

Luther on a Market Economy

by CARTER LINDBERG

“**B**ig thieves hang little thieves,”¹ one of Martin Luther’s favorite sayings, is but one of many notable quotations useful to describe what Thomas Piketty calls capitalism in the twenty-first century.² Another great sermon starter is “The world is one big whorehouse, completely submerged in greed.”³ As you know, Luther, like his mentor, St. Paul, was a master of frank speech. Yet, until recently, the received tradition has regarded Luther’s *bon mots* and rants about the early profit economy as “socially unfruitful” at best. Indeed some of the traditional critiques viewed Luther not only as ill-informed on the economic issues of his time, but also as an economic reactionary captive to Aristotelian and scholastic definitions of usury.⁴

The critique of Luther’s social “quietism” and hence the charge of economic irrelevance is linked with the studies of Richard Tawney, Ernst Troeltsch, and Reinhold Niebuhr, among others. Tawney dismissed Luther’s understanding of economics by comparing him to a savage confronted by a steam engine. “He is too frightened and angry even to feel curiosity. . . . [H]e can only repeat that there is a devil in it, and that good Christians will not meddle with the mystery of iniquity.”⁵ More recently, the Reformation historian Heinz Schilling asserted: “In his nearly monomaniacal concentration upon the cardinal problem of the individual personal gaining of grace, Luther worked continually throughout his life on the inner, religious kernel of the Reformation. He left the organization of the world . . . to others.”⁶ Thus continues the charge of Karl Barth and his followers that Luther and Lutheranism are responsible for the unquestioning acceptance of the so-called “autonomous laws” of economics and politics with their consequent evils up to our time.⁷

On the contrary! Luther was no stranger to economic issues. As his father rose in the mining industry and experienced its entrepreneurial hazards, the family was part of the early modern transition from an agricultural economy to that of early capitalism. Luther’s

educational contexts acquainted him with wealthy families.⁸ His studies of Biel familiarized him with the revision of monetary theory by the *via moderna*.⁹ One of Luther's closest life-long friends was the Wittenberg artist Lucas Cranach, a business man of the first order. Cranach was one the town's richest citizens and "its leading real estate developer and property owner. For quite a few years, he also owned the city's only publishing house and full-service pharmacy, which operated out of his mansion on Market Square."¹⁰ Luther himself was a major factor in Wittenberg's economic transformation into a boom town as he spurred both the printing industry and the rapid expansion of the University. The book business created jobs for binders, sellers, travelling merchants, and paper manufacturers. The influx of students benefitted innkeepers, landlords, and tradesmen. The consequent construction remains visible around the Market Square.¹¹ All this no doubt made up for the loss of income incurred by the new theology when the relic and candle market took a severe hit.¹²

As a friar, however, Luther should not be a paradigm for your teenage kids—he notes that he rarely made his bed and the dog ate some of his papers.¹³ Fortunately the Elector provided the money for Luther's doctoral promotion as well as occasionally providing funds to replace Luther's ragged monastic habit. Hence Luther was grateful that after marriage his beloved Katie strove to make order out of chaos and became the family "finance minister." Over time, Katie greatly increased the family's wealth through real estate purchases and using rooms in their large cloister home for student rentals. By the time of his death, Luther was one of the wealthiest persons in Wittenberg.¹⁴ At the same time, Luther's willingness to give freely to whomever asked led to certain tensions with his wife.¹⁵ As a friar Luther had extensive financial experience. Elected prior and district vicar of the Augustinians in 1515, he was responsible for eleven cloisters in Thuringia and Meissen. His extensive economic and commercial correspondence in this regard required at least two constant secretaries.¹⁶ With this responsibility as well as in his own monastic community, he could see that in spite of the canonical prohibition of usury, the church thrived as a rentier corporation receiving money from its investments in property as

well as from being the sole purveyor of salvation with its “account books of the beyond.”¹⁷ The medieval church had become quite clever in wedding the market economy to the economy of salvation and exploiting a mercantile logic for the purchase of paradise.¹⁸ The 1530 broadsheet, “The Minter’s Reply” continues this theme. “The pontiff is likened to a sly merchant who exchanges tainted wares for good money; he has commodified spirituality by selling indulgences, dispensations, offices, and ultimately, salvation itself.”¹⁹ The church became the marketplace for spiritual wares.²⁰

Indeed, the Latin name for Rome, “Roma,” became an acrostic for “avarice is the root of all evils” (*Radix Omnium Malorum Avaritia*). Thus Luther’s critique of the sale of indulgences was also a critique of “the amalgamation of the medieval church with the spirit of capitalism, i.e., an improper mix of religious and financial or commercial affairs.”²¹ The specific occasion for the “Ninety-five Theses” was Albrecht of Brandenburg’s financing the purchase of his ecclesiastical offices through the selling of indulgences. The indulgence instructions included graduated payments: twenty-five gulden for kings and queens on down to one gulden for artisans. With the famous verse, “As soon as the coin in the coffer rings, the soul from purgatory springs,” Tetzels routine would have been the envy of Madison Avenue.²² Hence Luther asked: “What is this new piety of God and the pope that for a consideration of money they permit a man who is impious and their enemy to buy out of purgatory the pious soul of a friend of God and do not rather, because of the need of that pious and beloved soul, free it for pure love’s sake?”²³ Conjoined with the theory of indulgences, the doctrine of purgatory became the threshold for the medieval church’s “endorsement” of capitalism, for now the usurer condemned by canon law could have his cake and eat it too.²⁴

In contrast, Luther proclaimed in theses 42–51 that “Christians are to be taught” that it is better to give to the poor and lend to the needy than to buy indulgences. It should be noted, however, that Luther was not in favor of poverty whether voluntary or not. “Poverty, I say, is not to be recommended, chosen, or taught; for there is always enough of that by itself, as He says (John 12:8): ‘The poor you always have with you,’ just as you will have all other evils.

But constant care should be taken that, since these evils are always in evidence, they are always opposed.”²⁵ Property and money are God’s good gifts to be shared with the neighbor. Persons are “born for work” “as birds are to fly.”²⁶ Thus economic activity is a natural necessity and positively valued by Luther. The issue for Luther is avarice;²⁷ “If silver and gold are things evil in themselves, then those who keep away from them deserve to be praised. But if they are good creatures of God, which we can use both for the needs of our neighbor and for the glory of God, is not a person silly, yes, even unthankful to God, if he refrains from them as though they were evil?”²⁸ Thus Luther sees St. Francis as “naïve” and “foolish,” and the mendicant embrace of poverty and begging as both against the gospel and a financial drain on society.²⁹ In fact, the mendicant friars served as intermediaries between the wealthy and the poor, providing the rich with justification for their wealth through charity to the poor without in any way challenging the social structures that benefitted the wealthy. The Franciscan “market-place vocabulary” advised the rich to invest in the poor by giving alms to the friars in order to reap incomparable returns in heaven.³⁰

In contrast to medieval mendicant movements, Luther emphasized with reference to Deuteronomy 15:4 that there should be no poor among Christians. Hence Luther and his Wittenberg colleagues proceeded to establish social welfare programs.³¹ “Luther was concerned to develop prophylactic as well as remedial social assistance. ‘For so to help a man that he does not need to become a beggar is just as much of a good work and a virtue as to give alms to a man who has already become a beggar.’”³²

In this regard Luther consistently urged the prohibition of begging, from his 1520 tract to the German nobility through his many contributions to the development of social welfare in the church ordinances to his “Preface” to the *Liber Vagatorum*, a tract exposing beggars’ tricks.³³ Luther’s efforts to abolish begging were rooted in his theology and directed against the mendicant “do ut des” ideology stemming from ancient Roman religion. “Do ut des”—“I give that you might give” expresses the reciprocity between a person and the gods. When I sacrifice to the gods, I expect a return of some value. “[T]his contractual thinking could strengthen mercantile dealings

with God and the next life according to the logic of an exchange of goods, that is, to an economization of the relation to God that without a doubt was not far from the commercial religiosity of the fourteenth and fifteenth centuries.”³⁴ This “mercantilist logic” was incorporated in early Christianity by the verses from Tobit and Ecclesiasticus that stated almsgiving atones for sins.³⁵ The mendicant orders, especially the Franciscans, raised this to a fine art that provided atonement to the donor and support to the friars. (In this sense I think we should revise the famous thesis of Max Weber to become “The *Roman Catholic* Ethic and the Spirit of Capitalism.”)

Luther certainly was not opposed to giving to the needy, but he was vehemently opposed to a theology based upon any sort of “do ut des” relationship. Salvation is by grace alone apart from works, no strings attached; salvation is received not achieved. In contrast, both medieval theology and the rise of the profit economy were based on achievement-oriented meritocracy, the old Aristotelian drive from vice to virtue. This is particularly pernicious in America, for, as Piketty notes: “Modern meritocratic society, especially in the United States, is much harder on the losers, because it seeks to justify domination on the grounds of justice, virtue, and merit, to say nothing of the insufficient productivity of those at the bottom.”³⁶

Luther’s attack on works-righteousness was equally an attack on the early profit economy. Both reveal the drive to secure one’s existence, and as such express the counterfeit gospel that a person’s worth depends upon achievement. To Luther, the good news is that human worth is independent of success whether measured in terms of good works or acquisition of the world. The capitalist drive to acquire the world is the same “coin” as salvation by works. By striving to acquire the world, trust is placed in self-achievement rather than God. Meanwhile the neighbor is neglected.

Luther saw the drive to acquire wealth as not just an expression of greed, but also an expression of idolatry. In his explanation of the First Commandment in the Large Catechism, Luther states: “Anything on which your heart relies and depends . . . is really your God.” “There are some who think that they have God and everything they need when they have money and property; they trust in

them and boast of them so stubbornly and securely that they care for no one else. They, too, have a god—mammon by name, that is money and property—on which they set their whole heart.”³⁷ That is why his life-long criticism of early capitalism permeates all his writings not just specific tracts such as “Trade and Usury.” Luther’s point is especially relevant today because capitalism is no longer an aspect of society but “comprehensively determines social reality.”³⁸ Paul Tillich named the unbounded markets of contemporary capitalism an occurrence of the demonic because the finite claims to be the infinite.³⁹ The “economization of religion” in Luther’s context has become the “religionizing of the economy” in ours. The ethical expression of his theological critique led to his calls for government regulation of business and banking, and contributed to social welfare legislation. A list of some of his writings shows his engagement with the burning financial and welfare issues of his day. “The Blessed Sacrament of the Holy and True Body of Christ, and the Brotherhoods,” written in German “for the laity,” related worship and social welfare. Published in 1519 with a Latin translation in 1524, this tract went through fourteen editions in German by 1525.⁴⁰ Luther attacked profiteering in the “Short Sermon on Usury” (1519) appearing in three editions, and the “Long Sermon on Usury” (1520) both of which were incorporated into his major attack on early capitalism in “Trade and Usury” (1524) that appeared in seven editions.⁴¹ The significance of Luther’s writing in German “for the laity” may not be overestimated for it was a means to de-mystify religious, political, and economic systems that controlled people.⁴² In 1523, in response to the request of the Leisnig town council, Luther wrote the preface to the town’s “Ordinance of a Common Chest” that provided legislation for social welfare.⁴³ People looked to Luther for guidance for reform of economic and welfare issues. In 1525 the Danzig town council requested his advice on profiteering and legitimate interest rates.⁴⁴ Luther’s response was to emphasize equity and a limit of five percent. In the meantime, he wrote “To the Christian Nobility of the German Nation” (1520) in which he proclaimed that taking interest is the work of the devil and the greatest misfortune of the German nation, and he exhorted civil authorities to create social welfare programs.⁴⁵ He continued with the “Freedom of a

Christian” (1520); “Temporal Authority: To What Extent It Should Be Obeyed” (1523); and “To the Councilmen of all Cities in Germany that they Establish and Maintain Christian Schools” (1524); not to mention his biblical and sermon commentaries, for example, citing Deuteronomy 15:4 that there should be no poor among you;⁴⁶ his exposition of the seventh commandment in his “Treatise on Good Works” (1520);⁴⁷ and Large Catechism (1529);⁴⁸ and his commentaries on the Magnificat (1521), the Sermon on the Mount (1532), and the Psalms. Finally, there is the explosive tract near the end of his life (1540) that exhorts pastors to excommunicate usurers, “Exhortation to the Clergy to Preach against Usury” that went through four editions plus a translation into Latin.⁴⁹

That Luther’s writings on economics were important to his contemporaries may be seen in the large number of tracts that reflected his critique of merchants not as traders but as financiers profiting in the world of money markets.⁵⁰ Yet these writings are today largely neglected.⁵¹ And his last writing, the one exhorting excommunication of *laissez faire* capitalists, is largely unknown and available only in German, and then only in the Weimar, Erlangen, and Walch editions.⁵² The Luther who initiated social welfare programs that provided the seeds for the later welfare state, and who devoted much of his writing and preaching to criticism of unregulated capitalism is today largely forgotten.⁵³

Perhaps Luther’s critique of capitalism has been neglected because there is a sense in which exegesis is the art of seeing, and the cataracts of capitalist ideology and its theological complicity blur our reading of Luther. So, for example, Norman Vincent Peale of “positive-thinking” fame, inspired Donald Trump with his maxim: “Put God to work for you and maximize your potential in our divinely ordered capitalist system.” In turn, Trump was recently greeted by a rally of evangelicals with signs saying, “Thank you Lord Jesus for President Trump.”⁵⁴ Such evangelical enthusiasm for capitalist free enterprise is described in a recent study by Kevin Kruse as “Christian libertarianism.”⁵⁵

This is not particularly surprising in a world that extols capitalism to the extent that CEOs receive income hundreds of times that of their employees; credit card companies make tens of billions in profits;

and wholesale government deregulation has been the Republican mantra since the presidency of Ronald Reagan. Income inequality since then has grown by leaps and bounds. There may be no interest in Luther's political-economic writings because they condemn the American way of life as conceived by those who attribute social problems to government regulations and programs, and who extol free enterprise and its trickle-down philanthropy. The latter is what the George W. Bush administration called "faith-based charity." As Jimmy Carter pointed out, this approach subverts economic justice.⁵⁶ At best, the government's faith-based initiatives echo the inadequacies of medieval alms-giving, namely, a band-aid approach that ignores systemic injustice; at worst they are a cynical means to gain votes from the Christian Right and to cut the domestic budget. The economist John Galbraith summarized trickle down economics with the analogy that if you feed the horse enough oats there will eventually be something on the road for the sparrows to eat.

The idea that money can make money was relatively recent during the Reformation period. The medieval church's condemnation of the profit economy, termed usury in theology and canon law, was reiterated as late as the Fifth Lateran Council in 1515. But by then the entrepreneur was well-established. Hence the popular saying, "Bürgeu soll man würgen"—roughly translated: loan sharks should be strangled.⁵⁷

Luther was convinced that the new profit economy divorced money from use for human needs, necessitated an economy of acquisition, fed the mortal sin of avarice, and eroded the common good. "After the devil there is no greater human enemy on earth than a miser and usurer for he desires to be God over everyone. Turks, soldiers, and tyrants are also evil men, yet they must allow the people to live . . . indeed, they must now and then be somewhat merciful. But a usurer and miser-belly desires that the entire world be ruined in order that there be hunger, thirst, misery, and need so that he can have everything and so that everyone must depend upon him and be his slave as if he were God."⁵⁸ "The poor are defrauded every day, and new burdens and higher prices are imposed. They all misuse the market in their own arbitrary, defiant, arrogant way, as if

it were their privilege and right to sell their goods as high as they please without any criticism.”⁵⁹

The “lust for profit,” Luther observed, had many clever expressions: selling on time and credit, manipulating the market by withholding or dumping goods, developing cartels and monopolies, falsifying bankruptcies, trading in futures, and just plain misrepresenting goods.⁶⁰ Luther’s shorthand for these practices was “usury,” the common medieval term for lending at interest. However, the focus of Luther’s attack was not the medieval condemnation of usury, *per se*, but the financial practices related to large scale national and international commerce.

Such usury, Luther argued, affects everyone. “The usury that occurs in Leipzig, Augsburg, Frankfurt, and other comparable cities is felt in our market and our kitchen. The usurers are eating our food and drinking our drink.” Even worse, however, is that by manipulating prices, “usury lives off the bodies of the poor.”⁶¹ Luther exploded: “The world is one big whorehouse, completely submerged in greed” where the “big thieves hang the little thieves.”⁶² In the Large Catechism, Luther wrote: “Yes, we might well keep quiet here about individual petty thieves since we ought to be attacking the great, powerful archthieves with whom lords and princes consort and who daily plunder not just a city or two, but all of Germany. . . . Those who can steal and rob openly are safe and free, unpunished by anyone, even desiring to be honored.”⁶³ When Luther exhorted pastors to condemn usury as stealing and murder, and to refuse absolution, the sacrament, and Christian burial to usurers unless they repent, he had in mind these “great, powerful archthieves” not the “petty thieves” who fill prisons. Practicing what he preached, Luther himself excluded a nobleman from communion for exacting thirty percent interest.⁶⁴

The context for Luther’s call to excommunicate profiteers was a plague of mice that destroyed crops in 1538 and the spring drought of 1539 that led to a steep rise in food prices and a famine in Wittenberg and surrounding areas. Grain was being held off the market in order to gain higher prices. Luther requested communal assistance from the city council and received the reply that it was not responsible. He then appealed to Prince Johann Friedrich, pointing out that grain

had been kept off the market “to the ruin of your electoral grace’s land and people.”⁶⁵ The following Sunday he preached a “very sharp sermon” against the avarice of the usurers. They are “all to be cursed and damned for they are the greatest enemies of the land” and “are strangling many people with shameful miserliness and usury.” In order to spread his criticism as widely as possible, he wrote a pamphlet exhorting pastors to preach against the usurers.

Pastors are to preach against the “great sin and shame” of usury that is ruining and destroying Germany. They are to make it clear that those who take more than five percent profit in interest are idolatrous servants of mammon and shall not be blessed unless they repent. Preachers should stand firm against the rejoinder that if the taking of interest is condemned then “nearly the whole world would be damned.” One is not to preach according to the customs of the world but according to what the law demands and what should be done.⁶⁶ In the case of famine, the civil authority must intervene, for refusal to sell grain is equivalent to stealing and robbing. What is done against God’s Word and valid law is never a good deed, and the preachers should clearly say so. Luther did not naively assume that the executives of his day would change their ways. “We preachers can easily counsel but no one or few follow.” If it is said that the world cannot be without usury, this is true, but as Christ said, woe to the person by whom offense comes, and Luther concludes, “There must be usury, but woe to the usurer!”⁶⁷

Luther’s concern was not merely about an individual’s use of money, but about the structural social damage inherent in the idolatry of the “laws” of the market. In contrast to the modern conviction of the autonomous laws of the market,⁶⁸ Luther demanded that the economy be ruled by love of the neighbor through the principles of equity, natural law, or reason.⁶⁹ He saw ideas of an impersonal market and autonomous laws of economics as idolatrous and socially destructive. He saw the entire community endangered by the financial power of a few great economic centers. His concern is reflected in the saying of the day that “a bit should be placed in the mouth of the Fuggers,” the central bank of the empire at that time.⁷⁰ The new profit economy was beginning to absorb urban and local economies, and to threaten increased opposition between rich

and poor. He saw economic coercion—we call it globalization—as immune to normal jurisdiction, and thus perceived early capitalism as a “weapon of mass destruction” aimed at the common good, the ethos of community. That is why Luther considered early capitalism to constitute a *status confessionis* for the church—a confessional as well as an ethical issue.⁷¹

While Luther’s efforts to develop welfare legislation were well-received in the cities and territories which accepted the Reformation, his efforts to encourage civic control of capitalism did not gain comparable support. His criticism of capitalism included far more than exorbitant interest rates. He argued that social need always stood above personal gain. “[I]n a well-arranged commonwealth the debts of the poor who are in need ought to be cancelled, and they ought to be helped; hence the action of collecting has its place only against the lazy and the ne’er-do-well.”⁷² But the common good was being undermined by the activities of large businesses that could not be held accountable even by the emperor.

Luther experienced that it is easier to motivate assistance to individuals than it is to curb the economic practices that create their poverty. Poverty’s squalor calls out for redress whereas the attractive trappings of business muffle criticism. “[H]ow skillfully Sir Greed can dress up to look like a pious man if that seems to be what the occasion requires, while he is actually a double scoundrel and a liar.”⁷³ “God opposes usury and greed yet no one realizes this because it is not simple murder and robbery. Rather usury is a more diverse, insatiable murder and robbery. . . . Thus everyone should see to his worldly and spiritual office as commanded to punish the wicked and protect the pious.”⁷⁴

Does Luther provide any resources for reflection on contemporary economic ethics beyond fiery denunciation and socialist advocacy? I think so. Luther understood that the church’s action for the neighbor is rooted in worship. Faith active in love is “the liturgy after the liturgy.” The Lord’s Supper is “for the glory of God and the good of the neighbor.”⁷⁵ In promoting the “good of the neighbor,” Luther not only stands in the ancient Christian tradition of the “common good,” but also advocates working with all persons of good will for the benefit of all. The ethos of the

common good is the most profound basis for Luther's critique of capitalism.⁷⁶

Recollection of the common good impelled through worship is a timely response to the rampant drive in our society to privatize everything: schools, prisons, retirement, health care, social security, infrastructure, national defense. Such privatization has created "a mushrooming public goods deficit." Public goods are all the goods and services provided by the government for the well-being of the whole population. Yet these benefits which serve the neighbor "have been marginalized and misrepresented by mainstream economics, which considers them a representation of market failure and therefore labels [them] a 'problem.' Instead of 'public goods,' what we hear about from pundits, politicians, and social media are the virtues of 'free enterprise,' 'free markets,' 'free trade,' 'deregulation,' 'privatization,' and how 'government is the problem'—a vocabulary that reflects the market-fundamentalist frame that dominates American society today."⁷⁷

In response, Luther would assert that public goods are for everyone. For example, quality public education should be available to all. In response to the perennial complaint that public education is expensive, Luther replied: "My dear sirs, if we have to spend such large sums every year on guns, roads, bridges, dams, and countless similar items to insure the temporal peace and prosperity of a city, why should not much more be devoted to our poor neglected youth . . .?"⁷⁸ He was convinced that government and society cannot continue without educated leaders and citizens. The young must be trained not just for the sake of employers as today's mantra goes, but also to benefit and serve the world through training in history, the arts, and languages as well as science and mathematics. "The devil very much prefers coarse blockheads and ne'er-dowells, lest men get along too well on earth."⁷⁹ Schools should be supplemented by publicly maintained libraries. "For if the gospel and all the arts are to be preserved, they must be set down and held fast in books and writings."⁸⁰

The world, Luther argued, needs educated leaders capable of restraining evil and promoting the common good. "If there were no worldly government, one man could not stand before another;

each would necessarily devour the other, as irrational beasts devour one another. Therefore as it is the function and honor of the office of preaching to make sinners saints, dead men live, damned men saved, and the devil's children God's children, so it is the function and honor of worldly government to make men out of wild beasts and to prevent men from becoming wild beasts." Without a capable and wise government, society would devolve to the survival of the fittest, in our times, the wealthiest. "For if men were to rule solely by the fist, the end result would surely be a bestial kind of existence: whoever could get the better of another would simply toss him into the discard pile."⁸¹

Throughout his career Luther addressed the religious challenge of political and economic issues from the pulpit. "Christ has not instituted and appointed the preaching office that it serves to acquire money, goods, favor, honor, and friendship or to seek advantage through it, but rather that one freely brings the truth to the light of day, punishing evil, and proclaiming what concerns the soul's benefit, salvation, and blessedness."⁸² He exhorted preachers "to strip off the masks by which such rogues [usurers] adorn themselves as if they were righteous and pious."⁸³ For Luther a function of preaching is "to unmask *hidden* injustice, thus saving the souls of duped Christians and opening the eyes of the secular authorities for their mandate to establish *civil* justice."⁸⁴ In a sermon on Jesus before Pilate, Luther stated:

Christ has instructed us preachers not to withhold the truth from the lords but to exhort and chide them in their injustice. . . . [W]e must rebuke the Pilates in their crime and self-confidence. Then they say to us, "You are reviling the majesty of God," to which we answer, "We will suffer what you do to us, but to keep still and let it appear that you do right when you do wrong, that we cannot and will not do."⁸⁵

Such "unmasking" of injustice is not done in a corner but in the preaching office, "in the congregation," "openly and boldly before God and men." It is God's will, Luther continues,

that those who are in the office [of ministry] and are called to do so shall rebuke and judge their gods [rulers] boldly and openly. . . . To rebuke rulers

is not seditious, provided it is done in the way here described: namely, by the office to which God has committed that duty, and through God's Word, spoken publicly, boldly, and honestly. To rebuke rulers in this way is, on the contrary a praiseworthy, noble, and rare virtue, and a particularly great service to God, . . . [A] preacher is neither a courtier nor a hired hand. He is God's servant and slave, . . . He is to do what is right and proper, not with a view to favor or disfavor, but according to law, that is, according to God's Word, which knows no distinction or respect of persons.⁸⁶

But as Luther noted, the civil authorities want to control the pulpit in order to hear only what they want to hear.⁸⁷

As in the Reformation period, profit often trumps the common good (no pun intended). This is evident in regard to not only the continuing efforts to de-regulate the finance industry and subvert affordable health care, but also the defunding of the common good in general in areas of infrastructure, public safety, and public education. To Luther these are confessional issues to be addressed by the civil use of laws and regulations designed to restrain greed and promote the common good.

I am grateful to Professor David Scaer for the invitation to present this paper at the "39th Annual Symposium on the Lutheran Confessions" at Concordia Theological Seminary in Fort Wayne, January 20–22, 2016. Since then new studies have come to my attention that significantly supplement the original paper. I cannot incorporate all these fine studies without extensively lengthening the original. Hence I list them here and occasionally insert pertinent references in the endnotes. First of all, there are the recently published studies by Philipp Robinson Rössner: On Commerce and Usury (1524) by Martin Luther (London/New York: Anthem Press, 2015); "Luther—Ein Tüchtiger Ökonom? Über die monetären Ursprünge der Deutschen Reformation," Zeitschrift für Historische Forschung 42 (2015), 37–74; and "Buying Money? Monetary Origins and Afterlives of Luther's Reformation," History of Political Economy 48/2 (2016) 225–263. I am grateful to Professor Rössner for providing me with copies of his articles. Next there are the papers from the "Forgotten Luther" Symposium held at the Church of the Reformation in Washington, D.C. in November 2015, now edited for parish use: The Forgotten Luther: Reclaiming the Social-Economic Dimension of the Reformation edited by Carter Lindberg and Paul Wee (Minneapolis: Lutheran University Press, 2016). Especially pertinent

in this collection are Samuel Torvend, "Greed is an Unbelieving Scoundrel;" Cynthia Moe-Lobeda, "The Subversive Luther," and Jon Pahl, "An Economic Reading of Luther's Catechisms in Long Context." Finally, there is the contemporary equivalent of Luther's concerns: Robert B. Reich, *Saving Capitalism. For the Many, Not the Few* (New York: Knopf, 2015).

NOTES

1. "Trade and Usury," 1524. *Luther's Works*, American Edition, 55 vols. Eds. Pelikan and Lehmann (St. Louis and Philadelphia: Concordia and Fortress, 1955ff.) 45:271–72. (Hereafter cited as LW.) *Luthers Werke*, Kritische Gesamtausgabe, 57 vols. Eds. J.F.K. Knaake et al. (Weimar: Böhlau, 1883ff.) 15:313. (Hereafter cited as WA.) This is one of Luther's favorite phrases. See, for example, "The Ten Commandments Preached to the People of Wittenberg," WA 1:501; sermons on "The Sermon on the Mount," 1532, LW 21: 221; "Lectures on Romans," 1516, LW 25:172; "Commentary on Psalm 82," 1530, LW 13:60. A similar saying is the big fish eat the little fish: "Trade and Usury," LW 45:270.

2. The much discussed study by Thomas Piketty reflects Luther's concern without the specific phrase. See *Capital in the Twenty-First Century*, tr. by Arthur Goldhammer (Cambridge, MA/London: Belknap Press, 2014). I have not been able to access what sounds like an interesting review of Piketty's book by Christian Hecker, "Wer gewinnen will, muss haften! Was Thomas Piketty von Martin Luther lernen könnte," *Wirtschaftswissenschaftliches Studium* 43/11 (2014), 614–618.

3. "The Sermon on the Mount," 1532, LW 21:180; WA 32:448.20–22. The list could go on: "Money is the word of Satan through which he creates everything in the world, as God creates everything through the true Word" WATR 391; "Where there is great riches and power, there are also great sins and injustice. Money makes thieves." WA 19:381.4–6.

4. For a brief review of such critiques see Andreas Pawlas, "Luther zu Geld und Zins. Mit einem Vorwort über Lutherische Erwägungen zu Geld und Zins," *Uppsala University Coin Cabinet Working Papers* 9 (Uppsala Universitet, 2013), 4–6 available online www.myntkabinettet.uu.se/workingpapers/ For studies on Luther's continuation of Thomistic and Scholastic views of economics see the studies by Odd Langholm such as "Martin Luther's Doctrine on Trade and Price in Its Literary Context," *History of Political Economy* 41/1 (2009), 89–107; 90. See also John d. Singleton, "Money is a sterile thing: Martin Luther on the Immorality of Usury Reconsidered" (15 July 2010). Center for the History of Political Economy, Duke University. Online <http://hope.econ.duke.edu/node/449>. Singleton argues that Luther rarely invokes the Aristotelian and scholastic arguments against usury but rather focuses on conscience as arbiter of ethics.

5. R. H. Tawney, *Religion and the Rise of Capitalism* (New York: Mentor Book, 1954), 80. See also Max Stackhouse, *Creeks, Society, and Human Rights. A Study in Three Cultures* (Grand Rapids: Eerdmans, 1984), 54–55, who views Luther's concerns as narrowly spiritual and "unsympathetic to the political and social movements [of his time]." Stackhouse has served as president of the Society of Christian Ethics. For references to the Troeltsch and Niehbuhr critiques see my *Beyond Charity. Reformation Initiatives for the Poor* (Minneapolis: Fortress, 1993), 161–62.

6. Heinz Schilling, "Die 'Zweite Reformation' als Kategorie der Geschichtswissenschaft" in idem, ed., *Die reformierte Konfessionalisierung in Deutschland—Das Problem der "Zweiten Reformation"* (Gütersloh: 1986), 413. For a review of research on Luther and economics see Hans-Jürgen Prien, *Luthers Wirtschaftsethik* (Göttingen: Vandenhoeck & Ruprecht, 1992), 13–24.

7. Pawlas, "Luther zu Geld und Zins," 4, with reference to K. Barth, *Eine Schweizer Stimme 1938–45*, Zurich, 1945, 121f.

8. Hans-Jürgen Prien, "Lieber mit Gott arm denn mit dem Teufel reich sein" Überlegungen zu einer Wirtschaftsethik Martin Luthers" in Peter Freybe, ed., "Wach auf, wach auf, du deutsches Land!" *Angst und Zuversicht in der Zeitenwende* (Wittenberg: Drei-Kastanien-Vl., 2000), 86–108, 90–91. For similar overviews see Tom Scott, *The Early Reformation in Germany: Between Secular Impact and Radical Vision* (Farnham, Surrey: Ashgate, 2013), 36–39, and Andreas Stegmann, *Luthers Auffassung vom christlichen Leben* (Tübingen: Mohr Siebeck, 2014), 435–437.

9. See Heiko A. Oberman, *Werden und Wertung der Reformation. Vom Wegestreit zum Glaubenskampf* (Tübingen: Mohr, 1977), 161–200: "Oeconomia moderna."

10. Steven Ozment, *The Serpent and the Lamb, Cranach, Luther, and the Making of the Reformation* (New Haven/London: Yale University Press, 2011), 9; cf. 103, 150–51 regarding Cranach as entrepreneur.

11. Andrew Pettegree, *Reformation and the Culture of Persuasion* (Cambridge: Cambridge University Press, 2005), 140. See idem, "Books, Pamphlets and Polemic" in Pettegree, ed., *The Reformation World* (London/New York: Routledge, 2000), 109–126, 111: "Not the least significant aspect of this phenomenal growth in the book trade was that many people made a great deal of money. The printers of Wittenberg had particular reason to bless their most famous inhabitant; indeed Wittenberg is a classic example of an economy transformed by a single trade, in this case books and the education industry."

12. Jewels and precious metals could of course be extracted from the relics, but candle makers must not have been so fortunate. The year before the 95 Theses, the Castle Church consumed 40,932 candles at the cost of 1,112 gulden. See C. Lindberg, *The European Reformations* (Oxford: Blackwell, 2nd ed., 2010), 58–9.

13. WA TR 4, Nr. 5117; WA Br 2, Nr. 541. Cited by Beatrice Frank, "Luther und Geld. Luthers Wirtschaftsethik in Theorie und Praxis," *Luther* 80/1 (2009), 12–35, 15.

14. Katherine had learned economic basics while in the Nimbschen Marienthron cloister. I am grateful to Martin Treu for sharing his address, "Martin Luther und das Geld" given on the occasion of the opening of the 2002 Wittenberg exhibition on this theme. For more on Katherine's many contributions see Kirsi Stjerna, *Women and the Reformation* (Oxford: Blackwell, 2009), 51–70, and Treu's essay in these pages: "Katherina von Bora, The Woman at Luther's Side," *Lutheran Quarterly* 13 (1999): 157–178.

15. WA TR 5593; see Pawlas, "Geld und Zins," 20 n. 89.

16. Martin Brecht, *Martin Luther. His Road to Reformation 1483–1521*, tr. by James Schaaf (Philadelphia: Fortress, 1985), 156–60.

17. See Robert B. Ekelund, et al., *Sacred Trust. The Medieval Church as an Economic Firm* (New York/Oxford: Oxford University Press, 1996); Jacques Chiffolleau, *La comptabilité de l'au-delà: Les homes, la mort et la religion dans la region d'Avignon à la fin du Moyen Âge (vers 1320-vers 1480)* (Rome: École Française de Rome, 1980). Papal involvement with banking industry is evident with the line of Medici popes, including Pope Leo X.

18. See my *Beyond Charity*, 22–33; and Berndt Hamm, “Den Himmel kaufen. Heilskommerzielle Perspektiven des 14. bis 16. Jahrhunderts” in Rudolf Suntrup & Jan R. Veenstra, eds., *Himmel auf Erden/Heaven on Earth* (Frankfurt a.M.: Peter Land, 2009), 23–56.

19. Pia F. Cuneo, “Constructing the Boundaries of Community: Nationalism, Protestantism, and Economics in a Sixteenth-Century Broadsheet” in Max Reinhart, ed., *Infinite Boundaries: Order, Disorder, and Reorder in Early Modern German Culture* (Kirkville: Thomas Jefferson University Press, 1998), 171–185, 176.

20. Josef Wieland, “‘Wucher muss sein, aber wehe den Wuchern’ Einige Überlegungen zu Martin Luthers Konzeption des Ökonomischen,” *Zeitschrift für Evangelische Ethik* 35 (1991), 268–284, 276.

21. Helge Peukert, “Martin Luther: A Modern Economist” in Jürgen Backhaus, ed., *The Reformation As a Pre-Condition for Modern Capitalism* (Berlin: LIT Verlag, 2010), 13–63, 13.

22. Brecht 1: 180–82. See my *The European Reformations* (2nd ed., Oxford: Wiley-Blackwell, 2010), 69–72.

23. “The Ninety-Five Theses,” 1517, thesis 84; LW 31:32.

24. See my *Beyond Charity*, 93; Jacques Le Goff, *La naissance du Purgatoire* (Éditions Gallimard, 1981), 407–410; idem, *Your Money or Your Life: Economy and Religion in the Middle Ages*, tr. Patricia Ranum (New York: Zone Books, 1988); Hans-Jürgen Prien, *Luthers Wirtschaftsethik* (Göttingen: Vandenhoeck & Ruprecht, 1992), 175–177; Pawlas, “Luther zu Geld und Zins,” 15.

25. “Lectures on Deuteronomy” (1525, begun in 1522), LW 9:148.

26. WA 6:271.33–37. On Good Works, 1520. For a discussion of Luther’s view that work is both the expression of the creation of humankind and the punishment for sin see Andreas Stegman, *Luthers Auffassung vom christlichen Leben* (Tübingen: Mohr/Siebeck, 2014), 437–38.

27. Andreas Stegmann, “‘Bekehrung zur Welt’—Zur Gegenwartsbedeutung von Luthers Ethik,” *Luther* 86/2 (2015), 114–119, 117. See Ricardo Rieth, ‘Habsucht’ bei Martin Luther. *Ökonomisches und theologisches Denken, Tradition und soziale Wirklichkeit im Zeitalter der Reformation* (Weimar: Böhlau, 1996), and his entries in Robert Kolb, Irene Dingel, L’Uboimir Batka, eds, *The Oxford Handbook of Martin Luther’s Theology* (Oxford: Oxford University Press, 2014), 382–396, and Volker Leppin and Gury Schneider-Ludorff, eds., *Das Luther-Lexikon* (Regensburg: Bückle & Böhm, 2015), 764–768.

28. “Lectures on Genesis,” LW 2:331; WA 42:498.24–32.

29. “Lectures on Genesis,” LW 2:327; WA 42:495.24–29.

30. Kenneth Baxter Wolf, *The Poverty of Riches. St. Francis of Assisi Reconsidered* (New York: Oxford University Press, 2003), 82. See also Lester K. Little, “Religion, the Profit Economy, and Saint Francis” in Emily Albu Hanawalt & Carter Lindberg, eds., *Through the Eye of the Needle. Judeo-Christian Roots of Social Welfare* (Kirkville, MO: The Thomas Jefferson University Press, 1994), 147–63. Philanthropy still serves to justify extraordinary wealth. See Reich, *Saving Capitalism*, 146–49.

31. “Lectures on Deuteronomy” (1525, though worked on in 1522), LW 9:147–48; WA 14:675.22–24. Luther already advanced this text in his 1520 “To the Christian Nobility of the German Nation,” LW 44:189–90; WA 6: 450. 22–27; and in “Trade and Usury” (1524), LW 45:281 (from the 1520 treatise on usury, WA 6:41f.). See also my translation of the tract by Luther’s colleague, Andreas Bodenstein von Karlstadt, “There Should Be No Beggars

Among Christians,” in C. Lindberg, ed., *Piety, Politics, and Ethics: Reformation Studies in Honor of George Wolfgang Forell* (Kirksville: Sixteenth Century Journal Publishers, 1984), 157–66.

32. C. Lindberg, *Beyond Charity*, 119. Reference to “Commentary on Psalm 82” (LW 13:54).

33. See my *Beyond Charity*, and Luther’s “Preface” to “On the Roguery of the False Beggars,” LW 59: 236–39.

34. Berndt Hamm, “Martin Luther’s Revolutionary Theology of Pure Gift without Reciprocation,” tr. by Timothy Wengert, *Lutheran Quarterly* 29/2 (2015): 125–161, here 128, 131.

35. See my *Beyond Charity*, 27, 68, 79.

36. Piketty, *Capitalism in the Twenty-First Century*, 416; Reich also critiques the American “myth of meritocracy.” See his *Saving Capitalism*, 89–96, 143, 156.

37. *The Large Catechism*, 1529 in Robert Kolb & Timothy Wengert, eds., *The Book of Concord* (Fortress, 2000), 386–87.

38. Christophy Deutschmann, “Modern Capitalism and the Reformation,” Sozialwissenschaftliches Institut BKD, 13 with reference to Walter Benjamin’s “Capitalism as Religion” and Dirk Baecker, ed., *Kapitalismus als Religion* (Berlin: Kadmos, 2003). Benjamin’s critique of capitalism is discussed in Wolfgang Palaver, “Challenging Capitalism as Religion: Hans G. Ulrich’s Theological and Ethical Reflections on the Economy,” *Studies in Christian Ethics* 20/2 (August 2007), 215–230.

39. Paul Tillich, “The Demonic: A Study in the Interpretation of History” in Jaquelyn Ann K. Kegley, ed., *Paul Tillich on Creativity* (London: University Press of America, 1989), 63–91, cited by Christoph Deutschmann, 19.

40. LW 35:47–53.

41. LW 45:233–310.

42. Vitor Westhelle, “Communication and the Transgression of Language in Martin Luther” in Timothy J. Wengert, ed., *The Pastoral Luther: Essays on Martin Luther’s Practical Theology* (Grand Rapids: Eerdmans, 2009), 59–84, here 64.

43. LW 45:159–94.

44. WA Br 3:483–6.

45. LW 44:213; 189ff.

46. LW 9:147–8; cf. LW 45:161.

47. LW 44:15–114.

48. Robert Kolb & Timothy J. Wengert, eds., *The Book of Concord* (Minneapolis: Fortress Press, 2000), 416–20.

49. “An die Pfarrherrn wider den Wucher zu predigen, Vermahnung,” WA 51:325–424.

50. See Pia Cuneo, op.cit., 179–83.

51. Leopold von Caprivi, “Mit scharfen ökonomischen Blick. Luthers Schrift vom Kaufhandlung und Wucher bleibt aktuell,” *Lutherische Monatshefte* 21 (1982), 382–85.

52. An English translation is planned for the supplemental volumes to *Luther’s Works* in process under the editorship of Christopher Boyd Brown. Excerpts in English translation are in Eric Kerridge, *Usury, Interest and the Reformation* (Aldershot: Ashgate, 2002).

53. Paul Wee speaks of the “forgotten Luther.” See his “Reclaiming Luther’s Forgotten Economic Reforms,” in *Lutheran Forum* 48/1 (2014), 52–56, and Lindberg & Wee, eds., *The Forgotten Luther*. Tom Scott, *Early Reformation in Germany: Between Secular Impact and Radical Vision* (Farnham, Surrey: Ashgate, 2013), 34 n. 4: “No recent scholarly German biography of Luther has made more than passing reference to his comments on contemporary social

and economic issues.” Odd Langholm, “Martin Luther’s Doctrine on Trade and Price in its Literary Context,” *History of Political Economy* 41/1 (2009), 89–107, 89–90: “The nature and origin of Martin Luther’s ideas have largely failed to catch the attention of scholars.” See also John van Cleve, *The Problem of Wealth in the Literature of Luther’s Germany* (Columbia, SC: Camden House, 1991), 112 n. 4; Sean Doherty, *Theology and Economic Ethics: Martin Luther and Arthur Rich in Dialogue* (Oxford: Oxford University Press, 2014), 139. On the other hand, Luther’s above cited tract, “On Trade and Usury” has been recognized as an early economics classic. See Helmut Hesse and Gerhard Müller, *Über Martin Luthers “Von Kauffshandlung und Wucher.” Vademecum Zu Einem Frühen Klassiker Der Ökonomischen Wissenschaft* (Frankfurt/Main & Düsseldorf: Verlag Wirtschaft und Finanzen, 1987). Recent pertinent monographs include Hans-Jürgen Prien, *Luthers Wirtschaftsethik* (Göttingen: Vandenhoeck & Ruprecht, 1992); Carter Lindberg, *Beyond Charity: Reformation Initiatives for the Poor* (Minneapolis: Fortress, 1993); Andreas Pawlas, *Die lutherische Berufs- und Wirtschaftsethik: Eine Einführung* (Neukirchen-Vluyn: Neukirchener, 2000); and Philipp Koch, *Gerechtes Wirtschaften. Das Problem der Gerechtigkeit in der Wirtschaft im Lichte lutherischer Ethik* (Göttingen: V & R unipress, 2012).

54. “Trump strikes another chord. Candidate leads with evangelicals,” *The Boston Globe* September 15, 2015. The Peale quote is in *Christian History* 6/2 (1987), 4.

55. Kevin Kruse, *One nation Under God. How Corporate America Invented Christian America* (New York: Basic Books, 2015).

56. Jimmy Carter, *Our Endangered Values. America’s Moral Crisis* (New York: Simon & Schuster, 2005), 61: “Government funding of social programs through ‘faith-based initiatives’ . . . substitute certain charitable services in a religious environment for more broad and equitable government programs that address the wider needs of the poor for economic justice, with access to training for jobs, affordable housing, health care, sound education, and a livable wage. . . . There is no doubt that the goal is to finance programs that are clearly religious, and the annual level of somewhat surreptitious government funding through religious institutions has now reached about \$2 billion.”

57. Caprivi, 384. Translated as “Guarantors to the gallows” in AE 45:253. See Rössen, *On Commerce and Usury*, 137–41, for an extended discussion of this phrase. Today the payday loan industry is permitted to charge an APR of 460% for a two-week loan.

58. WA 51:396–97. See Ricardo Rieth, “Luther on Greed” in Timothy J. Wengert, ed., *Harvesting Martin Luther’s Reflections on Theology, Ethics, and the Church* (Grand Rapids: Eerdmans, 2004), 152–68.

59. Large Catechism, *Book of Concord*, 418.

60. See LW 45:231–310.

61. WA 51:417.

62. LW 21:180; LW 25:172.

63. Large Catechism, *Book of Concord*, 417. See also Mary Jane Haemig, “Preaching the Seventh Commandment: ‘You are not to steal,’” *Word and World* 30 (2010): 200–207.

64. WA 51:367–68. For the excommunication see WA 51:422; WA TR 5216; Pawlas, “Geld und Zins,” 23 n. 100.

65. WA Br 8:403–5.

66. WA 51:325; 332–6.

67. WA 51:353–4. See Josef Wieland, “‘Wucher muss sein, aber wehe den Wucherern’ Einige Überlegungen zu Martin Luthers Konzeption des Ökonomischen,” *Zeitschrift für Evangelische Ethik* 35 (1991), 268–84.

68. See Reich, *Saving Capitalism*.

69. Andreas Pawlas, "Ist 'Kaufhandel' immer 'Wucher'? Luther zu kaufmännischem Handel und Wucher als Beitrag zu einer evangelischen Wirtschaftsethik," *Kerygma und Dogma* 40 (1994), 282–304, 289.

70. LW 44:213.

71. See Eckehart Lorenz, ed., *The Debate on Status Confessionis. Studies in Christian Political Theology* (Geneva: The Lutheran World Federation Department of Studies, 1983). See also *Beyond Charity*, 114, 191; Prien, "Lieber mit Gott," 94, 107 note 33; Ulrich Duchrow, *Global Economy: A Confessional Issue for the Churches?* (Geneva: WCC Publications, 1987).

72. LW 9:243.

73. LW 21:183; see LW 44:107.

74. WA 51:422–23.

75. See my "Luther's Concept of Offering," *dialog* 35/4 (1996), 251–7; 254. See LW 53:61.

76. Pawlas, "Ist Kaufhandel' immer 'Wucher,' 292, with reference to Werner Elert, *Morphologie des Luthertums* (Mumich, 1932), II, 479. See also Heinz-Horst Schrey, "Gemeinnutz/ Gemeinwohl," *Theologisches Realenzyklopädie* (/Berlin/New York: Walter de Gruyter, 1984), Bd. 12: 339–346; Winfried Schulze, "Vom Gemeinnutz zum Eigennutz: Über den Normenwandel in der Ständischen Gesellschaft der Frühen Neuzeit," *Historisches Zeitschrift* 243 (1986), 591–626; the articles in *Zeitschrift für Evangelische Ethik* 59 (2015); and John Witte, Jr., *Law and Protestantism. The Legal Teachings of the Lutheran Reformation* (Cambridge: Cambridge University Press, 2002).

77. June Sekera, "Why Aren't We Talking About Public Goods?" (September 20, 2013). <http://www.demos.org/blog/9/20/13/why-arent-we-talking-aboutpub>. and Tony Judt, *Ill Fares the Land* (New York: Penguin, 2010).

78. LW 45:350.

79. LW 45:371.

80. LW 45:373.

81. LW 46:237–38. The Sociologist Charles Derber sees such a "sociopathic national character" as the consequence of an unregulated capitalist system. Charles Derber, *The Wilding of America: Money, Mayhem, and the New American Dream*, 5th edition (New York: Worth Publishers, 2011). See also Charles Derber with Yale Magrass, *The Surplus American: How the 1% is Making Us Redundant* (Boulder, CO: Paradigm Publishers, 2012).

82. WA 32:304.21–24.

83. WA 51:332.

84. Heiko A. Oberman, "Teufelsdreck: Eschatology and Scatology in the 'Old' Luther," in idem, *The Impact of the Reformation* (Grand Rapids: Eerdmans, 1994), 62. Operative here is Luther's law-gospel dialectic. See my "'Christianization' and Luther on the Early Profit Economy" in Anna Marie Johnson and John A. Maxfield, eds., *The Reformation as Christianization; Essays on Scott Hendrix's Christianization Thesis* (Tübingen: Mohr Siebeck, 2012), 49–78.

85. WA 28:360–61. See also "Treatise on Good Works," 1520 regarding oppression by the rich and powerful. "The more powerful they are, the worse their deeds. And where one cannot prevent this by force and help the truth, one can at least confess the truth and do something for it by our words, not the kind which please the unrighteous or agree with them, but those which speak the truth boldly." LW 44:51.

86. LW 13:49–51.

87. WA 46:737.