

Abstract

RYAN, MATTHEW JAMES. Law, Legislation, and Lending: An Examination of the Influence of the Crusades on the Usury Prohibition. (Under the direction of Dr. Julie Mell.)

The focus of this work is an exploration of the potential impact of the economic necessities of crusading on the usury prohibition of the Latin Church. Throughout the twelfth-century, one sees an amplified rhetoric and an increasing intolerance of lending at interest. The question remains as to why, especially in a period of corresponding commercial growth. The protection of combatants became an area of critical importance, as highlighted by the canonical legislation of the period. Property protection, the continuance of fair market practices, and the extended policy of limiting trade with the Saracens each played a crucial role in the enforcement of usury statutes. It also inspired a sense of "Christian Universalism" that was significant to the crusading movement.

Law, Legislation, and Lending: An Examination of the
Influence of the Crusades on the
Usury Prohibition

by
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Dedication

To Skip, your beauty is only surpassed by your brilliance,
understanding, and love. Vous êtes mon tout. Merci.

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CHAPTER I

INTRODUCTION

When ruminating on the evils of usury, and those who engaged in this prohibited practice, Pope Gregory VII was consistently inspired by the tale of Jesus' encounter with the merchants at the Temple of Solomon recorded in the Gospel of Matthew. It recounts,

Then Jesus went into the temple of God and drove out all those who bought and sold in the temple, and overturned the tables of the money changers and the seats of those who sold doves. And he said to them, "It is written, '*My house shall be called a house of prayer*, but you have made it a '*den of thieves*'"¹

This legendary passage appears to implicate those who utilized the sacred Temple as a place of business,² but it also illustrates the traditional perception of those traders who lent money, sold goods, or exchanged currency with the intent of accruing excessive profit. It is the measure of "just" gain, and the means acceptable in pursuing such that led to the refinement of usury regulations on the part of the Latin Church, and would have an impact on all facets of commercial activity from the Middle Ages to the Early Modern period.

¹ Matthew 21: 12-13, *The Holy Bible, New King James Version* (Nashville, TN: Thomas Nelson, Inc., 1982), 521.

² Lay merchants continued to use local churches as repositories for wealth well into the thirteenth-century, as both storehouses for good and currency. As the foundation of burgeoning communities, churches were often the center of social and financial activities, not only places of worship. J.T. Gilchrist explains that Merchant churches, such as St. Peter's of Novgorod would house "goods, documents, and such 'tools of trade' as the weighing scales." This practice was eventually condemned by Constitution 19 of the Fourth Lateran Council in 1215. For more information, see his *Church and Economic Activity in the High Middle Ages* (London: St. Martin's Press, 1969), 3.

In medieval theological terms, usury was fundamentally defined as demanding more in payment than was originally loaned, whether in currency or goods. In characterizing usury, Raymond de Roover offers the following;

First of all, it did not matter whether the rate [of interest] was high or low, excessive or moderate; anything beyond the principle of a loan was usury. Neither did the purpose of the loan matter in the least and it made no difference whether money was lent to a well-to-do businessman who intended to invest it in a profitable venture or to a poor devil who was without a job and had a sick wife and half-a-dozen hungry children.³

As concrete as this definition may seem to readers, it is rendered after the careful study of Scholastic thinkers, and while useful, it does not adequately illustrate the problematic character of interpreting usury regulations in the Middle Ages. In fact, the rate of interest *did* often matter to religious authorities, as did the practical use of the loan. This oversimplification of usury statutes is not unusual, even among knowledgeable historians, and displays the complexity of lending practices. As an example, the twelfth-century jurist-philosopher Gratian concluded,

Whoever buys a thing, not that he may sell it whole and unchanged, but that it may be a material for fashioning something, he is no merchant. But the man who buys it in order that he may gain by selling it again unchanged and as he has bought it, that man is of the buyers and sellers who are cast forth from God's temple.⁴

Gratian not only highlights the difference between merchants, who exchanged finished goods, and the craftsmen who “fashioned” products, but further implicates those who purchased with the intent of profiting on future sales, or speculative purchasing. This was only one feature of the usury debate that consumed theologians and scholars for

³ Raymond de Roover. “The Scholastics, Usury, and Foreign Exchange,” 258.

⁴ Gratian, *Decretum*, 1138, trans. Augustine Thompson (Washington, DC: Catholic University Press, 1993), 146.

centuries, and displays the difficult nature of defining, and inevitably, enforcing usury regulations. Voicing this admission, J.T. Noonan states,

There has been a temptation to restrict the usury prohibition to some very simple base, be it the unfruitfulness of money, the just price, the labor theory of value, or the arbitrary fiat of ecclesiastical authority; there has been a tendency to consider the usury prohibition as if it forbade absolutely and in all ways the making of profit through the extension of credit. To simplify, to find a neat, consistent, logical pattern, to teach a single lesson or draw a universal prescription- these aims have animated many accounts of the old theory. The usury analysis, however, is the result of the intersection of many forces, and its history carries with it no ready prescription.⁵

It is the inherent complexity of usury statutes, and the labyrinthine convergence of many ideas that makes isolating any concrete determinations difficult, and led to divisive arguments between canonists and theorists.

Contemporary researchers will acknowledge that only moderate changes concerning actual usury regulations occurred until the late thirteenth-century.

The high-water mark of the ecclesiastical attack on usury was probably reached in the legislation of the Councils of Lyons (1274) and of Vienne (1312).⁶

Yet, dialog on the subject became increasingly vigorous in the latter Middle Ages, particularly at the Eleventh General Council, known as Lateran III in 1179.

The arguments surrounding usury and usurious transactions engaged scholars from the mid eleventh-century until the dawn of the Renaissance. This extensive commentary so infuriated St. Bernard of Clairvaux in 1148 that he advised the Pope Eugenious III to ignore the wrangling of jurists, and deal with lawyers as Christ did

⁵ John T. Noonan, *The Scholastic Analysis of Usury* (Cambridge, MA: Harvard University Press, 1957), 407.

with the money-lenders in the Temple, stating, “He did not take time to listen, he took out a whip to beat them.”⁷ Bernard clearly saw the intellectual arguments concerning usury as a threat to traditional Christian morality, and sought to limit the influence of trained jurists on the papacy.

It was the voracity and sheer volume of these debates that makes research on usury so compelling, especially when one considers the reluctance of papal representatives to compromise on the tenets of the traditional usury doctrine throughout the twelfth and early thirteenth centuries. The shifts that one does witness are in favor of intensified definitions of usury. This is even more intriguing at a time when radical changes were sweeping through the European marketplace.

The Holy See was not alone in this willingness to address usury reform, as support for increased restriction and enforcement can be found in a variety of sources, including lay ordinances. Moreover, an examination of canonical decrees from the period highlights the continued reaffirmation of the usury prohibition, even as scholastic figures were exploring alternative ideas that promoted a balance between tradition and reform. However, the question remains as to why the Latin Church heightens usury restrictions rather than loosening the restraints, particularly when one considers the need for useful lending practices were becoming fiscally relevant in the developing economy.

⁶ R.H. Tawney, *Religion and The Rise of Capitalism: A Historical Study* (New York: Harcourt, Brace and Company, 1937), 46.

⁷ James A. Brundage, “St. Bernard and the Jurists,” in *The Cistercians and the Second Crusade*, ed. Michael Gervers (New York: St. Martin’s Press, 1992), 25.

For answers, one must look at the historical context of this debate, and what motivations corresponded to this position. If one examines the eleventh and twelfth centuries, it is hasty to disregard the influence of the Crusades. It is the aim of this thesis to examine the impact of the crusading movement on usury regulations. As an unprecedented series of military campaigns against Saracen encroachment in the Near East and the Spanish peninsula, many of the directives of religious authorities were formulated to promote the success of the Crusades. This included the commercial protection of combatants, both at home and abroad.

Additionally, the tenets of Gregorian Reform that were so crucial to the Crusades also provided a catalyst for the continued usury prohibition. In this manner, usury restrictions can be placed within the framework of attempting to limit the influence of secular political figures in religious affairs. In the words of one historian,

Significant though many of the changes were in themselves, it would not be too much to say that the reformers' greatest victory was to establish for several centuries the acceptable form of what the Church and its relations with the lay world should be. Above all, this took the form of the Church claiming an autonomy from the lay world which it had not possessed at an earlier date.⁸

Ironically, this also increased the influence of the Church in the daily affairs of local and regional courts, and aided the diffusion of prohibitive usury laws and rigid enforcement for the laity.

Reformists also sought to put past controversies and criticisms involving clerical officials behind them, and revitalize the rigid morality of religious representatives. They condemned unsuitable practices such as simony and lay investiture and promoted

the ideals of celibacy and piety. This policy extended to economic regulations, including distinctions in the manner in which clerical officials could handle currency and lend money, making the usury prohibition emblematic of Christian morality.

Lester K. Little provides a useful perspective on how usury affected clerical figures, and predominantly, the internal problems faced by religious authorities in response to the “moral crisis” between wealth and piety that was developing in relation to new commercial practices. In *Religious Poverty and the Profit Economy in Medieval Europe*, Little explores the adaptation of the monastic orders to the market innovations of the period. These include the growth in regional and international trade, urbanization, and the use of currency. Utilizing earlier anthropological studies, such as those of Marc Bloch, Marcel Mauss, and Georges Duby, he posits the existence of a transition from gift exchange to a profit based economy, with the importance of usury regulations in credit and lending.⁹

Additionally, he theorizes that this development led to a weakening of social ties brought about by urbanization, and that the use of money produced an impersonal environment for commercial transactions. He identifies two distinct responses on the part of religious institutions, particularly the monastic orders. First, there were those that retreated from society in an effort to embrace the coenobitic ideal, escaping a morally tainted world. Secondly, there were those mendicant orders such as the Franciscans and Dominicans who readily assimilated themselves into larger

⁸ John A. Thompson, *The Western Church in the Middle Ages* (London: Oxford University Press, 1998), 81.

⁹ For further reading on the nature of gift exchange, see *The Gift: The Form and Reason for Exchange in Archaic Societies* (London: Routledge Publishing, 1990), by Marcel Mauss.

communities. In speaking of the latter, Little quotes the medieval scholar Matthew Paris, who stated, “The whole earth is their cell and the ocean is their cloister.”¹⁰

It is this idea of a religious response to secular economic questions that inspires the current project concerning the usury, prohibition, and makes it imperative to examine specific points where these worlds intersect. There is little doubt that representatives of the Latin Church had long been concerned with the morality of exchange, but with the launch of the Crusades, this became even more apparent. Monastic and papal institutions were a critical element in the organization, both spiritually and economically, of the Holy wars, and the question of the motives are particularly relevant.

On the basis of my analysis of canonical decrees and papal letters, I argue that both cultural developments, primarily the Crusades, and commercial development impacted the usury question and the policies of the Latin Church. Throughout the late eleventh and twelfth centuries, the Church was focused on the success of the crusading movement. This included economic protection for those who “took the cross,” and it is this feature that compelled canonists to craft a myriad of legislation in the interest of combatants. For evidence of this, one needs only to look at the councilor decrees of the first three Lateran Councils of the twelfth century, in 1123, 1139, 1179, and most importantly, Lateran IV in 1215. Canonists and theologians were continually exploring the nature of commerce, and attempting to refine practices that were moderately beneficial for merchants and liturgically sustainable for adherents of the Catholic faith,

¹⁰ Lester K. Little, *Religious Poverty and the Profit Economy in Medieval Europe* (Ithaca, NY: Cornell University Press, 1978), 218.

including the clerical orders. Yet, the record remains comprehensive in defiance of abolishing the usury prohibition outright.

I identify three distinct areas where Church officials sought to utilize ecclesiastical usury legislation to protect members of the crusading armies in a practical sense. First, was the desire to limit the capacity for avarice among investors by attempting to eliminate the accumulation of egregious gains on outstanding lending contracts, including mortgage and vifgage agreements. Often, combatants were forced to cede their property to those with available resources in exchange for the goods or hard currency necessary in funding their expedition, expecting to return from abroad with the material gains of warfare to reestablish their inherent property rights. This created a situation, where one scholar concludes,

Whatever hope for future gain, a crusader began his journey suffering capital losses in converting landed property into cash and war materials.¹¹

Furthermore, the retainers of these lands frequently found it to their advantage to exploit the income generated by these holdings to enrich themselves through manipulation of uses, without applying the earnings to the principle of the agreement. This was a direct violation of usury laws, and led ecclesiastical authorities to draft explicit legislation against such practices.

Secondly, religious officials sought to limit the expenses incurred along the perilous route to the Holy Land for the combatants. The need for goods and services, including sea passage and currency conversion, were essential to the success of the Crusades, and the reinforcement of traditional usury standards were aimed at

protecting combatants from experiencing unexpected financial hardships en route. Most simply, by accommodating a narrow definition of usury, authorities sought to promote fair market practices and encourage just exchange.

Lastly, canonical legislatures also sought to eliminate unauthorized trading with the Saracens, and utilized the usury doctrine as a method of enforcement. The budding Italian merchant communities of Venice and Genoa were notorious for accepting virtually any lucrative market for their goods, including the transfer of limited, and extremely valuable military resources to the Islamic armies of the enemy. Usury regulations were further strengthened to impede this practice, as the high profit margins violated traditional values. Canon 24 of the Third Lateran Council expressly forbids this practice, stating,

Wanton greed has taken possession of some men that, while they glory in the name of Christian, at the same time they supply the Saracens with arms, iron, and stays for their galleys, and thus become equal and even superior to them in malice.¹²

This same passage also calls for the immediate excommunication of violators, and makes an explicitly clear case against those considered usurers by applying the sin of avarice to unscrupulous trading. The links between avarice and usury were a consistent theme, and in his *On the Misery of the Human Condition*, Pope Innocent III outlined several statements on the evils of this vice, including chapter 14 of Book I,

Tantalus is thirsty among the waves, and the avaricious man is needy among his riches.” To him what he has is as great as what he has not, because he never uses the things acquired, but always gapes at the things

¹¹ Christopher Tyerman, *God's War: A New History of the Crusades* (Cambridge, MA: Harvard University Press, 2006), 45.

¹² Lateran III, Canon 24, 1179. Translated by J.T. Gilchrist in *Church and Economic Activity in the High Middle Ages*, 172-173.

to be acquired. Solomon: "One is as it were rich when he hath nothing, and another is as it were poor when he hath great riches." The avaricious man and hell as well eat and do not digest, receive and do not return. The avaricious man has neither compassion for those suffering nor pity for those in misery, but offends God, offends his neighbor, and offends himself. For he withholds his debt from God, denies the necessities to his neighbor, takes away useful things from himself. Ungrateful to God, disrespectful to his neighbor, cruel to himself. "Wealth is not comely for a covetous man and a niggard, and of what use is gold to an envious man?" "He that is evil to himself, to whom will he be good? He shall not take pleasure in his goods." "He that hath the substance of this world and shall see his brother in need and shall shut of his bowels from him, how doth the charity of God abide in him?" For he does not love his neighbor as himself- he lets him be destroyed by hunger, consumed by need, nor does he love God above all things- he prefers gold to him, values silver above him.¹³

This passage highlights the severity of avarice as a destructive force to both individuals and communities. Innocent conceives that satisfaction with wealth will be unattainable for an avaricious man, consumed by an ever-present desire to attain more. One cannot be content with what they possess, and values nothing but the trappings of temporal society. In turn, this will detract from his love of God, and lead to nothing but misery.

Avarice is also implicated as a disruption to the community in which it exists. Those with wealth are compelled to generate more, while their neighbor without suffers. Turning his back upon those in need, the avaricious man watches as those around him become further impoverished, and his lack of charity disrupts the fabric of society. Both of these ideas are important aspects in how the Latin Church of the Middle Ages interpreted usury, because without receiving wealth in return, avaricious lenders endangered society, as well as themselves.

¹³ Innocent III, *On the Misery of the Human Condition*, 1195, ed. Robert E. Lewis (Athens, GA: The

I also argue that the defiance to abolish usury restrictions was not only aimed at protecting the crusaders economically, it was also emblematic of the ideals of Gregorian Reform, and the desire to unify Latin Christendom behind papal leadership. Usury laws aided the accomplishment of this in two ways. By redefining practices that were incongruent with Christian doctrine, canonists helped to consolidate the traditional values of the Christian faith, establishing core elements that set them apart from other communities and creeds. This belief in “universalism” was important to the recruitment and promotion of the Crusades. Moreover, by placing the burdens of rigid commercial regulations on clerical representatives themselves, these individuals would ideally stand as a model for the rest of society. Control over lay business practices could further elevate the power of the Holy See, and therefore, economic behavior emerged as a sphere of influence that increasingly concerned religious authorities.

Both the practical and emblematic elements are important to understanding the complicated history of usury legislation in the Middle Ages and explain the reluctance to abolish regulations on the part of the Latin Church. It is these dual factors, and primarily the determination to promote successful crusades, that influenced the limited evolution of usury laws during the eleventh and twelfth centuries. In essence, the “greater good” of the crusading movement outweighed the commercial interest of the period. However, it is important to understand that even with the increased rhetoric against usurious transactions, religious authorities were *not* attempting to restrict trade and profit entirely.

University of Georgia Press, 1978), 162-163.

SIGIFICANCE AND HISTORIGRAPHY

Throughout the last century, scholars from a variety of disciplines, including history, economics, and anthropology have examined the evolution of the European marketplace, from the fracturing of the Roman Empire, until the modern period. Many have presented compelling interpretations for the emergence of a complex capitalist system from the roots of what was a predominantly agrarian based structure. One feature of this discussion has centered on the role of the Latin Church, and its extensive influence on economic development.

The traditional narrative has often portrayed the Latin Church as impeding commercial growth, constructing obstacles through ecclesiastic legislation and theological decrees that hindered the progress of capitalist practices. This assessment was most famously presented in *The Protestant Work Ethic and The Spirit of Capitalism* by Max Weber, and is further associated with R.H. Tawney, leading to the formulation of what is known as the Weber-Tawney thesis.

The Weber-Tawney thesis has been widely analyzed, with the ultimate premise being that the tenets of Catholicism were entirely incompatible with capitalist values. Each argues that a shift in the perception of mercantile activities, including the social approval of the merchant profession itself, only developed after the spread of Calvinist belief during the Reformation. Predestination is proposed as a foundation for this shift,

and is presented as such in their arguments.¹⁴ Following the framework established by Weber, R.H. Tawney proposed,

To contemporaries the chosen seat of the Puritan spirit seemed to be those classes in society which combined economic independence, education, and a certain decent pride in their status, revealed at once in a determination to live their own lives, without truckling to earthly superiors, and in a somewhat arrogant contempt for those who, either through weakness of character or through economic helplessness, were less resolute, less vigorous and masterful, than themselves.¹⁵

In essence, the rise of the “gentleman merchant” is placed within the context of the Reformation by adherents of the Weber-Tawney thesis, belonging to era far removed from the Middle Ages. This transformation was dependent upon changes in religious thought, most importantly, the values of Protestantism.

The unwillingness to adjust usury laws in favor of a more widely applicable system for credit and lending until the late Renaissance is often cited as a key component to the Weber-Tawney Thesis. Even an avid detractor of this argument, de Roover, was perplexed as to how to integrate usury into his own research, stating,

The great weakness of scholastic economics was the usury doctrine. Canon law, dating as it does back to the early Middle Ages when most loans were made for consumptive purposes, defined usury as any increment demanded beyond the principle of a loan [*mutuum*]. Since this definition was part of Catholic dogma, the schoolmen were unable to change it. As time went by, it became a source of increasing embarrassment. Tied to their definition, the Doctors were sucked deeper into a quagmire of contradictions.¹⁶

¹⁴ Predestination linked economic prosperity with salvation through the idea that those who succeeded financially were also destined for otherworldly rewards. Weber and Tawney argued that this aspect of religious thought inspired individuals to attain earthly success in an effort to determine their spiritual destiny. It is this convergence of religion and economics that proponents of the Weber-Tawney thesis point to as the foundation for modern capitalist values. This runs counter to the teaching of the Latin Church, which taught the intrinsic value of poverty.

¹⁵ Tawney, 22.

¹⁶ Richard A. Goldthwaite, “Raymond de Roover on Late Medieval and Early Modern Economic History.” Julius Kirshner, ed. *Business, Banking, and Economic Thought in Late Medieval and Early*

These contradictions, and the inability of scholastic thinkers to correlate the usury doctrine with increased commercial activity originally provided evidence for the Weber-Tawney Thesis.

For canonists and theologians alike in the early eleventh-century, usury was regarded as suspect because the generation of wealth without the corresponding labor or effort, such as currency speculation or lending, was considered a violation of divine principles. This idea would implicate venture capitalists, both ancient and contemporary, that sought to invest their assets in fruitful endeavors that would reward the risk-taker. The flexibility of usury statutes in regulating a variety of commercial activities, including market exchange, currency conversion, and credit, make it extraordinarily important to any study concerning commerce, as,

The capital which financed the modern economy violated the usury prescription because it was based either on confiscation, conquest, and exploitation, or credit that had little connection with savings from legitimate earnings. All of these acts of accumulation were usurious because no *lucrum cessans*¹⁷ could be named when capital was formed in this way.¹⁸

The previous argument also appears to further associate the principles of the Latin Church as a hindrance to market growth, as investors were often unable to provide detailed evidence that a transaction did not violate usury restrictions. Yet, throughout the medieval and Renaissance periods, the Church itself was the largest of societies' consumers and would have benefited from an abolishment of usury restrictions. If not

Modern Europe: Selected Studies of Raymond de Roover (Chicago: University of Chicago Press, 1974), 27.

¹⁷ *Lucrum cessans* were a claim to charging interest equal to the amount of money that would be generated if lenders had chosen to invest in an alternative venture, such as agriculture.

an effort to restrict gain, or as Weber-Tawney suggests, the inability of Christian doctrine to morally legitimize profit motive, it is important to ask what alternative motivations existed to sustain strict usury regulations.

Political posturing and financial self-interest have been proposed as potential answers to this complex question, or even the possibility that religious officials sought to protect yeoman farmers from absorption by larger entities. Pope Innocent IV even reasoned that without the usury prohibition, European civilization would experience widespread starvation and hardship. One historian explains,

He says frankly that usury is prohibited because of the evil consequences that follow from its practice. If usury were permitted, all rich persons would rather put their money safely in a usurious loan than invest in agriculture. Only the poor would be left to do the farming and then they would not possess the animals and tools with which to farm. Famine would result.¹⁹

There can be little doubt that each of these factors were potentially influential in the decision to consistently reaffirm the usury prohibition throughout the Middle Ages, but researchers have rarely looked at the impact of the Crusades.

In addition, the Weber-Tawney thesis impacts the interpretation of usury decrees during the Middle Ages by examining the influence of Church doctrine on the actual socio-economic practices of the period. For without scriptural preeminence in the behavior of ordinary consumers, any argument justifying the importance of related legislation would be inconsequential, or at best, marginalized. The merits of Weber-Tawney have engaged historians and economists alike, and led to a variety of unique,

¹⁸ D. Stephan Long, *Divine Economy: Theology and the Market* (London: Routledge Publishing, 2000), 207.

¹⁹ Noonan, 49.

and often complex conclusions. Contemporary theorists have been swift to disparage the influence of religious institutions in the commercial marketplace, promoting the concept that the values of theology and commerce are entirely incongruent; the ethos of morality and profit motive in consistent and eternal conflict.²⁰

Defenders of this analysis inevitably attempt to use contemporary economic systems as evidence for their analysis, positing that external factors such as religious decrees rarely impede on what many view as a self-regulating entity. These systems, if guided by anything, the “invisible hand” of supply and demand.²¹ In fact, even Noonan fails to recognize the importance of current usury laws, disregarding the impact entirely by stating,

Usury today is a dead issue, and except by a plainly equivocal use of the term, or save in the mouths of a few inveterate haters of the present order, it is not likely to stir to life. The usury restriction can be applicable only to loan sharks and pawnbrokers.²²

In contrast, some rest their views on the idea that beyond usury being a “dead” issue, even contemporary legislation is an important element in the growth of the marketplace. Opportunities for credit and investment are essential for increased economic activity, and without a reasonable incentive for lenders, excess capital might remain in less productive endeavors.

²⁰ For a comprehensive analysis of the synthesis between theology and economics, readers should examine the work of D. Stephan Long, *Divine Economy: Theology and the Market*.

²¹ The “invisible hand” theory was originally proposed by Adam Smith in his economic treatise, *Wealth of Nation*, published in 1776. Smith focused on the restrictive nature of the existing mercantilist system as an impediment to free trade, and surmised that the market itself could best be regulated by the needs of supply and demand, not government intervention

²² Long, 203.

Our industrial system depends upon mass production; mass production in turn needs a mass market. As a corollary, 'wide sales require wide credit-mass buying demands mass finance.'²³

The tenets of faith, including the usury doctrine, remain important in how individuals conduct exchange. These early decrees are an important feature of consumer protection, and provide a framework for current credit practices. Even Tawney concedes that modern society relies on previously established moral limits for commerce, noting,

On the one hand, it is evident that the whole body of regulations, by which modern societies set limits to the free play of economic self-interest, implies the acceptance, whether deliberate or unconscious, of moral standards, by reference to which certain kinds of economic conduct are pronounced illegitimate. On the other hand, there are indications that religious thought is no longer content to dismiss the transactions of business and the institutions of society as matters irrelevant to the life of the spirit.²⁴

Regardless of the complexities of economics, there can be little doubt that an underlying "morality" remains an element of commercial transactions, in both financially developed, and underdeveloped communities where personal interaction during exchange relies on well-established relationships. In "The Economics of Usury Regulation" authors Rudolph C. Blitz and Millard F. Long explain the continued reliance of usury statutes, stating,

In the United States all but three²⁵ of the states have laws governing interest charges and, furthermore, there is a federal law which applies to all national banks in the absence of state law; it prohibits a charge in

²³ Raoul Berger. "Usury in Installment Sales." *Law and Contemporary Problems* (Durham, NC: Duke University School of Law), 148.

²⁴ Tawney, 4.

²⁵ This article was originally published in 1965, and now every state has usury laws on the books. However, as of 1980 the Federal Government passed legislation that allowed "National" banks to be exempt from certain interest regulations.

excess of 7 per cent per year. And in the underdeveloped world usury legislation is almost universal.²⁶

These laws establish a means of ethical commerce, and are highlighted by recent theories of neoinstitutionalism.²⁷

Proponents of this sociological interpretation see the traditional organizational structures of institutions, and their core values as having a remarkable impact in modern communities, particularly religiously associated entities. In discussing how traditional thought permeates the decisions of individuals, a sociologist explains,

This objective reality so habituates human interaction that it exerts a measure of social control over human behavior, channeling a wide variety of possible courses of action into a series of relatively few routines.²⁸

The belief that older value systems still maintain a strong influence in contemporary society, and remain pertinent, gives credence to the idea that morality plays a part in commerce. In essence, the conventions of theology and economics are not as divergent as some may argue.

Despite the economists' neglect of theology, a number of theologians work on the relationship between theology and economics. In so doing, they have maintained the ancient tradition that faith and economic matters are inexorably linked. This is a considerable achievement because it works against the historical development of economics.²⁹

²⁶ Rudolph C. Blitz and Millard F. Long. "The Economics of Usury Regulation," 611.

²⁷ Neoinstitutionalism has emerged as a dominant school of thought in the sociological community for explaining the organizational impact of institutions in local communities. Through tradition and ritual, the realities of human interaction are affected by the ethics, regulations, or values of historically powerful entities, such as the Roman Catholic Church. The author claims no expertise in this field, and encourages readers to explore this interpretation of human behavior on their own.

²⁸ Mike McMullen. "Religious Politics as Institutions," 713.

²⁹ Long, 9.

Most simply, the practices of the marketplace are largely defined by the moral values of a specific culture. These values are not regulated by the state, but by tradition and spirituality.

Earlier periods give researchers a better capacity for studying this convergence because of the increased power of the Latin Church. As Gilchrist contends,

By contrast with the situation today, the authority of the medieval Church was universal, for, apart from Jews and heretics and infidels, and even these belonged in a certain jurisdictional and theological sense, everybody was a member of the Church. The Church made laws, had its own courts and exercised a jurisdiction parallel and often superior to secular authority.³⁰

Moreover, the reduced social and economic complexities of the medieval world provide a sound foundation for comparison with latter periods. Yet, during the crusading era, Western Europe was experiencing an unprecedented period of commercial expansion.³¹ The power to regulate individual ethics remained entrenched in the ecclesiastical legislation of the Latin Church and religious authorities were extremely active in forums both spiritual and financial.

The Church evolved weighty and distinctive ideas in economic and social matters, so that it became important in every sphere of medieval social life, and consequently a regulator of other people's consumption and expenditure.³²

As evidence for this proposal, he highlights the central role of the Church in local communities, both figuratively and geographically, and the vast financial resources of

³⁰ J.T. Gilchrist, *The Church and Economic Activity in the Middle Ages* (London: Macmillan Publishing, 1969), 9.

³¹ For an in-depth analysis concerning the "commercial revolution" of this period, see *The Commercial Revolution of the Middle Ages, 950-1350* (Cambridge, UK: Cambridge University Press, 1976) by Robert S. Lopez. In this volume, Lopez concludes that population growth, improved agricultural techniques, urbanization, and commercial innovations each contributed to wholesale changes in the manner of European exchange.

the institution itself. As the predominant landowner, and an organization that possessed much of the liquid capital of the medieval world, authorities of the Latin Church maintained a vested interest in the mechanisms that governed the commercial marketplace. This extended to the usury doctrine, as it had a dynamic impact on all facets of credit and lending. In fact, in the words of one historian,

The vice of usury could have implicated every part of Western society, and that concern with his culpability of it could have plagued every European businessman and landowner.³³

In reviewing the usury prohibition, one must examine the synthesis of reform ideals and the economic needs of the crusades, and will recognize that each played a critical part. As the primary lender for those taking the cross, monastic and papal authorities were responsible for funding many of the early campaigns. This included extensive commercial protection for the combatants. In fact, one scholar contends,

Everywhere Crusaders were treated as clients, they were willingly advanced cash for their passage, but everyone strove to extract the maximum profit from these simple minded debtors. For ships' captains, money changers, traders of all sorts, and notaries drawing up contracts, the expedition to the Holy Land was a business proposition. It seemed appropriate to exploit it as such.³⁴

The immediate needs of crusaders placed them in the role of "consumptive borrowers" who needed protection from lenders. The need to restrict these unscrupulous practices, even on the part of members of the clergy themselves, can be found in a series of councilor decrees where usury regulations were consistently reinforced, with harsh repercussions for violators. In consequence, it is important to examine this ecclesiastic

³² Gilchrist, 1.

³³ Noonan, 1.

response, and propose that it was the needs of the early crusades, primarily the financial protection of combatants, both at home and abroad, that inspired Church officials to continue to restrict usurious transactions.

In exploring these ideas, I build on the work of a series of historians who have examined the events and ideas that shaped the usury doctrine of the Latin Church in the twelfth-century, including John T. Noonan, J.T. Gilchrist, and Raymond de Roover. In constructing the following project, the contributions of each have been exceedingly important. Yet, it is essential to first analyze those who adhere to the traditional narrative concerning the usury prohibition, and offer competing interpretations to those at hand.

The research of R.H. Tawney, primarily his 1937 treatise *Religion and the Rise of Capitalism: A Historical Study*, offers an exceptional foundation from which to begin. Tawney adhered to the assessments of Max Weber and concludes that the mechanisms of capitalist exchange, determined by profit motive, could not have occurred without radical transformations in the cultural mindset of Europeans. He states,

The rise of a naturalistic science of society, with all its magnificent promise of fruitful action and of intellectual light; the abdication of the Christian Churches from departments of economic conduct and social theory long claimed as their province; the general acceptance by thinkers of a scale of ethical values, which turned the desire for pecuniary gain from a perilous, if natural, frailty into the idol of philosophers and the mainspring of society.³⁵

Tawney's position is difficult to defend in light of chronological evidence that illustrates the desire for profit was well developed prior to the Protestant Reformation.

³⁴ Georges Duby, *The Early Growth of the European Economy: Warriors and Peasants from the Seventh to the Twelfth Century* (Ithaca, NY: Cornell University Press, 1974), 264.

Useful tools such as Bills of Exchange are commonplace during the crusading era. The Templars themselves engaged in international lending, leading one historian to note,

A French knight could deposit money or take out a mortgage through the Templars in Paris but receive money in the form of gold coins when needed in Jerusalem. The Templars of course, charged a fee for the transaction, and since they paid out in a different currency from what they received, they could take an additional cut of money for the exchange.³⁶

This gain was considered legitimate, because the order was providing a service in exchange for a profit. Similarly, the *commenda*³⁷ contract was also widely utilized.

This style of exchange was also not condemned by Church officials, and continues to illustrate that authorities were, one, not attempting to limit the parameters of profitable gain, and two, that the tools of capitalist practices were entrenched in medieval society.

As with any historical argument, there are also those who applied alternative approaches to the usury question, and derived different conclusions concerning the reasons for stricter interpretations. In *The Idea of Usury: From Tribal Brotherhood to Universal Otherhood*, Benjamin Nelson proposes the emergence of a “brother versus other” mentality that permeated Western economic thought in medieval Europe. While he indeed presents a comprehensive analysis of the usury doctrine, he focuses on the social factors that elicited stronger responses on the part of the Latin Church. Nelson

³⁵ Ibid, 277.

³⁶ Scott B. MacDonald and Albert L. Gastmann, *A History of Credit & Power in the Western World* (London: Transaction Publishers, 2001), 69.

³⁷ The *commenda* contract was an innovation used by sea-faring merchants of the Italian City-States that lowered the risk of investing in trade. Like the early sea loan, it lasted only for the duration of one voyage. A sedentary investor would agree to confer 2/3 of the capital required for the journey, while the transporter added the last 1/3. At the conclusion of the voyage, partners would split the profits equally. This became an acceptable method of sharing risk and gain, and was not condemned by the Latin Church as usurious. For examples, see the work of Robert S. Lopez and Irving W. Raymond, *Medieval*

argues that the evolution of the Deuteronomic code, or the initial usury related biblical passage that instructs,

You shall not charge interest to your brother--- Interest on money *or* food
or anything that is lent out at interest,³⁸

can be traced to the development of the Christian belief in “universalism.” Essentially, the idea that the Christian faith composed a “brotherhood,” and that the Hebrew usury code was no longer applicable in a more complicated, and perhaps “just” society. This differs from the original tenets that declared men eligible to charge interest to “outsiders” or those residing beyond communal boundaries. He also examines how methods of exchange were influenced by changes in lending practices. Utilizing biblical texts and the writing of early theologians, Nelson argues that the primary force for the restriction of usury laws were the result of shifts within society itself, primarily the structure of communities. This downplays the influence of Church policy, and provides a resounding acceptance of the Weber-Tawney thesis.

Nelson’s argument is certainly useful when one explores the foundation of usury as an element of protectionist economic theory, and helps to define the notion of Christian “universalism” in contrast to others peoples. However, he remains a staunch supporter of the Weber-Tawney thesis, and this limits his impact. As for Tawney himself, his association with the antiquated theories of Weber marginalizes his work, but offers scholars a reasonably able critic for larger debates.

Trade in the Mediterranean World: Illustrative Documents (New York: Columbia University Press, 2001).

³⁸ Deuteronomy 23:19, *The Holy Bible, New King James Version* (Nashville, TN: Thomas Nelson, Inc., 1982), 109.

There are also avid contemporary critics who propose that avarice was at the heart of usury restrictions, and further attempt to apply the Weber-Tawney Thesis of Christian incompatibility with profit motive. Robert B. Ekelund, Robert F. Herbert, and Robert D. Tollison composed an article entitled “An Economic Model of The Medieval Church: Usury as a Form of Rent Seeking.” They hypothesize that it was self-interest, and not alternative factors that resulted in the formulation of strict usury decrees. By accepting that the Crusades were in the public interest, and the Church certainly believed this, then the success of this movement would have been an extension of “public interest.” However, these scholars contend that if this was indeed the case, then,

We could expect it [the Church] to behave like a good government: providing more information to its members, producing spiritual goods at marginal costs, internalizing externalities, and enforcing property rights to the common good.³⁹

They view the enforcement of property rights as an effort to reassert claims over the vast holdings of the Church itself, and not an extension of consumer (or combatant) rights, acting as a monopoly on both spirituality and commerce. By exploiting existing usury laws to produce maximum profit for Church officials at the expense of ordinary citizens, the authors argue for the acceptance of the self-interest belief. Yet, if one is to incorporate the ideals of the crusading movement, and examine the response of usury legislation as an expression of public interest, then there reasoning is flawed. Church enforcement was most actively pursued amongst its own members, and this self-regulating desire is evidence that hypocrisy was not the

primary catalyst in canonical legislation. In fact, it further promoted the values of Gregorian reform that were so integral to the Crusades. It is this style of research that provides evidence that the Weber-Tawney Thesis remains a valid construction in certain modern academic circles, and the highlights the continued need to examine the relationship of usury legislation with religious thought.

In exploring these ideas, Little K. Little identifies the existence of a “moral crisis” suffered by the monastic orders. Yet, when it comes to the Crusades and lending, it was these very figures that played a pivotal role. It is potentially the greatest weakness of this work that Little is unable to explain the unrelenting mercantile activities of the Templars and Hospitallers within the larger usury debate, yet he does isolate the existence of an “institutional paradox” that existed within the Church itself. J.T.

Gilchrist also addresses this paradox, stating,

This then was the dilemma of the Church in the Middle Ages; how to preach its message to the world, which involved a denial of the world, and at the same time to be part of the world, materially and economically at least. Short of a universal abnegation of wealth and heroic confidence in the unforeseeable tomorrow, the clergy could not escape this paradox.⁴⁰

In essence, the continued espousal of poverty, balanced by the financial needs of the papacy and its monastic orders. It is this paradox that continued to trouble canonists, and further complicates the history of usury evolution.

Others have proposed competing interpretations concerning the usury prohibition. In *The Scholastic Analysis of Usury*, Noonan examines the evolution of the usury doctrine, from its earliest form based on Mosaic Law and biblical scripture, to the

³⁹ Ekelund Jr., Robert B., Robert F. Herbert, and Robert D. Tolleon. “An Economic Model of The Medieval Church: Usury as a Form of Rent Seeking,” 307-311.

philosophical interpretations of the scholastic theologians in the late Middle Ages. He demonstrates that traditional usury standards remained relatively static throughout the crusading era, even as canonists and theologians debated the nature of the prohibition. He follows by reviewing the arguments of scholastics thinkers of the thirteenth-century, and seeks to address what ideas and conditions influenced the varying interpretations of usury, including those of Gratian and Aquinas.

In addition, Noonan critiques previous explanations such as a desire to correlate ecclesiastical doctrine with shifting economic conditions, and more importantly, the belief that self-interest was at the core of any spiritual discourse. He isolates usury as a representative doctrine that highlights the growing institutional paradox that consumed members of the clergy during the radical transformations of the “commercial revolution.” In essence, religious authorities were faced with the increasing difficulty of justifying their own wealth, in contrast to the traditional Gospel teachings that sanctified the virtues of poverty.

In response to the argument that Church authorities continued to view usury in narrowly defined terms out of sheer self-interest, or the continued accumulation of wealth, he argues,

The Papacy itself often had large idle sums on deposit in banks. Moreover, the cameral banking firms were so closely associated with the Holy See that their welfare was almost identical with the Papacy's. There was, therefore, ample temptation to change the usury prohibition for a rule more favorable to investors, bankers, and creditors. But instead of yielding to this temptation, the Church insisted on a law which convicted of sin its most trusted emissaries and many of its highest dignitaries.⁴¹

⁴⁰ Gilchrist, 6.

⁴¹ Noonan, 14.

He concludes that while a shift in the perception of usury did occur among intellectuals during the Middle Ages, movement in the actual Church stance was relatively slight. It is this compelling contrast between scholastic rhetoric and actual legislation that remains a critical element of his work. Utilizing these arguments as a foundation, Noonan spends the bulk of his work identifying the legal framework of usury, and its impact on just price and value theories.

Even more critical is Noonan's reprisal against the previous assessments of Max Weber, and the Weber-Tawney Thesis. Initially, Weber proposed that the mechanisms of capitalist thought only emerged during the Protestant Reformation throughout Western Europe, and primarily, in England. He inexorably linked the acceptance of profit motive with the tenets of the Protestant faith, primarily the belief of Predestination. However, the evidence presented by Noonan concerning the usury debate displays a world where the capitalist mindset had already emerged, within the religious community itself. The questions of profit and market exchange were the focus of active discussion and legislation, with the usury doctrine as the crux of later theories. In fact, Noonan proposes,

To classify economic activities, to determine the nature of money and the factors affecting its price, to essay a theory of economic value, and to develop a theory of interest are original scholastic achievements. In this way, the scholastic analysis of usury is the midwife of modern economics.⁴²

It is this revelation that places the Latin Church of the Middle Ages directly at the forefront of economic debate and renders Weber's earlier assessments invalid.

⁴² Ibid, 2.

J.T. Gilchrist also provides an important treatise on usury and the economic impact of the Latin Church. In *The Church and Economic Activity in the Middle Ages*, he examines what influence ecclesiastical legislation had on the commercial practices of the period. Following Noonan, Gilchrist also attempts to dissuade readers from accepting the Weber-Tawney Thesis, and the belief that,

Capitalism arose from the ashes of medievalism, deriving its ethic and inspiration from Protestant Reformers.⁴³

He argues that capitalist innovations were well in place during the Middle Ages, and additionally, that the realms of economics and theology were not necessarily forces eternally in conflict. Most simply, that the canonical decrees of the Latin Church had a major impact on the manner and methods of exchange in the society of this period.

In crafting this thesis, Gilchrist utilizes the usury doctrine as a primary example of the correlation between principles of morality and actual economic practice. Citing a wide variety of canonical decrees involving usury, the author illustrates the rapt attention paid to the prohibition. He examines the motives of merchants, and the manner in which interest and just price regulations were applied in the commercial marketplace. Additionally, he explains that the commercial expansion that is associated with period did not equate financial security for the majority of society, stating,

Historians who criticize the continued and increasingly severe nature of the medieval Church's usury laws, seeing these as a misguided attempt to prohibit economic expansion, make the double mistake of, first, overlooking the fact that the commercial revolution did not strengthen the

⁴³ Gilchrist, 9.

economic security of the masses, but weakened it, which called for an even greater attention to laws that prohibited such abuses as usury.⁴⁴

With this interpretation of usury enforcement as a tool for the benefit of society, Gilchrist subscribes to the interpretation that the Latin Church was actually working within the interest of the majority of individuals, or the “greater good.” The prevalence of “distressed borrowing” by the poor for purely consumptive purposes was a practice contrary to the teachings of the Church, and one seen as morally repulsive. Essentially, he views most legislation as an effort to protect the impoverished from becoming prey to unscrupulous lenders.

In addition, he also attempts to dispel the belief that avarice played a critical role in the decision-making process of canonists and theologians. He also views this idea as erroneous, and ardently disagrees with others who focus on this idea, concluding,

Most of the clergy used some form of deficit financing, and the overall cost of avoiding open infringement of the prohibition was probably greater than borrowing on a free market. Instead, the prohibition can be seen as a genuine attempt, somewhat misplaced when applied by rigorists to *all* profits of commercial enterprise, to protect consumer credit in an age where there were few opportunities to save for emergencies provoked by illness, disease, fire, war, alien seizure of one’s goods or property, all of which deprived the peasant or artisan of his means of livelihood and forced him into the hands of the money-lender or pawnbroker.⁴⁵

It is these aspects of the usury prohibition, primarily the protection of consumers that lead one to further explore Church legislation. In fact, protection against the “seizure of one’s goods or property” can be found in those decrees that apply directly to those going on the Crusades.

⁴⁴ Ibid, 64.

In building upon the research of these two authors, three critical ideas emerge that enabled progress in my own work on the impact of the crusading movement on canonical legislation concerning usury. First, they each provide strong evidence that the Latin Church held enormous influence throughout society in matters both spiritual and economic. Secondly, that avarice was not the primary motive for the reluctance of Church officials to change the traditional usury stance. Finally, they encourage readers to reevaluate the Weber-Tawney thesis that presents the Church as an institutional obstacle to commercial innovation and growth.

Each of these authors has presented applicable studies regarding usury and the impact of Church legislation of the society of the Middle Ages. Yet, as relevant as many of these assessments remain, none have willingly extolled the enormous influence of the crusades on the canonical decrees of the Latin Church. It is this question that will remain the focus of the following pages, and lead to an increased understanding of the critical role played by the usury prohibition in dictating the economic destiny of European culture.

THE HISTORICAL BACKGROUND OF THE USURY PROHIBITION

Following in the earlier legal traditions found in ancient legal codes and biblical scripture, the Latin Church began actively applying usury regulations early in the first millennium. In fact, papal intervention appears as early as the fourth century.

⁴⁵ Ibid, 64.

Harkening to the biblical sources, the Latin Church implemented a policy against usury among their own representatives, banning clerical lending. As evidence of this opposition, one needs only to look to Canon 17 of the First General Council, held at Nicea in 325. It states,

Many clerics, motivated by greed and a desire for gain, have forgotten the scriptural injunction, ‘he gave not his money to usury’, and instead demand a monthly rate of one percent on loans they make; therefore this holy and great council decrees that in the future anyone taking interest or in any way whatsoever dealing in usury and demanding his fifty per cent profit or seeking some similar way of earning money is to be deposed and removed from his order.⁴⁶

This text highlights the significant issue of clerical lending, and laid the foundation for all future canonical legislation. It also appears to focus on the evils of usury among religious representatives, and not society at large. This shortcoming would be addressed in the following centuries, most importantly during the reign of Charlemagne, in an effort to curtail usury throughout society.

The *Hadriana* collection, which remained influential in the crusading era, contained one of the most important decrees on usury prior to the councils of the twelfth-century, *Nec hoc quoquo*. Following Nicea, it was believed by theologians that usury regulations were focused on eliminating avarice among the clergy themselves, but did not condemn lay practices. Similarly, the Third canon from the Fourth General Council at Chalcedon in 451 points to the growing concern of ecclesiastic gains, stating,

It has come to the knowledge of the holy council that some members of the clergy are administering other people’s property and engaging in

⁴⁶ Nicea I, Canon 17, 325. Translated by J.T. Gilchrist in *Church and Economic Activity in the Middle Ages*, 155.

secular pursuits for profit. They neglect the divine ministry, spend their time in other people's houses, and, from motives of greed, undertake to look after their property. This holy and great council has decreed, therefore, that in future no bishop, cleric or monk shall supervise such estates or engage in commerce, unless it is a lawful obligation that he cannot escape, such as the guardianship of minors, or a god-fearing duty imposed by the bishop of the city to look after the affairs of the Church or of orphans and widows and of such persons not otherwise provided for, such as especially need the need of the Church. If anyone in the future goes against this statute he shall be liable to the ecclesiastical penalties.⁴⁷

The extension of avarice and profit restrictions to the acquisition and maintenance of property would have a lasting impact, and provides an important element to the influence of the Crusades.

The epistle *Nec hoc quoquo* of Pope Leo the Great contained in the Dionysian-Hadriana extended the usury prohibition to include everyone, and clarified the complicated practice. While earlier restrictions had primarily been aimed at clerical officials, the implications of violating the usury prohibition now had a precedent for society at large. This would become a critical idea during the development of the Crusades.

In reviewing the usury prohibition in the years following the decrees of Nicea and *Nec Hoc Quoquo*, scholars witness few changes in regulations throughout Latin Christendom. Responding to this, some early theorists insisted that this was due to the existing commercial landscape of Europe. They likened the economic situation that prevailed in most of Europe during the early Middle Ages to that of ancient societies, dominated by simple exchanges. The marketplaces of this epoch relied heavily on domestic agriculture, with minimal incursion of trade from abroad. Credit and lending

⁴⁷ Council of Chalcedon, Canon 3, 451, trans. by J.T. Gilchrist in *Church and Economic Activity in the*

opportunities were limited, and the majority of these transactions were utilized for consumptive purposes. Hard currency was unusually rare, and its usefulness in exchange was negligible. Commercial systems like these marginalized the need for usury reform, as complicated exchanges were unlikely, and protection for the poor and farmers was paramount. However, contemporary studies have proved this analysis as oversimplified, if not entirely inaccurate. As Gilchrist determines,

The long prevailing interpretation, that the Middle Ages labored under a stationary agricultural economic system, dominated by feudal lords and clerics, which inhibited material change and progress is dead.⁴⁸

In contrast, Europe was reawakened by a commercial resurgence that was increasingly apparent in the medieval world. If not rapid, one that constituted consistent growth and the implementation of capitalist practices. With the older stereotypes removed as an acceptable analysis for static usury legislation, one must ask what other answers are available in response to the amplified rhetoric of the crusading era.

During the twelfth-century, two cultural movements of major importance were beginning to develop that forced canonists to reexamine existing usury statutes. First, the advent of the Crusades increased the need for movement of goods and available credit to aid international military campaigns. Second, was the burgeoning “commercial revolution”⁴⁹ that began to permeate the marketplaces of Western Europe and the Mediterranean region. Historians have argued the chronology of this

Middle Ages, 155.

⁴⁸ Gilchrist, 1.

⁴⁹ Credit for coining this term is often given to economic historian Raymond de Roover, although his assertion that this revolution occurred in 1300 has been the focus of debate.

phenomenon, but it is consciously recognized as a reality that had a dramatic impact throughout society.

The “commercial revolution” itself has received an extraordinary amount of attention from recent historians who have sought to reveal the nature of the medieval economy. A series of economic historians including de Roover, Robert S. Lopez, and Gino Luzzatto⁵⁰ have each identified a gradual commercial awakening that peaked in the late twelfth-century. This was a result of improved agricultural techniques, population growth, and urbanization, which each acted as a catalyst for increased commerce.

Intellectual historians have also played a role in critiquing the traditional notions of a static medieval economy. Addressing the argument of Charles Homer Haskins, who originally identified the potential existence of a “twelfth-century Renaissance”⁵¹, one historian comments,

Perhaps the key feature in the general European context between 1050 and 1250 was the economic transformation. This was a period of continuous and almost unrelenting expansion, a lift-off that which was perhaps too drawn out to be merited a revolution, but nonetheless had revolutionary results. There are, indeed, good grounds for integrating the economic and technological transformations into a renaissance.⁵²

He examined the dynamic changes in culture that were emerging during the twelfth-century, and came to similar conclusions about the medieval period. Yet, the question remains as to why in such a dynamic period of economic and cultural expansion,

⁵⁰ For more information, see de Roover’s *Money, Banking and Credit in Medieval Bruges: Italian Merchant Bankers, Lombards and Money Changers: The Emergence of International Business, 1200-1218*, Lopez’s *Medieval Trade in the Mediterranean World*, and Luzzatto’s *An Economic History of Italy from the Fall of the Roman Empire to the Beginning of the Sixteenth Century*.

⁵¹ For more information on Haskins, see *Renaissance of the Twelfth Century*, published in 1927.

religious officials became increasingly intolerant of usury violations. For answers, one must examine the crusading movement and the powerful forces that fought for the success of the movement.

Consequently, any examination of how the early Crusades influenced the usury laws of the Latin Church during the twelfth century requires scholars to study both the origins of the crusading movement, and the motivations behind those individuals who “took the cross.” While occasionally contradictory, each would play a pivotal role in determining how religious authorities organized the campaigns of conquest for optimal success, and influenced them to legislate accordingly. This period also presents a setting where Church doctrine was a prime factor in economic activity, as noted by Gilchrist, who states,

The Crusades provide an example of the extent to which spiritual and material motives became inextricably involved. Several of the councilor decrees, both in length and in detail, spiritual and financial, show how far the papacy would go in trying to ensure the success of the crusade.⁵³

Many of the decrees that are mentioned in this passage will be examined in the pages that follow, yet it is first important to look at the development of the early Crusades, and the context of their genesis.

⁵² R.N. Swanson, *The Twelfth-Century Renaissance* (Manchester, UK: Manchester University Press, 1999), 7.

⁵³ Gilchrist, 37.

CHAPTER II

ORIGINS OF THE CRUSADES AND GREGORIAN REFORM

The year 1095 is often cited as the traditional starting point for the First Crusade, as it was on an immense tour of during this year that Pope Urban II made his famous “call to arms” at Clermont cathedral in northern France. However, the framework of crusading belongs to an earlier period, rooted in the ideals of Gregorian Reform and intertwined with the cultural forces of eleventh-century European society, including urbanization, population growth, and increased trade. It is within this setting that one must understand the significance of ecclesiastical policies on usury, and the impact of the Crusades in general.

The reformist movement that evolved within the papacy during the middle years of the eleventh century is most closely associated with Gregory VII, born Hildebrand of Soana, a dynamic and unrelenting personality in the spectrum of European political affairs. Following the disruptive nature of the Investiture Controversy,⁵⁴ and the contentious debates involving the practices of simony⁵⁵ and

⁵⁴ The Investiture Controversy involved a dispute concerning the privileges of lay authorities to appoint candidates to clerical offices, including the papacy. The key figures were Henry IV, Holy Roman Emperor, and Gregory VII. Each sought to retain the ability to “invest” clerical offices in their own hands, and led to a series of conflicts that pitted the forces of religious and political entities against each other. This controversy became one of the main tenets of Gregorian Reform, as he continued to promote the divine authority of the Latin Church to select members for Holy office. For more information, see *The Investiture Controversy: Church and Monarchy from the Ninth to the Twelfth Century* by Uma-Renate Blumenthal (Philadelphia, PA: University of Pennsylvania Press, 1991).

⁵⁵ Simony is the crime of purchasing or selling religious offices. Divine right gave Church officials the ability to appoint members to these positions, and these offices were not meant to be used as a tool for exchange.

clerical marriage, Gregory sought to reaffirm the power of the Holy See in lay matters. He states his point, most simply, in a letter addressed to “All the Faithful” in 1084,

Dearest brothers, we think it must assuredly struck you that in our times the psalmist’s question and answer have found renewed meaning: ‘Why do the nations rage, and the people plot vain things? The kings of the earth up and the rulers take council together against the Lord and his anointed.’⁵⁶

Gregory saw the intrusion of lay leaders in religious affairs as a contradiction to the spiritual mission of the Church and a violation of divine privileges. He responded by attempting to promote “clerical distinctiveness” and exclude lay leaders from participation in the distribution and election of ecclesiastical offices. As part of this, he sought the development of a fully empowered clergy, one that remained pure to the traditional ideals of the Christian faith, and restrained from the unlawful acts of ordinary men, including the grievous sin of avarice. He was also quick to link the deterioration of Christian values and the waning authority of the Holy See with the increasing control of regional rulers, as noted by Jonathan Riley-Smith,

The reformers wanted to free the Church from corrupt practices, which they imputed above all to an excessive influence of the laity in ecclesiastical affairs.⁵⁷

The tenets of Gregorian Reform would have implications in all facets of society and culture, and were particularly important in redefining how Church representatives, including monastic orders, interacted with the lay world.

The papacy of Gregory VII is doubly significant, as it is also the setting for the emergence of the initiative of the crusading movement. In response to the pleas of

⁵⁶ *The Epistolae Vignantes of Gregory VII*, ed. H.E.J. Cowdrey (Oxford: Oxford University Press, 1972), 129.

⁵⁷ Jonathon Riley-Smith, *The Crusades: A History* (New Haven, CT: Yale University Press, 1987), 5

Byzantine Emperor Alexius Comnenus after the stunning defeat to the Seljuk Turks at the Battle of Manzikert⁵⁸ in August of 1071, Gregory approved European military intervention. In a letter to Holy Roman Emperor Henry IV, he outlines the foundations for the crusading movement.

Further, I call to your attention that the Christians beyond the sea, a great part of whom are being destroyed by the heathen with unheard of slaughter and are daily being slain like so many sheep, have humbly sent me to succor these our brethren in whatever ways I can, that the religion of Christ may not utterly perish in our time- which God forbid! I, therefore, smitten with exceeding grief and led even to long for death- for I would rather stake my life for these than reign over the whole earth and neglect them- have succeeded in arousing certain Christian men so that they are eager to risk their lives for their brethren in defense of the law of Christ and to show fourth more clearly than the day this nobility of the sons of God.⁵⁹

Fearing an unchecked Turkish advance and the further isolation of the Eastern Church, Gregory sought to immediately acquire the resources for a campaign, led by himself, and organized by Church officials. By placing the Latin Church in a position of armed leadership in what was perceived as an honorable conflict, this would further elevate his own stature in lay political affairs. As Riley-Smith explains,

The papacy had for some time been worried about the disintegration of Christendom's eastern frontier. News of the Turkish penetration had led Pope Gregory VII in 1074 to propose leading personally a force of as many as 50,000 volunteers to 'liberate' their Christian brothers in the East; he stated that with this army he might even push on to the Holy Sepulchre in Jerusalem.⁶⁰

⁵⁸ This battle marked the high point of Turkish incursion into the territory of the Byzantine Empire, and threatened to disrupt the balance of powers in the East. It also acted as the catalyst for Alexius Comnenus to seek the aid of the Western Latin Church.

⁵⁹ Pope Gregory VII, letter of December 7, 1074, trans. Ephraim Emerson, *The Correspondences of Pope Gregory VII: Selected Letters from the Registrum* (New York: Columbia University Press, 1990), 57.

⁶⁰ Riley-Smith, 2.

His aims for the “liberation” of conquered Byzantine territory were arguably two-fold. First, a successful campaign against the encroachment of Islamic forces would enable Christian military representatives to attain a “foothold” in the region that could be utilized for further expeditions. This included incursions into the Holy Land itself, and the possible recovery of Jerusalem and the surrounding sacred sites. Secondly, successful aid to the Byzantine Empire might lay the foundation for healing the breach that had divided the Eastern and Western segments of the Latin Church following the Great Schism of 1054.⁶¹

Lastly, religious authorities were also quick to recognize the value of a crusade as a method for providing social stability. At a time when outbreaks of violence were likely to occur between Christian monarchs or aristocratic families, religious officials sought to direct this aggression in a goal of common good, with a spiritual incentive. A forerunner of this objective can be seen with the Peace of God and Truce of God movements that also sought to limit social violence and encourage stable territories.

As a precursor to the Crusades, the Peace of God movement was established to restrict brutal crimes that had become widespread during the ninth and tenth centuries, focusing primarily on the protection of innocents and the clergy. Originally inspired by local religious officials in Southern France, the premise of documenting standards for lawful conflict spread throughout Western Europe. The penalties for violating these rules were often severe, including excommunication. Quoting earlier sources, one scholar explains,

⁶¹ The Great Schism of 1054 remains famous as a turning point between the relations of the Eastern and Western branches of the Latin Church. Differences in fundamental doctrine, power struggles, and

At the Council of Charroux in 989 the ‘bishops as well as clerics and monks, not to mention the laypeople of both sexes’ heard the archbishop of Bordeaux lead the higher clergy in solemnly cursing and excommunicating all those who ravaged churches, plundered the rustic poor or carried out sacrilegious acts on priests.⁶²

Following soon after the Peace of God was the Truce of God. These decrees further established acceptable means and times of combat, such as limiting warfare to scheduled periods. The Truce outlawed all combat, in addition to those elements restricted by the Peace of God, from sunset on Wednesday to sunrise on Monday, and common feast days. Besides protecting innocents, and providing a modicum of social stability, these movements suggested that at times warfare was inevitable, but under strict guidelines. The original text of the Truce of God outlines,

It is also an exception to this constitution of peace, if the lord king publicly orders an expedition to attack the enemies of the kingdom or is pleased to hold a council to judge the enemies of justice.⁶³

This highlights the sanctioning of violence in certain situations that required immediate and swift action, such as the apprehension of a known criminal or the defense of the demesne. Moreover, the Truce allows warfare during the allotted periods of inactivity if that brutality was channeled into a “just”, or in the case of crusading, a holy cause.

In the years prior to the First Crusade, the Truce of God was consistently reexamined in light of the Saracen incursion, and Tyerman concludes,

This fusion of ideas might conveniently be called religious war, waged for and by the Church, sharing features of holy and just war, allowing war to

liturgical practices created two distinct, yet related, religious entities.

⁶² William Chester Jordan, *Europe in the High Middle Ages* (London: Penguin Publishing, 2002), 26.

⁶³ *Declaration of The Truce of God*, Bishop of Cologne, 1083, trans. by S.J. Allen and Emilie Amt in *The Crusades: A Reader* (Toronto: Broadview Press, 2003), 30.

become valid as an expression of Christian vocation, second only to monasticism itself.⁶⁴

Furthermore, with the rise of primogeniture,⁶⁵ and the burdens of decreasing land availability and overpopulation, the younger sons of noble families were threatening to disrupt the fragile balance of medieval society. With an organized, and religiously sanctioned campaign against the Islamic menace,

The Knights who fought in it could satisfy their restlessness, their love of fighting, and their land-hunger, and at the same time they were doing God's work.⁶⁶

The potential importance of this factor cannot be overlooked, as Robert the Monk included comments by Urban II on this very scenario in his eloquent retelling of the famous speech at Clermont. He writes,

O Bravest knights, descendants of unconquered ancestors, do not be weaker than they, but remember their courage. If you are kept back by your love for your children, relatives, and wives, remember what the Lord says in the Gospel: 'He that loveth father or mother more than me is not worthy of me' [Matthew, 10:37]; 'and everyone that hath forsaken houses, or brothers, or sisters, or father, or mother, or wife, or children, or lands for my name's sake shall receive a hundredfold and shall inherit everlasting life' [Matthew, 19:29] Let no possessions keep you back, no solicitude for your property. Your land is shut in on all sides by the sea and mountains and is too thickly populated. There is not much wealth here and the soil scarcely yields enough to support you.⁶⁷

⁶⁴ Tyerman, 36.

⁶⁵ Primogeniture is the practice of willing all property to the eldest sibling in a family, and became predominant throughout France in the eleventh-century. This placed younger siblings at a disadvantage, and forced many to find their own means of survival. The reasoning behind this practice was to keep estates whole from generation to generation.

⁶⁶ Steven Runciman, *The First Crusade* (Cambridge, UK Cambridge University Press, 1951), 36.

⁶⁷ Robert of Reims, *Robert the Monk's History of the First Crusade*, 12th Century, trans. Carol Sweetenham (Burlington, VT: Aldershot, Hante, and England, 2005), 73.

The lure of economic gain proved to be a viable recruiting tool used by the papacy during the First Crusade, but among the Crusaders themselves, there were other motivations at work.

In comparison to the objectives of the Church, the motives of the combatants were remarkably varied, with each individual responding to a unique set of circumstances that compelled them to “take the cross.” Identifying the underlining “mentality” of an ordinary crusader is a difficult task, but historians have posited a few common goals. Again, that they were primarily motivated by avarice, with an eye to carving out kingdoms in the soon to be conquered Near East, or return home with the spoils of war, arises. However, recent scholarship has downplayed this aspect. Riley-Smith contends,

The evidence for the armsbearers being knowingly engaged from the first in a colonial venture is weak. Cases can be made for the territorial ambitions for some, including Bohemond of Taranto and Baldwin of Boulogne, but otherwise there is little to go on.⁶⁸

The armies of the First Crusade included not only the high nobility and knights, but a demographically diverse grouping of individuals, including the impoverished. The idea that seeking material gain was their primary motive seems unlikely, as the expense for such an expedition was extremely restrictive. If one disregards this assessment as a major recruiting tool, it is important to look to other motives.

Both Riley-Smith and Tyerman have proposed that what most appealed to the bulk of combatants was the penitential aspect of holy war. Pope Urban II offered

⁶⁸ Riley-Smith, 19.

spiritual indulgences to all who went crusading, and the cleansing of all sins certainly lured many. To aid recruitment in 1095, he stated,

If anyone through devotion alone, and not for the sake of honor or gain, goes to Jerusalem to free the church of God, the journey itself shall take the place of all penance.⁶⁹

By elucidating that the “journey itself” was required for penance, he suggests that the logistics of pilgrimage played a role in the indulgence. Additionally, the concept of holy war was further linked with pilgrimage, entailing all of the rights afforded to religious travelers. This included a remission of debts, and was likely a strong motivation for the combatants. With this in mind, it is imperative to examine how canonists legislated in an effort to continue recruiting, and enable the crusades to succeed. Upholding strict usury regulations is a key component to this narrative, and was used to enforce a variety of commercial practices that directly affected the early crusaders.

THE PRACTICAL APPLICATIONS OF USURY REGULATIONS: PROPERTY PROTECTION

For those Christian warriors undertaking the arduous journey to the Holy Land, the first necessity was acquiring financing for an extended period. Weaponry, supplies, mounts, and sea passage each constituted an immense investment.

The distance and consequent expenses may not have deterred the very poor, who expected nothing and could, perhaps, have believed that their situation could only improve, but for knights it was a different matter.

⁶⁹ Urban II, from William of Malmesbury, *Chronica Majora*. 1127, trans. by S.J. Allen and Emilie Amt in *The Crusades: A Reader*, 184.

They were expected to bring with them the equipment, horses, pack animals and servants required to fulfill their function efficiently. Half a century later a Rhineland knight called upon to serve the western emperor in Italy needed to put by for such a campaign twice his annual income.⁷⁰

Consequently, crusaders were frequently forced to present land as collateral on loans or lease their property to intermediaries, both of which required mortgage or vifgage agreements. In a straight mortgage contract, individuals were able to secure loans by pledging their property as collateral. By fulfilling the terms of the loan, crusaders would then be returned the property used as collateral. Alternatively, a vifgage agreement allowed the debtor to use the fruits, or uses, of the property for their own purposes during the period held. The major difference is that in a mortgage, the profits of the land are not required to go directly to the balance of the initial loan. Each of these contract styles were widely used during the years of crusading.

Selling their property outright was also an option, and the purchasing power usually rested in the hands of monasteries, high-ranking Church bureaucrats, or clerical military orders such as the Knights Templar or the Order of the Hospitallers. The monopoly on lending generally fell to ecclesiastic authorities, because these institutions were often the only entities that had available liquid resources. This phenomenon was not a recent construction as,

During times of migration, and later of the Crusades, the clergy were well-placed to benefit from those who needed cash in return for their property.⁷¹

⁷⁰ Ibid, 26.

⁷¹ Gilchrist, 27.

The extraordinary wealth of the Church made it one of the only available options for sellers. One cannot underestimate the gravity of sacrificing one's lands, especially in an economy where wealth was measured in property. Gilchrist explains,

Let us make no mistake on this point. Property was wealth. The whole structure of society rested largely on respecting customary rights relating to property. The Church had to respect the customary rights of others, of the laity, otherwise its own economic foundations could easily be undermined.⁷²

In defense of these customs, Church authorities sought to limit usurious gains on these property transactions. Canonists repeatedly legislated in an effort to protect the combatants, even from Church representatives themselves. In essence, many of these decrees were an effort at self-regulation, and followed the theme of Gregorian Reform by limiting the capacity for avarice on the part of their own representatives.

Additionally, it was exceedingly difficult to regain property sold to the Church, or that was seized if one was unable to repay the obligation. This land would generally be lost forever, unavailable for repurchase by heirs or other family members, as Church representatives rarely mortgaged or sold acquired territory. Additionally, early mortgage agreements usually required repayment in a single transaction, which provided yet another obstacle for combatants who returned from the Holy Land with minimum assets. Riley-Smith presents statistics that only sixteen percent of recorded transactions involved independent purchasers, with ecclesiastical exchanges consisting of the rest.⁷³ He explains the danger in this for combatants, stating,

⁷² Ibid, 5.

⁷³ Jonathan Riley-Smith gives the following figures for the dispersal of crusader property in *The Crusades: A History*. Sixteen percent of surviving pledges and thirteen percent of sales were agreed to with lay men and women, with ten percent of those going to close relations. The remainder are believed to have been negotiated by Church authorities.

It goes without saying that disposing of property to an ecclesiastical institution would have been a last resort, since it could be lost to the market for ever, but it was often only churches and religious communities which had the funds available, because they were rich or because they could realize cash from the disposal of valuables treasured in their shrines.⁷⁴

It is the existence of a lending monopoly on the part of Church officials for needed currency that focused the attention of canonists, and led them to regulate against critical problems that involved the traditional usury doctrine.

Stewards, both lay and clerical, often sought to extract maximum profits from mortgaged holdings by utilizing the earnings, or uses of these vast estates for their own welfare, and not applying the income generated directly to the principle of the loan. Standard agreements gave creditors the advantage of holding property as collateral in perpetuity, waiting for the complete repayment of the loan. It remained a violation of usury laws to not apply the proceeds of these holdings to the principle. However, unscrupulous lessees were known to take the income generated by crop harvests, vineyards, and an assortment of vassalage fees received from local services, such as mills or ovens.⁷⁵ In these tactics, the Cistercian Order itself was implicated, as this became a “favorite practice of monasteries.”⁷⁶ In the words of another historian,

Other of the Cistercian business-methods also brought them into disrepute. The monasteries would often advance cash to individuals in order to get hold of their land for the production of wool. They became suppliers of credit, fulfilling the function of a rural bank.⁷⁷

⁷⁴ Ibid, 21.

⁷⁵ The income generated by vast lordships and other estates were valuable. Beyond the services mentioned, one can include game rights, and any number of fees paid by tenants to their vassal.

⁷⁶ Noonan, 22.

⁷⁷ Gilchrist, 43.

These profits were by no means inconsequential, and generally provided the lifeblood of feudal estates. By not applying this income to the principle of the loan, lenders violated accepted practices, and the spirit of usury laws.

Constance Hoffman Berman has provided examples of this style of contract in “Land Acquisition and the Use of the Mortgage Contract by the Cistercians of Berdoues.” In researching this community in Southern France throughout the twelfth-century, she identifies more than two hundred examples of mortgage agreements that authorities of the Latin Church would have considered usurious. Many of these “donations” were disguised to circumvent current policy. She explains,

Charters record not only donations of land, but sales or “disguised sales” of land to the monks: the latter were written in the language of donations, with a cash “gift” from the monks representing the purchase price.⁷⁸

The mortgage, or *donation in pignus*, was widely used by Church representatives to provide funding for military adventures, such as crusading, and in return, acquire valuable property. The transaction stipulated that profits accrued from uses and privileges *could* be applied to the principle of the loan, but this distinction was often disregarded. This was a direct violation of usury laws, and was used as a method to collect interest on a debt, making it exceedingly difficult for combatants to fulfill their pledge. Using the analysis provided by Riley-Smith, one recognizes that crusaders rarely returned home with the spoils of war, and were forced to depend on the yields of their property to accumulate wealth. Berman contends,

Deprived of the revenue of the mortgaged property, borrowers were dependent on other sources of wealth for the redemption of their pledge.⁷⁹

⁷⁸ Constance Hoffman Berman, “Land Acquisition and the Use of the Mortgage Contract by the Cistercians of Berdoues,” 250.

An exception to this contravention was the *vifgage* agreement. In this type of agreement, debtors were entitled to part of the income generated by estates, be it for a limited period, or the entire term of the loan. In essence, *vifgage* agreements were advantageous to crusaders, considering the fact that the creditor was forced to either apply the proceeds of the land to the principle of the loan, or hold the earnings for future debtor use. Looking at the contracts found at Berloues, Berman concludes,

This contract, similar in all other respects to the *mortgage*, included the stipulation that a certain portion (although perhaps not all) of the fruit of the land pledged would serve to reduce the principle of the loan. There are only two clear indications of the *vifgage* in the Berdoues cartulary.⁸⁰

The predominant use of mortgages over *vifgages* illustrates that capacity for greed among members of the clergy, and provides compelling evidence that many of the canonical decrees of the twelfth-century were aimed at religious officials in the interest of protecting crusaders.

Another concession to crusader protection can be seen in the Ordinance of 1188 of King Phillip of France. In an attempt to curb the restrictive nature of mortgages, Phillip decreed that those going on crusade could reap the rewards of the first harvest after the transaction, unless the creditor cultivated the land, and therefore only receives half of the grain yield. It states,

If any knight or clerk shall have mortgaged his lands or revenues to a citizen who is also a crusader, or have assigned them for a period of years, the debtor this year shall receive the produce of the lands or the revenues; and the creditors, as a recompense for this year, shall hold the property for one year after the completion of the years for which the mortgage or assignment ought to continue. However, if the creditor shall have

⁷⁹ Ibid, 252.

⁸⁰ Ibid, 253.

cultivated the mortgaged lands or vineyards, he shall have one-half the grain this year for his labor.⁸¹

This may seem like an insignificant gesture, but by enabling the debtor to collect the profits during his first year abroad, it provided a necessary infusion of wealth. The existence of this style contract illustrates the dire need of combatants to transfer property for ready currency, especially when relinquishing the profit of production in hopes for a quicker exchange. It also allowed debtors to gather short-term benefits, but at future expense. This idea is related to another area in which crusader property privileges were jeopardized.

As the demand grew for liquid capital in the marketplaces of Western Europe in the months prior to the First Crusade, the available supply of land also increased. This enabled innovative speculators to selectively procure the choicest estates at bargain prices. In speaking of the crusaders and the decreased value of property, Riley-Smith contends,

The seriousness of their situation was compounded by the facts that the disposals were so numerous and the number of individuals or institutions capable of providing ready cash on so large a scale so few that the value of property in France was said to have fallen.⁸²

The decrease in property values was another obstacle that crusaders needed to overcome in financing their expedition, and Church authorities recognized the tremendous strain this placed on sellers.⁸³ In response to each of these potential

⁸¹ King Phillip II of France, *The Ordinances of 1188*, ordinance nine, 1188, trans. by S.J. Allen and Emilie Amt in *The Crusades: A Reader*, 188.

⁸² Riley-Smith, 20.

⁸³ It is important to note that these market factors have been proposed by certain historians, like Riley-Smith, but overwhelming agreement within the scholarly community is not currently available.

hardships, ecclesiastical officials began to legislate accordingly in at the Lateran Councils of the twelfth-century.

Many of the canonical decrees of this period are related to the original privileges offered to members of the First Crusade. These included a remission from all debts and the promise to protect the goods and property of crusaders during their period of service abroad. In fact, the papacy continued to re-affirm the ideas associated with combatant protection using similar wording for over a century. These included certain elements related to usury restrictions, including the security of property. If anything, the experiences of the early crusades helped representatives identify common violations, and craft practical legislation that would address issues which arose.

At the Ninth General Council, known as Lateran I, convoked by Pope Calixtus II in 1123 at Rome, authorities assembled to discuss crusading issues, among other business. The provisions of Canon 10 are directly designed to safeguard the property of holy combatants, stating,

To those who go to Jerusalem and give aid for the defense of the Christians and for the extirpation of the tryanous infidel, we grant the remission of their sins and we take under the protection of St. Peter and of the Roman Catholic Church their homes, families, and all their goods, as was already decreed by Pope Urban. Whoever, therefore, shall dare distraint or seize these during the absence of their owners shall incur excommunication. Those, however, who with a view to going to Jerusalem or Spain are known to have attached the cross to their garments and afterword removed it, we command them in virtue of our Apostolic authority to replace it and begin the journey within a year from the coming Easter. Otherwise, we shall excommunicate them and interdict within their territory all divine service except the baptisms of infants and the last rights for the dying.⁸⁴

⁸⁴ Lateran I, Canon 10, 1123, trans. by J.T. Gilchrist in *Church and Economic Activity in the Middle Ages*, 161.

If one reviews the document critically, a number of elements are revealed that illustrate the desire of the Latin Church to protect the privileges of combatants serving abroad, including their property.

The Canon opens with a reaffirmation of the original pledge by Pope Urban II that the Church would continue to view combat as a penitential act, granting the remission of sins. Additionally, it continues to guarantee the protection of all property and goods, particularly those lands in the hands of religious agencies. As a recruiting tool in the First Crusade, religious figures preached that combatants would not be required to pay any interest on loans whatsoever, including those that were granted with property as collateral. Lastly, it outlines the harshest penalty imaginable, excommunication, for those individuals who violated these decrees by “distraining or seizing” valuable holdings from those crusaders who may have defaulted on agreements.

Using the figures offered by Riley-Smith positing that the majority of leases and sales were made to religious authorities, it becomes clear that this decree was primarily directed at monastic and Church representatives. What is so important about this element is that the use of excommunication as a weapon is a new and radical policy for enforcement, and displays the influence of the Peace of God movement. Moreover, evidence of this can be seen when one returns to the earlier document of Nicea from 325 where religious officials who engage in usurious acts are only to be “deposed and removed from office.” By enacting the penalty of outright excommunication, the Latin Church was further establishing the importance of maintaining strict attention to property rights, and the seriousness of violations. Excommunication was a viable tool for the Latin Church, and violators were

frequently penalized with this pronouncement. The severity of this cannot be understated in the medieval world, as

This entailed exclusion not only from the church's sacraments, but also from the normal company of other Christians- a real and considerable penalty under medieval conditions.⁸⁵

The protection of property from usury violations is further confirmed in a letter from Pope Eugenius III in 1146. Following the framework of this earlier decree, he again confirms that the success of the campaign is paramount, and that combatants should remain free from the burdens of debt. This includes the assuagement of concern regarding their property on the continent. In speaking to crusaders, he writes,

We warn them, in the name of the most high, that they should only concern themselves with their warhorses, their arms, and everything that may assist them in contending with infidels. The holy war calls for all their efforts, and for all the faculties they have in them; they who undertake the holy voyage with a right and pure heart, and who shall have contracted debts, shall pay no interest. If they themselves, or others for them, are under obligations to pay usurious interest, we release them from them by our apostolic authority.⁸⁶

He followed this decree nine years later with a letter that expressly forbid the practice of withholding property income from lenders during the Second Crusade. The Church recognized the extraordinary demands already placed on these combatants and attempted to alleviate the concerns about financial matters. This cannot be overemphasized as even Stephan of Blois concluded his famous letter from the battlefield to his wife with an allusion to safeguarding their property in his absence.⁸⁷

⁸⁵ R.H. Helmholz. "Usury and the Medieval English Church Courts," 371.

⁸⁶ Eugenius III, letter, 1146, trans. by S.J. Allen and Emilie Amt in *The Crusades: A Reader* (Toronto: Broadview Press, 2003), 185.

⁸⁷ This letter written from Stephan of Blois to his wife in 1097 has been reprinted a number of times in different source collections. It primarily describes his experience in the Near East during the First

Furthermore, papal authorities attempted to curb usury by aiming legislation at monasteries and orders that were the majority of lenders in the period leading to the First Crusade. Following the theme of Gregorian Reform, officials of the Latin Church sought to maintain a monastic community that was untainted by the desire for wealth. Evidence of this occurs in the original charter of the Knights Templar, crafted by Bernard, Abbot of Clairvaux. These military Cistercians would play a key role in the offensive against the Holy Land, through combat, the movement of goods and currency, and, most importantly, as a receptacle for much of the mortgaged property of Western European crusaders. While they attained a large portion of land and wealth, the property itself remained the possession of the Order, and not individuals. By holding the property within the community itself, and not allowing individual members to retain rights, religious authorities attempted to eliminate the capacity for avarice, and the self-regulation of usurious practices. As an example of traditional monasticism, the Rule of the Order of the Templars, Bernard was clear in this distinction. In passage 330, he advises,

All things of the house are common, and let it be known that neither the Master nor anyone else has the authority to give a brother permission to have anything of his own, neither a denier or more, nor to do anything except what he has promised to God and vowed especially and particularly, that is to say obedience and chastity, and to live without possessions.⁸⁸

This passage also reflects the growing concern about the handling of wealth by monastic orders, and highlights the growing concern of the increasing wealth of the

Crusade, but closes with a warning to “carefully watch over your land.” Source compliments of S.J. Allen and Emile Amt, ed., *The Crusades: A Reader*, 66.

Church that contrasted with the values of Benedictine monasticism. As an institution that garnered vast sums through tithes, donations, and sacramental profits, the Latin Church was quickly acquiring a preeminent position in financial accumulation. Religious authorities re-invested this money in the growing infrastructure of the Church, and it became readily apparent that increased wealth was rapidly becoming a necessity in everyday operations. However, the generation of riches was in direct contrast to the teachings of the Gospels, and led to further debates between canonists and theologians. It is this “paradox” that forced representatives of the Latin Church to re-examine their own complicity in usury.

Additional evidence of increasing papal concern can be found in the decrees of the Tenth General Council, or Lateran II, assembled by Pope Innocent II in 1139. The problems involving interest and money-lending had become so widespread throughout European society that amidst other concerns, members of Lateran II again reaffirmed the earlier decrees, and crafted Canon 13, which clearly states,

We condemn that detestable, shameful and insatiable rapacity of money-lenders, which has been denounced by divine and human laws throughout the Old Testaments, and we deprive them of all ecclesiastical consolation, commanding that no archbishop, no bishop, no abbot of any order, nor anyone in clerical orders, shall, except with the utmost caution, dare receive usurers; but throughout their life let them be stigmatized with the mark of infamy, and unless they repent let them be deprived of Christian burial.⁸⁹

This document continues to utilize a denial of the sacraments for violators of usury laws, but the language of this Canon also includes a new element. Mainly, it is one of

⁸⁸ St. Bernard of Clairvaux, *The Rule of the Temple*, 1128. Rule 330, trans. by J.M. Upton-Ward in *The Rule of the Templars: The French Text of the Rule of the Order of The Knights Templar*. (Rochester, NY: USA Boydell & Brewer, Ltd., 1992), 19.

the first times that the penalties for non-compliance are now being directed at lay lenders, with express instructions to the clergy not to receive known usurers. The severity of this measure cannot be underestimated, as the sacraments of the Latin Church were the lifeblood of medieval communities. This decree also influenced the work of Gratian, who included an acceptance of these penalties in his *Concordance of Discordant Canons*, “a body of law which governed the lives of all Europeans for the rest of the Middle Ages and remained definitive for Catholics until the beginning of the twentieth century.”⁹⁰ The enforcement of harsh penalties on lay merchants displays the spread of usury to lay merchants, and illustrates the significant impact abusers had on society.

CRUSADER PROTECTION IN COMMODITIES EXCHANGE ON THE ROUTE TO THE HOLY LAND

Another area where usury regulations were utilized to protect crusaders was to prevent what modern theorists would refer to as “price gouging” along the route to the Holy Land. With such a massive migration of troops and followers, supplies were sold at a premium, not necessarily “fair” prices in the areas that centered on major crusader routes. As a remarkably flexible deterrent, usury regulations were often used to uphold the fair market prices, and eliminate egregious gains on the part of merchants. The linking of crusading with the privileges of pilgrims aided this concept, as holy

⁸⁹ Lateran II, Canon 13, 1139, trans. by J.T. Gilchrist in *Church and Economic Activity in the High Middle Ages*, 165.

⁹⁰ R.I. Moore, *The First European Revolution, c. 970-1215* (Malden, MA: Blackwell Publishing, 2000), 14.

travelers were granted a certain amount of financial protection during visits to Holy sites. This fell under the jurisdiction of two distinct areas that were extended to usury statutes.

Guibert of Nogent highlights the potential for avarice among merchants, and the damaging effects this had on crusader morale. In his history of the First Crusade, Guibert echoes the complaints of many combatants concerning commercial exchange practices and other methods of currency collection. He writes,

Think of those who made the pilgrimage across the sea! Even if they were more wealthy, consider what taxes, what violence they underwent, since they were forced to make payments almost every mile, to purchase release at every gate of the city, and the entrance of churches and temples, at every side-journey from place to place: also, if any accusation whatsoever were made against them, they were compelled to purchase their release.⁹¹

In reading this document it is important to again note terminology that associates crusaders with pilgrims. Also, while not expressly forbidden by usury laws, the growing multitude of tolls and fees violated the spirit of usury laws, especially if these services were unfairly priced.

Usury statutes were utilized to regulate commodity exchange by outlining the amount of gain one could receive through currency exchange. Turning the legal tender of Western Europe into viable specie that could be utilized in the lands of the Near East was a necessary expense, but religious authorities recognized this as another area where crusaders could potentially be at an economic disadvantage. Usury did not expressly forbid gain on these transactions, as the Knights Templar were often associated with this practice. However, egregious gains were a violation. In his history

of Louis VII, Odo of Deuil describes the problems encountered by crusaders in attempting to exchange currency in route, noting,

Our men took the smaller types of these boats and, after crossing the stream, bought supplies from a certain Hungarian castle which was not far away. Here we first encountered the copper money “staminae,” and for one of these we unhappily gave five [pennies], or rather we lost a mark on twelve [schillings].⁹²

It was an effort on the part of the Latin Church to maintain fair market prices for the goods and supplies that crusaders would need throughout their expedition that further extended the usury prohibition to the area of commerce. As denoted by “just price” figures, sellers were able to seek a reasonable margin of profit on sales, but it was determined that excessive gain on exchanges violated usury laws.

Another source available to historians that highlights this concept are the Ordinances of 1190, in which King Richard I of England outlines certain parameters for the privileges offered crusaders on their travels to the Holy Land. This is notable, as it is one of the first times where one sees monarchs addressing what had predominantly been an ecclesiastical problem. In one passage, he re-affirms the links with pilgrimage and the need to restrict usury, noting,

Furthermore, if any pilgrim, while on his journey, should borrow anything from another person, he was to pay back what he borrowed; but as to what he had borrowed before setting out, he was not bound to make repayment during the pilgrimage.⁹³

⁹¹ Guibert of Nogent, *God's Deeds Through the Franks*, 1108, trans. by S.J. Allen and Emilie Amt in *The Crusades: A Reader*, 46.

⁹² Odo of Deuil, *On Louis VII's Journey to the East*, 1153, trans. by S.J. Allen and Emilie Amt in *The Crusades: A Reader*, 140.

⁹³ King Richard I of England, *The Ordinances of 1190*, trans. by S.J. Allen and Emilie Amt in *The Crusades: A Reader* (Toronto: Broadview Press, 2003), 168.

The language of this passage correlates the distinction of crusaders with armed pilgrims, and his directive to only “pay back what he borrowed” is a clear effort to eliminate usury. Additionally, he acknowledges that crusaders were exempt from debts accumulated prior to the journey. The Ordinances also include a condemnation for merchants who engage in unlawful sale practices, such as “price gouging.” Later in the document, he explains,

As for merchants, in whatever commodity they should deal, they were bound to make no more than one penny profit in every ten pence.⁹⁴

This order illustrates the need for maintaining fair prices for crusaders to enable them to reach Jerusalem without being forced to pay unreasonable rates for supplies.

However, it does not rule out the opportunity for limited gain on the part of sellers.

I argue that it was an effort on the part of the Latin Church to maintain fair market prices for the goods and supplies that crusaders would need throughout their expedition that further extended the usury prohibition to the area of commerce. As denoted by “just price” figures, sellers were able to seek a reasonable margin of profit on sales, but it was determined that excessive gain on exchanges violated usury laws.

In a desire to curb the damage of these practices, and promote the success of the operations, ecclesiastical officials consistently reaffirmed the original usury declaration from the First Council of Nicea. In fact, circumventing usury statutes began to engage so many merchants in so many regions, religious authorities further condemned the practice at the last General Council of the twelfth-century, Lateran III. Canon 25 states,

⁹⁴ Ibid, 169.

Seeing that almost everywhere the crime of usury has taken such hold that many pass over the professions to devote themselves to the business of usury, as if it were lawful, and thus disregard the strict scriptural prohibition, we decree that notorious usurers are not to be admitted to the communion of the altar, nor, if they die in that sin, to receive Christian burial. Neither shall anyone accept their offering. Anyone taking such an offering or giving them Christian burial, shall be compelled to return what he has taken. Furthermore, till he has satisfied the wishes of the bishop, let him remain suspended from office.⁹⁵

The wording of this Canon appears to not only condemn money lenders, but by insisting that the violation of traditional standards had become so widespread, it includes a variety of mercantile activities. There was only so much need for currency-based loans, much of it handled by religious authorities, that common exchange practices are certainly implicated. Unfortunately, the Canon does not specifically identify what professions and practices are direct violations of usury laws, especially since it makes a distinction between common and “notorious” usurers. In essence,

Thus, concerning usury, the canonists faced with a bewildering mass of material and exceptions to the strict law, ended by concentrating on manifest or public usurers, who were mostly petty pawnbrokers. They could not get at occult usurers, which included the great merchants and their profits, for they claimed, and on paper proved, that they took no interest.⁹⁶

This illustrates one important characteristic of usury regulations, namely, the fact that religious authorities were by no means attempting to eliminate profit entirely, just unfair gain and outright exploitation. Common usurers, such as pawnbrokers, often preyed on the poor for consumption loans, where as large merchants served a necessary purpose.

⁹⁵ Lateran III, Canon 25, 1179, trans. by J.T. Gilchrist in *Church and Economic Activity in the High Middle Ages*, 173.

⁹⁶ Gilchrist, 48.

The papacy itself had strong ties to both the banking families of Europe and powerful merchant conglomerates, and often resorted to “deficit financing” to meet their own needs, especially during the Crusades. Therefore, many banking and other mercantile practices were indeed viewed as legitimate, including the highly useful *commenda* contract. In fact, Noonan explains,

The willingness to accommodate the *societas* reflects a general belief that the usury prohibition should not eliminate commercial profit, and this belief was ultimately the basis for confining usury to a narrow set of situations.⁹⁷

However, merchants might disagree with this “narrow set of situations” assessment, as every tool available to them, which aided in business transactions was continually examined by Church officials for legitimacy. In fact, the usury prohibition was further extended to another area of trade, that which involved the Saracens themselves.

USURY AND THE RESTRICTION OF TRADE WITH THE SARACENS

As previously discussed, the usury prohibition was remarkably flexible, and by attributing unfair gain as a violation of canonical law, it was utilized to stem illegal trade with non-Christians. In an effort to eliminate trade with the enemy, the members of Lateran III crafted the following document. It states,

Wanton greed has so taken possession of some men that, while they glory in the name of Christian, at the same time they supply the Saracens with arms, iron, and stays for their galleys, and thus they become equal and even superior to them in malice, since they furnish them with weapons and other necessities for attacking the Christians. There are some who satisfy

⁹⁷ Noonan, 153.

their greed undertake to pilot the galleys and marauding ships of the Saracens. We decree, therefore, that all these are excommunicated for their wickedness, that their possessions are to be confiscated by the Catholic princes and magistrates of cities and that they themselves, if captured, are to be reduced to slavery by their captors. We command, furthermore, that excommunication be frequently and solemnly pronounced against them by the churches of coastal cities. They also are to be excommunicated who capture or despoil Latin and other Christians who are traveling by ship for business or other honest purposes. Moreover, those who are led by a spirit of avarice to rob ship-wrecked Christians instead of helping them, according to the rule of faith, are to be excommunicated if they do not restore what is taken.⁹⁸

It was the growth of sea trade throughout the Italian peninsula that sparked this canonical response from ecclesiastic officials. Venice, Genoa, and Amalfi each witnessed a dynamic transformation dependant on the volume of trade during the crusading era, and frequently engaged in illicit exchange with Islamic societies. Yet, the profits acquired through these practices were enormous. One may attribute the voracity of this passage to the fact that during the First Crusade,

Trade with the East was interdicted for four years in order to provide shipping-space for the Crusaders, and Christians were forbidden to supply war-materials to the Saracens, especially wood and iron that were in short supply.⁹⁹

First, as the primary handlers of combatant sea traffic, Italian seamen were well compensated for their services, including the granting of lucrative trading privileges by the papacy. If services were unavailable for the free movement of combatants to points close to the Holy Land, it would have disrupted the campaigns, and certainly would have had a devastating impact on the armies themselves. Secondly, it is obvious that trading available resources to the enemy would have dire consequences for the

⁹⁸ Lateran III, Canon 24, 1179, trans. by J.T. Gilchrist in *Church and Economic Activity in the High Middle Ages*, 172.

success of the Crusades. Furthermore, Christians were even restricted from trading currency to the Saracens in exchange for hostages. By enforcing severe penalties on those who sought to escape these regulations, religious authorities utilized usury laws to promote the agenda of the crusading movement.

Pope Innocent III also addressed this issue, and composed an open letter to the merchants of Venice in 1198. He echoes the predominant sentiment that individuals who engaged in trade with the enemy were irresponsible in jeopardizing the success of the Crusades. He explains,

We furthermore excommunicated all those Christians who hereafter have anything to do with Saracens either directly or indirectly, or shall attempt to give them any aid in any way so long as the war between us and them shall last.¹⁰⁰

Innocent was particularly militant when it came to re-affirming the structure of usury regulations, and many of the decrees from the Fourth Lateran Council in 1215 reflect his mindset. Utilizing the framework established by Urban II more than a century prior, he dedicated much of the business of this council to aiding the combatants in what would soon become the Fifth Crusade. On protection from outright usury, he states,

If any of those who go on the crusade are bound by oath to pay interest, their creditors, under threat of ecclesiastical censure, shall be compelled to free them from their oath and from the payment of interest. If anyone compels them to pay interest, he shall be forced to pay it back to them.¹⁰¹

⁹⁹ Gilchrist, 37.

¹⁰⁰ Pope Innocent III, letter to Venice, 1198, trans. by S.J. Allen and Emilie Amt in *The Crusades: A Reader*, 224.

¹⁰¹ Lateran IV, Constitution 10, 1215, trans. by J.T. Gilchrist in *Church and Economic Activity in the High Middle Ages*, 176.

This is certainly a re-affirmation of the original decree from 1095 prior to the First Crusade, and can be seen as evidence for an uninterrupted era of Church intolerance concerning usury violations in relation to crusaders.

Additionally, Innocent also confirms the protection of private property rights, be they held by lay or clerical officials. He decrees,

As soon as they take the cross we receive them and their possessions under the protection of St. Peter and ourselves, so that archbishops, bishops, and other prelates are responsible for their defense, and besides, other protectors shall be specially appointed to defend them. And until they return or their death shall be certainly known, their possessions shall not be molested. And if anyone shall act contrary to this he shall be restrained by ecclesiastical censure.¹⁰²

Each of these aspects of canonical and secular legislation were aimed at curbing the growing prevalence of usurious transactions, and were crafted in an effort to protect crusader privileges at home and abroad. Property protection, fair sale of merchandise, and the limiting of trade with the Saracens all played a role in the success of the crusading movement, and were the primary force behind these practical regulations. The chronology of each of these sources place them directly at the height of the Crusades, and many even isolate this event as the impetus for legislation. However, there is still one other area where the Crusades impacted usury legislation, and that is as a modifier of spiritual distinctness among Christians, or, an aspect of the desire for Christian “universalism.”

CHAPTER III

USURY, CRUSADING, AND THE IDEA OF CHRISTIAN “UNIVERSALISM”

When examining the canonical legislation of the twelfth-century involving usury and the Crusades, it is also necessary to explore the possibility that the reluctance to adjust existing statutes might have been influenced by motives other than the purely commercial. In reviewing the initial crusading rhetoric, organizers envisioned an extended campaign that was reliant on many members of the Christian community. Each strata of society was asked to render the services best suited to them, and the success of the movement at large depended on a wide variety of contributions. As ecclesiastic officials proselytized, the nobility planned, and even merchants and the peasantry played pivotal roles in the movement of resources. This led Church authorities to attempt to further extend traditional Christian values throughout lay society, presenting themselves as models of piety and lawfulness.

The ideals of Gregorian Reform were directly aimed at composing Christian “Universalism” in the face of external threats, and the usury prohibition was one area where canonists could assert a distinctly Christian doctrine. This influenced the logistics of crusading by extending rigid regulations concerning lending and fair exchange to all involved.

Principles of the Gregorian Reform movement had been applied to the clergy and to the monarchs. But with the First Crusade, these principles

were extended further, in a conscious and coherent fashion, to the laity at large.¹⁰³

In asserting the power to regulate the exchange practices of the laity, through the use of canonical legislation and jurisdictional control, religious authorities sought to reaffirm the strict regulations originally proposed to curtail unlawful lending practices.

The economic necessities of crusading highlighted the real need for sanctioned lending and credit transactions, with the transfer of goods and services required on an international scale. These holy wars forced organizers to face the realities of previously unknown logistics, balanced against traditional policies that were hindered by usury restrictions. Consequently, religious authorities were forced to find a means of allowing interest-based credit transactions that did not impede on the promises made to combatants. In response, they continued to follow the canonical decrees of the period, but attempted to aid debtors in two ways.

First, was the careful practice of placing lending authority in the hands of its own representatives, either monastic or Papal. The assumption was that each of these entities would adhere to the definitive canonical decrees, and not overtly charge interest in return for credit transactions. The realities are often quite different, as one merely needs to look at the accusations later lodged against the Cistercians and the Templars, but the belief that clerical morality would prevail over avarice was crucial.

It is here where the original charters of the monastic orders reflect the desire to limit ecclesiastical gain, and promote ethical market practices, beginning with the

¹⁰³ Yael Katzir, "The Second Crusade and the Redefinition of *Ecclesia*, *Christianitas* and Papal Coercive Power." Gervers, Michael, ed. *The Cistercians and the Second Crusade* (New York: St. Martin's Press, 1992), 3.

clergy. The most critical aspect of these charters is the affirmation that members of these orders were expected to maintain and protect the ethos of the Latin Church, with even higher expectations than secular officials. In rule two of *The Prologue to the Rule of the temple*, St. Bernard outlined the defining characteristics of the order, writing,

Above all things, whosoever would be a knight of Christ, choosing such holy orders, you in your profession of faith must unite diligence and firm perseverance, which is so worthy and so holy, and is known to be so noble, that if is preserved untainted for ever, you will deserve to keep company with the martyrs who gave their souls for Jesus Christ. In this religious order has flourished and is revitalized the order of knighthood. This knighthood despised the love of justice that constitutes its duties and did not do what it should, that is defend the poor, widows, orphans and churches, but strove to plunder, despoil and kill. God works well with us and our savior Jesus Christ, He has sent his friends from the Holy City of Jerusalem to the marches of France and Burgundy, who for our salvation and the spread of the true faith do not cease to offer their souls to God, a welcome sacrifice.¹⁰⁴

In reviewing this rule, St. Bernard identifies specific attributes required from those that would become members of the Knights Templar. He makes an important distinction in the piety of this order in comparison to those that comprised the knighted class from lay society in the medieval period. This is certainly an extension of Gregorian Reform. By maintaining rigid personal standards, Bernard envisioned an organization that would aid the Holy See as righteous warrior-monks, and serve the crusader armies in a variety of capacities. This included the protection of pilgrims and settlers on the road to the Holy Land after the initial conquest in the First Crusade. Their virtues would also stand as a model for the rest of society.

¹⁰⁴ St. Bernard of Clairvaux, *Prologue to the Rule of the Temple*, rule paragraph two, 1128, trans. by J.M. Upton-Ward *The Rule of the Templars: The French Text of the Rule of the Order of The Knights Templar*. (Rochester, NY: USA Boydell & Brewer, Ltd., 1992), 19.

The second portion of the passage reflects the desire to infuse the knighted class with revitalized faith, espousing the protection of the poor and innocent. This harkens to the earlier Peace of God and Truce of God movements, and was an attempt to limit the violence and degradation associated with lay warriors, and even the lay nobility. The Rule that Bernard had in mind for the order was modeled on the Rule of St. Benedict of Nicea, based upon the vows of poverty, chastity, and obedience. As an order that was originally entitled the Poor Knights of Christ, the Templars also served in commerce and retained influence in economic affairs. In the words of one historian,

Sergeants-at-arms and craftsmen-sergeants oversaw all matters of business, both in the Holy Land and in Europe. They directed the work in the house, the stables and the fields, and took an active part in commerce, banking and shipping.¹⁰⁵

The premise of the Papacy was that those who were most familiar with usury violations would be best prepared to lend appropriately, and follow the established canon law.

As oath-bound protectors of the weak, while dually functioning as commercial agents, the Rule of the Templars illustrates the extension of traditional Christian morality to economic practices, including the stigma of usurious transactions. As previously mentioned, each of the monastic orders held communal, not individual property. This was an explicit attempt to curb any efforts to enrich oneself at the expense of others. While communities may have prospered (and prosper they did), the

¹⁰⁵ Marie Luise Bulst-Thiele, "The Influence of St. Bernard of Clairvaux on the Formation of the Order of the Knights Templar" in *The Second Crusade and the Cistercians*, ed., Michael Gervers (New York: St. Martin's Press, 1992), 60.

knights themselves were expected to acquire only what they needed to survive and fight. This effort at self-regulation was not only focused on monastic institutions, but also to high-ranking Church officials.

At the Third Lateran Council, canonists further legislated in order to make certain that avarice would not tempt officials to engage in individual property accumulation.

Canon 15 states,

Although in duties of charity we are especially under obligation to those from whom we know we have received a gift, on the contrary certain clerics, after receiving many goods from their churches, have presumed to transfer these goods to other uses. We forbid this, knowing that it is also forbidden by ancient canons. Therefore, as we wish to prevent damage to the churches, we order that such goods should remain under the control of the churches, whether the clerics die intestate or wish to bestow them upon others. Besides, since in certain places certain persons called deans are appointed for a fee and exercise episcopal jurisdiction for a sum of money, by the present decree we declare that those who in future presume to do this should be deprived of their office and the bishop shall lose the power of conferring this office.¹⁰⁶

In presuming to “transfer these goods” at their individual discretion, clerical officials were in violation of applicable rules involving the intercession in secular commercial endeavors. Even if this property or goods were carefully disguised, or even intended as gifts, clerical officials were unable to transfer or will them. The canon clearly states the desire that these goods are considered to be possessions of the Church itself, and not available for personal use. In addition, the last segment of the passage confirms the danger of simony, and provides for their removal of power.

¹⁰⁶ Lateran III, Canon 15, 1179, trans by J.T. Gilchrist in *Church and Economic Activity in the High Middle Ages*, 170.

It may even be suggested that by placing the role for the majority of legal lending in the hands of these perceived trustworthy entities, it was also following the “greater good” theory, thus eliminating the need for clerics to engage in complex and controversial behavior. John Calvin even proposed this aspect of lending nearly five hundred years later, concluding,

Because it is more tolerable than trading or following some occupation that would distract him [the pastor] from his duty, I do not see why the act should be condemned in general. But nonetheless, I would like such moderation to preserve that a fixed profit should not be drawn from it; but that one should be content, when lending money to some merchant- an upright man- to rely on his faith and honesty to make a fair profit from it, depending on how God makes his labor prosper.¹⁰⁷

As those most familiar with what violations existed, religious authorities were best prepared, and most likely to adhere to usury statutes. Scholastic thinkers were especially concerned that the lure of lending and credit was likely to engage reputable merchants and traders. One historian explains,

The scholastic writers regarded trade as an occupation which, although not evil in itself, endangered the salvation of the soul, as the merchants almost unavoidably succumbed to the temptations of usury, cheating, and unlawful gain.¹⁰⁸

Finally, the influence of canonical decrees concerning the prohibition of usury was also used as a tool for extension of control over merchants and secular officials. In his work “Usury and the Medieval English Church Courts” R.H. Helmholz examines how usury restrictions were not merely theological in nature, but actually were

¹⁰⁷ Ibid, 22.

¹⁰⁸ Raymond de Roover, “Scholastic Economics.” Julius Kirshner, ed. *Business, Banking, and Economic Thought in Late Medieval and Early Modern Europe: Selected Studies of Raymond de Roover* (Chicago: University of Chicago Press, 1974), 324.

enforced extensively in a practical manner. Concerning medieval jurisdiction, and the impact on English common law, he explains,

From at least the twelfth-century, prosecution of living usurers in England belonged to the Church. Glanville, author of the earliest systematic treatise on English law, denied any jurisdiction to the royal courts except at the usurer's death, when the king would be entitled to his lands. The twelfth-century *Dialogue of the Exchequer* gave a similar account of English practice. The church was entitled to hear all pleas concerning usury during the lifetime of the offenders, and to determine them freely according to canon law. This remained the basic jurisdictional rule until the Tudor era.¹⁰⁹

This passage presents two compelling ideas concerning the impact of usury regulations on the community at large. First, by denying royal authorities the right to try usurers in their own courts, Church officials were able to control the manner in which decisions were rendered concerning violations. Second, by noting that this practice continued up until the dawn of the Tudor era, it illustrates how close the relationship between economics and religion remained throughout, and in the aftermath, of the crusades.

Each of these ideas points directly to a Church concerned not only with self-regulation and the canonical adherence of lay lenders, but a desire to encapsulate lending transactions in the hands of their most trusted officials. Ideally, those that were most familiar with canonical law would perform the various economic functions, and be held to the high ethical standards outlined in the legislation. In doing so, they would present a representative model for lay merchants and nobleman, and aid in the formulation of a distinctly Christian identity. However, religious authorities also utilized the usury prohibition to separate themselves from other religions, sometimes to their own advantage.

Papal authorities displayed no reluctance in becoming reliant on Jewish lenders for available capital. Throughout the late twelfth century, scholars begin to see a transition in the relationship between the Holy See itself and the Jewish community concerning lending practices. In stating the common belief of the Latin Church concerning usury, one historian explains,

It is interesting to note that the first ecclesiastical provisions relating to Jewish usurers do not appear until late in the twelfth century. At first (Council of Paris, 1188), they concerned solely the protection of Crusaders' patrimony. Then, at the beginning of the thirteenth century, Innocent III issued general warning edicts. One can therefore wonder why both ecclesiastical and secular legislation remained silent for so long on the subject of the Jewish usurer.¹¹⁰

It has been posited by Poliakov that this "silence" concerning Jewish usurers enabled the papacy to continue receiving funds for the "greater good" of crusading success, without endangering Christians from the taint of usury. Canon 67 of the Fourth Lateran Council states,

The more the Christians are restrained from the practice of usury, the more they are oppressed in this matter by the treachery of the Jews, so that they in a short time they exhaust the resources of the Christians. Wishing, therefore, in this matter to protect the Christians against cruel oppression by the Jews, we ordain in this decree that if in the future under any pretext Jews extort from Christians oppressive and immoderate interest, the partnership of the Christians shall be denied them till they have made satisfaction for their excesses.¹¹¹

The language of this decree appears to accept the lending at "moderate" rates of interest on the part of the Jewish community, and further promotes the need for conditional credit from sources other than Christians.

¹⁰⁹ Helholz, 365.

¹¹⁰ Leon Poliakov, *Jewish Bankers and the Holy See: From the Thirteenth to the Seventeenth Century* (London: Routledge Publishing, 1965), 23.

This existence of this concession is certainly debatable, but it provides evidence for the belief that Innocent III understood the need for credit transactions involving profit, but was reluctant to extend this privilege to Christians. Poliakov contends,

In the course of the following centuries, scholastic authors most frequently agreed that it was simply a question of toleration in the case of the Jews, 'to avoid a greater evil'.¹¹²

As a community that were pre-supposed by many to be destined for eternal damnation, Jewish merchants were the perfect choice to fill this lending void, and protect Christian traders from the ills of usury. This is merely one example of methods utilized by the Holy See and canonical legislatures to eliminate usury amongst Christian representatives, and points to the desire for a cohesive policy that created the mentality of distinctiveness. It is here that the argument proposed by Nelson provides an interesting analysis.

As previously noted, Christian theological thought concerning usury is rooted in the Old Testament book of Deuteronomy. However, this reference often proved troublesome throughout the Middle Ages, as it is immediately followed with.

To a foreigner you may charge interest, but to your brother you shall not charge interest, that the Lord your God may bless you in all you set your hand to in the land which you are entering to possess.¹¹³

As problematic as this contrast was, certain scholars contend that this departure was an effort at protecting agrarian Hebrew communities from external market infiltration by commercially advanced societies.

¹¹¹ Lateran IV, Constitution 67, 1215, trans. by J.T. Gilchrist in *Church and Economic Activity in the High Middle Ages*, 182-83.

¹¹² Poliakov, 25.

¹¹³ Deuteronomy 23:20, *The Holy Bible, New King James Edition* (Nashville, TN: Thomas Nelson, Inc., 1982), 109.

In response, religious scholars and government officials sought methods to protect local merchants against this influx of foreign goods. In essence, this concept of ancient "protectionist economic theory" led leaders to craft revolutionary commercial measures that directly affected the original ideas surrounding usury. The biblical distinction found in Deuteronomy between "foreigner" and "brother" allowed Jewish merchants to enter into interest bearing contracts with outsiders, while at the same time restricting them from burdening fellow Jews with same usurious measures.

Nelson addresses this argument, and highlights the existence of an insular Hebrew community, stating,

Deuteronomy formed the cornerstone of the blood brotherhood morality of the Hebrew tribesman. It assured the solidarity of the *Mishpaha* (clan) and the exclusion of the *Nokri* (the foreigner, as contrasted with the *Ger*, the protected sojourner, or the *Toshab*, the resident stranger) from the privileges of obligation to the fraternity. It forbade the Hebrew to take *Neshek* (usury, interest) from his brother, but permitted him to exact it from the *Nokri*.¹¹⁴

Most simply, tribal relations with one's religious equivalent restricted the attachment of interest, while charging additional fees to outsiders became readily acceptable. It is this element of the usury prohibition that offers evidence for the belief that these regulations were not only crafted to protect individuals, but could also be extended to community defense. The distinction between members of different religions concerning economic practices and privileges can indeed be cited as evidence that medieval intellectuals looked to utilize the structure of usury to create a distinct "universal" mindset among Christians at the time of the Crusades.

¹¹⁴ Benjamin Nelson, *The Idea of Usury: From Tribal Brotherhood to Universal Otherhood* (Chicago: University of Chicago Press, 1949), xix-xx.

WEBER-TAWNEY REVISITED

Each of the previous assessments have examined the Crusades and the canonical responses in relation to the usury prohibition throughout the twelfth-century, but it is also crucial to envision the interpretation in the context of larger debates. In each of the major works concerning usury, authors such as Gilchrist and Noonan have each placed the contentious arguments surrounding the usury prohibition in relation to the Weber-Tawney thesis. Most notably, by asking whether the continued restrictions placed on interest-bearing transactions by the Latin Church might give new life to proponents of what many historians consider a theory that is steadily declining in relevance. However, any scholar that examines the role of the Latin Church of the Middle Ages in secular economics is certain to encounter the Weber-Tawney thesis, and must address this issue.

Following the research of Max Weber, R.H. Tawney's work generated a renewed interest in identifying the source and chronology of capitalist practices. As previously discussed, both placed the impetus for commercial change in the Protestant Reformation of Western Europe; Weber with the emergence of Calvinist doctrine and Predestination, and Tawney with the declining influence of the Roman Catholic Church. Each argues that it is in this era where one first encounters the acceptance of profit motive and the merits of the merchant class. Tawney states,

The isolation of economic aims as a specialized object of concentrated and systematic effort, the erection of economic criteria into an independent and authoritative standard of social expediency are phenomena which, though familiar enough in classical antiquity, appear, at least on a grand scale, only at a comparatively recent date in the history of later

civilizations. The conflict between East and West, which impresses the traveler today, finds a parallel in the contrast between medieval and modern economic ideas.¹¹⁵

In attributing such wide discrepancies between the economic practices of the Reformation and that of the Middle Ages, Tawney fails to recognize certain aspects of commerce that are common to both. Most simply, his rejection of the idea that a “concentrated and systematic effort” to gain through exchange existed in medieval society is entirely inaccurate. Merchants were always looking for opportunities to extend their holdings and utilize the tools available to them to increase their wealth, and further invest that income in profitable ventures. Banking, bills of exchange, and *commenda* contracts precede the perceived economic individualism of the sixteenth and seventeenth centuries, and provide evidence for a profit-based system in the medieval period.

Furthermore, Tawney builds on Weber’s work to argue that the tenets of religion and economics are in constant conflict. He concedes that the tenets of Protestantism, primarily Calvinist thought, were moderately progressive when compared to the economic practices of the Latin Church, but remained an obstacle to true market freedom. In speaking of contemporary society, he explains,

Religion has been converted from the keystone which holds together the social edifice into one department within it, and the idea of a rule of right is replaced by economic expediency as the arbiter of policy and the criterion of conduct. From a spiritual being, who, in order to survive, must devote a reasonable attention to economic interest, man seems sometimes to have become an economic animal, who will be prudent, nevertheless, if he takes due precautions to assure his spiritual well-being.¹¹⁶

¹¹⁵ Tawney, 278.

¹¹⁶ Ibid, 279.

In correlating the rise of capitalist values with the decline of religious institutional intervention, Tawney concludes that the canonical legislation of the Catholic Church was aimed at restricting profit motive. It is this aspect of the Weber-Tawney Thesis where the impact of the usury prohibition and the Crusades is most pertinent.

Usury regulations are certainly problematic when one attempts to dissuade readers from accepting the Weber-Tawney Thesis, as the Latin Church continued to prohibit interest-bearing transactions. Many of the canonical decrees that appear on the previous pages point to increased usury restrictions and enforcement, and without the exploring the context of the Crusades, they may appear to lend credence to the arguments of Weber and Tawney. However, while the rhetoric against usury was amplified throughout the twelfth-century, it was not an effort to restrict profit motive or gain, but was conversely used to protect the interest of combatants, and promote the successful conclusion of the Holy war.

By eliminating the perception that the usury prohibition was aimed only at restricting material gain, without the influence of alternative factors, the canonical decrees on usury in the twelfth-century take on a new meaning. One cannot only view this legislation in economic terms, but must also incorporate the cultural movements of the period, in particular, the Crusades. Infused with the ideals of Gregorian Reform, crusaders were characterized as pious combatants. Moreover, the crusading movement was continuously linked with pilgrimage. This placed crusaders under the protection of religious authorities who granted them a remission of all debts and interest, among other privileges. Therefore, when beginning their journey and procuring the necessary funds, crusaders were placed in the “consumptive or distressed” borrower category.

The proceeds of their loans and mortgaged property were immediately used to purchase the goods and services necessary for the journey to the Holy Land. Church officials had founded the usury prohibition for the defense of these individuals, as Gilchrist explains,

Distress-borrowing, because of the high rate of interest and the knowledge that, as usual, the poor suffered more because they had the least security and therefore were committed to exorbitant rates of interest, which accordingly worsened their economic position.¹¹⁷

In following this interpretation, it is critical to understand that the canonical decrees were not designed to eliminate “just” profit, only excessive gains. The pledges made by the Latin Church to those who went on the Crusades were extremely important to organizers. A remission of debts and the protection of property were included in the recruiting rhetoric of each campaign, and were a successful tool for acquiring men and capital to the cause. If religious officials were rendered incapable of delivering on these promises, the successful promotion of the movement would certainly be damaged, as would the authority of the Church itself. The usury prohibition was maintained not as an impediment to commercial growth throughout the twelfth-century, but as a policy of economic protection for the combatants who traveled abroad.

In determining that the usury prohibition was *not* heightened as a response to commercial developments in society, but as a tool for the protection of crusaders, it disarms proponents of the Weber-Tawney thesis of a critical part of their analysis. There is little doubt that the complexities of usury legislation remain problematic, yet

¹¹⁷ Gilchrist, 65.

by identifying motives beyond the purely economic, a new interpretation emerges. In essence, that the reluctance to abolish usury restrictions on the part of the Latin Church was not an effort to profitable exchange and credit transactions, and can no longer be seen as a core element in defense of the Weber-Tawney thesis.

Reviewing how the Crusades impact the Weber-Tawney Thesis, one can only conclude that it adds to the litany of contemporary critics. The protection of combatants prevailed over the market freedom of merchants, but the majority of legislation only demanded that one not bilk crusaders, as they were granted immunity from debts. Profit motive remained an integral part of medieval culture, and would continue to be ingrained in the economic fabric of modern societies, yet, in the twelfth-century, not at the expense of the crusading movement and the combatants themselves.

CONCLUSION

The Crusades and the usury prohibition of the twelfth-century have each received ample attention from historians over the past century, many of the singular works becoming modern classics. Jonathan Riley-Smith, J.T. Gilchrist, and John Noonan have each produced unique works that have alluded to a connection between the economic necessities of the crusading movement and canonical legislation, but each has left the research to future generations. In my own findings, I have made an attempt to follow this reasoning, and have encountered many of the same obstacles that those who examine usury encounter themselves. The sheer volume of diverse

sources and explorations of secondary literature complicate the nature of usury itself, and make isolating absolutes concerning the doctrine extraordinarily difficult. At times, one decree can appear to narrow the definition of usury, and inhibit commercial investment. Alternatively, the same decree must be looked at in the context of crusading legislation to truly grasp the intent of the article.

When incorporating the influence of crusading on the usury prohibition, one must also undertake the inclusion of a variety of elements. Gregorian Reform, the Peace and Truce of God movements, and cultural conditions each had an impact on the manner in which the Crusades were organized and fought. However, the importance of military success was so pervasive in both religious and lay communities that any subject from the period requires an examination of the crusading movement.

In my current study, I have isolated three distinct areas where usury legislation was influenced by the Crusades in a practical nature. Each was used to protect combatants themselves or to promote the success of the campaigns.

The first is the protection of property rights from the exploitation of others while soldiers were serving on campaigns. The most likely source for generating the necessary resources for the Crusades was often land, placed in a mortgage or vifgage agreement. As pledged by the Church, crusaders were granted a remission from debts and interest for their term of their service, and the usury prohibition was utilized to uphold this obligation. By restricting interest, religious authorities were able to offer the protection of property from the demands of unscrupulous lenders.

Secondly, religious officials also sought to eliminate unfair market practices on the route to the Holy Land. The usury prohibition was critical to this policy, as it

promoted the practice of “just” exchange. Price gouging for goods and services was one of the major complaints of the crusading leadership, and by demanding that only modest profits could be extracted from combatants, canonists attempted to extend commercial protection. By limiting the expenses encountered, via trade, currency exchange, and tolls, authorities of the Latin Church continued to uphold their pledge to financially protect these holy warriors.

Lastly, usury restrictions could also be applied to the interdiction of trade with the Saracens during the crusading era. The increasingly powerful merchant communities of the Italian peninsula were often implicated in the banned practice of trading with the enemy, and the profits generated from this exchange were extraordinary. In using the usury prohibition to regulate immoderate profit, merchants who gained through trade with the Saracens were violating these restrictions.

Additionally, usury restrictions can also be seen as an effort to promote Christian “universalism,” or spiritual cohesion, in the face of external threats. By establishing limits for “just” exchange and attempting to eliminate unfair market practices, religious officials placed themselves in contrast to other faiths. This also promoted an “economic morality” among adherents of Christianity, and aided in the efforts to protect combatants and the success of the crusading movement itself.

Each of these elements of the usury prohibition displays a desire on the part of the Latin Church to protect the privileges of crusaders. It also lends a new interpretation to the question of the usury prohibition, most importantly, offering an answer as to why the lending restrictions were heightened at a time of commercial development. The evidence presented illustrates that it was the commercial protection

of combatants, and not a coordinated effort to restrict material gain, that forced canonists to continue to reaffirm strict usury statutes.

The evidence is certainly available to make such a connection, and even further establish the positive influence of the medieval Latin Church in economic affairs. Yet, there are definitely areas where this becomes exceedingly difficult. Attempts to establish a balance between the competing agendas of crusader protection and commercial freedom, or “just” exchange and profit motive, will certainly continue to consume researchers from many disciplines. However, the influence of the crusading movement on the canonical legislation of the twelfth-century is certainly a viable topic for discussion, and remains an area for future exploration.

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