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letter to the Hebrews: ‘... Let us consider how to stimulate one another to love and good deeds ...’ ([Hebrews 10:23–27](#)). I welcome dialogue on the subject!

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# Martin Luther and John Calvin on Property

W. J. S. Gilbreath

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*In this well documented historical research, Gilbreath compares the attitudes of both the Reformers to economics in general but property in particular. The discovery that both the Reformers' views were consistent with their respective theological frameworks is reassuring. The similarity between them concerning property comes as a pleasant surprise and has important consequences. We regret that footnotes though valuable had to be omitted in favour of brevity and readability.*

Editor

The Reformation took place at a time of rapid economic growth and change. Not until the twelfth century did money come into common usage in the cities of Europe; by the fifteenth century it had spread to rural areas as well. This move away from a barter economy made credit possible, and this in turn stimulated increases in production, international trade, and foreign investment. The importation of the newly-discovered riches of the New World contributed to chronic inflation throughout the fifteenth and sixteenth centuries. This led to popular outcries against price-gouging merchants, unscrupulous property-owners, and opportunistic usurers.

It is arguable that those developments facilitated the sale of Papal indulgences and thus contributed to the proximate cause of the Reformation—Martin Luther’s Ninety-five Theses. Certainly, the Reformers were troubled by the hardships that economic changes were inflicting on their parishioners, and attempted to apply Christian ethical principles to contemporary problems.

Martin Luther was not reluctant to express his very strong opinions on property and economic activity. The characteristic vehemence of his writings on trade and commerce has led some to conclude that he did not understand economic matters. For example, R. H. Tawney thought it ‘idle to scan them [Luther’s writings] for a coherent and consistent doctrine’ of social morality. It may be true that Luther did not fully comprehend the economic revolution of his time, but his views on economic affairs were, in my opinion, quite coherent and unified by the principle of faith in God. In fact, as we shall see later, p. 219 Luther’s analysis of financial contracts of his day displayed considerable business insight, perhaps even sophistication.

John Calvin's views on property were substantially the same as Luther's but, unlike Luther, Calvin was admittedly reticent regarding economic questions. It is a measure of Calvin's reserve on these subjects that there is nothing in his work to compare with the several tracts in which Luther discussed business and/or economics. Certainly, neither man wrote a great deal in this area: it has been estimated that, of Luther's 40,000 folio pages, 100 treat economic affairs, compared to about 50 pages of Calvin's comparable total output. Nevertheless, it is clear that Calvin looked upon economic individualism with no more favour than Luther, which is to say none at all. In my opinion, it is extremely ironic that almost all modern historians view Calvin as a progenitor, albeit a very distant one, of *laissez-faire* capitalism.

It is the purpose of this essay to examine the beliefs that Martin Luther and John Calvin held regarding property ownership, the use of property, and economic activity. We shall see that, although both Reformers affirmed the legitimacy and propriety of individual ownership, they firmly believed that property-owners had an obligation to use their material things to promote the common good by sharing with others.

## **MARTIN LUTHER**

### **Individual Property Ownership**

Luther found in the creation account the first of several biblical affirmations of the legitimacy of individual property holdings. He believed that personal ownership of property was ordained by God before the Fall. Marriage, the first human institution established by God, necessarily implies individual property because parents cannot raise children properly if the parents do not own anything. Indeed, any one who has an office, or station, in society cannot fulfill his duties without property. 'The world could not endure if we were all to be beggars and have nothing.' Luther saw another basis for personal property in the Decalogue—God's prohibition of theft assumes that property is owned by individuals. Luther also held that the biblical norm of love for neighbour presupposes personal property because, if we are to give to our neighbour, we must possess something to give. Even Jesus' exhortation to 'sell what you have ...' indicated to Luther that our Lord recognized the legitimacy of individually-owned property. For we must first own something before we can sell it. **p. 220**

### **Limitations on Property Rights**

Although the institution of individual property is decreed by God, the rights of property ownership are not absolute. The fundamental limitation is given by the norm of love, which includes the injunction to share goods with those who have less. Luther believed that God gave man possessions for the purpose of helping those in need, and that hoarding of goods is a violation of their very nature because it renders them useless. In Luther's opinion, anything left over after providing for one's own life and that of his household belongs to his neighbours.

The Seventh Commandment (Eighth according to Reformed counting) imposes specific limits on the use of property. According to Luther, this commandment forbids not only theft and robbery, but also 'every kind of sharp practice which men perpetrate against each other in matters of worldly goods', including greed, usury, and fraud of all kinds. The commandment also prohibits the avaricious practice of charging whatever the market will bear. Some people attempt to justify their property holdings under the guise of provision for the natural needs of the body but, to Luther, this is often no more than a cover for the greedy accumulation of unlimited wealth. Those with faith in God will not

rely on material goods for their sustenance; rather, they will demonstrate their faith by freely placing their money at the disposal of neighbours.

Luther also discovered limitations on the use of property in the Sermon on the Mount, which he regarded as applicable to all Christians, not just those few who desire to be perfect. The Sermon on the Mount presents three methods of using worldly goods righteously. The first and greatest way is for the Christian to allow others to deprive him of his property by means of theft and fraud; second, to give freely of possessions to anyone who needs or asks, including enemies; third, to lend freely without charging interest, especially to the poor. Luther regarded **any** charge attached to a loan an usury and contrary to the gospel ([Luke 6:35](#)), natural law ([Mt 7:12](#)), and the command to love one's neighbour as oneself. The Christian should be willing to risk his money by lending without expecting to be repaid, thus taking the chance that the loan will turn out to be a gift.

### **Property and the Stations of Society**

The several God-given stations in society have different functions and, therefore, different property requirements. It was proper, in Luther's view, for government officials to possess more material goods than **p. 221** other members of society. For government is necessary to preserve order in the world, and it needs money to carry out its legitimate functions. '[A] lord or prince should not and cannot be poor, because for his office and station he must have all sorts of goods like these [money, property, honour, power, land, and servants].'

### **Economic Activity**

Luther strongly believed that all able-bodied men should work and moreover, that some economic activities were more godly than others. He held agriculture in the highest esteem because it involved hard physical labour. His attitude to trade and commerce was, on balance, negative; while he recognized the necessity of buying and selling basic commodities, he questioned the integrity and usefulness of most commercial activity. Luther condemned essentially all financiers as greedy and unproductive parasites who lived handsomely without working. Only those who cannot work—widows and orphans—should make their living by lending for personal gain.

Luther fully expounded his views on economic activity in his 1524 treatise, *Trade and Usury*. In his experience, merchants were almost entirely guided by the principle of 'I may sell my wares as dear as I can or will'. Luther denounced this as greed and covetousness, and advocated the alternative pricing principle of 'I may sell my wares as dear as I ought, or as is right and fair'. A fair price would take into account the cost of a merchant's goods, as well as his risk, labour, and trouble. Recognizing that it is not always possible to make an accurate calculation of these things, Luther advised merchants not to trouble their consciences over small amounts of unintended extra profit.

In *Trade and Usury*, Luther discussed the three Christian ways of handling goods, mentioned above, and added a fourth: buying and selling, but for cash or barter only. A true Christian merchant would neither lend nor borrow, nor sell on credit, nor be involved in buying or selling insurance.

Luther was vehemently opposed to the property insurance industry because it was 'a presumptuous encroachment upon the work of God', 'a fruit of unbelief', and contrary to Scripture. Christians should neither provide surety for the property of others nor seek it for themselves; rather, they should trust in God for protection of belongings and provision in case of loss. Luther viewed the desire to avoid or eliminate economic risk as proof of an excessive attachment to material property and possessions. It was also futile because 'God wills [that all temporal goods] should be subject to risk and uncertainty'. **p. 222**

The second half of *Trade and Usury* was devoted to a criticism of usury, and of the *Zinskauf* in particular. *Zinskauf* was a common financial transaction of Luther's day, which the medieval theologians exempted from the ban on usury. Luther, however, was firmly convinced that it was usury; even if it was not usury, it was oppressive and unjust and therefore contrary to the Golden Rule (i.e., natural law) and the norm of Christian love.

Luther's objection to the *Zinskauf* was based upon the same principle as his objection to insurance. The creditor in the *Zinskauf* contract attempts to obtain an income that is fixed and assured under all economic conditions, at the expense of the debtor who must make the fixed payment even before basic necessities are procured. To Luther, the creditor's motivation evidences a greedy and covetous devotion to the things of this world. There is only one situation in which *Zinskauf* can be defended: the creditor

should have the same risk and uncertainty with respect to his *zinss* [payment] as he has with respect to his other property. For as regards his other property the *zinss* buyer is subject to the power of God—death, illness, flood, fire, wind, hail, lightning, wolves, wild beasts, and the manifold losses inflicted by men.

Luther pointed out that this situation comes about when the *zinss* is linked to the earnings of a contractually-specified piece of property. If this condition were met, he was prepared to allow interest rates of up to 6 per cent, although '[t]he smaller the percentage the more godly and Christian the contract.'

Luther proposed a superior alternative to *Zinskauf*—a variable tithe. Luther's model was the Old Testament tithe, which called for the Israelites to pay one-tenth of their annual income to the priests. He also adduced Joseph's decision to charge the Egyptians one-fifth of their annual production in the plentiful years before the famine ([Gen. 41:34; 47:24, 26](#)). Following these precedents, Luther proposed that the rate of the payment should vary with economic conditions—the better the conditions the higher the rate, and vice-versa. This would eliminate the oppressive inflexibility of the *Zinskauf*, with the result that 'all would depend on the grace and blessing of God'.

### **Government Restrictions on Property Rights and Economic Activity**

In his 1520 *Address to the Christian Nobility of the German Nation Concerning the Reform of the Christian Estate*, Luther enjoined the rulers of Germany to enact restrictions on property rights and economic activity. He advocated sumptuary laws against luxurious p. 223 and expensive clothing and other goods, controls on spice imports into Germany, and severe restrictions on *Zinskauf* contracts. Luther was concerned because expenditures on foreign clothing and spices and *Zinskauf* payments were impoverishing upper-class Germans. He referred to the merchants of imported silk and velvet as 'domestic robbers' (as opposed to the 'foreign robber'—the Pope). On the whole, said Luther, Germany would be much better off if agriculture were increased and commerce decreased.

## **JOHN CALVIN**

### **Individual Property Ownership**

Calvin was apparently so convinced of the legitimacy and propriety of personal ownership of property that he felt little need to support it with systematic argument. He 'accepted without question' that individual property 'was a fruit of the divine Providence and necessary for the public order'.

In Calvin's view, God, the ultimate owner of the earth and everything in it, distributes possessions and material goods to individuals according to his sovereign and benevolent

will. Thus, Calvin condemned violations of the commandment against theft as offences against the providence of God. Also, the public order that God desires for human society requires individual property 'since it is necessary to keep peace among men that the ownership of property should be distinct and personal among them'.

Only once did Calvin explicitly argue the legitimacy of individual property ownership—in his treatise *Against the Libertines*. The Libertines were a religious sect who apparently practised a variety of primitive communism and justified their practice by appealing to the example of the early Christian community in the Book of Acts. In his vehement denunciation of the Libertines, Calvin adduced many examples of Christians in Acts (and elsewhere in the New Testament) who maintained personal ownership of their houses and money. He vigorously supported the proposition that individuals are permitted to own property even in the Church, the community of the redeemed.

### **Limitations on Property Rights**

Contrary to modern popular belief, Calvin did not teach ascetism in the use of things of this world. In fact, he considered those who taught extreme austerity 'dangerous' because 'they would feel consciences p. 224 more tightly than does the Word of the Lord'. Moreover, Calvin's appreciation of beauty as valuable for its own sake shows that his view of material goods was not merely utilitarian. His approach to the material things was exemplified by his summary advice on Christian freedom with respect to temporal goods: '[W]e should use God's gifts for the purpose for which he gave them, with no scruple of conscience, no trouble of mind'.

However, we are not to abuse our Christian freedom by squandering money on superfluous luxury. Calvin called for frugality and moderation in consumption so that we would have something left over to give to others. He regarded the extravagance of the rich as a sin against the poor.

In his discussion of the Eighth Commandment in his commentary on the Pentateuch, Calvin gave an indication as to what he considered 'necessary' by way of material goods. In connection with the taking of pledges on loans ([Deut 24:6, 10-13](#)), he said that a creditor should not take as pledge anything

which he knows to be necessary for the poor ... For it is not just that he [a poor person] should be stripped, so as to suffer from cold, or to be deprived of other aids, the use of which he could not forego without loss or inconvenience.

This is further evidence that Calvin was not an ascetic. He considered a good necessary if it could not be given up 'without loss or inconvenience'.

Stewardship was an integral element of Calvin's property ethics. In Calvin's view, God bestows temporal goods for the purpose of enabling those who have an abundance to use their possessions to help others, and thus promote human fellowship. Indeed, the reason that God distributes property unequally among men is so that there will be a continuous circulation of goods from those who have more to those who have less. God gives the rich a special duty and responsibility along with their wealth: he expects money to be used to serve the poor. Calvin often referred to the rich as 'stewards of God' and 'ministers of the poor'. His realistic concern for stewardship is shown in this passage:

[T]hose who have riches, whether inherited or won by their own industry and labour, are to remember that what is left over is meant not for intemperance or luxury but for relieving the needs of the brethren ... I acknowledge indeed that we are not bound to such an equality as would make it wrong for the rich to live more elegantly than the poor; but there must be such an equality that nobody starves and nobody hoards his abundance at another's expense. p. 225

Calvin thought that great wealth was dangerous, and that self-restraint should therefore be exercised in accumulating property. He realized that people have a natural desire to avoid poverty, but he also observed that his desire is sometimes perverted into a mad striving after wealth. He cautioned that excessive labour motivated by greed can become a 'disease of the mind'. Those who are obsessed with wealth and pray the Lord's prayer are hypocrites, in Calvin's opinion, because they 'ask him what they do not wish to receive, indeed, what they utterly abominate—namely, mere daily bread ...'

### **Property and the Stations in Society**

There is nothing in Calvin's writings that specifically relates property requirements to social station or vocation, but there are indications that he held a view similar to Luther's. Calvin believed that God assigns a calling to each person for the good of the individual and society as well, and he counselled his audience to keep their callings in mind 'in all life's actions'.

### **Economic Activity**

Calvin believed that the overriding consideration in one's choice of occupation should be to select the job which provides the greatest service to other people. He had a more favourable view than Luther concerning trade and commerce, but the two Reformers shared a high opinion of agriculture as a way of life. They also agreed that no Christian should earn a living solely by lending money.

Calvin saw God, not man's work, as the source of all wealth, and therefore did not think that labour *per se* was meritorious. Employers and employees alike receive their remuneration from God, so it is theft when an employer defrauds his hired workers, or when he allows market forces to reduce the wages of his workers below subsistence level. Calvin advocated measures to protect workers, including judicial arbitration and labour contracts, agreed upon through collective bargaining if necessary.

Unlike Luther, Calvin never questioned whether it is possible for a Christian to be a merchant. His advice to traders was more or less the same as his advice to other workers: Be honest and follow the Golden Rule. '[I]n buying and selling we should not employ fraud, deceitful tricks, or lies, but we should go briskly about our business with honesty, in the same way that we require it of others.'

Calvin believed that human economic inter-dependence produced by exchange of goods is a reflection of God's providence. Accordingly, [p. 226](#) he was incensed at cheaters in the marketplace: they are not only thieves, but also offenders against God's providential care for the human race. '[I]f the laws of buying and selling are corrupted, human society is in a manner dissolved; ...' Monopolization, hoarding, and speculation are similarly offences against God and the economic solidarity of mankind.

Calvin, like Luther, considered any payment attached to a loan to be usury. However, Calvin apparently did not share Luther's conviction that the desire to obtain a guaranteed future payment was antithetical to trust in God. For Calvin believed that a usurious loan was permissible if no one were oppressed or injured by it.

The Old Testament prohibition on usury was, according to Calvin, part of ancient Israel's political constitution and therefore not binding on Christians. He also wrote that [Luke 6:35](#) does not apply to usury. He argued that, considering this verse in its context, Christ's teaching in this passage goes far beyond loan agreements: Christ is telling us that we should lend and give generously to all our neighbours, including enemies.

That does not mean that Calvin accepted money-lending as a profession. He insisted that usurers must always become robbers and thieves, and that no just government should tolerate their presence. Lending money at interest may, under certain conditions,

be acceptable as an occasional method of earning a little extra money, but it is never acceptable as a sole means of support.

Calvin's fullest statement on usury is a short but well-known letter of 1545 to Claude de Sachin. Sachin wrote, on behalf of another unknown party, to his personal friend Calvin requesting an opinion on the legitimacy of charging usury on a loan. Calvin stated his great reluctance to express an opinion because he knew that many businessmen would take undue advantage of any relaxation, however minor, in restrictions on usury. Nevertheless, trusting his friend's discretion, he proceeded. 'In the first place', said Calvin, 'by no testimony of the Scriptures is usury wholly condemned'. [Luke 6:35](#) has, in his opinion, been misapplied, while the Old Testament laws on usury were political and therefore no longer pertinent. Moreover, God placed the Jews in a situation where it was easy for them to engage in business without usury. However, Calvin thought that the changed circumstances of his day meant that usury was no longer forbidden as long as the rules of charity and justice were followed.

Calvin then demolished the argument of Aristotle and the scholastic theologians that money should not earn interest because it is barren. Calvin's conclusion was 'that usury must be judged, not [p. 227](#) by any particular passage of Scripture, but simply by the rules of equity'.

However, that was not the end of the letter. Calvin went on to apply the rules of equity to usury; he formulated seven specific exceptions to the general taking of usury. It was wrong to take interest from the poor. It was wrong to demand excessive security from the poor, or otherwise to neglect them. The rules of equity that must be followed were described by the Golden Rule. A loan was wrong if the borrower's gain from the loan, net of interest payments, was less than that of the lender. (This obviously implied that interest cannot be charged on consumption loans, but only on investment loans.) The fact that a business practice was common did not make it right—we must always be guided by the Word of God. Transactions must redound to the common good, as well as the good of the individuals directly involved. It was wrong to charge a higher interest rate than the maximum permitted by the civil authorities.

### **Government Restrictions on Property Rights and Economic Activity**

Calvin's awareness that sin had permeated all aspects of human life, including economic activity, convinced him that society could not achieve economic harmony without government intervention. As a result, he supported many government measures to regulate the marketplace, for example, price controls on basic commodities, wage controls, sumptuary laws on luxurious dress, regulation of working hours, and interest rate ceilings. The fundamental test that Calvin applied to any government regulation was: Does it promote the common good?

## **CONCLUSION**

Many questions arise in considering the applicability of Luther's and Calvin's property ethics to modern economic society. For example, competition is taken for granted in today's market-place. To what extent (if any) can competitive behaviour be reconciled with the Reformers' views on economic motivation?

Also, Luther and Calvin apparently said very little about saving; they certainly did not encourage it. Today, however, personal and corporate savings are considered essential aspects of economic activity because of their role in financing capital investment and therewith economic growth and job creation. With this in mind, would it be possible to incorporate saving into the system of property ethics described by Luther and Calvin? We

can also consider how their p. 228 views might be applied to other features of the modern Western economy, for example, the banking system and the housing mortgage industry.

Although their emphases differed, Luther and Calvin were in agreement on the foundations of property ethics. Both Reformers were profoundly committed to the Golden Rule and love for neighbour as the fundamental principles of all human relationships, including economic ones. Calvin had a generally more positive view than Luther of economic affairs. In particular, Calvin believed that property relationships could be redeemed to play a significant role in promoting human solidarity and community.

Both men strongly opposed communistic arrangements of ownership because common property vitiates the moral responsibility of the individual. They opposed as well the unrestrained operation of the free market as unjust and unchristian. Calvin's belief that the economic interdependence caused by trade is part of God's design for promoting social harmony is an interesting foreshadow of Adam Smith's invisible hand. It is, however, certain that neither Calvin nor Luther believed that the invisible hand by itself could produce economic and social justice.

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## Property and the Gospel

Barbara Nelson Gingerich

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*Unlike the last article, this article compares the theology of property in the Reformation (John Calvin) with that of an Anabaptist tradition (Hutterites). It is rather an extended article with detailed footnotes (here also footnotes have been omitted for similar reasons), but also has precise theological analysis and new insights to compensate. Calvin shaped his views toward an ethic applicable to an entire society while the Hutterite brethren cared only about justifying their views for the Christian community that share goods in common. One's ecclesiology as a key to one's theology of property is the fresh insight here.*

Editor

Scholars have debated for years about the economic impacts of sixteenth-century religious movements. In his landmark study of *The Protestant Ethic and the Spirit of Capitalism*, Max Weber argued that John Calvin's understandings of predestination, Sanctification and vocation contributed to the creation of a social climate in which modern capitalism could develop and flourish, gaining ascendancy over a traditional economic system. Karl Kautsky has studied the Hutterites on the radical left wing of the Reformation and claimed them as forerunners of modern socialism. The debates surrounding Weber's and Kautsky's theories are sufficient to establish the fruitfulness of studying Calvin's works and Hutterite documents with attention to economic considerations.

But such a study need not be undertaken solely from the standpoint of later socioeconomic developments, to try to establish causal connections or historical