



# Luther on Lending: A Pastoral Response Regarding the Subject of Usury

HANS WIERSMA

**W**ith headlines announcing bank failures, government bailouts, foreclosure epidemics, pension depletions, economic meltdowns, and so on, the contemporary preacher seems to have few options. Proclaim a general lament about the sad state of affairs—without naming names or pointing fingers—or ignore “The Economy” altogether. A third option—declaring the culpability of capitalism or of the financial industrial complex and calling for resistance and reform—is an option that might appeal to the more radical preacher. However, such a preacher runs the risk of hypocrisy, especially if she is holding a thirty-year note at 5 percent and receiving pension fund contributions.

Present-day Western Christians may not struggle overmuch with the concept of a home mortgage or a line of credit. Lending and borrowing at interest is an activity commonly accepted among today’s Christians. Congregations routinely take out loans in order to finance their building projects. It would be a rare Christian (or congregation), indeed, who, once the terms of a loan had been accepted, would then consider it a Christian obligation to refrain from making interest payments.

*Martin Luther clearly understood the charging of interest to be unchristian. At the same time, he responded to the issue in a pastoral way, keenly aware of the economic burdens and challenges experienced by Christians who lived in a world where most people did not lend as Jesus would have them lend—expecting nothing in return.*

Rarer still would be the pastor who exhorts his flock to buck their financial responsibilities in this way. Certainly, such a pastor would draw the (immediate) attention of the local financial, civil, and ecclesiastical authorities.

Imagine, then, the following scene: a pastor takes the pulpit one morning and begins to hold forth on the subject of monetary loans. The pastor proclaims that charging interest on a loan is not only unchristian but is also, in fact, a mortal sin. The pastor further explains that *paying* interest is similarly unchristian and sinful. Finally, the pastor exhorts those who wish to avoid the stain of such sin to discontinue interest payments on all existing loans. Imagine the response to such a sermon.

In fact, such sermons were preached—and responded to—in 1523 in the town of Eisenach, Germany. The 1523 *Wucherstreit* (“usury controversy”) offers a superior example of Martin Luther acting as an economic ethicist, political consultant, ecclesiastical overseer, and—perhaps most importantly—biblical interpreter and pastoral admonisher. The controversy also offers a case study for modern pastors wondering how to address matters related to the way in which church members participate in economies that are, in part, dependent upon the voluntary acquirement of debt. At the very least, this early sixteenth-century controversy regarding usury offers a useful perspective (and perhaps even some sermon material) for pastors focusing on topics such as financial stewardship and economic justice.

### THE USURY CONTROVERSY OF 1523

In 1523, in a pamphlet published in Erfurt, Germany, but also as far south as Strasbourg, these words appeared:

Usury, is by its nature—as something contrary to neighborly love and the prohibition of God—a serious and obvious mortal sin. All who allow mortal sin, as well as those who provide help, defense or protection for mortal sin, are themselves deserving of death....Taking and paying interest is clearly against the Gospel of Jesus Christ.<sup>1</sup>

One can imagine the threat such words may have posed to an economic order that had become increasingly tolerant of usury.<sup>2</sup> One can also imagine the response re-

<sup>1</sup>Jacob Strauss, *Hauptstück vnnnd Artickel Christlicher leer wider den vnchristlichen wucher / darub etlich pffaffen zu Eysnach so gar vnruwig vnd bemuet seind* (Strassburg: Johann Schwan, 1523) Theses 6, 7, and 24. (Translation of title: *Central Concerns and Articles of Christian Doctrine against Unchristian Usury about which Several Priests at Eisenach Are Quite Anxious and Troubled*.) Unless otherwise noted, all translations in this essay are mine. Strauss’s fifty-one articles against usury are usefully summarized in Hermann Barge, *Jakob Strauss: Ein Kämpfer für das Evangelium in Tirol, Thüringen und Süddeutschland* (Leipzig: Heinsius Nachfolger, 1937) 65–67.

<sup>2</sup>For a useful overview of the arguments concerning usury in the sixteenth century, including selections from writings by Luther and Melancthon, see Eric Kerridge, *Usury, Interest, and the Reformation* (Burlington, VT: Ashgate, 2002). Here also a word about translation: the German word *Wucher* is best translated as “usury,” although in some instances the translation “interest” is suitable. However, the word *Zinß* (used in Strauss’s pamphlet) and the word *Interesse* (used in Luther’s letter to Chancellor Brück) more directly refer to the interest or finance charge attached to a loan. Therefore, *Zinßkauf* (“the interest trade”) included the practice of *Wucher* (usury) but also included other, less-frowned-upon loan-making practices. The confusion of terms is clarified somewhat by Kerridge via his investigation of the understandings and legalities of moneylending practices in Luther’s day.

ceived by the author of those words, one Jacob Strauss, evangelical pastor and preacher to the church in Eisenach.

In the autumn of 1523, Strauss's pamphlet—and the stir it had caused—had come to the attention of the chancellor of Electoral Saxony, Gregor Brück.<sup>3</sup> In turn, Brück wrote a letter to Wittenberg seeking Luther's opinion and advice concerning Strauss and his publication. Prior to 1523, Luther had addressed, in a general way, the subject of usury in two published sermons.<sup>4</sup> The text of Brück's letter to Luther implies that the chancellor was familiar with Luther's opinions regarding usury.

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***Strauss: "Usury, is by its nature—as something contrary to neighborly love and the prohibition of God—a serious and obvious mortal sin."***

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On October 18, 1523, Luther wrote two letters, one to Chancellor Brück, the other to Jacob Strauss. In the response to Brück, Luther wrote: "We have read over the pamphlet by Strauss, and will here make known to you our opinion of it."<sup>5</sup> Luther then continued, relating to Brück his strong criticisms of Strauss and Strauss's theses regarding usury.

In contrast to the formal, official tone of Luther's letter to Chancellor Brück, the letter written to Strauss begins with words of familiarity and good cheer:

Grace and peace in Christ, my honorable Jacob! I hear and believe and rejoice that the gospel is being taught by you. And I also congratulate you, because you condemn the extra charge on loans, just as I have condemned it.<sup>6</sup>

Here, especially when one is aware of the deep disapproval of Strauss conveyed in the letter to Brück, it is clear that Luther chose the diplomatic and pastoral approach in his letter to Strauss.<sup>7</sup> Nevertheless, Luther quickly arrived at the point of contention between himself and the preacher in Eisenach:

<sup>3</sup>Brück was a strong supporter of Luther and instrumental in the drafting of the *Augsburg Confession*, as well as a key figure in the negotiations that resulted in its reading before Charles V.

<sup>4</sup>*Kleiner Sermon vom Wucher* and *Länger Sermon vom Wucher* (*Short and Long Sermons on Usury*), in *D. Martin Luthers Werke: Kritische Gesamtausgabe*, 60 vols. (Weimar: Hermann Böhlau Nachfolger, 1883–1980) (hereafter WA) 6:3–60. Shortly after the 1523 usury controversy, Luther would publish his most complete treatment of the subject in *Von Kauffshandlung und Wucher*, WA 15:293–322 = *On Trade and Usury*, in *Luther's Works*, 55 vols., ed. Jaroslav Pelikan and Helmut Lehmann (Philadelphia and St. Louis: Fortress and Concordia, 1955–1986) (hereafter LW) 45:235–310. (The 1520 *Long Sermon on Usury* was included as part of *On Trade and Usury*.) Luther remained critical of certain financial abuses throughout his lifetime; in 1540 he published *An die Pfarrherrn wider den Wucher* (*Admonition to the Clergy to Preach against Usury*), WA 51:321–353.

<sup>5</sup>WA, Br 3:176. Luther to Gregor Brück, October 18, 1523: "Wir haben das Büchlein Doctor Strauß uberlesen und geben Euch darauf unser Meinung zu erkennen." Compare my translation to the one rendered in LW 49: "I have read through the booklet by Doctor Strauss, and [want to] inform you now what my opinion of it is" (p. 52). Inexplicably, the American edition translates the first person plural in the original text as the first person singular in English. Such a translation has the effect of precluding the possibility, which later events themselves suggest, that Melancthon, or some other Wittenberger, read the pamphlet with Luther and provided counsel for the responses to Brück and Strauss.

<sup>6</sup>WA, Br 3:178–179. Luther to Jacob Strauss, October 18, 1523.

<sup>7</sup>Luther and Strauss were no strangers. In 1522, Strauss arrived in Wittenberg to live and to study, after being

It is also true that you add one thing: that you command those who owe not to pay, and when they do, you judge them as usurers, since in paying the unlawful charge, they are at the same time giving consent to the usurer. Yet this is neither in the gospel, nor have we ever taught this. For from such reasoning it follows that when their shirt is taken or their cheek struck, they should not also add their coat or bear the injury. Yet we agree with the gospel, where, having been informed that something is unlawful, it is not left in the hands of the masses to take up and abolish the matter. For this is the work of the princes who bear the sword.<sup>8</sup>

These words underscore the sharp difference between Luther's teaching regarding usury and that of Strauss. This difference can be summarized as follows: in his pamphlet against usury, Strauss interpreted the prohibitions recorded in Deut 15 and Luke 6 as binding upon all of those who violated them.<sup>9</sup> By contrast, Luther interpreted Jesus' teaching about lending in light of the teaching that appears just before it in the Gospel, namely, that we turn the other cheek (Luke 6:29–30).

Despite his direct rebuke of Strauss, Luther reserved his harshest criticism of Strauss for the letter written to Brück. Whereas in the letter to Strauss, Luther limited his words to the main point of contention, in the letter to Brück, Luther made known his true opinion of Strauss and his message. In the course of the letter to Brück, Luther accused Strauss of not dealing adequately with the problem of usury, of using false sophistication to flatter his audience, and, most dangerous of all, of inciting the people to take justice into their own hands. In keeping with his pastoral approach, Luther, in the letter to Strauss, refrained from making such accusations directly. But in the letter to Brück, Luther was blunt: "It is necessary, that if [Strauss] has preached such things, as it appears he has, that my gracious lords constrain him to preach those things back out of the people."<sup>10</sup>

## RESOLVING THE CONTROVERSY

Luther's initial correspondence did not resolve the matter, however. That is, the controversy involving Strauss did not end with the two letters dated October 18, 1523. Rather, two sentences from Luther at the end of the letter to Strauss hint

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removed by Roman church authorities from his post in the Tyrolean village of Hall. Strauss had been dismissed from the Tyrol because of his sermons and pamphlets decrying the treatment of local miners. Strauss was appointed to be the preacher in Eisenach in 1523. In the summer of that year, Strauss published his pamphlet against usury (see note 1, above). The pamphlet was circulated not only in Thuringia, but throughout Germany. Five versions of the pamphlet, from publishers in five different cities, are extant. The local clergy—at whom the second part of the pamphlet's title is aimed—complained to the local authorities, who referred the matter to Chancellor Brück, who in turn referred the matter to Wittenberg. For these and almost all other available details of Strauss's life and career, see Barge's biography noted in note 1, above. Another biographical source is Joachim Rogge, *Der Beitrag des Predigers Jakob Strauss zur frühen Reformationsgeschichte* (Berlin: Evangelische Verlag, 1957).

<sup>8</sup>WA, Br 3:179.

<sup>9</sup>Deuteronomy 15:7–8: "If there is among you anyone in need, a member of your community in any of your towns within the land that the LORD your God is giving you, do not be hard-hearted or tight-fisted toward your needy neighbor. You should rather open your hand, willingly lending enough to meet the need, whatever it may be." Luke 6:34–35: "If you lend to those from whom you hope to receive, what credit is that to you? Even sinners lend to sinners, to receive as much again. But love your enemies, do good, and lend, expecting nothing in return."

<sup>10</sup>WA, Br 3:176–177.

at the manner in which the situation would ultimately be resolved. After informing Strauss of his opinion that a debtor could, in Christian freedom/servitude, bear the terms of a loan, Luther wrote, “I wish you to be prudent in this way.” And then, “If you are not thus prudent, it will be necessary for us to be prudent against you.”<sup>11</sup> Noteworthy at this point is that Luther did not threaten to report Strauss to the civil authorities or to have him defrocked or excommunicated from the evangelical fellowship. Instead, Luther merely warned that Strauss’s opinion, if he persisted therein, would be countered. Note the extent of Luther’s oversight in this instance: a promise to speak *against* Strauss if the speaking *to* Strauss went unheeded.

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Despite Luther’s threat, the controversy in Eisenach continued through the winter of 1523–1524. Whether Strauss responded to Luther in writing is unknown. What is known is that Strauss did not immediately retract his teaching, including the teaching that debtors needed to cease repayment so as to avoid further sin. The *Wucherstreit* in Eisenach continued unresolved as city council members heard mounting complaints from lenders that they were not being paid the interest charges due them.

In April 1524, Melanchthon, in the course of an extended period of travel, made a personal visit to Eisenach in order to speak with Strauss. Melanchthon summarized the conversation in a letter to Luther.<sup>12</sup> In the end, Melanchthon was able to prevail upon Strauss to concede what Luther had argued six months earlier: that, for the sake of temporal order, a Christian should bear the injustice of the usurer’s terms, while the authorities addressed the actual injustice.

In a letter dated April 25, 1524, Luther followed up Melanchthon’s visit with a letter to Strauss, commending Strauss for his prudence, though reiterating his (Luther’s) main concern, namely, that “the common people misuse the gospel, and don’t allow themselves to be directed by it; therefore, all those who would turn the gospel to suit the will of the flesh must become subject to the law.”<sup>13</sup> It should be noted, however, that after Strauss was prevailed upon to see things Wittenberg’s way, things did not revert to business as usual in Eisenach. In the end, thanks in great part to the awareness created by Strauss, the authorities did indeed address the matter of inequitable lending practices in Eisenach so that, by the summer of 1524, the law in Thüringen had established a 5 percent fixed interest rate on all loans—as compared to 8 percent to 21 percent rates elsewhere in Germany at the time.<sup>14</sup>

<sup>11</sup>WA, Br 3:179.

<sup>12</sup>WA, Br 3:276–277.

<sup>13</sup>WA, Br 3:278, translated from Barge’s rendering of the original text (*Strauss*, 88).

<sup>14</sup>Barge, *Strauss*, 81.

After Strauss was pacified, it seems he remained in the good graces of Wittenberg and of his local prince. In 1525, he was even invited to help conduct visitations of congregations around Thüringen.<sup>15</sup> After 1527, nothing more appears to have been recorded about Strauss until 1532, when his death was verified.<sup>16</sup> In terms of contemporary reports, Strauss's contribution appears to have been quickly forgotten and of little consequence. And yet, in 1541, in *An Appeal for Prayer against the Turks*, Luther wrote:

When I spoke out against those "holy bankers," they laughed at me and said, "That Luther does not understand the business of lending money. Let him stick to reading his Matthew and the Psalter." All right, you cursed money-lenders! There is not the least question in my mind that I am a minister of Jesus Christ and my word is God's word. And either the Turk or some other instrument of God's wrath will teach you that Luther understood well enough what the money lending business is all about. I'll wager you a full florin on that.<sup>17</sup>

Perhaps Strauss had had some influence after all.

#### LUTHER ON LENDING

While it is true that the 1523 letter to Brück is concerned mainly with disciplinary matters relating to Strauss, Luther also used the correspondence to provide commentary regarding an issue that the Reformer had addressed previously and would address again in the future: the general state of economic affairs and the lending trade, in particular. For Luther, the advice to bridle Strauss was only of secondary value. For Luther, the main problem was not Strauss, but the practice of usury itself:

In the first place, it is certainly true that the interest trade, as it has been particularly practiced up to now, is unchristian. Second, it is quite improbable that it would ever be entirely legislated and brought into good use, since the whole world is greedy and always seeking after the self. The single, best and only way to solve it is its eradication, and it would be a noble, Christian work if the princes and lords would work together to abolish it.<sup>18</sup>

With these words, Luther simply echoed an opinion he had held for some time. Four years earlier, in the autumn of 1519, Luther published a *Short Sermon on Usury* and, a few months later, in early 1520, a *Long Sermon on Usury* became available to the public. Since canon law at the time clearly prohibited usury, many ques-

<sup>15</sup>Ibid., 93–99. Strauss's inclusion in the visitations suggests that, despite his initial stance in the usury controversy, he was eventually included into the evangelical reform's mainstream. Strauss opposed civil uprising and the use of violence to rectify injustices and preached accordingly in 1525 with the advent of the Peasant War. In fact, in 1525, Strauss apparently was found to be third on a list of candidates—behind Luther and Melanchthon—to mediate the dispute between rebelling peasants and their lords (ibid., 100–113). It seems clear that under the pastoral counsel of Luther and Melanchthon, Strauss's "passion for economic justice" was tempered, in the long run, by evangelical principle and clear thinking.

<sup>16</sup>Ibid., 163.

<sup>17</sup>LW 46:221.

<sup>18</sup>LW 46:176..

tionable financial practices had been devised to circumvent the letter of the law. In the sermons on usury, Luther attempted to demonstrate that some of the existing economic practices were violating the spirit of the law, and to expose such practices as usury.<sup>19</sup> In the *Long Sermon*, Luther asserted that there are only three ways in which a Christian may transfer temporal goods: “giving them away, lending them without charge, and calmly letting them go when they are taken by force.”<sup>20</sup> It is in regard to this third point—letting temporal goods go when they are taken by force—that Luther made his case against Strauss.

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For Luther, the charging of interest was clearly unchristian. Even as late as 1540, Luther would write: “The one who lends and takes something more or better in return is a usurer and sins against God.”<sup>21</sup> Luther understood, however, that when a Christian is confronted with or becomes victim of an unchristian act—be it a stolen coat, a slapped cheek, or an interest-laden loan (!)—the Christian is bound to bear the injustice for the sake of the gospel. In this way, to use the principle delineated in *On Christian Freedom* (1520), the Christian remains “a perfectly dutiful servant, subject to all.”<sup>22</sup> As for righting the wrong and executing justice, such matters were to be appealed to and left in the hands of the proper governing authorities. Furthermore, if the borrower and lender were found to be on good terms with each other, and there was no involuntary coercion, then a loan arrangement that included interest was allowable.

Despite the difference with Strauss concerning the means by which the injustices caused by usury were to be overcome, it is clear that the two were united in the opinion that usury, as it was commonly practiced, was sinful and needed to be abolished. In this way, the Strauss controversy, which continued well into 1524, helped contribute to the writing and publication of *On Trade and Usury* in the late summer of 1524. Luther had other reasons for writing as well—an increase in foreign trade, the failure of antimonopoly legislation earlier that year, the request of friends—but the decision to append a slightly revised version of the *Long Sermon*

<sup>19</sup>A few years before Luther’s sermons on usury, none other than Johann Eck, in 1515, responding to the growing lending trade, had drawn up and defended a set of theses arguing for a fixed rate of 5 percent. For this and other helpful background on the economic milieu and financing practices of the early sixteenth century, see the editorial material preceding *On Trade and Usury* (LW 45:233–242).

<sup>20</sup>LW 45:295.

<sup>21</sup>WA 51:340. The quotation is from *An die Pfarrherrn, wider den Wucher zu predigen, Vermahnung*. Earlier, in the lectures on Genesis, Luther called usury “a sin of Sodom” (LW 3:249). Though many might still consider high interest rates a violation, Luther did not explain the allusion.

<sup>22</sup>LW 31:344.

on *Usury* of 1520 was certainly motivated, at least in part, by the controversy with Strauss.<sup>23</sup>

How well Luther actually understood the technicalities of trade and usury, not to mention banks and capital, is open to debate. He was, after all, a Bible scholar and not an economist. However, Luther's words from *An Appeal to Pray against the Turks* (quoted above) seem to suggest that Luther, even toward the end of his life, and despite concessions made toward the fixing of a low interest rate, considered usury to be one of the greater plagues afflicting his country and countrymen. In this regard, Luther appeared certain that if the authorities were no longer able to exact economic justice, God would. Alas, the determination of whether or not "the Turk or some other instrument of God's wrath" ever proved Luther right in regard to the moneylenders of his day is beyond the scope of this essay.

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Whatever the answer, it is clear that Luther was keenly aware of the economic burdens, tensions, and challenges experienced by Christians who lived in a world where most people did not lend as Jesus would have had them lend—expecting nothing in return. This is especially clear from the ethical thought he exhibited toward resolving the controversy involving Jacob Strauss. On the one hand, Luther sought liberty for those whose conscience might be afflicted because of Strauss's too narrow interpretation of Deut 15 and Luke 6. On the other hand, Luther desired that the weight of the law be made to bear down upon those who might use liberty to their own ends, rather than for the sake of the gospel, for love of neighbor, and for good order.

Hand in hand with the ethical thought displayed in the Strauss affair is the manner in which Luther himself—and Melanchthon with him—handled the misguided pastor in Eisenach. There was no disciplinary committee in place, no church council, no local church order (at the time, at least) to guide the congregation or the local or territorial authorities in what to do. Instead, Luther—as well as Melanchthon—believed that a good talking to was all that was needed in the matter. And in this way, with forceful, yet pastoral words, Strauss was "disciplined." Had Strauss persisted, and had he thrown the lending trade in Thüringen into even further chaos, there is no way to say for sure what Wittenberg's next step would have been—or if a next step would have been taken. Nevertheless, Luther's initial

<sup>23</sup>For more on the conditions that (may have) motivated Luther to write against usury, see the introductory material for *On Trade and Usury*, LW 45:231–243.

words indicate that Luther was confident in the strength of the words alone: “If you are not prudent, it will be necessary for us to be prudent against you.” In other words, where the evangelical treatment of issues involving borrowing and lending is concerned, prudence counts for something—then as now. ⊕

*HANS WIERSMA is assistant professor of religion at Augsburg College, Minneapolis, Minnesota.*