that all lending is regarded as free from an immoral taint. This change in the attitude of common-sense morality in respect to “ anything that is lent upon usury ” is one of the most peculiar and instructive features in the economic progress of society.

“ It is worthy of remark,” says Grote (*History of Greece,* vol. iii. p. 144), “that the first borrowers must have been for the most part men driven to this neces­sity by the pressure of want and contracting debt as a desperate resource without any fair prospect of ability to pay ; debt and famine run together in the mind of the poet Hesiod. The borrower is in this unhappy state rather a distressed man soliciting aid than a solvent man capable of making and fulfilling a contract ; and if he cannot find a friend to make a free gift to him in the former character he would not under the latter character obtain a loan from a stranger except by the promise of exorbitant interest and by the fullest eventual power over his person which he is in a position to grant.” This remark, though suggested by the state of society in ancient Greece, is largely appli­cable throughout the world until the close of the early Middle Ages. Borrowers were not induced to borrow as a rule with the view of employing the capital so obtained at a greater profit, but they were compelled of necessity to borrow as a last resort. The conditions of ancient usury find a graphic illustration in the account of the building of the second temple at Jerusalem (Neh. v. 1-12). The reasons for borrowing are famine and tribute. Some said, “We have mortgaged our lands, vineyards, and houses, that we might buy corn, because of the dearth ; ” others said, “We have borrowed money for the king’s tribute, and that upon our lands and vineyards . . . and, lo, we bring into bondage our sons and our daughters to be servants, . . . neither is it in our power to redeem them, for other men have our lands and vineyards.” In ancient Greece we find similar examples of the evil effects of usury, and a law of bankruptcy resting on slavery. In Athens about the time of Solon’s legislation (594 B.c.) the bulk of the population, who had originally been small proprietors or metayers, became gradually indebted to the rich to such an extent that they were practically slaves. Those who still kept their property nominally were in the position of Irish cottiers : they owed more than they could pay, and stone pillars erected on their land showed the amount of the debts and the names of the lenders. Usury had given all the power of the state to a small plutocracy. The remedy which Solon adopted was of a kind that we are accustomed to consider as purely modern. In the first place, it is true that according to ancient practice he proclaimed a general *seisachtheia,* or shaking off of burdens : he cancelled all the debts made on the security of the land or the person of the debtor. This measure alone would, however, have been of little service, had he not at the same time enacted that henceforth no loans could be made on the bodily security of the debtor, and the creditor was confined to a share of the property. The consequence of this simple but effective reform was that Athens was never again disturbed by the agitation of insolvent debtors. Solon left the rate of interest to be determined by free contract, and sometimes the rate was exceedingly high, but none of the evils so generally prevalent in antiquity were experienced.

When we turn to Rome, we find exactly the same diffi­culties arising, but they were never successfully met. As in Athens in early times, the mass of the people were yeomen, living on their own small estates, and in time they became hopelessly in debt. Accordingly the legislation of the XII. Tables, about 500 b.c., was intended to strike at the evil by providing a maximum rate of interest. Un­fortunately, however, no alteration was made in the law of debt, and the attempt to regulate the rate of interest utterly failed. In the course of two or three centuries the small free farmers were utterly destroyed. By the pressure of war and taxes they were all driven into debt, and debt ended practically, if not technically, in slavery. It would be difficult to over-estimate the importance of the influence of usury on the social and economic history of the Roman republic. In the provinces the evils of the system reached a much greater height. In 84 B.C. the war tax imposed by Sulla on the province of Asia was at first advanced by Roman capitalists, and rose within fourteen years to six times its original amount. It is interesting to observe that the old law of debt was not really abolished until the dictatorship of Julius Cæsar, who practically adopted the legislation of Solon more than five centuries before ; but it was too late then to save the middle class. About this time the rate of interest on first-class security in the city of Rome was only about 4 per cent., whilst in the provinces from 25 to 50 per cent. were rates often exacted. Justinian made the accumulation of arrears (*anatocismus)* illegal and fixed the rate at 6 per cent., except for mercantile loans, in which the rate received was 8 per cent. On the whole it was truly said of usury during the republic and early years of the empire : “ Sed vetus urbi fenebre malum et seditionum discordiarumque creberrima causa.” Even when it came to be authorized by Roman law under certain restrictions, it was still looked upon as a pernicious crime. “ Cicero mentions that Cato, being asked what he thought of usury, made no other answer to the question than by asking the person who spoke to him what he thought of murder.”

It was only natural, considering the evils produced by usury in ancient Greece and Rome, that philosophers should have tried to give an *a priori* explanation of these abuses. The opinion of Aristotle on the barrenness of money be­came proverbial, and was quoted with approval throughout the Middle Ages. This condemnation by the moralists was enforced by the fathers of the church on the conversion of the empire to Christianity. They held usury up to detestation, and practically made no distinction between interest on equitable moderate terms and what we now term usurious exactions.@@1 The consequence of the con­demnation of usury by the church was to throw all the dealing in money in the early Middle Ages into the hands of the Jews. A full account of the mode in which this traffic was conducted in England is given by Madox in chapter vii. of his *History of the Exchequer* (London, 1711). The Jews were considered as deriving all their privileges from the hand of the king, and every privilege was dearly bought. There can be no doubt that they were subjected to most arbitrary exactions. At the same time, however, their dealings were nominally under the supervision of the Jews’ exchequer, and a number of regulations were enforced, partly with the view of protecting borrowers and partly that the king might know how much his Jews could afford to pay. It was probably mainly on account of this money- lending that the Jews were so heartily detested and liable to such gross ill-treatment by the people. A curious illustration of this popular animosity is found in the insertion of a clause in the charters granted by Henry III. to Newcastle and Derby, forbidding any Jew to reside in either place. Ultimately in 1290 the Jews were expelled in a body from the kingdom under circumstances of great barbarity, and were not allowed to return until the time of Cromwell. Before the expulsion of the Jews, however, in spite of canonical opposition, Christians had begun to take interest openly; and one of the most interesting ex­amples of the adaptation of the dogmas of the Church of

@@@1 For a popular account of the reasons given in support of the canonical objections to usury, and of the modifications and exceptions admitted in some quarters, see W. Cunningham’s *Usury.*