

Human Interest: Usury from Luther to Bentham

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journals.sagepub.com/home/tcs**Arthur Bradley** 
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Abstract

This article revisits a set of classic political, theological and economic scenes in the (early) modern debate on usury from Luther to Bentham. To summarize, I argue that this theory of usury – which polemically mobilizes counter-Aristotelian tropes of the breeding, reproduction and husbandry of money – might also be read as a theory of what Foucault famously calls pastoral power. If this debate nominally concerns the ‘repeal’ of the ancient prohibition against money-lending at interest, I argue that what is really at stake here is the pastoral production of a new theory of the subject as ‘human interest’: a self whose allegedly intrinsic self-interest expresses itself paradigmatically through financial interest. In conclusion, I situate this genealogy of human interest within the larger history of the self-interested, capitalist and indebted subject from Hirschman, through Foucault, to Lazzarato.

Keywords

Foucault, pastoral power, usury

ANTONIO: Was this inserted to make interest good? Or is your gold and silver ewes and rams?

SHYLOCK: I cannot tell, I make it breed as fast. (Shakespeare, 2010: 1. 3, 90–92)

In William Shakespeare’s *The Merchant of Venice*, Shylock appeals to a peculiar biblical example of ‘pastoral power’.¹ To defend his profession of usury or money-lending, he tells his prospective client, Antonio, the story of Jacob’s flock from the Book of Genesis: Jacob wants to marry Laban’s daughter, Rachel, and so he agrees to enter into Laban’s service and take care of his sheep. However, Jacob also makes a deal with Laban that he can keep the small number of striped sheep in the flock for himself, as wages for his labor. In order to extract the maximum profit or surplus value from this wager, Jacob resorts to a devious – indeed incredible – act of animal husbandry: he secretly places

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striped tree branches in front of Laban's sheep whilst they are mating, which leads them to give birth to more striped lambs, and so he is able to claim the numerous additional sheep in the flock as his own, as 'interest' (Genesis 29–32).

To be sure, Shylock's boast that he can make money 'breed as fast' as Jacob's sheep is itself the *tokos* – literally the offspring, the interest – of a long philosophical and theological debate around usury. Firstly, his provocative claim that Jacob himself was the original usurer – because he generated a kind of 'interest' upon Laban's debt – bends, if not breaks, what is generally taken to be the inaugural scriptural prohibition upon money-lending between Jews in texts like Deuteronomy: 'Thou shalt not lend upon usury to thy brother' (23: 19–20). If Shylock apparently transgresses the original biblical sanction against usury, he also contravenes Aristotle's famous philosophical prohibition against borrowing or lending money at interest in the *Politics* (Aristotle, 1984: 1258b.2–8). In a stark rebuke to Aristotle's claim that money – in contrast to living beings like humans or animals – is naturally infertile, Shylock's analogy between usury and animal husbandry insists that money can indeed give birth to more money.

If a certain anti-Semitic reading of Shakespeare's play has always positioned Shylock as the last remnant of a pre-modern, pagan polity – who must be converted by whatever means necessary into a good Christian civil subject – I take my own point of departure from a long counter-tradition that insists upon the untimely *modernity* of this Venetian money-lender (Bentham, 1818 [1787]; Critchley and McCarthy, 2004; Marx, 1994 [1843]; Santner, 2016). To be precise, I want to propose that Shylock's theory of usury is a theory of what Michel Foucault's 1978/9 lectures at the Collège de France (Foucault, 2008) famously call 'pastoral power': the 'art of conducting, directing, leading, guiding, taking in hand, and manipulating men', as he says in *Security, Territory, Population* (Foucault, 2007), 'at every single moment of their existence' (Foucault, 2007: 165). For Foucault, recall, pastoral power is the precursor of modern governmentality, which also works via 'the constitution of a specific subject', he argues, 'whose merits are analytically identified, who is subjected in continuous networks of obedience, and who is subjected (*subjectivé*) through the compulsory extraction of truth' (Foucault, 2007: 185). In this modern context, Shylock's boast to Antonio about breeding money ('I cannot tell, I make it breed as fast') is revealed to be less an apology for usury than an assertion of the productive power of this (Jewish) pastor: what matters to the money-lender is not what money really 'is' – indeed he has no interest in its ontological status at all – but what it can be used for, how it can be put to work and who, crucially, it may serve.

This essay offers an (inevitably fragmentary) reading of classic political, theological and economic scenes in the (early) modern debate on usury from Luther to Bentham in order to propose that what is at stake in this debate is the pastoral production and extraction of something I want to call 'human interest'. It seeks to build not only on the classic corpus that traces the birth of the so-called rational, calculative – in short 'interested' – subject of modernity (Hirschman, 1977; Holmes, 1995; Hunter, 2001; Kraynak, 1990; Pocock, 1975), but also the recent explosion of work on the philosophy of money (Le Goff, 1988), debt (Alliez, 1996; Graeber, 2011; Lazzarato, 2012; Stimilli, 2016) and economy (Agamben, 2011; Leshem, 2017; Santner, 2016; Schwarzkopf, 2020; Singh, 2018; Stimilli, 2019). At the same time, however, it also seeks to capitalize upon what we will see to be a deficit in this body of work, namely, a lack of interest in 'interest' per

se and, more precisely, in the relation between the specific political economic product called interest and the more general philosophical anthropology of interest in the sense of the production of the self-interested subject, indebted man and so on.² To fill this critical gap between the political economy and the philosophical anthropology of interest, I thus want to propose that the (early) modern debate on usury produces a specific theory of the subject as not simply self-interest (Hirschman), human capital (Becker and Foucault) or indebted man (Lazzarato) but, more specifically, as ‘human interest’: a self whose intrinsic self-interest expresses itself paradigmatically through financial interest and – *vice versa* – whose borrowing and lending at interest reveals their innate propensity towards self-interest. If Luther’s (1955–86 [1524]) essay *On Usury and Money* is generally agreed to inaugurate the beginning of the historical ‘repeal’ of the medieval theological prohibition upon money-lending at interest, I want to argue that what is at stake in early modern philosophy and theology of usury might rather be described as a *prohibition against the prohibition* itself or, better, a coercively normative *production* of the subject as something like a subject *of* interest in the sense given above. In Shakespeare’s *The Merchant of Venice*, recall, Shylock actually grants Antonio an interest-free bond to fund his friend Bassanio’s pursuit of Portia, but the money-lender adds a notorious *stipulatio* to the contract which will come back to bite the borrower: Antonio *himself* (or more precisely a pound of his flesh) must become the – literally human – debt to be repaid.

Offspring

In Book 1 of the *Politics*, Aristotle inaugurates the philosophical prohibition against the art (*tekhnē*) of money-making. It is well documented that the Greek philosopher distinguishes between two modes of wealth creation: economy (*oikonomike*) and money-making (*khrematistike*). As he famously argues, economy is ‘the management of the household’: the acquisition of goods purely to satisfy the natural and limited needs of man. However, after a barter economy is replaced by a cash economy, a new form of acquisition appears, namely, money-making as an end in itself. To recall Aristotle’s argument here, chrematistics must be distinguished from economy because it is not driven by the finite desire to fulfil the needs of the household (*oikos*) but by the unlimited desire to acquire personal wealth for its own sake:

As in the art of medicine there is no limit to the pursuit of health, and as in the other arts there is no limit to the pursuit of their several ends, for they aim at accomplishing their ends to the uttermost (but of the means there is a limit, for the end is always the limit), so, too, in this art of wealth-getting there is no limit of the end, which is riches of the spurious kind, and the acquisition of wealth. But the art of wealth-getting which consists in household management, on the other hand, has a limit; the unlimited acquisition of wealth is not its business. (Aristotle, 1984: 1257b.25–34)

If Aristotle condemns the art or technique of money-making purely for its own sake, he reserves particular contempt for the financial practice that, more than any other, epitomizes that art: money-lending at interest. In the practice of usury, chrematistics reaches

its logical conclusion because money can apparently be made from nothing other than money itself *ad infinitum*.

To understand Aristotle's prohibition upon usury, we first need to recognize that lending money perverts what he sees as the intrinsic 'nature' of money itself. It is money's nature, he argues, to be nothing more than a medium for the exchange of objects. Accordingly, any exchange in which it becomes not merely the medium but the object to be exchanged is perverse. For Aristotle, usury, in particular, perverts money because it seeks to make money – which is by nature non-living – reproduce itself in the manner of a living being:

The most hated sort [of moneymaking], and with the greatest reason, is usury, which makes a gain out of money itself, and not from the natural object of it. For money was intended to be used in exchange, but not to increase at interest. And this term interest [*tokos*], which means the birth of money from money, is applied to the breeding of money because the offspring resembles the parent. This is why of all modes of getting wealth this is the most unnatural. (Aristotle, 1984: 1258b.2–8)

If human beings, animals and other living beings can all reproduce themselves naturally, the usurer's attempt to make money reproduce itself in the form of interest is contrary to money's nature because money is naturally infertile. In the Greek philosopher's account, 'interest' – *tokos*, offspring – is thus less the legitimate 'child' than the illegitimate, or even monstrous, progeny of money.

If Aristotle establishes the original prohibition around which all future discussions of usury inevitably revolve, it is possible to argue that – like so many other prohibitions – it also prepares the ground for its own repeal. To begin with, the Greek philosopher's apparently innocuous choice of the common term '*tokos*' – which originally referred to the offspring of sheep or cows – to signify the accrual of monetary interest obliquely concedes that there was once a form of 'money' that could indeed breed by natural means.³ It is well documented, of course, that 'cattle are the origin of all money [*Omnis pecuniae pecus fundamentum*]' (Varro, 1912: 2:1.11, quoted in Velten, 2007), but it is less recognized that they are also the origin of all monetary interest. As many historians of money have observed, a herd of cows lent out for grazing purposes in antiquity would be returned with 'interest' in the natural form of the offspring [*tokos*] they had produced in the intervening period. For Jean Calvin and other early modern defenders of usury, as we will see later on, Aristotle's naturalist theory of money is deemed to promulgate an absurdly literalist view of interest, but the Greek philosopher's prohibition upon money-lending clearly does something more complex than belabor the fact that gold cannot alchemically reproduce itself: Odd Langholm argues that the philosopher's 'real point' is not the naturalist claim that 'money *cannot* breed' but rather the ethical claim that 'it should not be made to breed' (Langholm, 1985: 588). In arguing that money lent at interest is unethical, Aristotle could even be said to create the space for early modern Christian critics like Calvin to dispense with philosophical or theological naturalism altogether and begin to construct a new ethical defense of usury.

In recent philosophy of debt, Aristotle's theory of economy has been accused of preparing the ground not only for the unbinding of usury but for that unnatural form of

wealth acquisition called chrematistics. It is well known, for instance, that Marx maps Aristotle's theory onto his own account of the transition from the circulation of commodity-money-commodity (C-M-C) to that of money-commodity-money (M-C-M). At the same time, Marx's political economy reproduces Aristotle's critique of chrematistics as the perverse pursuit of unlimited wealth: capitalism is 'the boundless drive for enrichment' (Marx, 1887 [1867]: 132). However, contemporary philosophy of money increasingly detects a kind of 'originary' chrematistic perversion inside economy itself, which undermines the attempt to prohibit usury from within. To recall Jacques Derrida's classic argument in *Given Time* (1992), we immediately open a kind of spatio-temporal 'interest' or surplus value over economy as soon as we encounter money as a signifier: 'As soon as there is monetary sign – and first of all sign – that is, *différance* and credit, the *oikos* is opened and cannot dominate its limit' (Derrida, 1994: 158). For Eric Alliez as well, chrematistics breaks through the closed circle or restricted economy of *oikonomia* at the very moment when '*the apparatus opens onto time*'. If Aristotle himself recognizes that there is frequently a temporal interval between selling and buying – because nobody who sells one object is compelled to immediately buy another – then Alliez is able to argue that, in this interregnum, money ceases to be simply the economic medium of exchange between objects that the Greek philosopher imagines it to be, but begins to assume a value in itself as a kind of standing reserve or surety of purchasing power: 'Money mediated in relation to itself via the commodity emerges in the final analysis as its own unit' (Alliez, 1996: 6–7). In the moment within and between every economic exchange, money as a chrematistic object of exchange in its own right is born and, as we will now see, begins to 'grow' in value over, and as, time.

Growth

In his essay *On Usury and Money*, Luther (1955–86 [1524]) begins the task of repealing the ancient philosophical and theological prohibition against money-lending. Its specific target is not Aristotle's theory of chrematistics as such, of course, but the Christian Scholastic prohibition against usury established by, amongst others, Thomas Aquinas.⁴ As Le Goff (1988) documents, Thomism revises and expands the original Aristotelian naturalist critique of money-lending as nothing more than a medium of exchange in various ways, but perhaps the most relevant critique in this context is Aquinas's theory of the 'consumptibility' of money. To understand Aquinas's – apparently archaic – critique of usury on the grounds of money's capacity to be consumed, we first need to put his critique in its precise legal context: money-lending could only take place via a specific Roman legal contract called the '*mutuum*' (loan), which regulated the transfer of fungible goods – wine, wheat, but also money – from seller to buyer.⁵ If 'we consume wine when we use it for drink and we consume wheat when we use it for food', Aquinas argues in the *Summa Theologica*, so we also consume money in using it to purchase goods and, thus, it would be unfair to have to pay both for the thing itself (the principal) and its use (the interest). In Aquinas's words, 'the usurer would be selling the same thing twice, or he would be selling what does not exist, wherefore he would evidently commit a sin of injustice' (Aquinas, 1947 [1270]: IIa–IIae, q. 78, a. 1, resp.)

To grasp why Luther is able to argue that – contra Aquinas – money can ‘grow’ without being consumed away, we must first recognize that his critique depends upon an early modern transformation of Christian natural law theory. It is clear that usury is still contrary to natural law but, crucially, this law is no longer synonymous with the Aristotelian natural law of Thomism, but only with the ethical demand of mutual equity. As he contends, the prohibition on money-lending no longer has any basis in the classic naturalist claim that ‘money does not produce money [*nummus non paret nummum*]’ but only in the ‘golden rule’ of the New Testament. For Luther, precisely, usury is ‘contrary to the natural law, which the Lord also announces in Luke 6:31 and Matthew 7:12’ (Luther, 1955–86 [1524]: 45, 299). In rejecting the naturalist question of whether money *can* reproduce itself, Luther thus shifts the grounds of his critique to the normative question of whether it *ought* to reproduce itself.

If we want to find an example of this normative critique in *On Usury and Money*, we need only turn to Luther’s argument against the popular early modern financial product called rent-purchasing [*zinss kauff*]. To circumvent the canonical prohibition against lending money at interest, a putative creditor would instead *sell* goods (such as a field) to a debtor in return for a fixed annual income or annuity (*zinss*). In Luther’s ethical critique, rent-purchasing is only wrong because, contrary to the golden rule of Luke 6:31 and Matthew 7:12, it produces an unfair and asymmetrical exchange which transfers all risk to the buyer and guarantees a risk-free income to the seller: ‘money engaged in business and money put out at *zinss* are two different things’, he argues. ‘The latter has a base which is constantly growing and producing profit out of the earth without any fear of capital losses; while there is nothing certain about the former, and the only interest it yields is accidental and cannot be counted on’ (Luther, 1955–86 [1524]: 45, 299).

In a remarkably similar way to Aristotle’s original naturalist prohibition against chrematistics, however, Luther’s new ethical prohibition against money-lending at interest will, ironically, only serve to make its ethical normalization possible and even inevitable. To establish his critique of usury, Luther’s *On Usury and Money* effects an essential paradigm shift in the philosophy of money-lending from a classic Aristotelian naturalism to a new species of ethical consequentialism which ironically renders its (virulent) critique of money-lending relatively trivial: money no longer has any intrinsic ‘nature’ that can be perverted by the usurer but rather its value consists purely in the *uses* to which it can be put. If rent-purchasing should be prohibited, it is revealingly not because it renders money sterile, as Aristotle had argued, but rather because it makes it excessively *fertile*: money put out at *zinns* is ‘constantly growing and producing profit out of the earth, he remarks, ‘without any fear of capital losses’ (Luther, 1955–86 [1524]: 45, 299). For Luther, of course, rent-purchasing’s very productivity is precisely the reason why it must be ethically prohibited: *zinns kauff* generates a guaranteed and unearned return for the investor which carries none of the risks associated with other forms of financial speculation. In rejecting the naturalist critique of usury and arguing that it is only an unethical use of money, however, Luther leaves the door open for future defenders of usury, like Calvin, to claim that borrowing and lending money at interest *can* fulfil the rules of natural equity.

Fruits

In Calvin's (1545) *De Usuris Responsium*, Luther's – already weak – ethical prohibition against usury is itself repealed (see Wykes, 2003, for an excellent summary, to which I am indebted). To pursue the critique opened up by Luther to its logical conclusion, Calvin argues – via a proto-Spinozan exercise in historical criticism – that the scriptural prohibition on usury from Deuteronomy onwards is without foundation and so, once again, the real value of usury can only be determined ethically: 'I now conclude that one must judge usury not according to a certain and particular statement of God but only according to the rule of equity' (Sauer, 1997: 256–7). However, as we have already implied, Calvin also exploits a loophole in Luther's ethical prohibition, which makes the ethical normalization of usury possible. If Luther effectively saw rent-purchasing as a zero-sum game (because it forced the lender to assume all risk and gave the borrower an unearned but assured income), Calvin will claim that, at least under certain conditions, usury can be mutually beneficial. In this respect, Calvin is able to conclude that money-lending can indeed fulfil the golden rule of Luke 6:31 and Matthew 7:12.

To transform Luther's ethical critique of money-lending into a defense, Calvin pursues what we have seen to be the former's consequentialism to its logical conclusion. It is revealing that he simply dismisses Aristotle's naturalist critique of usury via a *reductio ad absurdum*: 'Certainly, I admit that children see that if you shut money away in a box it will be sterile' (Sauer, 1997: 256). Again, money no longer has a 'nature' in itself: it is what it does or what it can be used for in the world. If money is only a matter of what Calvin calls 'common utility' (Sauer, 1997: 256; see also Wykes, 2003: 43), then the real question thus becomes whether such uses may be of mutual benefit to each party in the exchange – and his answer is a categorical 'yes'. In his reckoning, a usurious contract which is mutually beneficial to both creditor and debtor – entered into in good faith at a fair rate of interest and out of which both may derive future advantage – would pass the ethical test.

If utility is the only basis upon which usury may be judged, then Calvin is no longer required to differentiate between what earlier theologians like Aquinas and Luther would have regarded as legally or ethically quite different kinds of financial transactions such as leasing a house for rent, buying a field for investment or lending money at interest (Wykes, 2003: 44). To refute the charge that money-lending is unethical, for instance, Calvin replies by comparing it directly to such ethically and legally permissible exchanges as renting out goods for income or buying goods for investment: 'It would be permissible to rent out a field and impose a charge [*tribut*], and yet it would be illegal to take some fruit from money? What? When does one ever buy a field thinking that money does not beget money?' (Sauer, 1997: 256). In John Sauer's verdict, Calvin's strict consequentialism thus effectively collapses the ethical distinction between lending money at interest and leasing land for profit into a common utility or productivity of outcome: 'The theoretical horizon is the horizon of money in use for producing an income' (Sauer, 1997: 188 n100; see also Wykes, 2003: 45–6).

In a more radical sense, though, Calvin's theory of economic 'common utility' arguably even usurps Lutheran mutual equity as the basic unit, measure or currency of exchange in his philosophy of usury. To recall the central thesis of *De Usuris Responsium*,

Calvin argues that, in the absence of any unambiguous scriptural injunction one way or the other, all economic exchanges can only be evaluated ethically: usury can indeed be morally permissible if it is in accordance with natural equity as set out in the golden rule of Matthew 7:12. Yet, it is tempting to speculate that the theologian's decision to define money solely in terms of its economic utility or productivity is what enables him to make this ethical judgment upon the value of such uses in the first place. For Calvin, what makes usury equivalent to every other legal form of economic exchange – whether it be leasing land for rent or lending money at interest – is not primarily the ethical, but rather the *economic* equity of the exchange: they are all, despite their apparent legal or ethical differences, ways of producing an income whether as profit, yield or interest. If every exchange is already adjudged to be equivalent to every other in minimal economic terms, as Sauer observes, then it is almost inevitable that the theologian can go on to adjudge them to be more or less equivalent in ethical terms as well. In predetermining interest itself as at least potentially ethical, however, Calvin's crypto-economic ethical defense of usury also paves the way for successors like Franklin and Bentham to argue that it also serves to produce an equally 'ethical' set of subjects *of* interest.

Sows

In Franklin's (1748) 'Advice to a Young Tradesman, Written by an Old One', which is the subject of a famous reading by Weber (1992 [1930]) in his *Protestant Ethic and the Spirit of Capitalism*, we can begin to glimpse the emergence of this theory of the subject as 'human interest'. To defend usury, Franklin draws another, very Shylockian, analogy (compare also the excellent reading of Santner, 2016: 48) between breeding animals and money:

Remember that Money is of a prolific generating Nature. Money can beget Money, and its Offspring can beget more, and so on. Five Shillings turn'd, is Six: Turn'd again, 'tis Seven and Three Pence; and so on 'til it becomes an Hundred Pound. The more there is of it, the more it produces every Turning, so that the Profits rise quicker and quicker. He that kills a breeding Sow, destroys all her Offspring to the thousandth Generation. He that murders a Crown, destroys all it might have produc'd, even Scores of Pounds. (Weber (1992 [1930]): 15)

In seeking to make money breed like cattle, Franklin not only refutes Aristotle's original philosophical prohibition against usury but also begins to institute what I have called the nascent theory of pastoral power which is at the core of the usury controversy: money does not only produce money – *tokos*, offspring, interest – but also produces a certain species of subject who is normatively compelled to produce money from money.

To begin to transform the early modern defense of monetary interest into this modern theory of the subject as a subject *of* interest (Mathiowetz, 2007), Franklin again posits a basic equivalence or identity between every form of economic exchange on the grounds of their common end in productivity. If Calvin sees no basic difference between the economic return on loans and leases, Franklin revealingly subsumes all forms of return upon money – whether profit upon investment, income from rent or interest on a loan – under the master signifier 'Turnings': what defines the 'nature' of money is, once

again, nothing more than its capacity to be used, circulated, put to work in the virtuous circle of economic exchange. In a radical inversion of Aristotle's original claim that usury is contrary to nature, what is 'unnatural' for Franklin – indeed tantamount to an act of economic murder – is rather *refusing* to make money out of money: 'He that murders a Crown, destroys all it might have produc'd, even Scores of Pounds.'

If we can identify one key difference between Franklin and his predecessors, it would be that his main focus is not upon interest per se but on the *subject* of interest: the 'young tradesman' who is, so to speak, pastorally 'guided' or produced by the old one. To grasp this pastoral power at work in the 'Letter', we must first recognize that Franklin is not assuming the position of a financial advisor so much as a 'spiritual' one who produces the 'inner truth' (Foucault, 2007: 165) or subject position of the young tradesman that he advises: 'what is here preached is not simply a means of making one's way in the world', Weber observes, 'but a peculiar ethic'. For Weber, what Franklin presents is a kind of deontology of capitalist accumulation or maximization in which it becomes 'the ideal of the honest man of recognized credit, and above all the idea of a duty of the individual toward the increase of his capital, which is assumed as an end in itself' (Weber, 1992 [1930]: 17). In Calvin's consequentialist defense of usury, it is ethically permissible to borrow and lend at interest when the outcome is mutually beneficial, but Franklin's deontology transforms this (still relatively weak) negative freedom into a stronger positive one: a 'good' subject is not merely permitted but normatively compelled to increase their capital (Weber, 1992 [1930]: 17–18).

In the same way as Calvin's ethical defense of interest, however, Franklin's own allegedly ethical apology for the subject of interest inevitably raises the suspicion that it is itself wholly *interested*: what we might call the (literally) golden rule of economic equity always takes precedence over the biblical golden rule of ethical equity. To justify capitalist accumulation, Franklin appeals to the virtue of honest labor but, as Weber observes, labor itself is only virtuous insofar it makes possible accumulation: 'Honesty is useful, because it assures credit', he remarks, 'so are punctuality, industry, frugality, and that is the reason they are virtues' (Weber, 1992 [1930]: 17). If Calvin's unprecedented decision to treat money-lending as economically equivalent to leasing, investing and other legal transactions predetermines his decision to see the borrower and lender in a usurious contract as ethically equivalent parties to an honest, equitable exchange, then Franklin's allegedly 'ethical' theory of the subject – honest, hard-working, prudent and so on – is, furthermore, the internalization of this economic theory: any virtue that does not serve to maximize income – a good deed done purely for its own sake, say, rather than in expectation of a return from a creditor – is an act of sheer profligacy or waste. In Franklin's 'Young Tradesman', Calvin's original crypto-economic ethic of usury thus becomes a crypto-economic ethic of the subject who is normatively compelled to make money out of money: human interest.

Ewes

In Bentham's (1818 [1787]) 'Defense of Usury: Shewing the Impolicy of the Present Legal Restraints on the Terms of Pecuniary Bargains', the subject we have called 'human interest' is finally born. To quickly unpack the argument of this essay, Bentham no longer

seeks to 'defend' usury per se (which scarcely needed defending by the early 19th century), but more narrowly, what he calls the '*liberty of making one's own terms in money bargains*' (Bentham, 1818 [1787]: 1, my emphasis). It is with Bentham, in other words, that 'usury' finally casts off its classic definition as interest per se and assumes its more restricted modern meaning as an *excessive* rate of interest. Yet, according to Bentham's radical argument, there is simply no such thing as 'too much' interest, if both creditor and debtor freely agree upon it. If Aquinas attacks interest per se as naturally excessive, and even Calvin criticizes excessively high rates of interest on loans as contrary to natural equity, Bentham attacks the very idea of maximum rate ceilings as a remnant of the old Christian Aristotelian theory of the 'just price [*justum pretium*]': 'what natural fixed price can there be for the use of money more than for the use of any other thing?' (Bentham, 1818 [1787]: 9). For Bentham, what lies at the bottom of this defense of usury is a radically new ethical desideratum that explodes not merely the Thomist strong naturalist critique but the comparatively weak Calvinist ethical defense: any individual should be free to lend or borrow money on whatever terms they choose regardless of natural or positive law. In Bentham's words, '*No man of ripe years and of sound mind, acting freely, and with his eyes open, ought to be hindered, with a view to his advantage, from making such bargain, in the way of obtaining money, as he thinks fit: nor (what is a necessary consequence) any body hindered from supplying him, upon any terms he thinks proper to accede to*' (Bentham, 1818 [1787]: 2).

To pursue this argument, Bentham again posits a basic equivalence between every economic exchange, whether it be money-lending, leases or investments. It is significant that (once again) Aristotle's naturalist critique of usury is parodied as an archaic literalism. As Bentham explains to the 'great philosopher' in a very Shylockian lesson, the old nostrum that the 'money does not beget money' is nothing but an absurd naturalization of something that has no intrinsic 'nature', but which can be 'bred' economically by being put to work:

A consideration that did not happen to present itself to that great philosopher . . . is, that though a *daric* [gold coin] would not beget another daric, any more than it would a ram, or an ewe, yet for a daric which a man borrowed, he might get a ram and a couple of ewes, and that the ewes, were the ram left with them a certain time, would probably not be barren. That then, at the end of the year, he would find himself master of his three sheep, together with two, if not three, lambs; and that, if he sold his sheep again to pay back his daric, and gave one of his lambs for the use of it in the mean time, he would be two lambs, or at least one lamb, richer than if he had made no such bargain. (Bentham, 1818 [1787]: 101)

If Bentham is thus able to posit an equivalence between usury, leasing and investment – even to the point of defending borrowing and lending at high rates of interest – it is because, like Franklin before him, he argues that they all have a common origin in the same theory of the subject. In Bentham's reckoning, however, 'human interest' is not merely a norm to be observed by aspiring tradespersons, but a full-blown philosophical anthropology: human beings are now intrinsically 'interested' subjects – rational, calculative and economic – and borrowing and lending money at interest is simply the expression of this innate capacity.

If the claims of G.K. Chesterton that ‘On Usury’ marks nothing less than the definitive closure of the Middle Ages and the ‘very beginning of the modern world’ (Chesterton, 1933) will undoubtedly strike us today as hyperbolic, it is nonetheless possible to recognize something peculiarly modern within Bentham’s now obscure essay: what is at stake here is not simply a very modern theory of liberal political economy as unfettered from any state regulation, as Chesterton clearly recognizes, but an equally modern theory of the liberal subject as a subject of interest. To produce the self-interested subjects that we all allegedly are, Bentham affirms (as we have seen) what he calls the natural and rational ‘freedom’ of the individual to act according to their own best interests in economic exchanges independently of any third party such as the state: ‘*No man of ripe years and of sound mind, acting freely, and with his eyes open, ought to be hindered, with a view to his advantage, from making such bargain, in the way of obtaining money, as he thinks fit*’ (Bentham, 1818 [1787]: 2). Yet, as we have already seen in the case of Franklin, what Bentham calls ‘freedom’ in this instance is not simply the negative liberty to borrow or not borrow money as we so wish, because this ‘liberty’ is apparently so irresistible a natural law that human beings cannot help but act upon it, even or especially if prohibited by positive law. For Bentham, whose essay was actually written as a riposte to Adam Smith’s defence of state regulation of interest rates in the *Wealth of Nations*, the contemporary British government’s attempt to impose an artificial ceiling on rates represents a grotesque parody of Smith’s celebrated theory of the providential ‘invisible hand’: state regulation of interest rates is an all too visible, interfering hand whose good intentions produce only bad consequences. In its artificial attempts to restrain the irresistible natural right to borrow and lend, the state prohibition upon usury succeeds in becoming a machine for making criminals: ‘the law neither has found, nor, what is very material, must it ever hope to find, in this case’, he writes, ‘any other expedient, than that of hiring a man to break his engagement, and to crush the hand that has been reached out to help him’ (Bentham, 1818 [1787]: 60).

In Bentham’s ‘Defense of Usury’, we might argue that the debate on the repeal of the prohibition of usury finally comes full circle: what began with the de-naturalization of Aristotle’s theory of financial interest – via its conversion into a consequentialist ethics – ends up with the *re-naturalization* of the human being herself as precisely a subject of interest. To recall the introduction to the present essay, what is at stake here is not simply repealing the prohibition upon money-lending at interest but *prohibiting the prohibition* itself by installing within the subject something close to a pastoral *injunction* to borrow or lend money as the natural and rational expression of human ‘freedom’. It is explicitly predicated, just like in the case of his predecessors, upon ethical utility – which is to say on the mutual benefit of both parties to any usurious exchange – but, once again, its implicit foundation is something closer to a pure economic utility, namely, the irresistible chrematistic productivity of money itself. As a consequence, Bentham’s alleged philosophical anthropological apology for the natural ‘freedom’ of the individual to borrow or lend on whatever terms they see fit independently of any external interference from church or state contains – like Franklin’s friendly ‘advice’ to a young tradesman – a subtly coercive crypto-economic dimension: the subject is in fact normatively compelled to realize this supposed ‘freedom’ to increase their capital – presumably even in extreme cases (such as high-risk speculation or loansharking) that may well ultimately threaten

their self-interest. If we wish to glimpse the real legacy that Bentham's essay bequeaths to political modernity in this respect, we need only jump forward almost 200 years to the monetarist economist Milton Friedman's (1970) *Newsweek* article 'Defense of Usury', which argues for the contemporary relevance of the English utilitarian philosopher's apology for the 'freedom' of the individual to borrow independently of state regulation. In calling for the abolition of federal and state 'ceilings' on interest rates for mortgages, personal loans, credit cards and so on as an essential part of the monetarist revolution, Friedman transforms the repeal of the prohibition of usury into an early signifier of what will become neoliberalism and 'human interest' into an avatar for that – allegedly free but in reality chronically indebted – individual called the neoliberal subject.

Human Interest

In this – admittedly embryonic – genealogy of the early modern debate on usury, I have sought to argue that the story of the repeal of the prohibition upon money-lending at interest from Calvin to Bentham is thus finally the story of the pastoral production and extraction of the subject herself as a species of 'human interest': a subject who circularly or tautologically expresses her innate natural and rational self-interest in action by borrowing and lending money at interest. To subjectivate the human being as human interest, Calvin and his successors retroactively posit that subject as the natural and rational 'cause' of money's own incredible chrematistic productivity: the private, self-interested subject or individual becomes the – retrospectively naturalized – ground or foundation of financial interest. Yet, what they present as the natural philosophical anthropological cause of political economy is in fact nothing more than a cryptic form of political economy, folded back upon itself into a violent or coercive philosophical anthropology. If any subject should ever find themselves in a position where there is a clear contradiction between the competing demands of philosophical anthropology and political economy – between who they must be and what they must do, between self-interest and financial interest – then the supposedly virtuous circle of human interest quickly turns vicious: the so-called self-interested subject is normatively compelled to carry on seeking to maximize her capital by making economic exchanges up to and including transactions (such as credit cards, payday loans and other forms of high-interest debt) which clearly pose an existential risk to their interests. In this respect, Shakespeare's Antonio – the Venetian venture capitalist who very nearly pays for his debt to Shylock with his life – may indeed be the fatal prototype of human interest.

To speak of the pastoral production of the subject as human interest in this way, we must inevitably enter into dialogue with – and arguably supply a lack in – Michel Foucault's famous description of pastoral power in his 1978/9 lecture series at the Collège de France on 'Security, Territory, Population' as an 'economy of souls [*oikonomia psuchon*]'. It is certainly true that, at first blush, this theory of pastoral power as an *oikonomia* of universal salvation seems to have little concern for that other form of salvific economy, namely, financial interest itself. As his brief discussion of Book 1 of the *Republic* stresses, a 'good' shepherd is precisely *not* one who seeks to profit from his flock but who devotes himself wholly to their welfare (Foucault, 2007: 139–40). Yet, it may still be possible to glimpse a potential theory of human interest through

the interstices of Foucault's (2019) fragmentary history of the Christian pastorate more generally: his 1971/2 lectures on 'Penal Theories and Institutions' describe the prohibition upon usury in the Middle Ages as not simply a form of truth-telling but of 'political power' (Foucault, 2019: 151). For the later Foucault (2012) of *On the Government of the Living*, Tertullian's account of the Christian sacrament of baptism also sets in motion an economic theological *dispositif* in which the confessor must 'pay the price' upon their original 'debt' of sin via the 'coin' of repentance only to find that the price of forgiveness turns out to be 'infinite' (Foucault, 2016: 132–3). In telling the story of those 'bad' shepherds like Calvin, Franklin and Bentham – who breed money, virtue and ultimately the human subject herself in an alleged economy of 'salvation' which is actually a purgatory of infinite and unredeemable debt – we may thus begin to fill this chrematistic lacuna within Foucault's economic theory of pastoral power.

If political theorists, philosophers and theologians have labored to trace the origins of the modern self-interested, entrepreneurial and increasingly indebted subject in recent years, human interest may also supply what I have already called the curious lack of 'interest in interest' within this body of work which extends from Hirschman's (1977) classic study of the philosophical pre-history of capitalism, *The Passions and the Interests*, up to the recent explosion of interest in economic theology in the wake of Agamben's (2011) *The Kingdom and the Glory*. To be sure, Hirschman does acknowledge that the philosophical anthropological concept of 'interest' has a historical precursor in the political economic concept of interest (*interesse*) (Hirschman, 1977: 39) but, as Mathiowetz (2007) notes, he quickly defaults to the more abstract concept of rational or calculative self-interest (p. 46). It is arguably possible to find the same blind spot concerning financial interest in contemporary philosophical genealogies of neoliberalism such as Lazzarato's (2012) *The Making of the Indebted Man*. As Peter Szendy observes, Lazzarato has remarkably little to say about the principal financial mechanism by which debt accumulates – interest – and erroneously claims that the Middle Ages defined usury as money-lending at an excessive rate of interest rather than as money-lending at any rate of interest whatsoever (Szendy, 2017). For Alberto Toscano, likewise, Agamben's (2011) economic genealogy of modern governmentality fails to take account of what Aristotle calls '*chrematistics*, the science of monetary accumulation, circulation and interest that is opposed to the managerial stability of the paradigm of *oikonomia*' (Toscano, 2012: 130). In suturing together the political economic and philosophical anthropological theories of interest into one single disciplinary machine, human interest may also point a way towards synthesizing what Dean (2019) has usefully called the 'institutional' and 'conceptual' wings of contemporary economic theology.

What, to draw this essay to a close, might be the contemporary fate of Shylock's boast that he can make money 'breed' as fast as sheep? It is worth recalling here Critchley and McCarthy's (2004) claim that contemporary capitalism is itself nothing less than a system of 'universal Shylockery' insofar as it depends upon the international circulation and financialization of debt. At the same time, Bonnie Honig observes in response to Eric Santner's reading of the play that every bank in the world now extends Shylock's promise – or threat – to its own savers and borrowers: we will make your money 'grow' for you (Santner, 2016: 137). Yet, it may be possible to construct a more precise Benjaminian

constellation between pastoral power in Shakespeare's Venice of 1600, on the one hand, and in the contemporary Italy of 2019, on the other (compare Appelbaum, 2015). To witness the stand-off in early 2019 between the Italian coalition government and the European Union over the former's public spending programme – which exceeded the fiscal limits prescribed by the EU's Stability and Growth Pact – in the light of the preceding argument, we can perhaps begin to glimpse not simply the latest sovereign debt crisis in the Eurozone but the pastoral production of individuals, businesses and now even sovereign states as so much 'human interest'. If Shylock notoriously insists on extracting a pound of Antonio's flesh – even if it means the debtor himself will die and the debt will never be repaid – we can find something close to the same fatal political and economic logic at work in the relation between the EU and its most indebted member states: Italy must repay its sovereign debt by instituting 'tears and blood reform [*le riforme lacrime e sangue*]'; but government cuts also mean that Italy cannot repay its sovereign debt; and so the EU will presumably compel Italy – like Greece before it – to take on even more debt in the form of IMF loans and bailouts to repay its original debts; and thus Italy will finally become 'creditworthy' in the eyes of the international markets – which is to say able to borrow money once more. In our contemporary Venices, Shylock continues to breed gold and silver like ewes and rams.

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Notes

1. I have benefited from the following readings of Shakespeare's play in the course of writing this essay: Shell (1979), Critchley and McCarthy (2004) and Santner (2016). In particular, I am greatly indebted to Santner's (2016) remarkable *Weight of All Flesh* whose comparative readings of Aristotle, Shakespeare and Franklin obviously prefigure the particular genealogy offered here.
2. It is possible to find some recent exceptions to this rule in Schwarzkopf (2020) and, in particular, the essays of Benton, Deutschmann and Rössner.
3. To recall Émile Benveniste's famous account in his *Dictionary of Indo-European Concepts and Society*, money and livestock share a long and rich etymological history: livestock (*pecus*) were the first tangible asset or form of wealth (*pecunia*); they were widely used as a unit of exchange or currency before the invention of a cash economy and 'heads' (*capita*) of sheep or cows constituted one of the etymological roots of the term 'capital' itself (see Benveniste, 2016 [1969]: 27–43).
4. For Aquinas and the other Scholastics, of course, Aristotle's original naturalist prohibition against usury is supplemented with a series of new arguments against money-lending: the usurer sells time that should properly be regarded as a gift from God, the usurer exceeds the 'just price [*justum pretium*]' of the object and the usurer unjustly sells both the substance and the use of an object. In many ways, an intriguing outlier in this tradition is Peter John Olivi (1248–98), who seeks to distinguish between the 'sterility' of money lent out in usury (*usura*) and the fertility or surplus value generated by money invested in trade (*interesse*) – this distinction will effectively be abolished by Calvin who, as we will discover, sees no difference between *usura* and *interesse*. See Le Goff (1988) for a now classic study of medieval theories of money.

5. In the Justinian Code of Roman Law, the *mutuum* loan contract legislated for the sale of fungible goods such as money, food and drink for purposes of consumption. It was not strictly a ‘loan’ contract at all, because full ownership of the object – including all its fruits – passed to the borrower. As repayment, the buyer was not obliged to return the original object itself – which they would consume – but rather a similar object in quality and quantity. In the Justinian Code, this loan contract could also contain a *stipulatio* that enabled the lender to charge an additional sum, payable upon the loan’s maturity, for the ‘use’ of the object, and thus the *mutuum* became the standard legal form of usury in the Roman Republic.

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