

is no prohibition at all and even no limitation in the conventional rate of interest.

In the oldest time, Greek and Roman Law prohibited interest, and all laws of the Middle-Age followed this practice. The principle was that "money by itself has no produce, fruits, etc.". This was quite a wrong and really childish position of the question: since the same could then be said of a house, which could not be rented, since money is not the produce or fruit of a house. Besides, such a wrong principle was quite damageable to the trade and exchanges, as soon as they were not extremely primitive ones. The result being that the prohibition was more and more objected to and practically disregarded.

Transitorily, at the time of the French Civil Code (1800-1810), the old system of prohibition was at last given up: but the Governments were still of opinion that it was dangerous to let the parties at liberty to fix rates of interest as they like, and a maximum limit was fixed (in the French law 5% for civil contracts and 6% for commercial contracts).

In the most recent times, the evolution, after suggestions of the economists and financial men, and strong criticisms of the same against limitation by law, has been finally complete: they have succeeded in inducing the Governments to give up any