

ECONOMIC VIEWS OF LUTHER

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Robert M. Mitchell

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ECONOMIC VIEWS OF LUTHER

By

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## ABSTRACT

The main purpose of this thesis is to present a detailed study of Luther's ideas concerning economics. In making this study the author has used both primary and secondary materials; however, the major portion of this work is based on Luther's own thoughts as he expressed them in his writings.

Since the time of the sixteenth century and the rise of what has been called a capitalistic type of economy, the issues concerning economic activity, as they relate to individuals and nations, have sometimes been vehemently criticized as being wrong and unethical by some people and defended with the same vigor and enthusiasm as being legitimate and morally right by other people.

The economic thoughts and activities of men prior to the sixteenth century had not been rationally systematized to the extent that they have been in our own day. However, as opinions vary in the twentieth century concerning economic ideas, so there were differences of opinion during the Reformation period of history concerning this particular field of study.

Luther, as the first and foremost leader in the movement, was called upon to express his views as they related to economics, even as others were so doing.





Luther was primarily a theologian and a leader and guide to the souls of men. Although he placed temporal activity on a plain lower than that of the spiritual realm, he did set forth his thoughts in many tracts and treatises dealing with different phases of life's activities.

Luther comments on the subjects of usury and theft as early as 1516-1517 in his Sermons On The Ten Commandments Preached To The People Of Wittenberg. His first important reference to questions relating to economics appeared in his Short Sermon On Usury, dated 1519. This was reproduced in his Long Sermon On Usury in 1520, which in turn was reprinted in 1524 in what has come to be most commonly understood to be his most important work dealing with economic questions in his treatise On Trade and Usury. However, this treatise, along with most of his other thoughts in later life concerning economic problems, conform to those views expressed in 1519 and 1520.

The basis for Luther's economic ideas rest upon the teachings found in the Bible. All the direction necessary for the Christian in this present world could be found in the Word of God.

Material wealth was from God and should be used for the betterment of man's life on earth. Luther did not condemn all economic activity nor did he condemn wealth per se. Judgment concerning economic matters should vary according to circumstances,

and all economic transactions should be entered upon in the spirit of Christian love.

It is possible for the student of history in his study of Luther's economic thoughts to gain a broad knowledge of Luther's ideas as they relate to other aspects of life as well. Some of the major ideas involved would be his thoughts concerning government, society, man and things sacred. With this view in mind the author would hope the reader will have a better understanding of Luther as the leading figure of one of the most dramatic periods of history, the Reformation.

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## INTRODUCTION

It is not the purpose of this study to develop a lengthy discourse on the economic views before or during the sixteenth century apart from the ideas of Luther, but in order to have some basis of comparison for this particular study and to have some insight into the prevailing ideas of Luther's own time it will be necessary to establish a brief frame of reference for the major portion of this paper.

When the Roman Empire began to disintegrate from within and without, the feudal order became the established way of life. "Within the domain of each lord the distribution of the product was regulated not by purchase and sale but by traditional rules of sharing. The lords themselves were graduated in a hierarchy. Society was stratified in classes, each of which had a fixed status, with certain duties and rights."<sup>1</sup> The primary concern of both the lowly peasant-serf and the rich feudal lord was the salvation of the soul. They knew that their time on earth was short and would to a great extent be filled with trials and tribulations.<sup>2</sup>

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<sup>1</sup>George Soule, Ideas of the Great Economists (New York, 1959), p. 11. Hereafter cited as Soule, Great Economists.

<sup>2</sup>Marquis W. Childs and Douglass Carter, Ethics in a Business Society (New York, 1957), p. 11. Hereafter cited as Childs and Carter, Ethics.



"By the beginning of the fourteenth century the Schoolmen had prepared a comprehensive body of theological law covering every phase of life."<sup>3</sup>

Most of the educated men and writers of this period were churchmen because the church was the controlling force in all things pertaining to this world as well as things pertaining to the world to come. The scholars and writers considered Aristotle as the great authority with regard to science and the temporal matters of this world, including ethics. It was St. Thomas Aquinas who was the guiding light for the minds of men during this period. He developed Aristotle's idea that justice could be divided into two categories. The first of these two categories would be that of distributive justice. This would apply to the distribution of the product of the household, feudal estate or any other economic entity. Distributive justice would be that which was customary with regard to income. It should be according to the station of the person receiving it. In considering the subject of exchange, both parties should be compensated in a fair manner. In other words it was a matter of the just wage and the fair price.<sup>4</sup>

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<sup>3</sup>Childs and Carter, Ethics, p. 11.

<sup>4</sup>Soule, Great Economists, p. 312.

"Usury was a sin. Trade itself was dubious in the ethical view of the church. As one authority expressed it, 'whosoever 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 bought it, that man is of the buyers and sellers who are cast forth from God's temple.'"<sup>5</sup> St. Thomas Aquinas felt "...that barren metal does not breed. Money was regarded merely as a medium of exchange: the modern concept of capital had not been evolved."<sup>6</sup>

"The hair-splittings of the doctrine of usury had had such a distorting effect on the feelings of merchants, reputed conscientious, that they regarded it as a sin to 'commit usury' with their own but not with borrowed money....Even when the voice of conscience was silent, people knew that the loan at interest was forbidden both by the ecclesiastical and secular law."<sup>7</sup> As we can see, the economic ideas were limited and influenced almost completely by the church.

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<sup>5</sup>Childs and Carter, Ethics, p. 12.

<sup>6</sup>J. Dow, "Christian Usury," Encyclopaedia of Religion and Ethics, ed. James Hastings (New York, 1922), XII, 551.

<sup>7</sup>Richard Ehrenberg, Capital and Finance in the Age of the Renaissance, trans. H. M. Lucas (New York: Harcourt, Brace and Co.), p. 42. Hereafter cited as Ehrenberg, Capital and Finance.

R. H. Tawney in his book, Religion and the Rise of Capitalism, states that,

Hence all activities fall within a single system, because all, though with different degrees of immediateness, are related to a single end, and derive their significance from it. The Church in its wider sense is the Christian Commonwealth, within which that end is to be realized; in its narrower sense it is the hierarchy divinely commissioned for its interpretation; in both it embraces the whole of life, and its authority is final. Though practice is perpetually at variance with theory, there is no absolute division between the inner and personal life, which is 'the sphere of religion', and the practical interests, the external order, the impersonal mechanism, to which, if some modern teachers may be trusted, religion is irrelevant.<sup>8</sup>

The extended struggle between the Medieval Church and the Empire, between the priests and the warriors, came to an end in the earlier part of the thirteenth century, in the defeat of the Hohenstaufens, and left the Papacy sole inheritor of the claim of ancient Rome to be sovereign of the civilized world.<sup>9</sup> This sovereignty exerted itself in the daily lives of the people from the cradle to the grave in all areas of life. The Church kept a heavy and restraining hand on the merchants and traders throughout the Middle Age period. Although the activities with regard to trade during the period were limited because of the political situation, these activities never completely stopped.

The Renaissance was a period of transition and change in relation to the economic, social, political, and cultural lives of the

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<sup>8</sup>New York: Mentor Book, 1926, p. 25. Hereafter cited as Tawney.

<sup>9</sup>T. M. Lindsay, A History of the Reformation, 2nd ed., 2 vols. (New York, 1907), I, 1.

people in Europe.<sup>10</sup> It was a time when men were turning from the views of the early Church Fathers with regard to sacred ideals to the secular way of life. The Renaissance season in history brought to focus in the minds of scholarly men the realities of existing economic practices and the need for some adjustments to the actuality of the existing situations. For "...the Church was not herself detached from the realities of the economic world. She was one of the largest holders of property and monies, and Churchmen, as stewards of that material wealth, were driven to find ways and means of investment."<sup>11</sup>

Basic changes had taken place in the lives of the laymen as well as the Church in relation to economic attitudes and realities. During the Middle Ages life had been based on an agricultural way of life centered about a self-sufficient manorial economy. What trading existed was to a great extent based on a barter system. As the end of the period drew near, the use of money was becoming a prominent feature of the times which in turn was a stimulus to trade and industry. There was a marked trend toward the development of towns until one can see a steady decline in serfdom and the manorial way of life. At

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<sup>10</sup>Henry S. Lucas, The Renaissance and the Reformation (New York, 1934), p. 3.

<sup>11</sup>J. Dow, "Christian Usury," Encyclopaedia of Religion and Ethics. ed. James Hastings (New York, 1922), XII, 552.



one time the manor had been the corner stone upon which society was founded. Its population had been small in comparison to the towns which began to spring up. As the use of money progressed and trade and industry increased, the manor became less important and the social center of the times shifted to the towns. It was an age of towns, commerce, and small scale manufacturing.

There were great political changes that came as a result of social and economic upheaval. This is the time when the modern national state began to emerge as a force with which to be reckoned. The Middle Ages was a period of decentralization in government. The present day countries of Europe were then divided into many small political units managed by the princes and their vassals. With the increase of coined money there developed a system of taxes. The princes gained not only wealth by taxes but also the support of the townsmen who disliked the turbulent habits of the nobility. Along with the taxes and support of the towns emerged the absolute monarch that became characteristic of the Renaissance.

The cultural changes were far-reaching with respect to all phases of life. As already mentioned, man's attitude was changed toward the world in which he lived. This in turn influenced his thinking toward science, art, literature and philosophy.<sup>12</sup>

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<sup>12</sup>Henry S. Lucas, The Renaissance and the Reformation (New York, 1934), pp. 3-6.

The Church at the close of the Middle Ages faced a serious crisis. The question of how she would meet the demands of the new social, economic, and political order was yet to be answered.<sup>13</sup> For our study it is particularly important to know how she reacted to the new order of economic thought that had been developing.

The canon law concerning the subject of usury and money-lending were undergoing definite changes, brought about by the necessity of adapting it to the ever increasing intricacy of business organization, down at least to the Lateran Council of 1515.<sup>14</sup>

"But, however lawyers might distinguish and refine, the essential facts were simple. The Church sees buying and selling, lending and borrowing, as a simple case of neighborly or unneighborly conduct. Though a rationalist like Bishop Pecock may insist that the rich, as such, are not hateful to God, it has a traditional prejudice against the arts by which men--or at least laymen--acquire riches, and is apt to lump them together under the ugly name of Avarice."<sup>15</sup>

It is sufficient at this time to say that the Church modified her position before the laymen by her actions. The acts of individual persons within the Church did not always harmonize with the canon law,

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<sup>13</sup>Ibid., p. 49.

<sup>14</sup>Tawney, p. 53.

<sup>15</sup>Ibid., p. 54.



due probably to a great extent by the secular spirit created in the Church by the Renaissance Popes.<sup>16</sup>

Before we begin an inquiry into some of Luther's thoughts with relation to economics, it would be well to reconsider a few of the basic economic doctrines held by the early Church Fathers and which often reappear in modern thought. George Soule in his book Ideas of the Great Economists lists them as:

The primacy of agriculture as the basis of all other means of life.

The concept that economic practices and orders were closely related to some social unit in which management could be exercised, like a household, a city, a feudal domain, an organized group of traders or craftsmen.

The desirability of wise and prudent management of economic processes.

The legitimacy of production and exchange so long--and only so long--as the product was destined for use.

The Biblical warning that 'love of money is the root of all evil.'

The feeling that certain types of occupation are ignoble and unfit men to participate in public life or government. Among these were manual labor without leisure or opportunity for education, and pursuit of gain for its own sake.

The belief that distribution and exchange of goods should be regulated justly and that this end could be achieved by a society in which each contributed what he was best fitted or destined to do and receive in return a 'fair' or customary share of the general product.

Such doctrines were not a subject of study kept separate in a water-tight compartment from other observations of human behavior. They were parts of general codes of morals or philosophy that aimed

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<sup>16</sup>The development of the Church's attitude toward trade and usury will be dealt with more extensively later in relation to Luther's ideas on these two subjects.

to cover the whole range of human experience, both material and spiritual.<sup>17</sup>

It will be necessary to keep these ideas in mind as we consider the thoughts of Luther concerning economics.

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<sup>17</sup>p. 13.

CHAPTER I

THE BIBLE AS THE BASIS OF LUTHER'S  
ECONOMIC THOUGHTS

In order to have some frame of reference for Luther's mature thoughts it would be well to consider briefly his early life and training. Martin Luther was born of modest, land-owning peasant stock in the year 1483. His father had made his living by means of agriculture before he entered mining for a living and by the time of his death was considered to be a man of some wealth. Luther grew up in a pious household, more strict than most homes of the day, and it seems the clergy in the area of his home--in the district of Mansfield, in Middle Germany--were serious minded, for in later life he could remember nothing that would discredit them.<sup>1</sup>

Luther was able to get an excellent elementary and secondary education, "which, in accordance with his father's wishes, was to have been followed by a complete course in the faculty of law at the University of Erfurt."<sup>2</sup>

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<sup>1</sup>E. G. Schwiebert, Luther and His Times; The Reformation From A New Perspective (Saint Louis, 1950), pp. 102-110. Hereafter cited as Schwiebert, Luther and His Times.

<sup>2</sup>Albert Hyma, Renaissance to Reformation (Grand Rapids, 1951), p. 279.

When Luther became a monk and his father received the news he was highly enraged. "The father was utterly unreconciled until he saw in the deaths of two other sons a chastisement for his rebellion."<sup>3</sup>

Luther, in telling of his father's displeasure in his taking of the vow of a monk, says, "He was greatly displeased, and did not want to give his consent. When I wrote him, he answered me, calling me Du, whereas before he had called me Ihr, because of my Master's degree. Then came a pestilence, which robbed him of two of his sons. He was urged to make a holy sacrifice and give his consent to my entrance into the monastery. Father hesitated a long time, till he yielded. However, he did not do it willingly, with a free and happy heart."<sup>4</sup>

In the fact that Luther was willing to give up a promising profession and enter the monastery against his father's will would indicate a strong, sincere desire to seek his peace with God. Another indication of his sincerity was that he chose to enter a strict monastery, "the reformed congregation of the Agustinians."<sup>5</sup>

Luther's great spiritual struggle in the monastery is an indication that he sincerely tried to conform to his life as a monk. His

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<sup>3</sup>Roland H. Bainton, Here I Stand: A Life of Martin Luther (New York, 1950), p. 34. Hereafter cited as Bainton, Here I Stand.

<sup>4</sup>Hyma, Renaissance to Reformation, p. 279.

<sup>5</sup>Bainton, Here I Stand, p. 34.

break with the Roman Catholic Church came about mainly because of the theological beliefs he had been developing between the years 1505 to 1515.<sup>6</sup>

As one approaches the study of the age of the Reformation, it seemingly is not difficult to look at the period as a time of social, political, cultural and economic revolution. It is true that there were great changes with relation to all of these fields of daily life. But it is important not "...to forget for the moment that the religious and theological experiences of Luther from 1515 to 1525 form the chief factor in the rise of Protestantism."<sup>7</sup> It is important in the study of Luther's economic ideas as to how one interprets the forces at work in this great movement. "Luther's political and economic theories are decidedly determined by his religious convictions."<sup>8</sup>

Throughout his later life nearly all of his writings and actions were influenced by the religious ideas he came to possess as a result of his continual study of the Bible. If one would doubt this fact, it would be well for him to turn for example to the article, On Trade and Usury, written by him in 1524. There are at least thirty references to the Bible in a space of about twenty-four pages in length. In his

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<sup>6</sup>Hyma, Renaissance to Reformation, p. 280.

<sup>7</sup>Ibid., p. 281.

<sup>8</sup>Ibid., p. 281.

work, A Treatise on Usury, there are over forty references to the Bible in about thirty-three pages. These are only a sampling of Luther's works, but it is possible to go to such works of his as, Against the Robbing and Murdering Hordes of Peasants, or A Sermon on Keeping Children in School, and find that he repeatedly uses the Bible as his authority for making statements. "His attempted return to the spirit of St. Paul and St. Augustine became the primary cause of Protestantism."<sup>9</sup>

"As an Ockhamist, Luther concentrated on the study of the Bible as the divinely inspired Word of God, which he considered more important than all theological works."<sup>10</sup> As he studied the Bible he began to turn from the scholastic philosophy. This can be seen from the fact that his method of Bible exposition changed with relation to the "...four-fold interpretation of the scholastics--the literal, allegorical, tropological, and analogical--for the newer grammatical-historical interpretation."<sup>11</sup> At the same time his opinion of Aristotle and the Canon Law declined.<sup>12</sup> In 1518 he wrote:

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<sup>9</sup>Ibid., p. 281.

<sup>10</sup>Harold J. Grimm, The Reformation Era: 1500-1650 (New York, 1954), p. 102. Hereafter cited as Grimm, The Reformation Era.

<sup>11</sup>Ibid., p. 102.

<sup>12</sup>Hyma, Renaissance to Reformation, p. 281.

"I do not read the scholastics blindfolded, ...but ponder them. ...I do not despise all theirs, neither consider it all good."<sup>13</sup> In the following year he reveals his mind thus: "...I simply believe that it is impossible to reform the Church unless the Canon Law, scholastic theology, philosophy and logic, as they are now taught, are thoroughly rooted out and other studies put in their stead. I am so fixed in this opinion that I daily ask the Lord, as far as now may be, that the pure study of the Bible and the Fathers may be restored...."<sup>14</sup> In 1517 when writing the Disputation Against Scholastic Theology he says, "Virtually the entire Ethic of Aristotle is the worst enemy of grace. ...It is an error to say that no man can become a theologian without Aristotle. ...Indeed no one can become a theologian unless he becomes one without Aristotle."<sup>15</sup> In 1519 in a letter to John Eck, Luther reveals the attitude of his mind once again when he speaks of Tauler, saying, "...I give my reason for preferring him to schoolmen, namely, that I learned more from him alone than all

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<sup>13</sup>"Luther to Staupitz," The Letters of Martin Luther, trans. Margaret A. Currie (London, 1908), p. 25. Hereafter cited as Currie, Letters of Luther.

<sup>14</sup>"Luther to Trutfetter at Erfurt," Luther's Correspondence and Other Contemporary Letters, trans. P. Smith (Philadelphia, 1913), p. 83. Hereafter cited as Smith, Luther's Correspondence.

<sup>15</sup>"Disputation Against Scholastic Theology," Luther's Works: Career of the Reformer: I., ed. Jaroslav Pelikan, 55 vols. (Philadelphia, 1957), XXXI, 12. Hereafter cited as Pelikan, Luther's Works.



others."<sup>16</sup> Views quite similar to these were revealed by him in his Resolutiones super Propositionibus Suis Lipsia Disputatis, dated 1519: "I know and confess that I learned nothing from the scholastic theologians but ignorance of sin, righteousness, baptism, and the whole Christian life. Briefly, I not only learned nothing, but I learned only what I had to unlearn as contrary to the divine Scriptures."<sup>17</sup>

When Luther first began to stray from the teaching of the Church he had hoped to gain the aid of the humanists. But as time passed it became evident that the great humanist Erasmus did not fully agree with his ideas or all of the methods of propagating them.

It was Luther's criticisms of the humanists that finally confirms the importance he came to place in the Bible.<sup>18</sup>

In a letter to John Lang at Erfurt dated March 1, 1517 it is possible to see the attitude of Luther's mind toward the great humanist. "I am reading our Erasmus, and my opinion of him becomes daily worse. He pleases me, indeed, for boldly and learnedly convicting and condemning monks and priests of inveterate

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<sup>16</sup>"Luther to John Eck at Ingolstadt," Smith, Luther's Correspondence, I, 146-147.

<sup>17</sup>Albert Hyma, Luther's Theological Development From Erfurt to Augsburg (New York, 1928), p. 16.

<sup>18</sup>Hyma, Renaissance to Reformation, p. 282.

ignorance, but I fear that he does not sufficiently advance the cause of Christ and God's grace, in which he is much more ignorant than Lefèvre d'Étaples, for human considerations weigh with him more than divine. I judge him with reluctance,..."<sup>19</sup>

Luther cared little for the pronouncements of the learned men of his day or of the medieval scholars. The final authority to answer questions related to daily living and salvation resided for him in the Word of God. As far as the realm of the spirit was concerned he placed it far above the material. In comparison he devoted only about one-hundred folio pages to issues concerning economics out of a total of about forty thousand pages. He did not consider himself to be a great authority on the subject of economics and neither did he consider any of his fellow men to be one either. If a Christian knew the teachings of the Bible, that was all that he needed to guide him concerning this life's experiences and keep him on the right path that led to heaven.<sup>20</sup>

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<sup>19</sup>Smith, Luther's Correspondence, p. 54.

<sup>20</sup>Hyma, Renaissance to Reformation, pp. 282-283.

## CHAPTER II

### THE CHRISTIAN MAN AND THE ECONOMIC THEORIES OF LUTHER

Many of Luther's views concerning economics are related to the teachings of the Bible and the Christian life.

Luther did not look upon poverty or wealth as good or evil in themselves. "Luther's life is an exemplification of the Biblical passage 'Seek ye first the Kingdom of God and His righteousness, and all of these things shall be added unto you.' Most of Luther's property, and he died a comparatively wealthy man, was received in the form of donations and gifts from the Princes and his many friends."<sup>1</sup>

He did receive a fairly good salary from the university, however, as well as a pension of \$5,360 in the last years of his life. In the year 1525 he received \$2,680; in 1536, \$4,020; in 1541, \$4,690.<sup>2</sup>

"In 1542, when his property was assessed for the Tuerkensteuer, Luther evaluated his real estate at 900 gulden, [a gulden equals about \$13.40 [less a debt against it of 450 gulden. In his

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<sup>1</sup>E. G. Schwiebert, Luther and His Times, p. 267.

<sup>2</sup>Ibid., pp. 266-267.

second will he evaluates his books and jewels, including rings, chains, and silver and gold gift coins, at approximately 1,000 gulden. Thus the grand total of Luther's possessions must have been around 10,000 gulden or, roughly, \$134,000."<sup>3</sup> It is evident from his own temporal possessions that he did not frown upon them.

His attitude toward material wealth is shown in a sermon of June 6, 1535 on Luke 16:19-31. "A poor man does not go to heaven because he is poor, and a rich man does not go to hell because he is rich. On the contrary, the poor man is saved because he adapts himself aright to his poverty and uses it correctly, and the rich man is lost because he does not adapt himself aright to his wealth and uses it badly."<sup>4</sup> He feels that this is an easy statement to make but, "One must use these two economic conditions aright and must know how to adapt oneself correctly to them. And immediately the old Adam proceeds to misuse this distinction as a cover for his dirty work."<sup>5</sup>

Neither did Luther teach that a man's economic status proves God's favor or His disfavor. In a sermon presented on October 1, 1525 he makes this comment: "To be sure, God may fill the coffers

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<sup>3</sup>Schwiebert, Luther and His Times, p. 267.

<sup>4</sup>What Luther Says: An Anthology, ed. E. M. Plass, 3 vols. (Saint Louis, 1959), I, 434. Hereafter cited as Plass, What Luther Says.

<sup>5</sup>Ibid., p. 434.

of a rascal. But it does not follow from this that the fellow is pious, for God wants to pay him here. On the other hand, He may let a pious man have a hard and bitter lot. But He is not his enemy because of this; nay, in a fatherly way He has his welfare at heart. For it is the greatest punishment that God does not punish but holds still and allows him to live on, day by day, in his wantonness."<sup>6</sup>

Although Luther does not condemn riches as such he feels he should exhort the Christians to shun economic worries and security with respect to this world's needs. He speaks in a sermon of 1533 on Mark 8:19. "How does it happen that although all of us are certainly Christian, or at least want to be such, we do not take this attitude of unconcern...For if we faithfully and devotedly cling to God's Word, there shall be no want. Christ takes care of us, and from this it must follow that we shall have something to eat."<sup>7</sup> In the same year in his sermon on Exodus 20:5 he feels that it was a common weakness of his day to worry about security concerning sustenance. He goes on to say that it would be better to let God take over and not to worry about earthly necessities and that "...In all kinds of needs God marvelously and unexpectedly supplies help, for He is almighty and has promised us aid."<sup>8</sup>

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<sup>6</sup>Ibid., p. 434.

<sup>7</sup>Ibid., p. 436.

<sup>8</sup>Ibid., pp. 437-438.

Luther could assign the poor and rich to their respected places in life but he could see the dangers in economic extremes. "Nothing in the world," according to Luther, "would so effectively hinder faith as mammon, or riches, on the one hand and poverty on the other. He who is rich and has something simply ignores God's Word and treads it under foot. . . . He who is poor does everything that pleases the devil and the world in order to stave off poverty."<sup>9</sup>

The opening remarks of this chapter have dealt with Luther's general attitude toward economic affairs and the Christian man. In the remaining portion more specific ideas will be dealt with.

Although Luther did not die with as many temporal possessions as some people of his day, he was by no means poor. What he specifically thought about such things can be most readily understood from his own words as they are recorded in his sermons and writings.

He finds that the faulty issue is not to be found in the thing itself, but in the heart of man. In his sermon on the exposition of Deuteronomy he states: "We do not want to change the things, but we do want to change the perverted heart. For money is money; the sun is the sun. This we should preach, not what is to be changed

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<sup>9</sup>Ibid., p. 435.

in the creatures, but only how the misuse of these things by the dishonest heart may be changed."<sup>10</sup>

Man himself must be changed and not things.<sup>11</sup>

The philosophers indeed believed that they would achieve a great reputation, [wrote Luther in his exposition on Genesis 13:2] if they disposed of their money and called themselves beggars. ... The Anabaptists, too, think that those who have any possessions of their own are not Christians. ... All this proves the extreme ignorance of the human mind, which lacks the knowledge not only of God but even of creatures. ... But, as I have said, it is the utmost blindness and the most execrable ignorance that they transferred human faults from man to creatures, which in themselves are good and are gifts of God. One must distinguish between the thing possessed and the possessor. The thing possessed is as God created it, but the possessor is different from the way he was created by God. Hence the fault lies not in the thing but in the possessor.<sup>12</sup>

Another foundation on which Luther bases his thoughts concerning temporal possessions is found in Psalm 62:10. "Even if you should become rich justly and with God's help, do not depend on this either, and do not make mammon your god. Property is not given to you for you to build your trust on or boast about, all of which is vanity and nothing, but for you to use, enjoy, and share with others. Possessions belong in your hands, not in your heart, as Paul says

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<sup>10</sup>Plass, What Luther Says. III, 1338-39.

<sup>11</sup>Ibid., p. 1339.

<sup>12</sup>Pelikan, Luther's Works, II, 326.



in I Cor. 7:31 that we should deal with the world as though we had no dealings with it."<sup>13</sup>

"All this is intended to say," he remarks in his exposition of Matt. 5:3, "that while we live here we should use all temporal goods and physical necessities the way a guest does in a strange place where he stays overnight and leaves in the morning. . . . The temporal goods you have God has given to you for this life. . . . But you should not fasten or hang your heart on them as though you were going to live forever."<sup>14</sup>

Once again Luther did not condemn temporal goods, but he definitely felt they were to be held to lightly.

He could see a danger in people becoming overly prosperous with things of this world. In a sermon delivered during the week of the Holy Cross in 1519 he makes these comments:

We should ask God to bless our use of the creatures, not only for the benefit of our body, as just said, but still more for the benefit of our soul, so that our soul may not suffer all sorts of plagues and pestilence because of their misuse. I mean this: The pestilence and plague of the soul is sin. Now when God grants us a sufficient crop, we see what good we derive from these gifts. People swill daily; there is idleness, unchasteness, adultery, cursing, swearing, murdering, fighting, and all sorts of calamities follow. . . . Consequently, it would be better if the crop had not turned out so very well. . . . For to be full and idle is the

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<sup>13</sup>Ibid., XIV, 240.

<sup>14</sup>Plass, What Luther Says, III, 1340.

greatest plague on earth; it is the trouble whence all other plagues come.<sup>15</sup>

Luther feels that the prosperous individual has a burden to carry and must struggle to keep his equilibrium between Christian living and mammon. Commenting on Deuteronomy 6:10-12 he quotes a German proverb to make his point: "Es müssen starke Beine sein, die gute Tage tragen können (The legs that are able to carry good days must be strong); again, Der Mensch kann alles erleiden, allein gute Tage nicht (Man can endure every thing except good days). They also say: Wenn dem Esel zu wohl ist, gehet er aufs Eis tanzen und bricht ein Bein (When a mule feels to well, he goes dancing on the ice and breaks a leg)."<sup>16</sup>

Part of the Christian man's struggle is to maintain his fellowship with God and his fellow men in the event of a highly inflated ego. "It is not given to human nature," says Luther, "to conquer itself when conditions are prosperous."<sup>17</sup>

Luther is cautious with respect to prosperity and temporal possessions for the Christian man. But even if he suffers want, he should not despair for his need, neither should he become impatient and deny Christ. He should continue to hope for the hand

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<sup>15</sup>Ibid., I, 436.

<sup>16</sup>Ibid., III, 1148.

<sup>17</sup>Ibid., III, 1149.

of the Lord to intervene in his behalf. Luther feels that one should not only trust in Christ but should continue to work hard every day.<sup>18</sup> "...Christ does not give Peter fish by having them leap into his boat of their own accord. He must launch out into the deep, must prepare his net and get ready to work like any other fisherman, although he has now turned Christian and must let the Lord take care of providing a catch."<sup>19</sup>

Even though Luther trusted God to provide his needs, he believed in the adage that "God helps those who help themselves."

In his exposition concerning "The Sermon On The Mount," he gives a very blunt and concise statement of his view concerning man's duty to work. He first cites Proverbs 10:4: "'The hand of the diligent makes rich.' He [referring to God] wants nothing to do with the lazy, gluttonous bellies who are neither concerned nor busy; they act as if they just had to sit and wait for Him to drop a roasted goose into their mouth. He commands you to get an honest grip on your work, and then He will be present with His blessing and give you plenty."<sup>20</sup>

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<sup>18</sup>Ibid., III, 1148.

<sup>19</sup>Ibid., III, 1148.

<sup>20</sup>Pelikan, Luther's Works, XXI, 209.

Luther not only feels man should work diligently, but that it would be an unwarranted assumption for the Christian to be lazy and idle. Just because a person professes to trust in God and does nothing to help himself is a complete distortion of the facts in this case. Luther finds this illustration in Exodus 13:18. Though directed to trust in God, the Israelites were well armed.<sup>21</sup>

He also sees a relationship between the effort that is put forth and God's blessing on that effort. In his notes concerning Psalm 127:1 he thinks that one's effort will come to nothing if the person labors with the thought in mind that he is completely supporting himself without the help of God.<sup>22</sup>

Luther recognized the fact that many people are continually worrying about their financial troubles and working situation. He could also see that Christian men were anxious about the troubles of tomorrow. In the Bible he finds the admonition in Matt. 6:34: "Why be concerned about more than the present day and take on the troubles of two days? Be content with the trouble that the present day lays upon you. Tomorrow will bring you another one."<sup>23</sup> He emphasizes the fact still more a little further on in the same sermon when he says, "Forget about your anxiety, which only

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<sup>21</sup>Plass, What Luther Says, III, 1495.

<sup>22</sup>Ibid., III, 1496.

<sup>23</sup>Pelikan, Luther's Works, XXI, 209.

increases and aggravates the trouble. . . . God never used anyone's anxiety to make him rich; . . . What He does is this: when He sees someone fulfilling his office diligently and faithfully, being concerned to do so in a God-pleasing way, and leaving the concern over its success to God, He is generous in His gifts to such a person."<sup>24</sup>

Luther did not condemn the fact that a man had accumulated possessions through honest labor.<sup>25</sup> This one can see when reading his sermon on Matt. 6:24 where he says, "It is no sin to have money and property, wife and children, house and home."<sup>26</sup>

In spite of all that Luther could say with reference to working with the right end in view, he could see that there were many who cared only for what they could get out of life with the least energy expended.

"Thus all the world is adroit in avoiding toil. Yet it insists on sharing in the fruit of toil. Thus the pagan poet remarks: 'Everyone is naturally inclined to prefer pleasure to labor.' Everybody likes to have honor and wealth. All aspire to advance in life and to attain high position. But when they obtain this and feel

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<sup>24</sup>Ibid., XXI, 209.

<sup>25</sup>For a fairly comprehensive view of Luther's attitude toward work and possessions see Ibid., XXI, 186-209.

<sup>26</sup>Ibid., XXI, 189.

the labor and the worry it involves, they soon grow weary and stop their efforts; for they sought only pleasure and ease."<sup>27</sup>

Luther's ideas on temporal possessions, prosperity, and work are at close proximity with his views concerning selfishness, service to others, and contentment as they relate to the life of the Christian man.

It would be a legitimate question to ask at this point, "What does selfishness, service to others, or contentment have to do with economics?" Near the beginning of this study the statement was made that nearly all of Luther's writings were influenced by his religious and theological experiences. Tawney in his book Religion and the Rise of Capitalism states: "When the sixteenth century opens, not only political but social theory is saturated with doctrines drawn from the sphere of ethics and religion, and economic phenomena are expressed in terms of personal conduct,..."<sup>28</sup> Thus these topics are but three strokes of the painter's brush as he develops a more complete picture of Luther's thoughts as they concern man in relation to one's personal attitudes and actions in the daily life of economic activity.

"Martin Luther believed that though a Christian should never be satisfied with what he is, he should always be content

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<sup>27</sup>Ibid., XXIV, 161-162.

<sup>28</sup>p. 15.

with what he has, with whatever blessings God sees fit to give him in answer to his prayers and efforts."<sup>29</sup> These thoughts are expressed in his remarks on Ecc. 2:1 in 1532 when he states, "Nothing is better than to walk in the Word and the work of God and so to fashion one's heart that it is quiet and satisfied. . . . The true despisers of the world are the people who accept what God sends them, gratefully use all things when they have them, and gladly do without them if God takes them away."<sup>30</sup>

Many people see the troubles of life or something that they do not have and become dissatisfied and want to change to something they think is better. This Luther feels should not be. "A person who wants to change and improve everything," he states, "and who refuses to put up with any inadequacies, but insists on having everything clean and comfortable, will usually get in exchange something twice as uncomfortable or ten times as uncomfortable."<sup>31</sup> He goes on to say that everyone has some trouble. That a change can be brought to a person's life quickly, but an improvement does not take place too often. Christians should be content with what they have and the place that they fill in life. This piece of advice is founded upon John 21:19-24. "The fact that

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<sup>29</sup>Plass, What Luther Says, I, 341.

<sup>30</sup>Ibid., I, 341.

<sup>31</sup>Pelikan, Luther's Works, XXI, 95.

no one is satisfied with what he has," Luther says, "is a very common plague. . . .Everybody is disgusted with his station in life and sighs for that of another. . . .If we are to avoid such restlessness, disquiet, and disgust, we must have faith. Faith is firmly convinced that God governs equitably and places every man into that station which is best and most fitting for him."<sup>32</sup>

These words of Luther are quite revealing and will also be an important attitude to recognize in his ideas on society and the Peasants' War.

It is the evil and sinful eye that goes, "lusting after lofty things and satisfaction with self, which is the death of humility," says Luther.<sup>33</sup> It is because of their secret false pride that men are not content with the low estate and are always trying to attain that which is higher.<sup>34</sup> He says, "A bird pipes its lay and is happy in the gifts it has; nor does it murmur because it lacks the gift of speech. . . .All animals live in contentment and serve God, . . .Only the evil, villainous eye of man is never satisfied, nor can it ever be really satisfied because of its ingratitude and pride."<sup>35</sup> He continues to comment by telling a tale that was supposed to date back

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<sup>32</sup>Plass, What Luther Says, I, 341-342.

<sup>33</sup>Pelikan, Luther's Work, XXI, 317.

<sup>34</sup>Ibid., XXI, 315.

<sup>35</sup>Ibid., XXI, 320.



to the Council of Constance. It seems two cardinals were riding one day when they spied a shepherd standing in a field weeping to himself. "...One of the two cardinals, being a good soul and unwilling to pass by without offering the man some comfort, rode up to him and asked him why he wept. The shepherd, who was weeping bitterly, was a long time replying to the Cardinal's question. At last, pointing his finger at a toad, he said: 'I weep because God has made me so well favored a creature, and not hideous like the reptile, and I have never yet acknowledged it or thanked and praised Him for it.'"<sup>36</sup> It was Luther's motto to be content and to give thanks for what God gives him, but what God withholds, he did not need anyway.<sup>37</sup>

Closely related is Luther's position concerning selfishness. He recognizes the fact of its existence in the lives of men when he quotes St. Augustine as saying: "'The beginning of all sin is the love of one's own self.'"<sup>38</sup>

In his study of Romans 3.9-10 he finds that the basis for all of man's faults is the fact that he seeks only his own interests and loves himself above all things.<sup>39</sup>

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<sup>36</sup>Ibid., XXI, 320-321.

<sup>37</sup>Plass, What Luther Says, I, 341.

<sup>38</sup>Ibid., III, 1270.

<sup>39</sup>Ibid., III, 1270.

He finds that the very nature of man is selfish when he says, "...Our flesh and blood, and also our reason and nature, are not given to serve God or do His work one whit. Our flesh and blood serve only themselves."<sup>40</sup>

Luther states that people are not happy to see others doing better than they. People grow fat on the harm that they see come to others. Envy is the very life of Satan, who would rather lose what he has than to see anyone else receive anything at all. These views based on John 16:16-23 were expressed by Luther in 1542.<sup>41</sup>

People are always green with envy when they are not first in possessing the good things of God. They murmur instead of praising Him when they see that they are equal to, or lower than others.<sup>42</sup>

The natural man is continually attempting to promote his own interests in contrast to the example of Christ. Luther says, "What the world busies itself with is clear. Everybody is intent on promoting his own interests."<sup>43</sup>

Finally, in his exposition on the Magnificat he points out the fact that men are only using God for their own gratification.

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<sup>40</sup>Pelikan, Luther's Works, XXIII, 21.

<sup>41</sup>Plass, What Luther Says, III, 1270-71.

<sup>42</sup>Pelikan, Luther's Works, XXI, 319.

<sup>43</sup>Plass, What Luther Says, III, 1272.

"But the impure and perverted lovers, who are nothing else than parasites and who seek their own advantage in God, neither love nor praise His bare goodness, but have an eye to themselves and consider only how good God is to them, that is, how deeply He makes them feel His goodness and how many good things He does to them."<sup>44</sup>

Luther has more to say on the subject of the selfishness of man, but it is sufficient for this study to have an insight into his basic attitude in order that we might have a basis for comparing what he considered was the right frame of mind for the Christian man.

One may see in the remarks of Luther the antithesis of the selfish world in the contentment of the Christian. Also it will be possible to see the workings of Luther's mind in that he believes man is not a world unto himself and it is his Christian duty to serve those who are a part of his daily life. This trend of thought may be seen as it is reflected in his "Treatise On Christian Liberty" when he remarks: "A man does not live for himself alone in this mortal body, so as to work for it alone, but he lives also for all men on earth, nay, rather, he lives only for others and not for himself.

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<sup>44</sup>Pelikan, Luther's Works, XXI, 309.

And to this end he brings his body into subjection, that he may the more sincerely and freely serve others, . . ."45

Luther's opinion as to the attitude of a Christian with relation to concern for his fellow man and not just a selfish heart is evident in his interpretation of Cain's situation in Genesis 4:9. He sets forth his thoughts in this manner: "There is a common proverb: 'Of what concern is it to the Romans that Greeks are dying?' We suppose that only our own dangers concern us. But how does this accord with God's command that He wants all of us to live together as brothers? Therefore Cain brings a serious charge against himself by this very statement, when he declares that his brother's care was of no concern to him."46

In Psalm 1:3 Luther points out the fact that even in nature we find an example of service to others in that trees bear fruit for others. Neither does the sun shine or the water flow just for themselves. "In fact," he states, "no creature lives for himself or serves only himself except man and the devil."47

Man is to use his position in life and his material goods as an avenue of service. In his exposition of John 1:13 he speaks

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45"A Treatise On Christian Liberty," Three Treatises, trans. W. A. Lambert (Philadelphia, 1943), p. 275.

46Pelikan, Luther's Works, I, 276.

47Ibid., XIV, 300.

bluntly to the nobility when he states: "God did not grant you your nobility as a cause for conceit, but for useful service. . . . His plan was that these . . . were to be agents in the service of man's welfare."<sup>48</sup>

Luther contends in his famous letter to Frederick of Saxony that "... Christ has not taught me to be a Christian to the injury of others."<sup>49</sup> It is not a matter of living and getting, to the hurt of others, but "... a true Christian lives and labors on earth not for himself, but for his neighbor, therefore the whole spirit of his life impels to do even that which he need not do, but which is profitable and necessary for his neighbor."<sup>50</sup>

It is possible to see in the above passage the same refrain that has continually appeared in the writings of Luther with regard to the Christian man and daily living, and it will continue to be the basis of most of his works throughout life. Love and service to those about him is a necessity for every Christian. A necessity which is not difficult in that he does it out of brotherly love, and because he knows it pleases God. He says, "This should be the

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<sup>48</sup>Ibid., XXII, 95.

<sup>49</sup>Currie, Letters of Luther, p. 100.

<sup>50</sup>Works of Martin Luther, ed. Henry Eyster Jacobs, trans. J. J. Schindel, A. T. W. Steinhäuser et al., 6 vols. (Philadelphia, 1915), V, 239. Hereafter cited as WML.

character of our works: they should flow forth freely from our affections and love and should all be directed toward our neighbor."<sup>51</sup>

He expresses the truth of Luke 17:11-19 when he states: "Everything you do for your neighbor is also a service rendered to God."<sup>52</sup>

The individuals should be willing to serve no matter how others treat them in return. "I do it gladly [here he refers to the Christian once again] willingly, and take delight in it; let a man react however he pleases. God, too, gives many things in vain and expects nothing in return."<sup>53</sup>

It is difficult to be able to put oneself in the position of a servant because the "old Adam" finds this to be "very sour work." Therefore, Luther concludes that "...we need not only diligent practice but constant prayer that God would give us His grace to be patient and humble."<sup>54</sup> In this statement is found the essence of Luther's ideas with relation to service to others.

Thus it has been pointed out what Luther felt the Christian's personal attitude and conduct should be toward the attainment, possession and use of material wealth.

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<sup>51</sup>Plass, What Luther Says, III, 1283.

<sup>52</sup>Ibid., III, 1284.

<sup>53</sup>Ibid., III, 1285.

<sup>54</sup>Ibid., III, 1285.

### CHAPTER III

#### TRADE AND USURY

The subject of usury has been a controversial one throughout the history of the Church. There were few subjects that claimed so generally the attention of the synods during the medieval period as that of usury.<sup>1</sup>

Before the study of Luther's attitude and ideas on usury are discussed, it would be well to briefly consider the historical views of the early Church Fathers concerning the subject.

It can be found in the New Testament that Jesus makes some comment with respect to borrowing and lending. "Give to him that asketh thee, and from him that would borrow of thee turn not thou away." (Mt. 5:42) "And if ye lend to them of whom ye hope to receive, what thank have ye? for sinners also lend to sinners, to receive as much again." (Lk. 6:34) But there are no direct commandments concerning usury.<sup>2</sup> The great example set by His life,

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<sup>1</sup>Philip Schaff, History of the Christian Church, 7 vols., (New York, Charles Scribner's Sons; Reproduced by special arrangements with the original publisher, 1907), V, 449-450. Hereafter cited as Schaff.

<sup>2</sup>For additional references alluding to this subject see Mt. 25:14-30, and Lk. 19:11-27.

perhaps more than His words, would suggest a more definite attitude toward the goods of this world. The early Church Fathers severely disapproved of the practice of usury. It is possible that they could have been influenced in some cases by the classical moralists, but the standard that was set by them was determined by the laws of the Old Testament and the general principles set forth in the teachings of the New Testament--to a great extent a strained interpretation of, "But love ye your enemies, and do good, and lend, hoping for nothing again;..." — Luke 6:35.<sup>3</sup>

At first the Church was antagonistic toward the practice of usury. This antagonism finally hardened into prohibition over a period of time. When she first began to pass legislation on the question, it was only with regard to the clerics.<sup>4</sup>

In the 17th Canon of the First Council of Nicaea<sup>5</sup> the clerics are forbidden to take usury in any form. The council declared: "Since many clerics, led by avarice and a spirit of usury, have forgotten the divine word: 'he hath not put his money to usury,'<sup>6</sup> and

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<sup>3</sup>Encyclopaedia of Religion and Ethics, ed. James Hastings, 12 vols., (New York, 1917-1922), XII, 550. Hereafter cited as Encyclopaedia of Religion and Ethics.

<sup>4</sup>Ibid., XII, 551.

<sup>5</sup>Date of the Council was 325.

<sup>6</sup>Ps. 14:5.



demand as veritable usurers a rate of one per cent interest per month, this holy and great council decides that if anyone after the publication of this ordinance takes interest in any way, or engages in the business of usury in any manner, or demands back one and a half times as much, or otherwise devises a scheme of dishonest profit, he shall be ejected from the clerical state and his name stricken from the register."<sup>7</sup>

Even before the Council of Nicaea usury had been condemned in Canon 20 of the Synod of Elvira (305-306) and in Canon 12 of that of Arles (314).<sup>8</sup>

By 345 we find that the Council of Carthage declares usury not only reprehensible for the clerics but also for the laymen. We find this view being repeated in 789 by the Council of Aix-la-Chapelle and by the 9th century, ecclesiastical law definitely extends the prohibition to the laity as well as the clerics.<sup>9</sup>

Even though the Church did not at first make an official pronouncement on its prohibition being extended to the laity, Jerome (340-420) contended that usury had been prohibited among brothers

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<sup>7</sup>Disciplinary Decrees of the General Councils, trans. Rev. H. J. Schroeder (St. Louis, 1937), pp. 47-48. Hereafter cited as Schroeder, Decrees of the Councils.

<sup>8</sup>Ibid., p. 48.

<sup>9</sup>Encyclopaedia of Religion and Ethics, XII, 551.

in the Old Testament book of Deuteronomy and that it had been universalized by the Prophets and the allusion to usury in the words of Jesus found in the New Testament.<sup>10</sup>

It is evident that usury continued to be a problem to the Church in the 12th century. The Second Lateran Council in 1139 issued a proclamation in Canon 13 that usurers were to "...be stigmatized with the mark of infamy, and unless they repent let them be deprived of Christian burial."<sup>11</sup>

Legislation increased as the evil continued to grow. All of the fortifications of the Church were strengthened to put down this sinful practice. Thus the Third Lateran Council in 1179 states: "...we decree that notorious usurers be not admitted to the communion of the Altar, and if they die in that sin, that they shall not receive Christian burial. Neither shall anyone accept their offering. He who has taken such an offering or given them Christian burial, shall be compelled to return what he has taken, and, until he has satisfied the wishes of the bishop, let him remain suspended from his office."<sup>12</sup> The 26th Canon of the Second Council of Lyon

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<sup>10</sup>Benjamin N. Nelson, The Idea of Usury: From Tribal Brotherhood to Universal Otherhood (Princeton, 1949), p. 3.

<sup>11</sup>Schroeder, Decrees of the Councils, p. 204.

<sup>12</sup>Ibid., p. 233.

went so far as to say that, "Associations and individuals are forbidden to permit strangers to practice usury within the limits of their territory; ...Nor shall anyone under whatever title lease them houses for this purpose under penalty of suspension, excommunication, and interdict."<sup>13</sup> The spiritual penalties are made more forceful by the civil pronouncement in Canon 27 of the same Council. It states that, "No one may serve as a witness to testaments of notorious usurers, and ...Testaments of notorious usurers ...are null and void."<sup>14</sup>

Finally the Council of Vienne in 1311-12 brought the matter to a head when it stated: "We, therefore, wishing to put an end to these pernicious practices, ...decree that all civil officials of these communities, be they rulers, judges, lawyers, or any others, who in the future make, write, or dictate statutes of this kind or knowingly decide that usury may be paid or in case of having been paid may not be freely and fully restored when its return is demanded, incur the sentence of excommunication."<sup>15</sup>

So it is that the Church finally places its power over the civil authorities with relation to usury.

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<sup>13</sup>Ibid., p. 355.

<sup>14</sup>Ibid., p. 357.

<sup>15</sup>Ibid., p. 401.

The growing stringency during the Middle Ages against usury was an indication that it would be difficult to check the advance of this evil monster. The concessions made in favor of the Jews by the 4th Lateran Council in that it forbade only grave and excessive usury was a gap in the Church fortifications. By the 11th century the rise of towns and markets gave commerce a new life. The Church itself was in need of large sums of money at various times for the Crusades and new buildings. The older view that trade and commerce were evil gave way to new economic theories which would then be directed by Christian principles. This task fell to the Schoolmen, most important among whom stands the person of Thomas Aquinas. As he began to formulate his system of ideas, he had to make some concessions, and once that was done the freedom taken by men since then over the centuries nearly by-passes the teachings of the Church in many instances relating to the laws concerning usury.

The scholastics based their ideas on the Old and New Testaments and the works of Aristotle.<sup>16</sup>

"Now money, according to the Philosopher (Ethic. V. 5; Polit. i. 3) was invented chiefly for the purpose of exchange:

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<sup>16</sup>Encyclopaedia of Religion and Ethics, XII, 551.

...it is by its very nature unlawful to take payment for the use of money lent, which payment is known as usury: ..." <sup>17</sup>

It was the decision of the canonist that a loan of money did not in itself justify a charge for its use. However, when the opportunity for investing money was limited, it would probably be a gain to the lender if he could find a man who was willing to accept the responsibility of the money, if it was returned intact. The canonists were willing to face the facts of making allowance for special cases. Soon the custom developed of admitting compensation on various extrinsic grounds. <sup>18</sup> The old position of the church regarding usury was modified by some of its leaders to meet the demands of the growing commercial centers. Benjamin Nelson in his book The Idea of Usury put it so strongly as to say: "In fifteenth-century Italy, economic expediencies completely overshadowed moral philosophy as a force in the propagation of Christian universalism." <sup>19</sup> It would appear that this statement would have to be modified with regard to the word "completely" if one is to consider the whole of Europe and even in the country of Italy itself.

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<sup>17</sup>St. Thomas Aquinas, The Summa Theologica, trans. Fathers of the English Dominican Province, 21 vols. (London, 1929), X, 331.

<sup>18</sup>Encyclopaedia of Religion and Ethics, XII, 551.

<sup>19</sup>p. 19.

To what extent some leaders of the Church sanctioned the traffic in usury can be seen by the fact that in 1515, Pope Leo X gave his official pronouncement in favor of the legitimacy of the interest clause in the monti di pieta. This had been a bitter controversy between Franciscan, Dominican, and Augustinian theologians over the legality of establishing pawnshops by Christians with licenses to take from 20- to 50 per cent in loans. It was also about this time that John Eck of Ingolstadt was on his way to the University of Bologna on behalf of the Fuggers to attempt to prove that the five per cent triple contract was legal.<sup>20</sup> Pascal in his book states that there was "...evidence that Canon law was modifying itself to embrace the new conditions created by the presence of money in large quantities."<sup>21</sup>

The time in which Luther lived was a period in which usury began to assert itself openly as an economic principle in Germany. It had been condemned by Canon law, but partly through the agency of the Church it had first been accepted in Italy and then in Europe in general. Usury had been mainly under the control of the Jews up to this time. But the practice of usury became such a large scale operation that those interested could find it more profitable

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<sup>20</sup>Nelson, The Idea of Usury, pp. 19-25.

<sup>21</sup>The Social Basis of the German Reformation, p. 181.

to ignore the statement of the Church that money in itself was not capable of producing and by its very nature was incapable of bearing fruit.<sup>22</sup>

As other important sections of the society began to define their position with relation to the subject, Luther was called upon to express his opinions toward usury also.

The first references of importance by Luther to questions of economics were given in the Short Sermon on Usury, which appeared in 1519. This was reproduced in his Long Sermon on Usury, dated 1520. This in turn appeared in 1524 after being reprinted in a treatise called, On Trade and Usury. Luther had made some comments earlier that dealt with theft and usury which occur in the Sermon on the Ten Commandments, preached to the people of Wittenberg, delivered in 1516 and the opening months of 1517.<sup>23</sup>

Luther in this sermon shows the contrasts between the jurists, who only regard the deed and the Bible which looks upon the heart. The crime of theft may be committed by only thinking about the act. He mentions five kinds of theft in order and the third one is called usury. He likens it to a worm that brings destruction to the interior of an apple. He compares this to the way usury was destroying the

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<sup>22</sup>Ibid., p. 181.

<sup>23</sup>Hyma, Renaissance to Reformation, p. 283.

cities of his time. The Jewish law permitted the practice of usury with the Gentiles so that they would not practice it with their own race, but the Christians became worse than the Jews in that they loaned money on interest to their own brethren.<sup>24</sup>

The fourth kind of theft that is mentioned is fraud in business dealings. In this case one should follow the rule found in Matt. 7:12: 'Therefore all things whatsoever ye would that men should do to you, do ye even so to them: for this is the law and the prophets.' The taking of another man's property is considered to be theft at all times. The last section considers the problem of contracts, whereby rents are bought and sold, this in turn brings profits to individuals who have not had to work at all. Luther in this instance refers to Genesis 3:19 whereby men had been exhorted to work for their sustenance and to Job 5:7 where it says that man was born to work for a living. There are particular cases wherein the person may buy rents. Decrepit people and children may avail themselves of it because they have to do so much to make a living. Also the clergy and officials in the government are given the privilege of buying rents. First of all the clergy serve God and secondly the government officials serve the people.<sup>25</sup> "There is no evil in the purchase of rents, except when

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<sup>24</sup>Ibid., pp. 283-284.

<sup>25</sup>Ibid., pp. 284-285.



one serves thereby the evil of avarice, or seeks anything besides safe riches.' which presumably means wealth intended for the use of charity."<sup>26</sup>

The treatise On Trade and Usury, first published in 1524, is considered to be the most important work written by Luther on economic matters, but it does not add much to the ideas developed by him in 1520. The theories set forth by him in his two sermons on usury can be considered the basis of all his subsequent economic thoughts. After 1520 the statements that he made are based upon the teachings of the Bible and the early Christian Church. He supplemented his two sermons in 1520 with his Address to the German Nobility, which we will consider a little later.<sup>27</sup>

It will be well for us to first look at his Treatise on Usury, dated 1520. He began his treatise with a warning of the perilous times coming upon the world as prophesied by the Apostle Paul. Luther states that "...avarice and usury have not only taken a mighty hold in all the world, but have undertaken to see certain cloaks under which they would be considered right and could thus practice their wickedness freely, and things have gone almost so far that we hold the Holy Gospel of no value."<sup>28</sup> There are three

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<sup>26</sup>Ibid., p. 285.

<sup>27</sup>Hyma, Renaissance to Reformation, pp. 290-292.

<sup>28</sup>W ML, IV, 37.

different degrees and ways of dealing well and rightly with temporal goods according to Luther. "The first is that if anyone takes some of our temporal goods by force, we shall not only permit it, and let the goods go, but even be ready to let him take more, if he will."<sup>29</sup>

With reference to his first degree, Luther turns to the teachings of Jesus in Matthew 5:40 when He says: "If anyone will go to law with you to take your coat, let him take your cloak also." Luther feels that this can be understood to be the highest degree of works for the Christian. "...In His entire Passion we see that He never repays or returns an evil word or deed, but is always ready to endure more."<sup>30</sup>

There are those who think that the first degree is not necessarily a command and does not have to be observed by every Christian, but is just good counsel to be kept by the perfect as in the case of virginity and chastity. "Therefore they hold it proper that everyone shall take back what is his own, and repel force with force according to his ability and his knowledge; ..." <sup>31</sup> Luther says that, "...they deck out their opinions with pretty flowers, and prove it, as they think, with many strong arguments; namely, first, the canon law... in the second place, the common proverb about self-defense, that it

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<sup>29</sup>Ibid., IV, 37.

<sup>30</sup>Ibid., IV, 37.

<sup>31</sup>Ibid., IV, 38.

is not punishable for what it does. In the third place, they bring up some illustrations from the Scriptures, such as Abraham and David. ...In the fourth place, they bring in reason, and say, ...if this were a commandment, it would give the wicked permission to steal, ..."<sup>32</sup> They finally turn to St. Augustine to firmly prove their point. He explains Christ's words as meaning that man should be ready in his heart to let the cloak go after the coat. To this clear explanation Luther says that they gloss over and add their own interpretation to it by saying that it is enough to be willing to give in our hearts, but it is not necessary to give it outwardly. "Hence it comes that lawsuits and litigations, notaries, officials, jurists, and that whole noble race, are as numerous as flies in summer. ...Suits must also be carried to Rome, for there much money is the thing most needed; and throughout the Church the greatest and holiest and commonest work these days is suing and being sued."<sup>33</sup> Luther goes on to say that this type of action is contrary to the holy and peaceful life and doctrine of Christ. He wants to warn everyone not to be led astray by those who would embellish their ideas with flowery or colorful words. There are to be no excuses! The commandment is pure and simple. The Christian is to obey as Christ and His Saints have confirmed it and have exemplified it in their lives. "Nevertheless, it is true that God has instituted the

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<sup>32</sup>Ibid., IV, 38-39.

<sup>33</sup>Ibid., IV, 39-40.

worldly sword and the spiritual power of the Church, and has commanded both kinds of rulers to punish the evil and rescue the oppressed, ... But this should be done in such a way that no one would be an accuser in his own case, but that others, in their brotherly fidelity and their care for one another, would tell the rulers that his man was innocent and that man wrong."<sup>34</sup> Luther feels that things would be conducted in a Christian manner this way and Christians would have more regard for sin than injury. The reason that Christ gave this commandment was "in order to establish within us a peaceful, pure, and heavenly life. ... It would be impossible to become pure of our attachment to temporal goods, if God did not decree that we should be unjustly injured, and exercised thereby in turning our hearts away from the false temporal goods of the world, ... and setting our hopes on the invisible and eternal goods."<sup>35</sup>

In concluding his first section Luther says, "So much for the first degree of dealing with temporal goods! It is also the foremost and the greatest, and yet, sad to say! it has not only become the least, but it has come to nothing and, amid the mists and clouds of human laws, practices and customs, has become quite unknown."<sup>36</sup>

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<sup>34</sup>Ibid., IV, 41.

<sup>35</sup>Ibid., IV, 42-43.

<sup>36</sup>Ibid., IV, 43.

Now, Luther deals with his second degree concerning temporal goods. "It is that we give our goods freely to everyone who needs them or asks for them. Of this our Lord Jesus Christ speaks in Matthew V, 'He who asks of thee, to him give.'"<sup>37</sup>

Even though this degree is much lower than the first, it is still a hard and bitter row to hoe for those who place the temporal above the eternal. It is because they do not have enough faith in God to believe that He can or will keep them while they are here on earth. "Therefore, they fear that they would die of hunger or be entirely ruined if they were to do as God commands, and give to everyone that asks them. . . . And yet they go about thinking that God will make them eternally blessed, and believing that they have good confidence in Him, though they will not heed this commandment of His, . . ."<sup>38</sup>

Luther states that the second degree is such a small thing that it was even commanded of the Jews in the Old Testament in Deuteronomy XV. If this commandment was given of God in the Old Testament, "how much more ought we Christians be bound not only to allow no one to suffer want or to beg, but also to keep the first degree of this commandment, and let everything go that anyone will take from us by force."<sup>39</sup>

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<sup>37</sup>Ibid., IV, 43.

<sup>38</sup>Ibid., IV, 44.

<sup>39</sup>Ibid., IV, 44.

He also mentions that in Deuteronomy XV, God says, "'There shall be no beggar or indigent man among you.'"<sup>40</sup> Luther contends that there should be no begging and that the spiritual and temporal rulers would be doing their duty if they would do away with the beggars' sacks.

There are three practices that are carried on among men that are contrary to this degree of dealing, according to Luther. "The first is that men give and present things to their friends, the rich and powerful, who do not need them, and forget the needy; ...O what a horrible judgment will fall upon these carefree spirits, when it is asked at the Last Day, to whom they have given and done good!"<sup>41</sup> The second custom he points out "...is that people refuse to give to enemies and opponents."<sup>42</sup> It is hard for men to do good to their enemies for it is contrary to their nature. But that does not help the matter as far as Luther is concerned. "The commandment is spoken for all men alike, 'Give to him that asketh,' and it is clearly expressed in Luke VI, 'To everyone that asketh of thee, give.'"<sup>43</sup>

Luther states that the third custom is pleasant to the eye and does more harm to this giving than the other customs. "It is

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<sup>40</sup>Ibid., IV, 44.

<sup>41</sup>Ibid., IV, 45.

<sup>42</sup>Ibid., IV, 45.

<sup>43</sup>Ibid., IV, 45.

dangerous to speak of it, for it concerns those who ought to be teaching and ruling others, and these are the folks who, from the beginning of the world to its end, can never hear the truth or suffer others to hear it."<sup>44</sup> Here he speaks concerning the giving of alms and costly gifts such as organs and gold to the Church instead of giving to the poor. "And this giving has become so precious and noble that God Himself is not enough to recompense it, but has to have the help of breves, bulls, ...and wax, green, yellow and white. If it makes no show, it has no value;..."<sup>45</sup> He speaks to the affect that it is regrettable that people are carried away by these clamorous goings-on and turned from God's commandments in so doing. He warns men to beware and says, "God will not ask you...at the Last Day, ... whether you have given so much or so much to churches; but He will say to you, 'I was hungry and ye fed me not; I was naked and ye clothed me not.' ...Everything will depend on whether you have given to your neighbor and done him good. Beware of show and glitter and color that draw you away from this."<sup>46</sup>

It is Luther's contention that leaders of the civil and spiritual realms should establish a decree that every village should build its own church and care for its own poor people.

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<sup>44</sup>Ibid., IV, 46.

<sup>45</sup>Ibid., IV, 47.

<sup>46</sup>Ibid., IV, 48-49.

It seems a certain device was used with respect to avoiding the commandment to give to the poor. "It is, 'No one is bound to give the needy unless they are in extreme want.' ... Thus we learn that no one is to give or help until the needy are dying of hunger, freezing to death, ruined by poverty, or running away because of debts."<sup>47</sup> But this dishonest and fraudulent addition can be countered with the Bible also when it says, "'What thou wilt that another do to thee, that do thou also.'"<sup>48</sup> But when it comes to giving to the Church this is another story. He goes on to say that this lavish giving should be discontinued.

He then comes to the third degree of dealing with the goods of this world. "...It is that we willingly and gladly lend without charge or interest. Of this our Lord Jesus Christ says, in Matthew V, 'He that would borrow of thee, from him turn not,' that is, 'do not refuse him.'"<sup>49</sup>

Luther considers this to be the lowest degree of all, because God had said in Deuteronomy XV, "'If anyone of thy brethren in the city become poor, thou shalt not harden thy heart against him nor shut thy hand; but that shalt open it and lend him all that he needs;'

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<sup>47</sup>Ibid., IV, 49.

<sup>48</sup>Ibid., IV, 49-50.

<sup>49</sup>Ibid., IV, 51.



and they have allowed this degree to remain a commandment, for all the doctors agree that borrowing and lending shall be free, ..."<sup>50</sup>

At the beginning of his twentieth point in this treatise Luther defines usury and proceeds to set forth three laws that are to guide the individual in lending. "First, ...the Gospel commands that we shall lend. Now lending is not lending unless it be done without charge and without advantage to the lender, ...Second, this is contrary to the natural law, ...'What ye would that men should do to you, that do also to them.' ...Third, It is also against the Old and the New Law, which commands, 'Thou shalt love thy neighbor as thyself.'"<sup>51</sup> It is his belief that there is no more brief or better instruction that a person can receive with regard to dealings with his neighbor than to follow the above teaching of the Gospel. Here he is met with two objections. "The first is that if lending were done in this way, the interest would be lost. ...The second is the great example. Everywhere in the world it has become the custom to lend for profit, and especially because scholars, priests, clergy, and churches do it, ..."<sup>52</sup> To this he answers that there is nothing in all of these arguments. In the first place you must lose the

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<sup>50</sup>Ibid., IV, 51.

<sup>51</sup>Ibid., IV, 53.

<sup>52</sup>Ibid., IV, 54.

interest and profit. It does not matter whether it is taken from you or you give it to someone outright. In the second place, it does not matter if the custom be bad or good it still is not Christian. Just because the Church does it, that does not make it right. He selects a passage of scripture once again to substantiate his words. "For it is written, 'Thou shalt not follow the crowd to do evil, but honor God and His commandments above all things.'" <sup>53</sup> He closes this section by quoting the words of Christ, who says, "'If we lend and give, we are children of the Highest, and our reward is great.' He who does not believe this comforting promise and does not make it a guide for his works, is not worthy of it." <sup>54</sup>

It is in the beginning of the second part of his sermon that Luther deals with another type of loan that had come into being. This had to do with the buying of income, or the practice known as Zinskauf. Luther feels he should deal with this subject of buying of income, "...Since this makes a pretty show and seems to be a way by which a man can burden others without sin and grow rich without worry or trouble. ...Although the buying of income is now established as a proper trade...it is, nevertheless, to be hated and opposed for many reasons." <sup>55</sup> He feels that it is a slippery

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<sup>53</sup>Ibid., IV, 55.

<sup>54</sup>Ibid., IV, 55.

<sup>55</sup>Ibid., IV, 56.

invention for satisfying man's desire to gain wealth, honor and luxury without limit. It also looks bad and St. Paul "...bids us avoid all evil and offensive appearance, even though the thing itself were right and proper--..."<sup>56</sup> In this type of business, Luther perceives that the advantage of the buyer, or receiver of income, is greater than the payer of income. The business is too close to the conscience to be safe according to Luther.

"This business, even though it be conducted without usury, can scarcely be conducted without violation of the natural law and the Christian law of love."<sup>57</sup>

He continues to speak in this trend of thought a little further on in the sermon by saying: "Everyone must admit that whether this business be usury or not, it does exactly the same work that usury does; that is to say, it lays burdens upon all lands, cities, lords and people, sucks them dry and brings them to ruin, as no usury could have done."<sup>58</sup> Luther concludes that just because it is legal it is not necessarily right. "Therefore it is not enough that this business should be rescued by canon law from the reproach of usury, ... Money won by gambling is not usury either, and yet it is not won without

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<sup>56</sup>Ibid., IV, 56-57.

<sup>57</sup>Ibid., IV, 57.

<sup>58</sup>Ibid., IV, 57-58.

self-seeking and love of self, and not without sin; ... Therefore I cannot conclude that those who buy income which they do not need are acting rightly and properly."<sup>59</sup>

Luther then turns to consider the argument whereby this type of business is justified. He mentions the fact that there is a Latin word called interesse. "This noble, ... word may be rendered in the German this way: If I have a hundred gulden with which I can trade, and by my labor and trouble make in a year five or six gulden or more, I place it with some one else, on a productive property, so that not I, but he, can trade with it, and for this I take from him five gulden, which I might have earned; thus he sells me the income--five gulden for a hundred--and I am the buyer and he the seller. Here they say, now, that the purchase of the income is proper..."<sup>60</sup> This, according to Luther, is all very nice in appearance, but "...there is another, counter-interest, which goes like this: If I have a hundred gulden, and am to do business with it, I may run a hundred kinds of risk of making no profit at all, nay, of losing four times as much besides. Because of the money itself, or because of illness, I may not be able to do business, or there may be no wares or goods on hand. Hindrances

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<sup>59</sup>Ibid., IV, 58.

<sup>60</sup>Ibid., IV, 59.

of this kind are innumerable, and we see that failures, losses, and injuries are greater than profits. Thus the interest on loss is as great as the interest of profit, or greater."<sup>61</sup> This type of business cannot compare with legitimate trade, for that involves labor and risk; while with this other trade one does not have to assume the troubles and risks, may be incompetent and slothful, and still make a profit. Consequently, it is difficult to determine whether one is entitled to any interest at all.<sup>62</sup>

Luther does not see how this type of business can last. Anyone would rather invest a hundred gulden for income than for trade. It would be possible to lose twenty gulden a year in trade and his capital as well, while he could not lose more than five in this business and he keeps his capital besides. It is no wonder that many of these knights of income get rich faster than others. Since the element of risk is present, it should not be permitted to loan money on mere money, as is now the custom, especially among the great merchants, but there should be some security in the form of real estate, and this should be specifically indicated.<sup>63</sup>

As long as there is a certain piece of land that can be used, Luther feels the loan is safe, and it is proper to loan money to the

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<sup>61</sup>Ibid., IV, 59.

<sup>62</sup>Ibid., IV, 59-60.

<sup>63</sup>Ibid., IV, 61.

person that owns the land. He takes it for granted that the person who owns the land can be trusted.<sup>64</sup>

Luther says, "The only way of defending this business against the charge of usury...would be that the buyer of income have the same risk and uncertainty about his income that he has about all his other property."<sup>65</sup>

He also feels that the debtor in case of a bad year should be able to say to the creditor, "This year I owe you nothing, for I sold you my labor for the production of income from this and that property; I have not succeeded; the loss is yours and not mine; for if you would have interest on my profits, you must also have an interest in my losses, as the nature of the bargain requires."<sup>66</sup> The owners of income who will not consider such a bargain are compared in their piety to robbers and murderers who take the poor man's property and living. "If money is loaned to those who have need of it for making their living, it must be given without interest. But in case both men concerned will be much benefited by the transaction, it is to be commended."<sup>67</sup> He mentions the fact that "...respect should be always had for the fear of God, which fears to take too much rather

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<sup>64</sup>Ibid., IV, 62-63.

<sup>65</sup>Ibid., IV, 63.

<sup>66</sup>Ibid., IV, 63-64.

<sup>67</sup>Hyma, Renaissance to Reformation, p. 289.

than too little, in order that avarice may not have its way in a decent business deal. The smaller the percentage the more divine and Christian the deal."<sup>68</sup>

He does not feel that it is his duty to say when someone ought to pay five, four, or six per cent. He is content to leave this in the hands of the law.

There are those that take as much as ten per cent and in these cases the rulers should look into the matter because the poor people are oppressed. "For this reason these robbers and usurers often die an unnatural and sudden death, or come to a terrible end (as tyrants and robbers deserve), for God is a judge for the poor and needy, as He often says in the Old Law."<sup>69</sup>

Near the end of the sermon he states that, "...since this business is in such a disordered state, we could have no better examples or laws than the laws which God provided for His people, and with which He ruled them. He is as wise as human Reason can be, and we need not be ashamed to keep and follow the law of the Jews in this matter, for it is profitable and good."<sup>70</sup>

In the same year that his Long Sermon On Usury appeared, Luther wrote his well-known Address to the German Nobility, dated

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<sup>68</sup>WML, IV, 65.

<sup>69</sup>Ibid., IV, 65.

<sup>70</sup>Ibid., IV, 69.

1520. He does deal with the question of economic reform, but this work is not of great importance with relation to our study, although it does give us another idea of how Luther considered such questions from time to time.

He had just been giving the Pope and clergy a tongue-lashing and then turns his attention to economic and social reforms.

He sees a need for a law against the extravagant and excessive dress of the nobles and rich men. He goes on to say, "God has given to us, as to other lands, enough wool, hair, flax and everything else which properly serves for the seemly and honorable dress of every rank, so that we do not need to spend and waste such enormous sums for silk and velvet and golden ornaments and other foreign wares."<sup>71</sup> Even if the Pope had not robbed the Germans with his many demands, Luther feels that the country would still have its hands full controlling the silk and velvet merchants whom he likens to domestic robbers.

"In like manner it is also necessary to restrict the spice-traffic which is another of the great ships in which money is carried out of German lands. There grows among us, by God's grace, more to eat and drink than in any other land, and just as choice and good."<sup>72</sup>

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<sup>71</sup>Ibid., II, 158.

<sup>72</sup>Ibid., II, 159.



He is not trying to do away with commerce, but he feels that it has been of little benefit to the people of the nation.

"The greatest misfortune of the German nation is certainly the traffic in annuities.<sup>73</sup> If that did not exist, many a man would have to leave unbought his silks, velvets, golden ornaments, spices and ornaments of every sort."<sup>74</sup> The practice had not existed much over one hundred years and had already brought poverty to nearly everyone. If it were to last another hundred years, there would not be a penny left in all of Germany. He states that, "In truth this traffic in rents must be a sign and symbol that the world, for its grievous sins, has been sold to the devil, so that both temporal and spiritual possessions must fail us, and yet we do not notice it at all."<sup>75</sup>

Luther speaks in no uncertain terms at this time about the large financial concerns of Germany. "Here, too, we must put a bit in the mouth of the Fuggers and similar corporations. How is it possible that in the lifetime of a single man such great possessions, ...can be piled up, ...I do not understand how a man with a

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<sup>73</sup>The Zinskauf or Rentenkauf was a means for evading the prohibition on usury. The buyer purchased an annuity, but the purchase price was not regarded as a loan, for it could not be recalled, and the annual payments could not therefore be called interest.

<sup>74</sup>W M L, II, 159.

<sup>75</sup>Ibid., II, 160.

hundred gulden can make a profit of twenty gulden in one year, ...and that, too, by another way than agriculture or cattle-raising, in which increase of wealth depends not on human wits, but on God's blessing."<sup>76</sup> He feels that it would please God if agriculture increased and commerce diminished. That people would do much better if they were to abide by the admonition of the Scripture to till the ground and seek their living from it.

The fact has already been mentioned that Luther did not add many important thoughts to his previous works when in 1524 he published the treatise On Trade and Usury which included the Long Sermon On Usury, dated 1520.<sup>77</sup>

Luther approves of trade and considers buying and selling necessities that can not be dispensed with, but which should be practiced in a Christian manner. However, foreign trade with such a country as India, which only brings costly luxuries to Germany and serves no useful purpose, should not be permitted.

Luther is concerned with the loss of gold and silver to Germany as a result of her trade with other countries for luxury items. "We have to throw our gold and silver into foreign lands and make the whole world rich while we ourselves remain beggars. England

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<sup>76</sup>Ibid., II, 160-161.

<sup>77</sup>Hyma, Renaissance to Reformation, p. 292.

would have less gold if Germany let it keep its cloth, and the king of Portugal, too, would have less if we let him keep his spices.

...Frankfurt is the golden and silver hole through which everything that springs and grows, is minted or coined here, flows out of Germany."<sup>78</sup> He is referring to the fairs held at Frankfurt.

Next follows a number of abuses and sins of trade as they relate to the conscience. First, there is the common rule among merchants to sell their goods as dear as they can. "...On this basis trade can be nothing else than robbing and stealing other peoples property."<sup>79</sup> Luther says that, "The rule ought to be, not: I may sell my wares as dear as I can or will, but: I may sell my wares as dear as I ought, or as is right and proper."<sup>80</sup> A merchant should receive a profit that is fair and right for his labor and risk. The problem to be settled is who is going to determine a just remuneration for the merchant? "But in order not to leave this question entirely unanswered, the best and safest way would be for the temporal authorities to appoint over this matter wise and honest men who would appraise the cost of all sorts of wares and fix accordingly the outside price at which the merchants would get his due and have

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<sup>78</sup>WML, IV, 13.

<sup>79</sup>Ibid., IV, 14.

<sup>80</sup>Ibid., IV, 15.

an honest living, . . ."81 In case the prices are not fixed by law the individual, according to Luther, is to let his conscience be his guide. He finally concludes that, "In deciding how much profit you ought to take on your business and your labor, there is no better way to reckon it than by estimating the amount of time and labor you have put on it and comparing it with that of a day laborer, who works at another occupation, and seeing how much he earns in a day."82 The individual is also to consider in his price the time it took to get it to market and the risk involved.

The second evil or sin found to be prevalent among merchants he states in this manner: "There is a common error, which has become a widespread custom, not only among merchants but throughout the world, by which one man becomes surety for another; and although this practice seems to be without sin and looks like a virtue springing from love, nevertheless it causes the ruin of many and brings them irrevocable injury."83 Luther here refers to the fact that, "...King Solomon often forbade it and condemned it in his Proverbs, and says in Chapter VI, 'My son, if thou be surety for the neighbor, thou hast bound thine hand, thou art snared with the words of thy mouth. . . Do this now, my son, and deliver thyself, for thou art come into the

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<sup>81</sup>Ibid., IV, 16.

<sup>82</sup>Ibid., IV, 16.

<sup>83</sup>Ibid., IV, 18.

hand of thy neighbor; go, hasten, and urge thy neighbor; give not sleep to thine eyes nor slumber to thine eyelids; deliver thyself as a roe out of the hand and as a bird out of the hand of the fowler."<sup>84</sup>

Luther feels that this practice of giving security for someone else is contrary to the Holy Scriptures and should not be practiced. It is too lofty a work for man and is an invasion of God's rights. "In the second place, a man puts his trust in himself and makes himself God, for that on which a man puts his trust and reliance is his god."<sup>85</sup> He warns men not to disregard God and His hand of providence. In Luke XII, he finds the hand of God heavy against those who have become presumptuous about the future. He speaks of the rich man who wanted to pull down his barns and build greater, in which to store all of his goods, but God required of him his soul that very night. He points out the fact that nearly all of Ecclesiastes has been written by Solomon to show that man's planning and presumption are vanity and trouble and misfortune, unless God is taken into consideration.

Luther then sets forth four ways that a Christian may trade. The first three have been dealt with in his Treatise On Usury. "The Fourth way of trading is buying and selling, and that with cash

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<sup>84</sup>Ibid., IV, 18.

<sup>85</sup>Ibid., IV, 19.

money or payment in kind."<sup>86</sup> The advice he would give to the man who would practice this method "...is that he shall not borrow anything or accept any security, but take only cash."<sup>87</sup> It is his contention that if there was any such thing as becoming surety, and the precepts of the Gospel well followed and only cash was used in trade, the greatest and most harmful dangers and faults would be done away with in the field of commerce. "For these three errors, --that everyone may sell what is his own as dear as he will, borrowing, and becoming surety, --these, I say, are the three sources from which the stream of abomination, injustice, treachery and guile flow far and wide: ..."<sup>88</sup>

He then considers what has been referred to by the editors of his works as the "tricks of the trade". "First, There are some who have no conscientious scruples against selling their goods on credit for a higher price than if they were sold for cash: nay, there are some who wish to sell no goods for cash but everything on credit, so that they may make large profits."<sup>89</sup> We are to observe by Luther's remarks that this way of dealing is plainly against God's word and arises from greed.

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<sup>86</sup>Ibid., IV, 24.

<sup>87</sup>Ibid., IV, 24.

<sup>88</sup>Ibid., IV, 25.

<sup>89</sup>Ibid., IV, 26.

Luther also attacks the practice of raising the prices on goods when there is a scarcity of a particular commodity in the country.

The practice of cornering the entire supply of certain goods in order to control the prices is also considered to be abominable. He says that, "Even the imperial and temporal laws forbid this and call it 'monopoly,' i.e., purchase for self-interest, which is not to be tolerated in city or country, and princes and lords would stop it and punish it if they did their duty."<sup>90</sup>

He contends that the example of Joseph in Genesis was not a monopoly. The purchases of Joseph for the king was a common and honest one. He did not stop anyone else from buying during the good years, and it was only by God-given wisdom that he was able to gather grain during the seven good years, while others were not putting forth an effort to accumulate anything at all.

The persons who undersell to establish a monopoly "...are not worthy to be called men or to live among other men, ..." <sup>91</sup>

The practice of selling goods that a person does not have at the time of the sale, but which can be purchased at a lower price than that for which he sold them, promising to deliver them later to the original buyer is called "'living off the street,' on someone else's money;" <sup>92</sup>

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<sup>90</sup>Ibid., IV, 26.

<sup>91</sup>Ibid., IV, 28-29.

<sup>92</sup>Ibid., IV, 29.

The practice of cheating by putting pepper, ginger and saffron in damp cellars in order that they might gain in weight, along with other dubious habits are also assailed.

In the closing pages of his treatise he takes time to discuss the trading companies. "Of the companies I ought to say much, but that whole subject is such a bottomless abyss of avarice and wrong that there is nothing in it that can be discussed with a clear conscience. For what man is so stupid as not to see that companies are nothing else than mere monopolies?"<sup>93</sup> He states that even laws of the heathen forbid them. All commodities, he considers are under their control. If they want to raise the price of ginger this year to make up for the loss in some other commodity there is no one to stop them. "No wonder they become kings and we beggars."<sup>94</sup> The rulers of the land should investigate these conditions, but Luther believed that they had an interest in the companies themselves.

He ends by saying, "I know full well that this book of mine will be taken ill, and perhaps they will throw it all to the wind and remain as they are; but it will not be my fault, for I have done my part to show how richly we have deserved it if God shall come with a rod.... Let no one stop as a favor or a service to me, ... It is

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<sup>93</sup>Ibid., IV, 34.

<sup>94</sup>Ibid., IV, 34-35.



your affair, not mine. May God enlighten us and strengthen us to do His good will. Amen."<sup>95</sup>

All that was spoken by Luther concerning economics after 1524 conformed to his earlier opinions.<sup>96</sup> But for the sake of being more complete in the study of his economic views, it would be well to consider for a moment some of his later utterances concerning the question of economics.

In June of 1524 Luther summarizes his views on the question of taking interest in a letter to Duke John Frederic of Saxony. He feels that the matter of interest taking should be regulated everywhere. To do away with it altogether would not be right either, "...for it can be made just."<sup>97</sup> He does not think that Duke John Frederic should protect people who refuse to pay the interest or to stop them from paying it, "...for it is not a burden laid upon people by a prince in his law, but it is a common plague that all have taken upon themselves. We must put up with it, ...until God puts it into the hearts of the princes to agree to some change. In the meanwhile, let the burden rest on the consciences of those who take unjust interest."<sup>98</sup> In saying what he does above, he refers only to that interest

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<sup>95</sup>Ibid., IV, 35-36.

<sup>96</sup>Hyma, Renaissance to Reformation, p. 298.

<sup>97</sup>Smith, Luther's Correspondence, II, 237.

<sup>98</sup>Ibid., II, 237.

which is not over four or five per cent. If it does exceed this amount the prince should take steps to reduce it to the proper amount.

Thoughts that are quite similar to these also appear in Luther's letters to Capito in Strasbourg, dated June 15, 1524; and to Spalatin in June, 1524. Luther reveals his mind with regard to the law of Moses as it concerns the tenth in a treatise entitled The Opinion of Luther on the Law of Moses, written about the time as the letters mentioned above. He also has something to say with regard to usury in his letter to the City Council of Danzig in May of 1525.<sup>99</sup>

Because of a grain shortage in the spring of 1539 Luther made inquiries to the Council of Wittenberg as to the cause of the shortage. He was sure that some of the noblemen were buying up the grain from the farmers, were keeping it away from the market, and were bringing about an artificial shortage.<sup>100</sup>

The food shortage had continued. He wrote to John Frederic of Saxony on April 9, 1539 and said: "a sudden shortage and unforeseen famine have overtaken us here. . . . some believe that the shortage is not a result of actual scarcity, but that it is rather a result of the

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<sup>99</sup>Hyma, Renaissance to Reformation, pp. 299-300. A lengthy analysis of the letter to the City Council of Danzig is presented in this volume.

<sup>100</sup>Luther: Letters of Spiritual Counsel, ed. and trans. T. G. Tappert, The Library of Christian Classics, 26 Vols. (Philadelphia, 1955), XVIII, 251. Hereafter cited as Tappert, Letters of Spiritual Counsel.

greed and wickedness of rich noblemen."<sup>101</sup> He goes on to say that there are all kinds of strange rumors, and he is not sure how to reply to them. "For example, it is reported that N. N. declared that he would not sell a single kernel of grain until a bushel is worth a gulden, ... Unless Your Grace provides help and counsel, the present trouble will become more serious. Accordingly, all of us pray that Your Grace may not only afford immediate relief in our want, but may also intervene with the power of government to prevent noblemen from selfishly buying up and exporting grain for purposes of shameless usury, which is ruinous to Your Grace's land and people."<sup>102</sup>

After he had written to the Elector of Saxony on April 9, he decided to speak concerning the problem from the pulpit. This was reported by Anthony Lauterback. "On April 13 he [Martin Luther] delivered a sermon in which he sharply reproved the avarice of usurers. He declared that they deserved to be cursed by all men, for they are the greatest enemies of the country. With their devouring, greed and usury they cause many to die...."<sup>103</sup>

In the year 1540 he published his treatise entitled Exhortation to the Pastors, to Preach Against Usury. This also was a result of

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<sup>101</sup>Ibid., XVIII, 252.

<sup>102</sup>Ibid., XVIII, 252-253.

<sup>103</sup>Ibid., XVIII, 253.

the famine. He began with a discussion of what is meant by usury. Luther also criticized the speculators. He feels that the world is full of sin and corruption, slander, infidelity, avarice and usury.<sup>104</sup>

On June 14, 1542 Mr. James Probst, who was pastor in Bremen, came to see Luther. The conversation is reproduced for us by Anthony Lauterback. The fact that usury was rife in Flanders was discussed. Luther mentions the fact that usurers overrun the whole world and that they should be convicted and punished. He states: "We are willing to allow five or six per cent interest, provided that there is security and that the agreement is kept whereby the capital is not to be recalled by the lender--...And so we allow six per cent interest because the cost of goods has risen and this amount may be necessary."<sup>105</sup> The lender, however, should take the risk in case, let us say, the house should burn or the soil should wash away. It is this risk, and not the repayment of the capital, that makes it a just contract."<sup>106</sup>

The question was asked of Luther, "If a poor man is in need of money and has no security, should he not borrow money on the

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<sup>104</sup>Hyma, Renaissance to Reformation, pp. 300-301.

<sup>105</sup>The reader may recall that four or five per cent was judged by Luther to be high enough of a rate.

<sup>106</sup>Tappert, Letters of Spiritual Counsel, XVIII, 254.

strength of his trustworthiness and ability to work?"<sup>107</sup> His answer to this was: "Let him live in his poverty and not sin. For money is a sterile thing. We should not borrow on our ability to work and earn, for this is uncertain. The people should be encouraged to work with their hands, and the rich should be exhorted to do works of mercy. We do not oppose those who engage in trade so long as they come to just agreements among themselves without greed and fraud."<sup>108</sup>

We can find in this recorded conversation of Luther's, a little under four years before his death, thoughts that were essentially the same as those expressed in 1520.

One could find other materials written by Luther in his letters, sermons, and lectures on the Bible concerning trade and usury, but those that have been dealt with thus far could be considered some of his more important works on these subjects.

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<sup>107</sup>Ibid., XVIII, 254.

<sup>108</sup>Ibid., XVIII, 254.

## CHAPTER IV

### LUTHER'S VIEWS ON MONEY AND WEALTH

It is now our purpose to continue to look at other phases of Luther's economic thoughts that are closely related to trade and usury. This would be his attitude as it concerns money and wealth. This will also be a short review of Chapter II, "The Christian Man and the Economic Theories of Luther," as these topics are closely related to those discussed in that particular chapter.

In speaking of money in his Large Catechism, Luther refers to it as that "most popular idol on earth."<sup>1</sup> In another place he states: "He who has money and goods considers himself secure, is happy and unafraid, as if he were sitting in the midst of Paradise.... This love of money clings firmly to human nature to the very grave."<sup>2</sup>

The copyist Lauterback in his Tagebuck of October 2, 1538, quotes Luther as saying: "Everybody is concerned about piling up much money for himself. Produce and victuals these avaricious folks do not value so highly as money, although they cannot devour

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<sup>1</sup>Plass, What Luther Says, II, 972.

<sup>2</sup>Ibid., II, 972.

it. And yet the world considers money of sole importance, as though body and soul depended on it. God and one's neighbors are despised, and mammon is served."<sup>3</sup>

In a sermon on Luke 10:23-24 he refers to gold by saying that "It cannot help a man attain life; it cannot give the grace of God or turn aside His wrath. A fine god indeed! And yet people do not see this."<sup>4</sup> In spite of the fact that money can not bring to the individual those things in life that count for real happiness he alludes to the fact that "Nowadays one sees a scrambling after riches from the lowliest station up to the highest, even among those who want to be called Christians. It is a sin and a shame to hear this."<sup>5</sup>

In referring to Christ's request for a drink of water in John 4:6, he feels the Christian would comply quickly except that greed and usury have such a hold on people that they do not pay any attention to the requests of God. He states that, "God does not think that such misers deserve the honor of giving one drink of cold water to the Church....Such misers will be the losers in the end."<sup>6</sup> In fact he feels so strongly about people hording money that in referring

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<sup>3</sup>Ibid., II, 972.

<sup>4</sup>Ibid., II, 973.

<sup>5</sup>Ibid., II, 973.

<sup>6</sup>Pelikan, Luther's Works, XXII, 518-519.

to Genesis 31:1, he says that, "A miser can do nothing better and more profitable than to die; for his life is spent in the interest neither of God nor his fellow men nor, indeed, in his own interest. He can do nothing but sin against God, against men, and against himself."<sup>7</sup>

One of the curses of money, according to Luther, is the fact that you can not see God for the money.<sup>8</sup>

A good summary of Luther's thoughts on this subject can be found in his work on Matthew 6:24. After considering the teachings of Jesus as to the fact that man cannot serve God and mammon at the same time, he makes this statement: "Thus the emphasis here is on the little word 'serve.' It is no sin to have money and property, wife and children, house and home. But you must not let it be your master."<sup>9</sup>

To consider Luther's thoughts on wealth is just to look at the same picture we have been viewing only from another angle.

Riches to Luther were not important as can be seen from a conversation taken from his Table Talk in the winter of 1542-43. "Wealth," he says, "is the most insignificant thing on earth, the

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<sup>7</sup>Plass, What Luther Says, II, 974.

<sup>8</sup>Ibid., II, 975.

<sup>9</sup>Pelikan, Luther's Works, XXI, 189.



smallest gift that God can give a man. What is it in comparison with the Word of God? Indeed, what is it in comparison even with gifts of the body, such as beauty? What is it in comparison with gifts of the soul?...It is the material, formal, efficient, and final motive of men; and yet there is nothing good in it."<sup>10</sup>

Luther alludes again to the degrading effect of wealth in his exposition on Genesis 19:2-3. In most cases people "...become haughty because of their good fortune. Hence there is the proverb: 'Gold makes bold.' 'Good fortune commonly induces hearts to be unrestrained.' Also: 'It takes strong legs to carry good days.'"<sup>11</sup> It is impossible for men not to become corrupted by wealth unless their hearts are enlightened by the Holy Spirit--as was the case of David.

It is Luther's contention that wealth is not necessarily a sign of God's good favor. "But the world does not believe this. Together with the people of Sodom it holds fast to this firm conclusion: Behold, we have a very fertile land, a very powerful city; we have been weighed down with gifts and with good fortune of many kinds. How, then, could God hate us, or how could any misfortune befall us?"<sup>12</sup>

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<sup>10</sup>Plass, What Luther Says, III, 1435.

<sup>11</sup>Pelikan, Luther's Works, III, 248.

<sup>12</sup>Ibid., III, 248.

He arrives at the conclusion that "...those who do not have many treasures are the best off, for they do not have many rats to feed and do not have to be afraid of thieves."<sup>13</sup>

Probably the best piece of advice that Luther would give an individual if he were to ask counsel of him concerning the problem of wealth would be taken from Psalm 62:10: "'If riches increase, set not your heart on them.'"<sup>14</sup>

The man that can be considered to be truly rich is singled out in his exposition of Exodus 20:5. "No one is rich, be he emperor or pope, except the man who is rich in God."<sup>15</sup>

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<sup>13</sup>Ibid., XXI, 169.

<sup>14</sup>Ibid., III, 248.

<sup>15</sup>Plass, What Luther Says, III, 1438.

## CHAPTER V

### LUTHER AND THE PEASANTS' WAR

Although some authors would deem the Peasants' War to be more of a political uprising than economic, the fact must be recognized that the two in this case are closely related. The economic factor was a real and vital force in this movement. Therefore in order to present a more complete picture of Luther's views as they relate to economics, it would be well to consider this part of the stage upon which the Reformation drama is unfolding to the audience of the world.

For more than a millenium there had been peasant uprisings in Europe. Instances of rebellion had taken place in Gaul during the time of the Romans. Examples of insurrections can be found in France in 1358 and the English labor strike of 1381. The fifteenth and early sixteenth centuries witnessed many of these local revolts. There were the old grievances of the peasants regarding the tyranny of the lords. The burdensome taxes and tithes, the laws concerning game, the corvée and serfdom

were common causes for most of the unrest. To these were added the intellectual unrest and the powerful force of the new ideas in religion.<sup>1</sup>

A study has been made by Kurt Uhrig of the peasant as he was reflected by the art and literature of this period. "In poetry, play, and song he was pictured as stupid, obscene, nasty, scheming, stubborn, gluttonous, and hard-drinking, little above the level of an animal. The minnesinger loved to ridicule him in court entertainment. The burghers of the town made him the butt of their coarse jokes. Contemporary artists treated him more kindly, portraying him as he really was, not the degraded, depraved individual presented in literature."<sup>2</sup>

Adolf Bartels, however, comes to the conclusion that there did exist a definite peasant type. He came to this conclusion after examining some 400 wood-cuts, etchings and pictures of this period. The peasants were aware of the fact that they were looked down upon by their contemporaries, and by the middle of the fifteenth century were bitter and resentful toward those about them who could be considered their tormentors.<sup>3</sup>

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<sup>1</sup>Preserved Smith, The Life and Letters of Martin Luther (Boston and New York, 1911), p. 157. Hereafter cited as Smith, Life and Letters of Luther.

<sup>2</sup>Schwiebert, Luther and His Times, p. 558.

<sup>3</sup>Ibid., p. 558.

With the coming of the printing press there emerged an entirely new peasant as he is portrayed in contemporary literature. A type of literature was developed for the peasant masses. Then the pendulum began to swing to the opposite extreme. There was developed by Luther the idea of the priesthood of all believers, which the peasants were led to believe applied especially to them. Once he was presented as the refuse of the earth. Now he was presented as a noble son of the soil. His profession was considered to be far above all others and was particularly pleasing to God. It was a pleasant picture for him to find himself a part of, but the sad fact of the matter was it was not true. The psychological effect greatly exceeded reality, however. The peasant considered himself an important instrument in the hands of God to spread the Gospel and bring about social and economic reforms.<sup>4</sup>

If to this already dangerous situation can be added the explosive preaching of Carlstadt and Münzer, the whole of Germany would soon be set ablaze. The doctrines of Luther as set forth in The Freedom of a Christian Man meant inner freedom of the reborn man. This, however, was interpreted by some to mean freedom from bondage in the material world. Luther's doctrine of the "priesthood of believers" became a potential bomb shell in the hands of the peasants.<sup>5</sup>

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<sup>4</sup>Ibid., pp. 558-560.

<sup>5</sup>Ibid., p. 560.

The immediate cause for the unrest began in the summer of 1524 in the territory belonging to the Count of Lupfen in the area of Stuehlingen near the Black Forest. It seems the countess antagonized the peasants by asking them to pick strawberries and snail shells at the height of the harvest season.<sup>6</sup>

By the autumn of 1524 the insurrection had swept north through Franconia and Swabia. The demands of the peasants were presented in what has come to be known as the Twelve Articles. These were organized by a Swabian, Sebastian Lotzer, no later than February, 1525.<sup>7</sup> The claims of the document were based on an appeal to the Gospel. They proposed a free election of their pastors according to each parish. The abolition of serfdom, the reduction of taxes and tithes, freedom to hunt, fish, and cut wood in the forests, less forced labor, reopening of the commons to the public, substitution of the old German for the new Roman law, and the abolition of the heriot were all demands made by them at this time.<sup>8</sup>

The rebellion continued to spread and by April, 1525 it had reached Thuringia and Saxony. It was in this region that the peasants

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<sup>6</sup>Ibid., p. 562.

<sup>7</sup>The authorship is not certain according to the Holman edition of Luther's works. Besides Lotzer, Christopher Schappeler and Wilhelm Stolze have been suggested as possible authors of the Twelve Articles. See Holman edition, IV, 207.

<sup>8</sup>Smith, Life and Letters of Luther, pp. 157-158.

asked Luther together with Melanchthon, Bugenhagen, and the Elector Frederic to be mediators in the dispute with the lords. Luther, who had traveled to Eisleben to look into the situation, had not as yet heard of the atrocities committed by the insurrectionists. It was while he was the guest of Chancellor Dürr that he wrote An Exhortation to Peace on the Twelve Articles of the Swabian Peasants, during the 19th and 20th of April, 1525.<sup>9</sup>

Luther could foresee the dangers of preaching radical reform long before the Peasants' War of 1525. He had seen the dangers of it in the disturbances of Wittenberg in 1522. His methods of reform may be found in the Eight Wittenberg Sermons of that same year.<sup>10</sup> In his second sermon he says, "I will constrain no man by force, . . . Take myself as an example. I have opposed the indulgences and all the papists, but never by force. I simply taught, preached, wrote God's Word; . . . I did nothing; the Word did it all."<sup>11</sup>

In his two writings, Faithful Exhortation and On Temporal Government, issued in 1522, Luther gives his warnings against violent measures and expressed his ideas in relation to the ruling classes.<sup>12</sup> It is his contention that, "We must firmly establish

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<sup>9</sup>Ibid., p. 158.

<sup>10</sup>WML, IV, 206.

<sup>11</sup>Ibid., II, 399-400.

<sup>12</sup>Ibid., IV, 206-207.

secular law and the sword, that no one may doubt that it is in the world by God's will and ordinance."<sup>13</sup> He bases his words on the thirteenth chapter of Romans, "'Let every soul be subject to higher powers, for there is no power but from God, and those that are, are ordained of God.'"<sup>14</sup>

With the coming of the war in 1525 he had to decide whether or not it would be his policy to continue to hold to the principles that he had already expressed.<sup>15</sup>

The Admonition is written in a calm and impartial spirit. It is separated into three parts. The first section is addressed to the princes and lords. Luther tells them in no uncertain words that they are responsible for the existing situation: "We have no one on earth to thank for this mischievous rebellion, except you princes and lords; ... Besides, in your temporal government you do nothing but flay and rob your subjects, in order that you may lead a life of splendor and pride, until the poor common people can bear it no longer."<sup>16</sup>

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<sup>13</sup>Ibid., III, 231.

<sup>14</sup>Luther: Lectures on Romans. ed. and trans. W. Pauck, The Library of Christian Classics, 26 Vols. (Philadelphia, 1961), XV, 358. Hereafter cited as Pauck, Luther: Lectures on Romans.

<sup>15</sup>WML, IV, 207.

<sup>16</sup>Ibid., IV, 220.



He considers it a judgment of God upon them "...because this raging of yours cannot and will not and ought not be endured for long."<sup>17</sup>

Luther begs them not to make light of the rebellion and to "...deal reasonably with the peasants, as though they were drunk or out of their mind."<sup>18</sup>

His judgment is that "The peasants have put forth twelve articles, some of which are so fair and just as to take away your reputation in the eyes of God and the world and fulfill the Psalm about pouring contempt upon princes."<sup>19</sup>

The second part is addressed to the peasants. The opening words to the peasants are: "So far, dear friends, you have learned only that I admit it to be (sad to say!) all too true and certain that the princes and lords, ...are worthy, and have well deserved, that God put them down from their seats, as men who have sinned deeply against God and man."<sup>20</sup>

Although Luther will concede that the lords and nobles are wrong, he warns the peasants to look at their own conscience and to be sure their cause is just. He warns them not to bear the name

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<sup>17</sup>Ibid., IV, 221.

<sup>18</sup>Ibid., IV, 223.

<sup>19</sup>Ibid., IV, 223.

<sup>20</sup>Ibid., IV, 224.

of God in vain. He then states that "...it is easy to prove that you are bearing God's name in vain and putting it to shame; ..."21

Even though the national leaders are wicked and unjust, the temporal rulers are to be obeyed.

It is not only contrary to national laws for them to rebel, but it is against the law of Christ. Luther states: "Listen, then, dear Christians, to your Christian law! Your Supreme Lord Christ, whose name you bear, says, in Matthew VI, 'Ye shall not resist evil, but if any one compels you to go one mile, go with him two miles, and if anyone takes your cloak, let him have your coat, too; and if anyone smites you on one cheek, offer him the other also.'"22 It is his feeling that no matter how right their cause, it is not for the Christian to appeal to law or take up arms, but they are "...to suffer wrong and endure evil and there is no other way."23

He discusses the preface and the first three articles to some extent. Most of his exposition on the first three articles deals with showing the insurrectionist how wrong they are in the light of the Word of God upon which they base the justness of their cause. He dismisses the rest of the articles when he says, "...these I leave to the lawyers, for it is not fitting that I, an evangelist, should judge

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<sup>21</sup>Ibid., IV, 226.

<sup>22</sup>Ibid., IV, 230.

<sup>23</sup>Ibid., IV, 233.

or decide them. It is for me to instruct and teach men's conscience in things that concern divine and Christian matters; ..."24

The third part is addressed to both rulers and peasants. Luther points out the fact that both sides are wrong when he says, "...there is nothing Christian on either side and nothing Christian is at issue between you, but both lords and peasants are dealing with heathenish, or worldly, right and wrong, and with temporal goods; ...moreover, both parties are acting against God and are under His wrath, ..."25

He sees in a continuation of the conflict a loss of their souls for those slain in battle and the ruin of Germany. "It would, therefore, be my faithful counsel to choose from among the nobles certain counts and lords, and from the cities certain councilmen, and have these matters dealt with in a friendly way, and settled; that you lords let down your stubbornness...and give up a little of your tyranny and oppression, [and]...that the peasants for their part, let themselves be instructed, and give over and let go some of the articles that grasp too far and too high, ..."26

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<sup>24</sup>Ibid., IV, 241.

<sup>25</sup>Ibid., IV, 241-242.

<sup>26</sup>Ibid., IV, 244.

Luther ends the Admonition in a frank and honest manner, devoid of the passionate spirit that he later displayed, by saying, "I, however, will pray to my God that He will either bring both your parties to agreement and unite you, or else prevent things from turning out as you intend....At all events, I have given all of you, faithfully enough, Christian and brotherly advice. God grant that it may help! Amen."<sup>27</sup>

The fact that the Admonition failed to bring about a truce was due in part to the rapidity with which events began to move. Before it could be published, the war was in full stride, and the peasants who earlier had sought his advice were burning and destroying towns, castles, monasteries and taking all that could be carried off.<sup>28</sup>

It was while Luther was waiting to see the effect of his advice on the peasants and nobles, that the news arrived concerning the tragedy of Weinsberg in which the fate of the Count of Helfenstein was sealed along with the rest of the inhabitants. It was at this time that Münzer was reaching the most violent point of his madness.<sup>29</sup> According to Bayne, "The astounding

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<sup>27</sup>Ibid., IV, 244.

<sup>28</sup>Ibid., IV, 209.

<sup>29</sup>Peter Bayne, Martin Luther: His Life and Work, 2 Vols. (London, Paris, New York & Melbourne, 1887), II, 303. Hereafter cited as Bayne, Martin Luther.

extravagance of spiritual pride to which he had attained, and the firmness of his persuasion that one prophet was as good as another, may be estimated from the saying imputed to him that if God would not speak with him as readily as with Abraham he would spit in His face."<sup>30</sup>

The peasants had taken Weinsberg on April 16 and for the next few weeks anarchy followed with all the terrible deeds of class warfare. It was at Mülhausen that Münzer considered that the hour of triumph had come, and that the divine duty of slaughter was to be carried out. The princes were caught unprepared, and it looked for one terrible moment as if the rebellion would lay waste the land and give the victory to the peasants.<sup>31</sup>

Luther wrote a stern letter to John Rühel on May 4, 1525. Shortly after this letter (the date is not known for sure) he wrote his short tract, Against the Robbing and Murdering Hordes of Peasants.

"The peasants," says Luther, "have taken on themselves the burden of three terrible sins against God and man, by which they have abundantly merited death in body and soul."<sup>32</sup> First of all, because they have broken their obedience to the temporal powers,

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<sup>30</sup>Ibid., II, 303-304.

<sup>31</sup>Smith, Life and Letters of Luther, pp. 159-160.

<sup>32</sup>WML, IV, 248.

which is decreed of God, "...they have forfeited body and soul, as faithless, perjured, lying, disobedient knaves and scoundrels are wont to do. In the second place, they are starting a rebellion, and violently robbing and plundering monasteries and castles which are not theirs, ... In the third place, they cloak this terrible and horrible sin with the Gospel, ... Thus they become the greatest of all blasphemers of God and slanderers of His Holy Name, serving the devil, under the outward appearance of the Gospel, ..." <sup>33</sup> As a result of these sins they deserve death in body and soul ten times over.

"Since the peasants, then have brought both God and man down upon them and are already so many times guilty of death in the body and soul, since they submit to no court and wait for no verdict, but only rage on, I must instruct the worldly governors how they are to act in the matter with clear conscience." <sup>34</sup>

First, Luther would not oppose a ruler who would punish the rebels, even though he did not tolerate the Gospel. In fact it was his duty to punish them because the peasants were not justified in their actions.

Secondly, if the prince is a Christian he has to be more careful. He should seek the guidance of God and go beyond his

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<sup>33</sup>Ibid., IV, 248-250.

<sup>34</sup>Ibid., IV, 250-251.

duty and give the peasants an opportunity to come to terms. "Finally, if that does not help, then swiftly grasp the sword.... Here, then, there is no time for sleeping, no place for patience or mercy. It is the time of the sword, not the day of Grace."<sup>35</sup>

He feels that the rulers will be true martyrs in the eyes of God. Therefore, they are to "Stab, smite and slay," the peasants and if they die in doing so, it will be well for them. "If anyone think this too hard, let him remember that rebellion is intolerable and that the destruction of the world is to be expected every hour."<sup>36</sup>

Once again events were moving rapidly and almost at the same time that Luther was writing his tract, steps were being taken to suppress the rebellion.

A band of peasants were scattered by a small force of personal retainers of the Count of Mansfeld on April 5.

The decisive battle followed shortly thereafter. Philip of Hesse had come to terms with his own peasants and gathered an army in cooperation with other lords. He marched on the enemy at Frankenhäusen. Philip hoped to bring the war to an end by peaceful negotiations. He found the peasants willing to talk terms until Münzer arrived on May 12 with men from Mühlhausen. He roused them to such a high pitch of

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<sup>35</sup>Ibid., IV, 251-252.

<sup>36</sup>Ibid., IV, 254.

fanaticism that they refused to talk of any terms. The Count attacked on May 15 and slaughtered more than half of the raw country troops. Those that did not perish fled from the field in wild panic.<sup>37</sup> Münzer escaped from the field but was captured and put to death after taking the Sacraments in one kind, and died a Roman Catholic.<sup>38</sup>

By the end of June, 1525 the peasants were overcome.<sup>39</sup>

The untimely appearance of Luther's tract had made his utterances offensive to even some of his close friends and followers.<sup>40</sup>

When the lords had gained the advantage, they put down the rebellion with utmost cruelty. After the danger had passed, a reaction set in against the harsh measures and the public's pity was aroused in behalf of the peasants. His enemies accused Luther of deserting and betraying his allies and the men who had gone astray as the result of his teachings. Their cries were also against the harsh language of his tract.<sup>41</sup>

In such a situation Luther decided that he must speak again. He did so in a sermon delivered at Wittenberg sometime in the early part of July. There is, however, some doubt as to the exact date of

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<sup>37</sup>Smith, Life and Letters of Luther, p. 163.

<sup>38</sup>Bayne, Martin Luther, II, 314-315.

<sup>39</sup>Schwiebert, Luther and His Times, p. 567.

<sup>40</sup>WML, IV, 257.

<sup>41</sup>Smith, Life and Letters of Luther, p. 164.



this exposition on An Open Letter Concerning the Hard Book Against the Peasants.

In his defense Luther still holds to the opinions already expressed in his earlier tracts. He writes: Therefore, as I wrote them so I write now; On the obstinate, hardened, blinded peasants, let no one have mercy, but let everyone, as he is able, hew, stab, slay, lay about him as though among mad dogs, in order that, by so doing, he may show mercy to those who are ruined, driven away, and led astray by these peasants so that peace and safety may be maintained."<sup>42</sup>

Luther feels that the cry for mercy in behalf of the peasants by his critics is not consistent with their earlier utterances. "My good friends, you who are praising mercy so highly because the peasants are beaten, why did you not praise it when the peasants were raging, smiting, robbing, burning, and plundering, until they were terrible to men's eyes and ears?"<sup>43</sup>

Again Luther makes a distinction between the two kingdoms. One is the kingdom of God and the other is the kingdom of the world. He feels that if an individual can distinguish rightly between these two kingdoms he will not be offended by his little book.

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<sup>42</sup>WML, IV, 269.

<sup>43</sup>Ibid., IV, 263.

"God's Kingdom is a kingdom of grace and mercy, not of wrath and punishment. In it there is only forgiveness, consideration for one another, love, service, the doing of good, peace, joy, etc. But the kingdom of the world is a kingdom of wrath and severity. In it there is only punishment, repression, judgment, and condemnation, for the suppressing of the wicked and the protection of the good."<sup>44</sup>

Luther contends that the words relating to mercy found in the scripture apply only to the Christian and the kingdom of God. It is a duty of the Christian to be merciful and to endure all kinds of sufferings. He is not to slay or smite anyone. "But the kingdom of the world is nothing else than the servant of God's wrath upon the wicked, ... It should not be merciful, but strict, severe and wrathful in the fulfillment of its work and duty. Its tool is not a wreath of roses or a flower of love, but a naked sword; ... It is turned only against the wicked, to hold them in check and keep them at peace, and to protect and save the righteous."<sup>45</sup> To confuse these two kingdoms, according to Luther, would be to put wrath into the kingdom of God and mercy into the world's kingdom. This would be the same as putting God into hell and the devil in heaven. This is the position taken by the individuals who are accusing Luther of betraying the peasants.

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<sup>44</sup>Ibid., IV, 265.

<sup>45</sup>Ibid., IV, 266.

The severity of the world's kingdom does not seem so unmerciful when we see it rightly. "Suppose I had a wife and children," says Luther, "a house, servant, and property, and a thief or murderer fell upon me, killed me in my own house, ravished my wife and children, took all that I had and went unpunished, ... Tell me, who would be more in need of mercy in such a case, I or the thief and murderer? Without doubt it would be I who would need most that people should have mercy on me. But how can this mercy be shown to me...except by suppressing such a knave, and protecting me and maintaining my rights, ..."46

Luther's contention is that if people would have followed his advice when the rebellion first began and a hundred of the peasants had been knocked down so that the rest would have stumbled over them and had not been given the opportunity to get the upper hand, many thousands of lives would have been saved. This in his eyes would have been a needful deed of mercy completed with little wrath.

But now God's will has been done in order to teach the peasants and lords a lesson. "First, the peasants had to learn that things had been too easy for them and that they were not able to stand prosperity and peace.... The peasants did not know what a precious thing it is to be in peace and safety and to enjoy one's food and drink in happiness and security, and so they did not thank God for it. He had to take this

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<sup>46</sup>Ibid., IV, 267.

way to teach them, and relieve their itch."<sup>47</sup>

The lords on the other hand should have learned a valuable lesson as well. They found out just how the rabble acted and how far to trust them so that in the future they would learn to rule justly. He states that, "The ass will have blows, and the people will be ruled by force, God knew that full well, and so He gave the rulers, not a feather-duster, but a sword."<sup>48</sup>

Luther ends the sermon with a warning to tyrants. "But the furious, raving, senseless tyrants, who even after the battle cannot get their fill of blood, and in all their lives ask scarcely a question about Christ, --these I did not undertake to instruct. To these bloody dogs it is all one whether they slay the guilty or the innocent, whether it please God or the devil....Hell-fire, trembling, and gnashing of teeth in hell will be their reward eternally, unless they repent."<sup>49</sup>

To what extent the war hurt the cause of Luthernism and its leader is difficult to precisely ascertain. But hurt it did and the reputation of Luther as well. By trying to steer too far from the anarchism of the peasants, he steered too far to the opposite shore and floundered on the rocks and lost part of his crew. From then

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<sup>47</sup>Ibid., IV, 271.

<sup>48</sup>Ibid., IV, 272.

<sup>49</sup>Ibid., IV, 280-281.

until the present day his name has suffered from the discredit incurred from his publications. His name has been reproached with cruelty to the peasants who were to some extent misguided by what they thought were his ideas. And though one would regret his violent words, it would be difficult to see how it could have ended any other way. There is not a country in the world today that would permit such a rebellion to go unpunished. Luther first tried to settle the matter in a peaceful way, but that failed. He then had to urge the way of the worldly kingdom. Even though he was right, he hurt himself by his excessive zeal. It would have been better if Luther would have shown himself to be more merciful and temperate in his remarks. He would have spared himself the accusation of cruelty which has stained his name even to this day.<sup>50</sup>

E. G. Schwiebert feels that many of the peasants were disillusioned by Luther's denunciation and were alienated from his teachings. However, many did remain true to the new Gospel. Even though Luther condemned the peasants in his tract, Against the Murderous and Plundering Bands Among the Peasants, in all fairness one could not conclude that Luther had a negative and condemning spirit toward all the peasants as a class. Viewing Luther's writings as a whole, he constantly expresses his love and sympathy

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<sup>50</sup>Smith, Life and Letters of Luther, pp. 166-167.

for the lowly and downtrodden. The peasants also express their love for Luther by the interest showed in his teachings on his many preaching trips and the respect and homage they paid his remains at the time of his death.

Schwiebert also feels that it is difficult to evaluate the effect the revolt had on the princes. The power of the princes was increased, but to say the revolt created the German State Church as it was known during the nineteenth century is to misconstrue history. He contends that the German Territorial Church had been developing for centuries. The development of the Church in Germany, with the State taking the principle role in its administration and ecclesiastical polity, belongs to the latter part of the sixteenth and early seventeenth centuries.<sup>51</sup>

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<sup>51</sup>Luther and His Times, pp. 565-570.

## CHAPTER VI

### LUTHER, SOCIETY, AND GOVERNMENT

To understand more fully Luther's mind and attitude in relation to the Peasants' War it will be necessary to have some knowledge of his ideas concerning society and government. It is not possible in the time and space allowed to make a thorough study of these phases of Luther's thought. Then, too, this would be a large study in itself. But in order to better grasp the situation under consideration, we will quickly glance at his conception of these two subjects.

"God," states Luther in his lecture on Genesis 19:15, "has appointed three social classes to which he has given the command not to let sins go unpunished. The first is that of the parents, who should maintain strict discipline in their house... The second is the government, ... The third is that of the church, which governs by the Word. By this threefold authority God has protected the human race against the devil, the flesh, and the world, to the end that offences may not increase but may be cut off."<sup>1</sup> In the case of the parents, they are to act as guides or teachers to their children. If the father

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<sup>1</sup>Pelikan, Luther's Works, III, 279.

does not censure the sin of his children, then it becomes his own sin. It is the duty of the government to punish those who have committed sins and crimes as adultery, murder, and usury. If they fail to punish the individual in these cases, then they become sins of the city or public sins and usually disaster is the result of such acts. If the person is obstinate, it is then the duty of the Church to excommunicate them.

In Luther's mind society was based on the home. "If obedience is not rendered in the homes, we shall never have a whole city, country, principality, or kingdom well governed. For this order in the home is the first rule; it is the source of all other rule and government."<sup>2</sup> If the roots of the tree are rotten, then you can not have a good trunk or good fruit. He goes on to state that a city is no more than a group of homes, and if the city is to be governed well, there must be order in the home. In like manner he contends that a country is a group of cities and hamlets. "If the homes are badly governed," Luther asks, "how can an entire country be well governed?"<sup>3</sup>

There are individuals in the history of man that have been called levelers. Some of the leaders of the Peasants' War could be placed in this category. It is because of these ideas of social equality that such wars as this are fought.

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<sup>2</sup>Plass, What Luther Says, III, 1322.

<sup>3</sup>Ibid., III, 1322.



Luther was no social equalitarianist. He has much to say about this in his lectures on the Gospel of St. John, chapter 1:12-13. According to him, "All of life's estates on earth, both the high and the low, find their origin in this physical birth."<sup>4</sup> And all these estates, as we have already heard, God wants us to respect and honor as His own creations. God has ordered and commanded us to honor our parents, to be obedient to spiritual and to temporal government, and to observe certain differences in authority, setting the father above the child, the master above the servant, the ruler above the subject, the husband above the wife."<sup>5</sup> He goes on to say a little later that "It is true that you are the equal of father, mother, rulers, or masters when judged on the basis of faith, spiritual birth and eternal inheritance.... Nevertheless, the spiritual birth does not abrogate the duty of obedience to parents and to government, but confirms it."<sup>6</sup> Luther contends that "...God does not belittle physical birth and position in life; He preserves each with all its due dignity in the world."<sup>7</sup> It is his feeling that there are three types of fatherhood. These would be--by blood,

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<sup>4</sup>He is considering spiritual and physical birth.

<sup>5</sup>Pelikan, Luther's Works, XXII, 93.

<sup>6</sup>Ibid., XXII, 94.

<sup>7</sup>Ibid., XXII, 96.

by adoption, and by honor and are creations of God. Therefore, they are pleasing and confirmed by Him.<sup>8</sup>

The social strata is ordained of God and people are to serve Him to the best of their ability in that station in life that has fallen to them. "To serve God properly means that everyone stay in his calling, however humble it may be, and first heed the Word of God in church, then the word of the government, superiors, or parents, and then live accordingly. This means having served God properly."<sup>9</sup>

In comparing the different stations in life Luther feels that the farmer is the best situated. In referring to the life of a farmer he quotes Vergil when he says: "'Exceedingly happy if they realized their blessings!'"<sup>10</sup> Even though there are many hardships, that occupation is seasoned with pleasure that can not be found in any other labor.

In his day many of the farmers were serfs. Not even this type of labor and social position are incompatible with the Christian way of life. He states: "Whoever says it is, is lying. Christian liberty frees souls, and Christ is the Founder of that spiritual liberty which one does not see. What is external God allows to pass; He is not greatly concerned about it."<sup>11</sup>

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<sup>8</sup>Ibid., XXII, 99.

<sup>9</sup>Plass, What Luther Says, III, 1323.

<sup>10</sup>Pelikan, Luther's Works, I, 212.

<sup>11</sup>Plass, What Luther Says, III, 1324.

Luther knew that there were social, political and economic reforms that needed to be dealt with, but in contrast to the peasants he felt that society would have to be changed from within and not by force.<sup>12</sup> In referring to Christian liberty in his works on Receiving Both Kinds in the Sacrament, he expresses these words. "So the rabble plunges in and tries in headstrong fashion to such freedom with their fists, not remembering that they are supposed to exercise faith and love. They remain as full as ever of greed, hatred, unchastity, wrath, swearing, and cursing. Let me say emphatically, I do not recognize such people as disciples of Christ. Christian people fight against the devil's work and teaching only with the Word. First they tear hearts and consciences from his grip, then everything else takes care of itself."<sup>13</sup> All the attempts of pious people to remedy the social structure by passing laws is to no avail if the root of the problem is not destroyed. "No matter how long one restrains, improves, and heals the outside, the stem, the root, and the source still remain on the inside. Above all, the source must be stopped up, and the root must be taken from the tree; otherwise you may stop up and restrain in one spot, only to find the evil breaking and rushing

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<sup>12</sup>Ibid., III, 1327.

<sup>13</sup>Pelikan, Luther's Works, XXXVI, 263.

out in ten others."<sup>14</sup> In Luther's mind it is a work of God in the heart of man that shall bring reform to the world.

The works of Luther with regard to government are quite extensive. He himself states: "...I have written in such glorification of temporal government as no teacher has done since the days of the apostles, except, perhaps, St. Augustine."<sup>15</sup> Luther again alludes to the fact that he has written extensively on government, and in a favorable manner toward it in his tract, Whether Soldiers, Too, Can Be Saved. "For I might boast here that, since the time of the Apostles, the temporal sword and temporal government have never been so clearly described or so highly praised as by me."<sup>16</sup>

Power as it relates to government, in Luther's mind, comes from and is ordained of God. In his marginal notes on Romans 13 he says, "'The powers that are, are ordered of God,' i. e., because there are powers, they are ordered as they are by God alone. It is the same as to say, 'There is no power but from God.' Therefore, whatever powers exist and flourish, exist and flourish because God has ordered them."<sup>17</sup> The importance he places on the rulers can

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<sup>14</sup>Ibid., XXIV, 342. See page 341 where the analogy begins.

<sup>15</sup>WML, V, 82.

<sup>16</sup>Ibid., V, 35.

<sup>17</sup>Pauck, Luther: Lectures on Romans, pp. 358-359.

be understood from his words when, he says, "Whoever resists them or is disobedient to them or despises them, who God names with His own name and calls 'gods,' and to whom He attaches His own honor-- whoever I say, despises, disobeys, or resists them is thereby despising, disobeying, and resisting the true Supreme God, who is in them, who speaks and judges through them, and calls their judgment His judgment."<sup>18</sup> The office of the government is the highest service of God and the most useful on earth next to preaching.<sup>19</sup>

Luther realizes that there are harsh rulers who do not always rule for the best interest of the people, but at the same time his eyes are opened to the fact that government is highly desirable and should be treasured. "In a word, after the Gospel or the ministry," according to his judgment, "there is on earth no better jewel, no greater treasure, nor richer alms, no fairer endowment, no finer possession than a ruler who makes and preserves just laws. Such men are rightly called gods."<sup>20</sup>

Government is necessary in order to keep the world from becoming worse than it already is and is a protection and check against the wicked. If it did not exist, people would go about devouring one

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<sup>18</sup>Pelikan, Luther's Works, XIII, 44.

<sup>19</sup>Ibid., XIII, 51.

<sup>20</sup>Pelikan, Luther's Works, XIII, 54.

another and nothing would be safe. Therefore, the sword has been instituted of God to keep everything from perishing.<sup>21</sup>

The cry has gone up that Luther was an authoritarian in matters concerning church and state. There is justification in this judgment, but there is evidence that Luther had democratic ideas as well. It is true that his spoken and written words were harsh during the Peasants' War, but between 1523 and 1525 he wrote and lectured on the book of Deuteronomy from which these thoughts are taken. "Here you see that the magistrates should be chosen by the votes of the people, as reason also demands.... For to thrust government upon a people against its will is dangerous or destructive."<sup>22</sup>

At the same time, however, Luther was afraid to give the people too much power lest it turn to mob rule. With the death of Elector Frederick the Wise, he preached a sermon on I Thess. 4: 13-18, wherein we find these words: "I wish herewith to have besought you that we thank God, confess our gratitude to Him, and pray for our government that the devil may not turn us into a mob. For if government were to be laid low in this way, we would have no peace. God does not want the common rabble (der gemeine Pöbel) to rule."<sup>23</sup>

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<sup>21</sup>Plass, What Luther Says, II, 578.

<sup>22</sup>Pelikan, Luther's Works, IX, 18.

<sup>23</sup>Plass, What Luther Says, II, 577.

Government is necessary to keep the mob in hand according to Luther. Yet, he feels if everyone were a Christian, there would be no need of secular government in the world. "Now observe," he says, "these people need no secular sword or law. And if all the world were composed of real Christians, that is, true believers, no prince, king, lord, sword or law would be needed. For what was the use of them, since Christians have in their hearts the Holy Spirit, who instructs them and causes them to wrong no one, ..."24

It is because of the pride of rulers that many states have come to destruction. "I am convinced," he says, "that monarchies would have endured much longer if the monarchs had omitted the one pronoun 'I,' that is, if they had not been proud in confidence placed in their own power and wisdom."25 It is because of this same pride that he lashes the princes and lords in his Admonition to Peace. He says to them: "...rulers are not instituted in order that they may seek their own profit and self-will, but in order to provide for the best interests of their subjects."26

Men must be educated in the law in order to become wise worldly rulers.<sup>27</sup> He would rather have a wise ruler who is not a

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<sup>24</sup>WML, III, 234.

<sup>25</sup>Plass, What Luther Says, II, 580.

<sup>26</sup>WML, IV, 224.

<sup>27</sup>Ibid., IV, 160.





follower of God than a saintly man who is not too intelligent. This view is set forth in his lectures on Deuteronomy 1:13-16 when he says: "The question has been properly raised whether a prince is better if he is good and imprudent or prudent yet also evil. Here Moses certainly demands both. Nevertheless, if one cannot have both it is better for him to be prudent and not good than good and not prudent; for the good man would actually rule nothing but would be ruled only by others, and at that only by the worst people."<sup>28</sup> The rulers are not to show favoritism with regard to their subjects. In referring to partiality in judgment he has this to say: "This is the highest and most difficult virtue of rulers, namely, justice and integrity of judgment. For it is easy to pronounce judgment on poor and common people; but to condemn the powerful, the wealthy, and the friendly, to disregard blood, honor, fear, favor, and gain, and simply to consider the issue--this is a divine virtue."<sup>29</sup>

Luther felt strongly that one ought not to rebel against the rulers of a state or empire. This applied not only to the peasants and common people, but he had equally strong convictions with regard to the lords and nobles. It was during the winter months of 1529 and 1530 that the governments of Saxony and Hesse were considering the question of

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<sup>28</sup>Pelikan, Luther's Works, IX, 19.

<sup>29</sup>Ibid., IX, 19.

whether it was right to resist the Emperor with force of arms because of his attempts to suppress Protestantism. Luther wrote to the Elector John of Saxony from Wittenberg on March 6, 1530. He states that he had inquired and taken counsel of his friends concerning the matter and finds "...that according to the imperial or civil laws certain people<sup>30</sup> might conclude it allowable in such a case to defend oneself against his Imperial Majesty, ... But according to Scripture, it is in no wise proper for anyone who would be a Christian to set himself against his government, whether it act justly or unjustly, but a Christian ought to endure oppressions and injustice, especially at the hands of his government."<sup>31</sup> Even though the Emperor had broken his oath not to attack any of his people by force, Luther contends that this does not destroy his imperial sovereignty or the obedience that is due him from his subjects as long as he is legally recognized by the empire and electors as the emperor.<sup>32</sup>

It is possible to see from our consideration of Luther's political thoughts that he felt strongly that government was necessary and instituted of God. One should give his allegiance to it no matter if it were wise or foolish, harsh or understanding. These are ideas that

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<sup>30</sup>The Saxon jurists had given this opinion.

<sup>31</sup>Smith, Luther's Correspondence, II, 519.

<sup>32</sup>Ibid., II, 519-520.



were consistently expounded upon by Luther over and over again. There are those who have said Luther betrayed the peasants in order to flatter the nobles. But he was as cutting in his criticism of their failure to provide justice and Christian rule for the country as he was in his denunciation of the peasants.

Luther dealt with these problems of his day not as a political scientist or economist, but as a theologian who was concerned with the ethical involvement of personal property and money. Luther found to his own satisfaction that men are justified by faith. To him faith was a dynamic force that could not allow or permit injustice in the world. It was, therefore, the responsibility of the Christian to consider and be concerned about corruption and abusive practices in the world of business and commerce.<sup>33</sup>

It was during the time that he wrote his treatises on usury that he rejected the medieval concept of a Beruf, or calling. He refused to acknowledge the idea of a unique or particular calling for the clergy that would elevate them far above the laity. To Luther every calling was of God. It was in his Long Sermon on Usury, preached in 1520, that he set forth for the first time his idea of the "priesthood of all believers," which was to do away with any special merit in the work of those appointed by the Roman Church.<sup>34</sup>

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<sup>33</sup>Schwiebert, Luther and His Times, p. 451.

<sup>34</sup>Ibid., p. 451.



To the rejection of a special priesthood was added the stigma of idleness and begging on the part of any within the community. Those who could work should do so, and those who were not able to support themselves should be taken care of by charity, but they should not beg.<sup>35</sup>

Luther did not only see in usury a means of getting excessive rates of interest on money that had been loaned, but rather the taking of unjust advantage of someone in relation to a specific situation. He did not condemn all usury, for there were instances when Luther would condone the practice. It was one thing to make a loan to a businessman who would make a profit on the loan after he had invested it, but at the same time it was a sin to charge any interest when making a loan to the poor. In one transaction it was possible to charge as much as five or six per cent interest while in the other case none was permitted. Judgment should vary according to the circumstances. All transactions should be entered upon in the spirit of Christian love, and the one who gives credit should consider the ability of the debtor to pay back the money that he borrowed.<sup>36</sup>

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<sup>35</sup>Roland H. Bainton, The Reformation of the Sixteenth Century (Boston, 1952), pp. 246-247.

<sup>36</sup>Schwiebert, Luther and His Times, p. 451.

## CHAPTER VII

### CONCLUSIONS

Luther never departed from the basic principles that he set forth in his early sermons and treatises on usury. He tried to be fair-minded when considering individual cases involving loans in the normal channels of business. Luther's willingness to be fair and to adjust to the individual circumstance can be seen in his sermon on Matthew 23:25 when he points out the fact that prices were higher at that particular time, therefore, a higher rate of interest could be charged.

Max Weber in his essay, The Protestant Ethic And The Spirit of Capitalism, presents Luther as a peasant's son who was extremely backward in relation to his ideas concerning trade and business. In more recent years Albert Hyma in his Renaissance to Reformation has capably analyzed both the views of Max Weber and Ernest Troeltsch and finds that they "...failed to study thoroughly the medieval mind."<sup>2</sup> Calvin is the man that is given credit for being instrumental in the rise of capitalism and modern business, but

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<sup>1</sup>Schwiebert, Luther and His Times, pp. 451-452.

<sup>2</sup>Hyma, Renaissance to Reformation, p. 94.

Hyma contends that Calvin was hesitant at times to answer questions concerning the lending of money on interest. Actually Luther wrote more on economic matters than Calvin, and if the writings of the two men were compared, they would be very similar in point of view. In fact, Luther's Treatise On Usury contains the germ of much that is found in such writings of Calvin as his commentaries on Psalm and on Ezekiel XVIII.<sup>3</sup> Hyma finds at least ten points of agreement between Luther's views in the years 1520, 1524, and 1525, and Calvin's ideas as they are set forth in his letter on usury, dated 1545: "First, the Mosaic law and all other passages in the Old Testament are intended for the Jews, and not necessarily for the gentiles. Secondly, no statement to be found anywhere in the Bible can be construed as condemning every form of lending money on interest. Thirdly, a Christian... is to be subject to the laws and regulations of the country or city in which he is residing. Fourthly, ...it is prohibited to charge interest of a poor person. Fifthly, one must constantly bear in mind the injunction of Christ not to do unto others what one does not want done to himself. Sixthly, the proper rate of interest is five per cent, but in special cases it is permissible to charge up to eight per cent. Seventhly, the ideal way is to loan money on security in the form of real estate. Eighthly, Aristotle's dictum, 'money is sterile,' is to

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<sup>3</sup>Ibid., pp. 450-452.





be interpreted to mean that money buried in a box is indeed sterile, and nobody would be so foolish as to pay interest on such money. Ninthly, it would be well if all manner of usury were abolished from the face of the earth, for the name usury has rightly earned for itself a very bad reputation. However, the word interest, newly introduced, describes a practice which has been generally accepted since the first of the fifteenth century. . . . Tenthly, the desire for personal gain must always remain subordinated to that Christian spirit of brotherly love which seeks to aid the poor and the outcasts, . . ."<sup>4</sup>

Luther's views concerning capitalism as we know it today were no doubt naive and simple, but Europe of his day was just beginning to emerge from the medieval guild system to what has been called the capitalistic type of production. Luther, no doubt, did not completely understand all the facets of business life during his own day, nor could he conceive of what was to come in the future. He did observe the fact, however, that in the case of the Fuggers, who are considered by some to be the first modern businessmen, that all too often the poor common man was not given a fair consideration because of high interest rates and foreclosures.<sup>5</sup> Luther could not only see that the conditions relating to the practice of lending money

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<sup>4</sup>Ibid., p. 455.

<sup>5</sup>Schwiebert, Luther and His Times, p. 452.

were adversely affecting many people of his day, but he had a good understanding of how businessmen of his day tried to manipulate the market in such a way as to create for a few people a monopoly of a given item -- a not-so-small problem confronting the government of the United States for many years.

That Luther was a conservative amid an agrarian economy that he loved can not be doubted.<sup>6</sup> However, for his day he was a progressive thinker and held some views concerning economics that are similar to those which were held by Thomas Jefferson in the eighteenth and nineteenth centuries and would not be incompatible with the ideas of some economists even in the day in which we live. For those who would cast his views aside as simple and unrealistic for a twentieth century business world, it might be well for them to reconsider the thoughts of this great man. Even if there be but rudimentary knowledge in his system of thought concerning economic questions, and it is essentially true as truth can be known to man, perhaps men of today could benefit by applying to their daily business and social lives the principles set forth by Martin Luther nearly four and one-half centuries ago.

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<sup>6</sup>Roland Bainton, The Reformation of the Sixteenth Century (Boston, 1952), p. 247.



## BIBLIOGRAPHICAL NOTE

### Primary Sources:

The major portion of this thesis is based upon the words and writings of Luther himself. One edition used was Works of Martin Luther, ed. Henry Eyster Jacobs, trans. J. J. Schindel, A. T. W. Steinhäuser, et. al., 6 vols. (Philadelphia, 1915), commonly known as the Philadelphia Edition. The small scope of this edition limits its use for research concerning many of Luther's thoughts; however, it was very valuable for this study as it contains his major writings of 1520 and 1524 dealing with the questions of trade and usury. This edition also contains his three major writings concerning the Peasants' War of 1525 which is dealt with in chapter five of this thesis.

Another valuable edition was Luther's Works, General eds. Jaroslav Pelikan and Helmut T. Lehmann, 55 vols. (St. Louis, 1955 - ). This edition was very helpful in that it contains many of Luther's lectures and writings on the Bible. However, during the time this thesis was being prepared only about 23 vols. of this work had been completed.

One of the most helpful works used in the writing of this paper was What Luther Says: An Anthology, ed. Ewald M. Plass,



3 vols. (Saint Louis, 1959). These vols. give a general knowledge of many of Luther's thoughts concerning specific subjects such as government, money, wealth and many more. These vols. are also helpful in that they direct the reader in finding materials in the original writings of Luther.

Preserved Smith and Charles M. Jacobs, trans. and eds., Luther's Correspondence and Other Contemporary Letters, 2 vols. (Philadelphia, 1913-1918) provides a good selection of Luther's letters. These vols. give valuable insight into Luther's ideas as he expressed them to individuals over a period of time. Another book that furnished information that could not be found in the preceding vols. was The Letters of Martin Luther, trans. Margaret A. Currie (London, 1908).

Wilhelm Pauck, ed. and trans., Luther: Lectures On Romans, The Library of Christian Classics, 26 vols. (Philadelphia, 1961) was an important source of information with regard to Luther's concept of power as it relates to government as it is found in Romans 13. Another volume of the same series was Luther: Letters of Spiritual Counsel, ed. and trans. Theodore G. Tappert, The Library of Christian Classics, 26 vols. (Philadelphia, 1961) which gives a limited view of Luther's ideas concerning trade during the year 1539.

The principal value of the Three Treatises, trans. W. A. Lambert, A. T. W. Steinhaeuser, et. al. (Saint Louis, 1943) for

this study was for the information used from Luther's "Treatise On Christian Liberty."

A very good source book that gives valuable information concerning the ideas on usury as they were expressed by the early church councils would be Disciplinary Decrees of the General Councils, trans. Rev. H. J. Schroeder (Saint Louis, 1937). Also the writings of St. Thomas Aquinas, The Summa Theologica, trans. Fathers of the English Dominican Province, 21 vols. (London, 1929) were used as a source of information concerning the attitude of the scholastics and canonists toward the use of money lent in the form of usury.

#### Secondary Sources:

The standard work for the period known as the Reformation is now Harold J. Grimm, The Reformation Era: 1500-1650 (New York, 1954). A well-written survey of the Reformation, which is pitched at the level of the educated layman in style and vocabulary, will be found in The Reformation of the Sixteenth Century, Roland H. Bainton (Boston, 1952). Two other authors used for general source material were Thomas M. Lindsay, A History of the Reformation, 2 vols. (New York, 1907) and Henry S. Lucas, The Renaissance and the Reformation (New York, 1934).

Ernest G. Schwiebert, Luther and His Times: The Reformation from a New Perspective (Saint Louis, 1950) is one of the best





biographies of Luther now available. It comprehensively covers all aspects of Luther's life and the action of the Reformation. Less comprehensive in its scope, but a well-written and interesting account of Luther as the leader of the Reformation movement, is Roland H. Bainton, Here I Stand: A Life of Martin Luther (New York, 1950). Another of the standard works on the life of Luther is Preserved Smith, The Life and Letters of Martin Luther (Boston, 1911) although he is not as sympathetic in his treatment of Luther at times as Schwiebert and Bainton. Two authors who would probably be rated as secondary authors compared to the three previous ones would be Peter Bayne, Martin Luther: His Life and Work, 2 vols. (London, 1887) and R. Pascal, The Social Basis of the German Reformation: Martin Luther and His Times (London, 1933).

An excellent treatment and review of the rise of the social, political and economic developments in the medieval and Reformation periods would be Albert Hyma, Renaissance to Reformation (Grand Rapids, 1951). Albert Hyma, Luther's Theological Development From Erfurt to Augsburg (New York, 1928) was also used in relation to Luther's thoughts on usury. R. H. Tawney, Religion and the Rise of Capitalism (New York, 1926) is a study of the development of religious thought in relation to social and economic questions — a book that would probably be favorable to that individual who would tend to frown upon free enterprise as an economic



system. Douglas Carter and M. Childs, Ethics in a Business Society (New York, 1954) and George Soule, Ideas of the Great Economists (New York, 1952) are each books that give a good general survey of prevailing economic thoughts during the Medieval and Reformation periods of history. Two other books which the author consulted which consider economic problems during the period before and during the Reformation, but were of relatively minor importance to this thesis, are Richard Ehrenberg, Capital and Finance in the Age of the Renaissance, trans. H. M. Lucas (New York, N. D.) and Benjamin N. Nelson, The Idea of Usury: From Tribal Brotherhood to Universal Otherhood (Princeton, 1949). A good concise picture of the attitude of the early Church toward usury can be found in James Hastings, ed., The Encyclopedia of Religion and Ethics, 12 vols. (New York, 1908-1927) and in Philip Schaff, History of the Christian Church, 7 vols. (New York, 1907).



