claims that the gardener was a 'habitual usurer' – a lender who, on more than three occasions, had loaned money over the legal limit. In Gatelet's house, the justice of the peace discovered a *patente* – a certificate verifying the payment of a tax theoretically required of all merchants and artisans in France – supposedly authorized by the 'Society of Usury', emblazoned with the seal of Mercury, god of money. The certificate exhorted him to never lend money 'except at an exorbitant rate capable of doubling his funds in less than six months, to never accord a single *écu* without having a deposit worth at least ten times that value; to remain deaf to the cries of the desperate who seek him for aid; and finally to spread and make others adopt the inestimable method that has guided all his actions'. The *patente* even featured the signature of the Society's head, one 'Isaac Volfort' (literally 'steal well') allegedly writing from the 'chair of Jewry' in Jerusalem. Almost unanimously denounced by his neighbors, Gatelet was found guilty on charges of habitual usury (to say nothing of excessive force!). Fined 8,000 francs, he was also sentenced to two years in prison for fraud associated with his lending practices.

Even without this unique, and undoubtedly fabricated, usurer's *patente*, Gatelet's case must have appeared fairly clear-cut. Everything about Gatelet – his pathological miserliness, his disheveled and shabby appearance, his ruthless brutality hidden by a veneer of glacial calm – perfectly corresponded to the stereotype of the usurer still familiar to us today through the novels of Balzac and the character studies of French urban life (called *physiologies*) such as *Les Français peints-par-eux-mêmes*. Yet this nineteenth-century obsession with 'identifying' the usurer related as much to cultural influences as it did to the prescriptions of the law of 3 September 1807, which regulated lending for the first half of the nineteenth century. While capping the rates of interest at 5 percent annually for non-commercial loans and 6 percent for commercial loans, the law only mandated punishment for lenders who 'on multiple occasions have loaned at excessive rates of interest'.[2] Moreover, Gatelet's trial reveals more than just certain stereotypes about habitual usurers. The credit practices employed by Gatelet reveal much about how borrowers obtained credit when they had few

[2] *Bulletin des Lois*, 3 September 1807.

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other options. Rebillet, like his fellow villagers, had long put up with Gatelet's behavior because they needed the services that only moneylenders like him were willing to provide.

Trials for habitual usury like Gatelet's were infrequent. In 1825, for instance, the number of convicted usurers barely reached 500 individuals out of a population of 50 million.[3] By contrast, there were nearly 10,000 individuals prosecuted for theft that same year.[4] Yet their very rarity encourages further scholarly attention. Contemporaries certainly believed usury to be a pressing problem. Usurers were ubiquitous figures in the era's novels and plays. Countless pamphlets, often deeply anti-Semitic, portrayed usury as the 'plague of the countryside' and lamented the plight of the peasant expropriated from his land by ruthless lenders. Reformers portrayed the situation as only slightly less dire in the cities, where borrowers resorted to seedy discounters and the public pawnshop for loans. Indeed, contemporary observations about usury fell into two categories: first, that many borrowers, particularly from among the peasantry and working class, could expect to pay more than 5 or 6 percent annual interest on their loans and second that prosecution of habitual usurers was extremely rare.

The crime of habitual usury is particularly relevant when contextualized within the initial stages of the Industrial Revolution in France. Although to some extent the onset of modern capitalism in France was marked by technological innovation and increases in productivity, contemporaries were much more aware of the proliferation of banks and other financial institutions and the increased opportunities for speculation and money-making at the stock market (Pinkney 1986). Starting at the end of the Bourbon Restoration and continuing through the July Monarchy (1830–48) under King Louis-Philippe, expanding opportunities for investment in railroads, canals and real estate fueled the growth of a financial sector (Marx 1986; Reddy 1987). At the same time, contemporaries nearly unanimously agreed that early nineteenth-century France was a country wracked by the scarcity of credit and money, particularly outside urban centers (Gille 1959). Periodic panics, recessions and revolutions easily paralyzed the tenuous conduits through which commercial loans were made and commercial paper circulated, particularly outside the major cities. The common perception of limited capital helps explain the almost incessant discussions about the goods and evils of institutions and laws supposedly designed to help credit during the nineteenth-century – from debtors' prison to bankruptcy to usury.

At a time when capitalism was on the ascent yet where capitalist institutions were inchoate, observers struggled to situate the usurer in relation to this booming financial culture. Such efforts to distinguish between licit and illicit financial practices had roots before the Revolution as the growth of a stock market and the expansion of commerce had confronted both secular and religious opposition to moneylending in principle (Kessler 2007). Yet the legal construction of usury after the Revolution – which

[3] Archives Nationales (henceforth AN) BB 3 196 Usury 1824–5.

[4] *Compte général de l'administration de la justice criminelle en France* (Paris: Imprimerie royale, 1825), p. 89.

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permitted moneylending at interest in theory while simultaneously frowning upon excesses – made defining what exactly constituted a usurious practice considerably more difficult. Moreover, this legal construction raised the question of how usury related to the burgeoning capitalist economy. While some wrote off usurers as practicing an irrational and backward form of lending to borrowers who could not be integrated into the new credit economy, others saw usurers as merely the extreme of a newly legitimated financial culture. Indeed, the word 'usurer' was often used synonymously with the term 'capitalist' (Palmade 1972). For instance, Pierre-Joseph Proudhon's famous 1840 tract 'Qu'est-ce que la *propriété*?' (What is property?), a foundational text of early socialism, called the difference between the banker and the usurer 'a purely nominal one', which allowed the former to avoid the strict penalties attached to the latter. Moreover, Proudhon compared both figures to the 'honest capitalists' who invested their funds at 3 to 5 percent, scoffing contemptuously that 'moderation in robbery is the height of virtue!' For Proudhon, as for others, the distinction between various forms of moneylending was anything but sensible (Proudhon 1840). Indeed, despite the victory of a limited form of economic liberalism, many contemporaries worried about the dangers posed by a completely free market and sought to reestablish legal and moral boundaries to separate legitimate and illegitimate economies (Thompson 2000). The moneylender in his various guises was a highly liminal figure between legitimate and illegitimate economies.

In this context, the trial and conviction of certain individuals for economic behavior that appears to have been broadly practiced holds clues for understanding how legitimate and illegitimate moneylending practices were constructed in a period when the French economy was undergoing dramatic transition. Usury was significant as both a cultural construction and an economic reality. Yet scholarly research on the connections between these two perspectives has been minimal. Most scholarly discussions of usury have focused on the religious and philosophical debates in the early modern period (Nelson 1969; Fontaine 2014; Geisst 2013). When usury has been examined as a conceptual problem in the nineteenth century, it has been as one component, albeit an important one, in the creation of modern anti-Semitism (Smith 1999). A few intriguing efforts have used the portfolios of accused usurers to understand lending practices, but these have largely been more interested in understanding the nature of credit networks than the charge of usury itself (Rinaudo 1980; Chauvaud 1984; Gueslin 1992).

This article, on the other hand, focuses on how accounts of trials of habitual usurers can help us better understand both how usury was constructed in an age when lending at interest itself was deemed legitimate and how those left out of the official credit market during this age of rapid financial expansion, whom we might refer to as the underbanked, participated in the credit economy through recourse to usurious lenders. To do this, this article will rely on one of the few sources that provide any detailed account of usury trials: the *Gazette des Tribunaux*. First published in 1825, the *Gazette des Tribunaux* was a popular daily periodical that furnished accounts of particularly important or interesting court cases from across France and served as an

inspiration for writers as diverse as Victor Hugo, Honoré de Balzac and Stendhal. As historian William Reddy has noted, the *Gazette des Tribunaux* often compiled accounts of trials from other newspapers, particularly in its coverage of provincial trials, and thus 'provides a representative sampling of the way the daily press in its heroic age of expansion covered courtrooms' (Reddy 1987, p. 443). While scholars have relied on the *Gazette des Tribunaux* as a reflection of how nineteenth-century cultural sensibilities concretely affected everyday life, the *Gazette* did not aim to provide its readers with a thorough or systematic understanding of how usury trials worked. Rather, it focused on cases the editors felt would be particularly interesting to the paper's readers. These cases appeared to be interesting because they simultaneously centered on common practices of lending (pawnbroking, discounting, the use of debt imprisonment as a kind of collateral) in a credit market where most people had little access to banks. Given that the usury involved common elements of finance that were much more broadly utilized, they showed how the line between usurer and regular capitalist was not an easy one to demarcate.

I

The habitual usurer was a product of Revolutionary and Napoleonic law. Before the Revolution, lending at interest for short-term loans had been illegal in principle, although it was often tolerated in practice. Only annuities (*rentes*), considered a form of sale, officially escaped the label of usury, but commercial practices had long evolved to avoid conflict with the law. In theory, convicted usurers faced banishment and public shaming but enforcement was generally haphazard and arbitrary (Petit 1840, pp. 19–20) The Revolution of 1789 revoked the prohibitions on interest in favor of a society based on contractual freedom, but the financial crises precipitated by the Revolution engendered a dramatic rise in interest rates. Contemporaries blamed the rise of a new class of moneylenders on the excesses of Revolutionary economic liberalism (Thullier 1983; Vause 2014). Goaded by moral outrage and by the practical necessity of restoring trust in the circulation of money, in September 1807, Napoleon's State Council passed new usury laws intended to compensate for the 1804 Civil Code's hazy dispensations on lending. On one reading, the new law did not really view extra-legal interest rates as intrinsically unjust. Indeed, it inflicted no penalty on someone who lent money at an extra-legal rate once or twice, thereby protecting lenders against unfair persecution by dishonest borrowers. It also affirmed the right of individuals to make private contracts free of state regulation. Lending at interest itself was legitimate in the eyes of the law; abuses of lending, however, were not.

The result of this caution with regard to prosecuting usurers was to deflect attention from the act of lending at interest itself and on to the type of putatively abnormal individuals thought to engage in such actions. Frequently coupled with fraud charges, habitual usury charges resulted not only in restitution of the illicit interest but in a fine equaling half the amount acquired from all borrowers and up to two years imprisonment if accompanied by fraud or deception (Valente 2000). On the other hand, a

creditor who committed a single act of usury was not a usurer: a debtor who believed him or herself the victim of an individual act of 'usury' could pursue restitution of the amount 'illicitly' gained in interest in a civil court, but, despite exceeding the legal limit of interest, the credit was not considered guilty of a charge. As Pierre-Victor-Alphonse Petit's *Traité de l'usure* clarified, 'when there is no habit, there is no offense [*délit*], and there is an offense where it is habitual' (Petit 1840, p. 23). Another commentary, Olivier-Jacques Chardon's 1823 *De l'usure dans l'état actuel de la legislation*, noted that 'the habitude is more than recidivism; the law, in using this expression, seems only to affect those who carry out usury as a trade, and make it their principal occupation'. Indeed, in Chardon's opinion, because habitual usury was defined less by the actual practice of lending at an exorbitant rate of interest and more by the internal motivations of the one led to such practices, an accusation of usury rested more on a judgment of character. He advised that 'one does not have to wait until a man, carried away by that passion, has ruined the land where he lives, in order to stop his brigandage with a just punishment' (Chardon 1823, p. 91). In the case of habitual usury, a lender was punished not because he had extended a predatory loan, but because he was the type of person who extended predatory loans.

Who were these lenders? Perhaps the most comprehensive overview of usury that exists for this period is provided by a nationwide investigation into the prosecution of habitual usury launched by the government in 1825.[5] The results of this survey tell us two things: that habitual usury was a largely rural phenomenon, and second, that usury was difficult to identify and prosecute. The survey revealed that in most French *départements* very few individuals were tried for habitual usury in 1824. The egregious outlier was the Bas-Rhin, which produced 116 of the 510 usurer prosecutions for the year.[6] Most other *départements* listed single-digit numbers. The Seine, the seat of Paris and the most populous *département*, had only 16 usurers prosecuted in 1825. Habitual usurers held a variety of professions, varying from small artisans to ministers to one gunsmith's wife, who was the only person arrested for usury in the entire *département* of the Loire in 1824. Yet over one-fifth of them were described as 'landowners' and approximately one tenth as 'farmers', corroborating the fact that most of the trials took place in small towns and villages and not large urban environments.

Overall, prosecution of usury was low. The 1825 data indicate that some 510 individuals were arrested on charges of habitual usury. Of these, 88 were acquitted, 13 imprisoned (for fraud accompanying the act of usury) and 409 fined. In 1826, 365 individuals were arrested on charges of habitual usury with 70 acquitted, whereas by 1829 the number was 101 arrests and only one imprisonment and in 1832, eight years after the launch of the government investigation, only 40 individuals were arrested on usury charges with no imprisonments (Renaud 1835, p. 55). Nevertheless, for white-collar criminals in the nineteenth century, habitual usurers appear to have had abnormally high conviction rates, averaging around 20–25

[5] AN BB 3 196 Usury 1824–5.

[6] This anomaly was almost certainly linked to anti-Semitism. See Szajkowski (1953).

percent (Donovan 2014, p. 62). This may be due to the considerable burden of evidence that was necessary to compel a public prosecutor to bring a charge of habitual usury to court: those individuals who made it to a correctional court were those cases about which prosecutors could most safely predict a guilty verdict.

Indeed, one recurring feature of the various responses from public prosecutors to the 1825 government inquest was the difficulty in bringing forward official charges of habitual usury. The responses of court officials throughout France to an 1825 circular made it very clear that, in general, lending multiple times over the legal rate of interest did not materialize into a charge of habitual usury. To bring a charge of usury, plaintiffs had to make their accusations known to a public prosecutor who would then decide if the case seemed strong enough to gather additional evidence to pursue it in a correctional court. This could be a time-consuming and often futile process. One village judge in the Loire Valley reported no usury cases in the previous five years, 'not because there is no usury – quite the opposite – but because it is nearly impossible to prove habitual usury'. In small towns across the country, prosecutors affirmed their reluctance to 'hazard treasury money' when the outcome seemed exceptionally uncertain for a variety of reasons.[7] On one hand, as a prosecutor in Lourdes pointed out, officials often had little information about 'notorious usurers' in far-out villages, since they relied upon word of mouth. On the other, the silence of both debtors, who refused to report on abusive lenders out of shame and need, and the usurers, who cleverly hid the traces of their fraud, often concealed predatory lending from the eyes of the courts.[8] Even after the indictment, a conviction remained unlikely. Witnesses, as one prosecutor in Tarascon bemoaned, had a habit of disappearing on a daily basis as those formerly willing to testify suddenly changed their minds, presumably after being paid off or threatened by the accused or his associates.[9] The usurer, in short, was a devilishly difficult character to identify and to prosecute. Yet, while somewhat arbitrary, the prosecutions of usurers did perhaps serve a very concrete economic purpose. Aware that the equilibrium interest rate was much higher for most people than the legal ceiling, government officials knew that borrowers possessed little incentive to prosecute usurers, especially if they maintained repeated business interactions with them. However, occasional high-profile prosecutions would be sufficient to deter usurers with monopoly powers from fully exploiting their position.[10]

Although difficult to define legally, the era's popular culture possessed much firmer ideas as to what constituted the usurer, a figure who made frequent appearances in novels, plays and character studies (*physiologies)* of the early nineteenth century. In some accounts, the usurer resembled the miser, a marginalized figure whose

[7] AN BB 3 196 Usury 1824–5.
[8] AN BB 3 196 Usury 1824–5.
[9] Archives départementales Bouches du Rhône 2 U 1 1132 Usuriers: renseignements et poursuites 1825–1831, letter 7 March 1825, procurer in Tarascon.
[10] I thank one of my anonymous reviewers for pointing out this possibility.

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devouring passion for money was reflected in every aspect of his behavior and even his physical traits. In other accounts, the usurer resembled the aristocrat, surrounding himself with objects denoting luxury and taste and mingling with the social elite. A good example of this first 'type' of usurer is perhaps the most famous moneylender of nineteenth-century French literature: Honoré de Balzac's Jean-Esther Gobseck, the focus of an entire novella. Gobseck, of mixed Dutch and Jewish heritage, is a 'bill of exchange incarnate' complete with 'a pair of little eyes, yellow as a ferret's' which 'peered out from under the sheltering peak of a shabby old cap, as if they feared the light'. Thin, ageless, nearly genderless, 'thrifty of pulse-strokes', Gobseck's knowledge of men's characters is as cold and as thorough as of the bills they sign. Gobseck's avarice, predictably, colored not only his physical person but also his living situation. 'His room, and everything in it,' Balzac writes, 'from the green baize of the bureau to the strip of carpet by the bed, was as clean and threadbare as the chilly sanctuary of some elderly spinster who spends her days in rubbing her furniture.' In the wintertime, too thrifty to light a fire, Gobseck never left more than embers burning. Gobseck's love of money is quite literally written into his features and explains his every action. In this, Gobseck, for all the terror conjured in the hearts of his borrowers, provided the comfort of an easily legible financial market where dangerous lenders proved easy to isolate and avoid, if possible (Balzac 1896, pp. 143–4).

Yet Gobseck was only one of many of Balzac's usurers who inhabited specific niches in a complex financial ecosystem. Indeed, Balzac's works, taken as a whole, noted a progression in usury from the easily identifiable miser-like usurer on the margins to the financier at the heart of fashionable society itself. Fashionable usurers appeared in other popular fictional works of the time. In Louis Reybaud's highly successful social satire *Jérôme Paturot: à la recherche d'une position sociale*, published in 1843, the title character is forced to visit a usurer to obtain money. Believing he will find 'one of those types of usurers consecrated by tradition and depicted in novels… a dry and wizened old man, living in a garret adorned with curiosities buried in straw', instead he is surprised to find the lender to be 'around 30, elegant and polished, having nothing about him of the usurer – neither the hooked nails, nor the pinched lips, nor the cavernous eyes' lodged in 'a very well-kept-up interior with waxed floors, satin door curtains, and a sumptuously furnished waiting room, salon, and office' (Reybaud 1846, pp. 396–7). Louis Jousserandot, who provided the character study of the usurer in the famous collection *Les Français peints par eux-mêmes*, distinguished between various species of usurers, starting out with the essential divide between the 'usurers of Paris and provincial usurers'. The Parisian usurer, as opposed to his miserly provincial cousin, cut a fine figure, and could be seen regularly riding in his elegant carriage in the park and 'holding a whip made of rhinoceros horn and smoking a cigar with such poetry' (Jousserandot 1853, p. 104). Like Balzac and Reybaud, Jousserandot set up a transparent vision of the usurer only to quickly demolish its easy legibility.

The accounts of usury trials from the *Gazette des Tribunaux* provide a unique window into the interplay between these cultural constructions of the usurer and the legal category of habitual usury. From 1825 to 1850, the *Gazette des Tribunaux*

featured regular coverage of a very small selection of the usury trials that happened annually, averaging between three and five every year. The *Gazette*'s coverage of usury trials included some cases that were legally important in the definition and punishment of habitual usury. Appeals courts considered cases that sought to resolve questions of whether interest charged on the renewal of bills could count towards the amount of the fine or whether usury charges made prior to previous usury charges could count towards a new fine for usury.[11] However, most of the *Gazette*'s cases were not legally important, but rather deemed particularly titillating to the newspaper's readership.

First, a brief listing of usury trials that appeared in the pages of the *Gazette des Tribunaux* demonstrates the difficulty of assigning habitual usury to a particular occupation. In Lyon, one 'C. Louis' used his wife's frippery shop as a front to hide the couple's real business of lending at exorbitant rates of interest and bill discounting at extremely steep rates.[12] In Reims, Mr Beguin 'having exercised for many years the honest profession of cabinet-maker had abandoned it for the sad and ignoble one of usurer'.[13] One Bouret of Marseille specialized in loaning to military officers at an annual interest rate between 10 and 30 percent.[14] A Parisian wine merchant lent to the Polish refugees who frequented his tavern and who lacked access to less abusive networks of credit.[15] Caïn, a clothing merchant on Paris's rue Quincampoix, catered to the particularly lucrative niche of fashionable women of Paris's Chaussée d'Antin.[16] Bailiffs and commercial guards themselves, charged with arresting debtors, were brought to court on charges of habitual usury.[17] These individuals shared little in common except for having somehow dramatically lost standing in the eyes of their debtors to such a point that, formerly powerful, they became open to attacks.

Yet, despite their various professions, like the fictional accounts of usurers, the moneylenders arraigned before the nation's correctional courts could both confirm and confound stereotypes of the usurer. On another occasion, the *Gazette des Tribunaux* described one woman as visibly demented by her desire for money to the point of insanity. 'The demon of money by which this good old woman was possessed,' the *Gazette* affirmed, 'acted upon her so strongly that her body and her tongue could not rest for a moment: she twisted and turned in the bench, making sudden jolts, struck at the bar, cursed as enemies all the witnesses, boasted of her virtues, calling the men rogues and the women whores.'[18] Another usurer in Lyon was described as being 'a veritable look-alike of Molière's miser, who does not leave his house except with a inkwell in his pocket' so that he could negotiate bills

[11] *GT* 5 Dec. 1840, p. 124, and *GT,* 30 Aug. 1836, p. 983.
[12] *GT,* 5 Dec. 1829, p. 119.
[13] *GT, 8* Aug. 1833, pp. 993–4.
[14] *GT*, 30 Apr. 1826, p. 3.
[15] *GT*, 6 Feb. 1847, p. 355.
[16] *GT*, 16 Mar. 1828, p. 478.
[17] *GT*, 17 Oct. 1839, p. 1267.
[18] *GT*, 16 Dec. 1841, p. 253.

whenever the opportunity arose.[19] Such usurers seemed taken directly from the pages of Balzac's *Gobseck* and clearly distinguished from more reputable lenders.

At other times, however, the *Gazette* expressed astonishment at how deeply the appearance and manners of the accused contrasted with their alleged crime. Describing three habitual usurers in the town of Saint-Gaudens, the *Gazette* noted that they possessed 'ease of manners, the elegant cleanliness of their clothing, their facile language, which contrasted with the shameful traffic with which they would soon be reproached'.[20] On another occasion, when describing Charles Bousquet, who ran a bank aimed at exploiting the poor, the *Gazette* noted that 'the nature of that charge would seem to indicate a man of very ripe age, one of those hardened capitalists', but instead the suspect was 'a young man of 22 with a rosy and juvenile face'.[21] The *Gazette*'s readers then could find reassuring images of easily distinguishable usurers in the pages of the *Gazette*, but they could also have these easy types undermined by exploitative moneylenders who appeared completely normal and even respectable. Usury could thus not be easily differentiated from capitalist practices merely on appearances alone.

Anecdotes that revealed the hard-heartedness of lenders appeared to be even more damning than those that directly pertained to steep interest rates. When one accused usurer was asked about providing diamonds to a borrower in return for a bill of exchange worth twice their amount, the defendant impassively responded that the diamonds in question had belonged to his former wife, a fact said to send shock waves through the audience.[22] Another witness described how, in return for years of helping watch the house, his wife had been given a 'vile cloth of 10 francs', which he deemed 'shameful, from a man with money!'[23] Anecdotes like these were trotted out to display the exploitation and violence inherent in the type of lending these usurers practiced. They also demonstrated, to those who may have doubted, that their immorality was not merely limited to their financial dealings.

II

We can also learn something from the pages of the *Gazette des Tribunaux* about the common practices employed by usurers, practices which revealed the means by which those left out of the banking system obtained credit during this period. While government notaries largely handled long-term credit, the credit structure for short-term credit operated in a pyramidal fashion. At the top, the Bank of France accepted only bills from bankers and merchants inhabiting the capital whose credit had been thoroughly vetted. Parallel to this, private bankers, of

[19] *GT*, 12 Oct. 1837, p. 1211.
[20] *GT*, 4 Jan. 1837, p. 222.
[21] *GT*, 8 Feb. 1840, p. 349.
[22] *GT*, 25 Dec. 1830, p. 190.
[23] *GT*, 25 May 1843, p. 784.

whom families like the Périers and Rothschilds were the most widely known, loaned at low interest rates to a small elite of borrowers. But all other borrowers were forced to resort to intermediaries. In the city, this meant that borrowers resorted to petty moneylenders and discounters or to the municipal pawnshops, the Monts-de-piété, which Balzac memorably called 'the queen of usury' due to the exorbitant rates of interest charged on the petty goods pledged there (Gille 1959, p. 105).

The accounts of usury trials provided by the *Gazette des Tribunaux* reveal how borrowers without good credit made use of the various legal prescriptions surrounding financial instruments, such as promissory notes, and bills of exchange, to obtain credit. Habitual usurers often used complex networks of brokers to facilitate their operations. The *Gazette des Tribunaux* referred to these individuals as *courtiers marrons* – the same term that was used for the brokers of the illegal stock market, the *coulisse* that operated in tandem with the closely regulated official stock market, connecting the underworld of usury to other levels of the financial system. At one trial that took place in Paris in July 1836, for which over 200 witnesses testified, the six individuals accused of habitual usury worked in cooperation with a network of brokers.[24] Borrowers often made initial contact with these brokers, who then arranged to find willing lenders. One wealthy young man, M. Joyeaux, contacted a broker named Boucher who subsequently introduced him to Jeanin, one of the accused usurers. Joyeaux was then made to sign a bill worth 40,000 francs due at a later date in exchange for bill of exchange from a self-styled Russian prince who, he was told, always paid at least 50 percent to his creditors but who never ended up paying a cent. Both brokers and the lenders then took a cut of their illicit gains.

Nor was this system of brokers restricted to major cities. In the small and isolated town of Saint-Gaudens in the Haut-Garonne in December 1836, a similar operation appears to have been in place. Charges of habitual usury were brought against three principal lenders – Gabriel Saint-Paul, Eugene Darolles and Leon Saint-Paul, all prosperous landowners – who operated through brokers. Four of these men were arraigned alongside the usurers, and the *Gazette* noted the contrast of these humbly dressed 'poor farmers' with the lenders themselves, explaining that several of these brokers had originally been victims of usury themselves but then had been coopted to work on behalf of their employers presumably to help reimburse their debts.

Lenders also worked in tandem with other lenders to escape legal regulations. One particularly common scheme would begin with one lender providing a motley array of goods in return for a bill of exchange due at a later date. The borrower would then be told to sell his goods to a colleague of the lender, who would pay far less for them than the initial value promised in the loan. Numerous trials of such 'usury rings' appeared in the *Gazette des Tribunaux*. The goods involved were frequently cloth and clothing, but could include everything from musical instruments to jewelry to rare and exotic animals.[25] In Paris in July 1836, for example, a particularly

[24] *GT*, 23 Jul. 1836, p. 848.
[25] *GT*, 23 Jul. 1836, p. 848.

well-attended trial focused on a notorious 'usury ring' featuring nearly 100,000 francs of loans in exchange for a diverse array of objects ranging from bottles of champagne to limes, clocks, scarves, cashmere cloth, a cow and umbrellas. One borrower even claimed to have received a camel.[26] In November 1826, one victim of such an enterprise testified that he had signed 8,400 francs worth of bills in exchange for what he was told were 'excellent wines'. Directed to a third party who would give him money for the wines, he received only 730 francs for them.[27] A similar transaction could be done with stocks, bonds and paper money. M. d'Esquiron de Saint-Aignan loaned to a clientele of businessmen and aristocrats by providing over-valued railroad shares to be redeemed by a designated broker.[28] By dividing up the usurious transactions between multiple lenders, usurers hid the full illegality of their practices. They also spread out the risks associated with lending to their risky clientele.

Some lenders relied on the public municipal pawnshops, the Monts-de-piété, to provide money in return for objects. Indeed, although the Monts-de-piété had been established as a means of reining in abusive lending, they also enabled certain types of usurious practices. For example, one Grisard, a cloth seller, saved his damaged or unattractive cloth for a bill-discounting business he ran on the side. When borrowers came in, he would give them cloth in return for their bills, and they would go to pawn it. They would soon find that the Mont-de-piété would give them only a small fraction of the bill's worth.[29] Femme Deville, a peddler, loaned small sums of money to other peddlers, taking on average 10 centimes for every 5 francs and often requiring her borrowers to deposit receipts from Mont-de-piété, tools or other small objects as a guarantees.[30] One man set up an 'Office for short-term loans' and specialized in very small sums to a clientele largely comprised of fruit-sellers, demanding not only exorbitant interest rates but also that they provide deposits including rings, watches and receipts from the Mont-de-piété. The Mont-de-piété's own business strategies provoked this method: it was a well-known fact that the appraisal of pawned objects tended to be very conservative in relation to their real worth (Danieri 1987, pp. 319–24). Barré, a 30-year-old Parisian grocer, made use of this fact when he discounted bills in exchange for receipts for objects at the Mont-de-piété worth far more.[31]

Another common thread in the usury trials was the usurer's reliance on debt imprisonment to ensure the reimbursement of loans. To affix one's signature to a negotiable instrument entailed legal responsibility for the bill. If a bill was not reimbursed, creditors could pursue all signatories on a bill of exchange and have them thrown in prison. The usury trials in the *Gazette des Tribunaux* reflect a widespread usage of

[26] *GT,* 24 Jul. 1836, p. 1852.
[27] *GT,* 8 Jul. 1826, p. 3.
[28] *GT,* 1 Sept. 1842, pp. 1226–7.
[29] *GT,* 31 Jul. 1844, p. 963.
[30] *GT,* 3 Apr. 1842, p. 689.
[31] *GT,* 25 May 1843, p. 784.

debt imprisonment as a means of ensuring loans. The November 1828 trial of a hairdresser named Roux, for example, revealed that the lender would first win the trust of his customers by 'shaving their heads and selling them pomades', then lent them money and 'finished by putting all of these individuals in Sainte-Pélagie [the debtors' prison of Paris] in successive batches'.[32] He then would strike up relations with his borrowers' families who would pay up 'not wishing to see a good name from the provinces on the roster of Sainte-Pélagie'. Incarcerated debtors sometimes pressed usury charges against their lenders in order to nullify their imprisonment. The incarcerated borrowers were also frequently called to court to testify against their lenders, appearing in the courtroom accompanied by municipal guards.

The liability of all signatories for the bill also allowed for one of the greatest advantages of the negotiable instrument: discounting. If a bill-holder wished to receive money or other forms of compensation before a bill was due, he would have a bill discounted. In the nineteenth century, discounting was done both by bankers and by individuals who did not necessarily primarily work as moneylenders. Instead, they might be senior members of trades who took in bills on the side. A banker or discounter would take the paper before its due-date, giving the holder money minus a discount rate. This rate varied according to the risks that a banker or discounter felt he was taking in receiving the bill: the higher the risk, the higher the rate. Importantly, discounting was not considered actual moneylending and thus was not subject to the same restrictions, namely the laws on interest that had been reinstated under Napoleon.

Discounting presented a murky area between licit and illicit lending, an issue that was not new to the nineteenth century but had emerged prior to the Revolution (Kessler 2007, pp. 201–9). Although discount was not subject to interest rate laws, in the early nineteenth century, however, borrowers attempted to pursue discounters in court. The considerable ambiguity concerning the legal limits imposed on interest rates and the relative freedom of discount rates arose in several cases throughout the early nineteenth century. As one legal treatise explained, while discount itself did not fall under the laws regarding usury, 'if discount is not serious, but only a means of disguising an augmentation in the interest then there is usury' (Petit 1840, p. 36). This differentiation could prove tricky to make. In January 1826, the Royal Court of Paris ruled against MM. Noet et Lérambet who had attempted to reduce a 12–25 percent discount rate they had received on paper worth 7,000,000 francs to the legal interest rate of 5 percent. The court ruled that while interest was the 'fruits produced by money' the result of which was legally fixed, the discount rate depended not only on this but also the 'solvency of the signers of the effects' and thus could not be fixed because it depended in the trust accorded to an individual signatory.[33] While those not judged to be business people could invoke high discount

[32] *GT*, 29 Nov. 1828, p. 99.
[33] *GT*, 19 Jan. 1836, pp. 289–90.

rates as a form of interest, declared the court, the parties involved were merchants because they acted as 'speculators given to industrial operations'.

Nor was discounting the only way that the negotiation of commercial paper provoked debate about unfair lending practices. Some discounters allegedly exhorted usurious securities before they agreed to take in paper.[34] Another accused usurer in Albi made his borrowers stand as guarantors to individuals, unrelated to the borrowers, whom he knew to be on the brink of bankruptcy.[35] He would then buy up bills belonging to these borderline bankrupts at a fraction of their worth and collect money from his borrowers who had stood as surety. Lesage-Dollu's usury charged interest on renewals of bills that was based on the original money lent plus the previous interest rather than merely on the principal.[36] Others masked their usury with 'commissions' or obligatory 'gifts'.[37]

Few aspects of the usury trial better underscore the blurry lines between licit banking and illicit usury than the defenses offered by usurers and their lawyers at their trials. In these, usurers attempted to demonstrate the legitimacy of their own practices by redefining their transactions and denigrating the credibility of their clientele. The first line of defense was to deny that they had surpassed the legal limits for usury and attempt to prove instead that their practices stayed within the limits of the law. Yet given the sheer numbers of witnesses and evidence against them, usurers often switched tactics. Some lawyers used the trials as means of arguing against the logic of the prohibitions on interest. Other usurers argued that they provided a community service, allowing borrowers otherwise incapable of obtaining loans access to a credit market where loans were extended on the bases of reputation and assets. As one accused usurer noted, 'one can get more resources from a usurer who loans with an interest above the legal limit than from the so-called honest capitalist who laughs in his face saying "I only loan at five percent but on a good pledge. I can do nothing for you!"'[38] Roux, the hairdresser discussed above, labeled his accusers 'ingrates' who, for years, 'to have had my money, would have gladly kissed my… My… I don't know what.'[39] Moreover, the business usurers ran was a risky one. The lawyer for accused usurer Charles Bouquet reminded the court that most of Bouquet's usury comprised loans at 8–12 percent annual interest made to debtors whom he had subsequently placed in debtor's prison after they had failed to reimburse the debts on bills he had discounted for them. 'If there is a non-lucrative profession,' declared the lawyer 'it is that of the usurious lender, and he finishes most frequently by expiating his illusory profits, under a pile of protested bills.'[40] Interest rates and discount rates

[34] *GT,* 7 and 14 July 1843, pp. 932 and 956.
[35] *GT,* 5 Dec. 1840, p. 124.
[36] *GT,* 1 Apr. 1837, p. 527.
[37] *GT,* 11 Mar. 1836, p. 463.
[38] *GT,* 21 Jul. 1831, p. 889.
[39] *GT,* 29 Nov. 1828, p. 95.
[40] *GT,* 1 Jan. 1831, p. 215, and 21 Jul. 1831, p. 889.

became steeper when the discounter feared that he himself stood to lose from discounting.

Some debtors acknowledged the weakness of their own position and appeared grateful to the lender for having allowed them to obtain credit even at a steep price. An artist, called to testify against one lender accused of usury, may have spoken for many in defending his 'friend' the accused 'capitalist'. He explained: 'having neither land nor annuities, my only pledges in borrowing were my person and my engagement, and so … so … I accepted the conditions made to me'.[41] Describing the witnesses at the trial of a former laundress, arrested for making short-term loans to a clientele of petty employees and workers, the *Gazette des Tribunaux* noted how almost all of the witnesses, rather than demonstrating 'natural hatred' of her, seemed warmly appreciative of her 'services', maintaining that borrowing from her was their only means of obtaining loans at all.[42]

Habitual usury charges were the exception rather than the rule when it came to moneylending during this period, with numbers of actual prosecutions being completely decoupled from what we can surmise were the realities of moneylending on the ground. Yet the evidence from the *Gazette des Tribunaux* further suggests a huge disparity between the law on the books and the law in action in regards to the practice. While the law on the books focused on the act of usury by criminalizing lending over a legal maximum if this was done more than three times, in action the porous boundaries between licit and illicit types of interest made such a hard and fast distinction difficult to maintain. The law in action instead focused on character, and prosecutions were directed at the kind of immoral person deemed to be a 'habitual usurer'.

III

In 1850, as the Second Republic attempted to increase the accessibility of credit to small borrowers, lawmakers moved to suppress usury. New legislation was proposed to heighten the penalties associated with lending repeatedly at a rate above the legal limit. Some legislators even wanted to criminalize the single act of lending at an interest above the legal rate. By 1850, however, the debate about usury had become part of a larger debate about capitalism versus socialism, with critics of new usury regulation accusing their opponents of supporting 'flagrant socialism' by limiting the rights of lenders.[43] Usury played a central role for many early socialists, who saw in the figure of the usurer not the antithesis of the good capitalist as he was framed by the court cases, but rather its epitome.

From the court cases discussed in the *Gazette des Tribunaux*, it is hardly surprising that, for supporters as well as opponents of the new restrictions, the 'habitual

[41] *GT,* 24 Jul. 1840, p. 935.
[42] *GT,* 2 Feb. 1844, p. 393.
[43] For the debate on usury see debates in *Le Moniteur Universel*, from 29 Jun. 1850, pp. 2210–12, to 2 Jul. 1850, pp. 2258.

usurer' could stand in for the capitalist. Although the principle of lending at interest was broadly accepted among political and legal thinkers, the punishment of individuals who were deemed to have abused this right still reflected the desire to rein in self-interest in the name of the common good. In this regard, the usurer served as a foil to the moderate, useful capitalist, and identifying and punishing this figure was important for drawing the lines between acceptable and unacceptable marketplace behavior. The usurer, in this sense, was a cultural persona that represented one side of a general ambivalence towards capitalism in the social imaginary. For Karl Marx in Book III of *Capital*, this obsession with usurers served as the last gasp of a petite bourgeoisie moral economy that would ultimately pave the way for the concentration of capital in fewer hands. In fighting against the usurer as a stereotypical figure, Marx argued, these would-be reformers in fact helped further the cause of capitalism in general (Marx 1981, pp. 728–48).

The obsession with the figure of the habitual usurer, an obsession widely shared in nineteenth-century print media and novels, can be explained by the anxieties about the growing predominance of capitalist relations. As banking culture became increasingly prominent and influential during the July Monarchy, the habitual usurer served as a focus point for popular anxieties about moneylending in general. Ultimately the material from the *Gazette des Tribunaux* suggests that charges of habitual usury were as much about cultural norms distinguishing lawful from unlawful lending as they were about pursuing individuals who habitually lent above the legal rate of interest. That is to say that because usury was often so cleverly disguised as to be nearly indistinguishable from legal practice, its practitioners seem to have been singled out for having transgressed certain parameters of a moral economy rather than merely having repeatedly lent at a high rate of interest. Bringing certain egregious usurers to justice – and assuring that their trials were given negative publicity in journals like the *Gazette des Tribunaux* – helped ensure that credit remained accessible to those not served by banks.

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