

Novel 106.

Concerning interest on maritime loans.  
(De nautico fenore.)

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The same Augustus (Justinian) to Johannes, praetorian prefect the second time, exconsul - ordinary - and patrician.

Preface.

We have received a report from you, the occasion for which we furnished ourselves. For you reported to us that Petrus and Eulogetus had supplicated our majesty, and that in explaining their matters, they had stated that they were accustomed to lend gold to ship-owners and merchants, particularly those who are engaged in maritime commerce, and that the making of these maritime loans, called transmarine (trajecticia) furnished them a means of livelihood, but that they had been put in fear, since disputes with them had been raised in connection therewith, and that they accordingly asked that the custom relative thereto be made known, and that an imperial order be issued which would make such custom certain. (You further report that) we thereupon directed you to learn the nature of the controversy, and report to us, so that, after it had been made clear to us, we might include in a permanent law whatever we might think best; that Your Glory thereupon, in carrying out our order, called the ship-owners together, who are interested in such loans, and inquired of them what the ancient custom was; that they, under oath, testified that the method of making such loans was not uniform; that, if the creditors chose, they would loan a bushel of wheat or barley onto the ship for each gold-piece of money lent, <sup>(a)</sup> without even paying the port duties thereon, and that so far as they were concerned, the ship would sail without the payment of these due; <sup>(b)</sup> that they would receive this benefit, and besides would receive as interest one piece of gold for ten pieces (lent); the creditors themselves bearing the risk of future events; that if the creditors did not choose this method, they would receive the

eighth part on each gold piece as interest, not figured at a definite

time but until the ship returned safely; that under this method, accordingly, it would happen that the time might run for a year or more, if the ship were on the journey for that long, or it might be shortened to a month or two, if the ship returned, and they (the creditors) would have the benefit of the one-eighth whether the time was short or whether the debt remained due from the debtors a longer time; that the same rule obtained if the merchants would undertake another voyage, so that the method under which the debt would either remain or would be changed would be determined in connection with each shipload, in accordance with the agreement at which the parties would arrive in the matter; and that, when they (the merchants) would come back from a journey with a safe ship and could no longer make any shipment on account of the season, they would be given twenty days grace, without any charge of interest, till the cargo would be sold; that if the debt remained unpaid longer, they would give eight per cent interest to the owners of the money, the loan being placed on the footing of one that is made on land, there being no further danger to the creditors from the perils of the sea. All this, then, they have stated on oath, and you have reported this to us in order that we might sanction what seemed best to us, and on that account you have stated that you had reported this to our majesty.

(a) i.e. they would have the ship carry this for them, whether with or without compensation is not clear.

(b) i.e. the ship-owners would have to pay it.

c. 1. Having inspected these proceedings and being informed in the matter, we ordain that the customs shown in the testimony before Your Sublimity shall, in accordance therewith, be valid in the future, since they are not inconsistent with the laws heretofore enacted, so that they, in suits of shipowners and merchants in such causes, shall hereafter be observed according to a special law, and that disembark-

ments and the other customs shown in the testimony before you shall be made and prevail according to the method of the agreements aforesaid, so as to be valid in transactions of shipowners and merchants according to a special law. For why should it not be right that what has been the custom for so long and has remained unchanged, as shown in the testimony taken before Your Glory, should not also prevail in all things in the future? And the decision in these matters shall be according to a special law, without needing any other provision, and (such law) shall apply to cases of shipowners and merchants for all time, inasmuch as it is a general law governing contracts of shipowners and merchants, and it shall be a part of the laws already heretofore enacted by us, and the judges shall render their decision in accordance therewith.

Epilogue. Your Sublimity will take care to forever uphold this, our will.

Given September 13, 540.

Note.

The foregoing law was soon found not to be acceptable, and within a few months was repealed, as shown by Novel 110 which reads as follows: