



USTURY

DESTROYER OF NATIONS

S. C. M O O N E Y

USURY

Destroyer of Nations

by

S.C. Mooney

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About the Cover

Depicted on the cover is a graphic parable, which encapsulates the thesis of this book. There looms the ghost of what once was a great oak. What remains of it stands cold and bare, while the vines which caused its death flourish about it. The parable that inspired this illustration comes from the pen of a 16th century English Puritan preacher, Henry Smith, whose own words now explain its meaning:

"For Christ said to his Disciples, *Love one another , as I have loved you* . But it may be said of the Usurer, See how he hateth his brethern, and hear how he loveth them: for he loveth them in words, and hateth them in deeds. He sayeth that he loveth them, and that he lendeth for compassion, but it is for compassion of himself, that he may gain by his lending. The Usurer loveth the borrower, as the Ivy loveth the Oak: The Ivy loveth the Oak to grow up by it, so the Usurer loveth the borrower to grow rich by him. The Ivy claspeth the Oak like a lover, but it claspeth out all the juice and sap, that the Oak can not thrive after. So the Usurer lendeth like a friend, but he covenanteth like an enemy, for he claspeth the borrower with such bands, that ever after he diminisheth, as fast as the other increaseth."

Foreword

This book will provide the attentive reader with answers to some of the most puzzling questions that we face today about money and interest or usury. This book was written because there is nothing else available today which thoroughly covers this important topic from a foundation of God's Word. How many investors today can remember their Pastor teaching on the Biblical foundation for making interest-producing loans to individuals, banks and other businesses? Is the Bible silent? No. Is the subject of money and interest so far removed from the pressures and concerns of every day life in modern America that it would be considered a distraction from "real life" to provide instruction in these areas? No.

Traditionally, Pastors have lacked important economic related instruction. One example of this lack is found in the otherwise comprehensive *Lectures on Calvinism*, by the esteemed Abraham Kuyper. This work was designed as a survey of the impact of the Christian faith in all areas of life. The fields covered include theology, government, art, and science. It is instructive to note that there is no section covering Biblical faith as it relates to economic activity. In a similar vein, Gary North laments that in all the centuries since the founding of the Church, there has never been a economic commentary written on the books of the Bible.¹

1. Gary North, *The Dominion Covenant: Genesis*

This neglect leaves Christians to borrow from the unbelieving world those ideas which will be applied to the economic aspects of everyday life.

The lust for gain without pain is very powerful. Too often the Church has no one to turn to when economic temptation presents itself. The truth is that the vast majority of Pastors 1) have never been asked to study these subjects in college or seminary and therefore 2) do not always recognize the important need to understand them. We believe that everyone who uses money, or acquires it through interest bearing investments, should both understand the origin of money and be able to give an account regarding righteousness of his actions. How can a man provide a godly witness before an unbelieving world if his personal finances are not handled in a distinctly, self-consciously Christian way?

Love characterizes God's covenant people; love must characterize any truly Christian concept of economics. The sin which this book addresses would not exist if we truly loved one another from the heart. As it is, we have an economic system where profit for some depends on the continual need of their brethren to borrow that which they lack. This is the effect of usury on any and every sort of loan. Christians need to see that living this way is not demonstrating God's truth to the world. What is more, the prevalent notion is that usury is a normal aspect of an economy. However, historically the church has long been opposed to usury by the conviction that it is contrary to God's law. That is, the position taken here is not a new one, but a call to return to what the church had believed for over a thousand years.

It is no wonder when professing Christians ignore God's instructions about loans, that instead of more affluence and freedom they receive higher taxes, oppressive government, and more per capita indebtedness. The United States is thought to be the world's wealthiest nation, while in reality it is the world's greatest debtor. If the average citizen were proportionally as far in the "red" as we are as a nation, every creditor who knew of his plight would foreclose on all loans as fast as the paperwork could be completed.

The United States is a nation under God's judgement and discipline. Usury always leads to slavery. This time, because we have ignored God's commands, we will end up the slaves. Every year a larger portion of Christians' disposable income goes to support domestic and foreign debts.

Increasingly, the Internal Revenue Service relates more like the Pharaoh's taskmasters toward citizens, churches, and Christian schools.

My hope is that righteousness might come to characterize our economics as a Christian people. It is time that the Church teaches the nations "to observe all that Christ has commanded". Let us no longer borrow our economics from the world. Rather let them come to us for the righteous economics of godly peace and prosperity. This is a goal to which anyone involved in "Christian economics" would subscribe, however, this goal cannot be realized as long as the sin of usury besets us. This book is directed to the end that we would repent of usury as a people, and achieve an economy in which all men love their neighbor as themselves and thus fulfill the law of Christ.

David B. Wiley
Director, Theopolis

Author's Preface

God's Word tells us that, "When there are many words, transgression is unavoidable" (Proverbs 10:19). Though the present writer has many to thank for making possible the completion of this work (too numerous to name), he nevertheless reserves to himself responsibility for the unavoidable transgressions.

Having already drawn upon the wit of Mr. Smith for the cover concept, another appeal to him in the preface risks conveying to the reader the mistaken impression that the present writing is but a narrow reiteration of the Puritan position. Suffice it to say that the scope of this work is much broader than that. Having so said, it is hoped that the reader once again may appreciate the words of Henry Smith, whose introduction to his sermons on usury is a most fit introduction to the spirit of the study which follows.

Here thou hast the sermons which have been often desired, because of the matter fit for this city. One sayeth, that he would never speak to usurers, and bribe-mongers, but when they be upon their deathbeds: for he which liveth by sin, resolveth to sin, that he may live. But when he goeth to hanging, Judas will say, *I have sinned*. If I speak not to usurers upon their death-bed, yet I speak to usurers which shall lie upon their death-bed. Three things do give me hope. One is, that all hearts are in the hands of God, to call them at what hour He list, and therefore Saul may become an Apostle. The next is, that the third crow doth waken more than the former, and therefore after the crowing of other, this crow may happily be heard. The last is, that there is no sin, but some men have been reclaimed from it, and so may usurers from their sin.

Therefore go my book like David against Goliath, and fight the Lord's battles against usurers. The Lord give that success to his doctrine in these leaves, that it may consume usurers, as Joshua drove out the Canaanites before him. If I could take but this one weed out of the Londoner's [American's] garden, I were answered for my health and my strength spent amongst them. Read with thy best mind, and thou shall profit more.

S.C. Mooney

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DEFINITION OF USURY

God commands us in Exodus 22:25, "If you lend money to My people, to the poor among you, you are not to act as a creditor to him; you shall not charge him interest." The KJV puts it, "thou shalt not be to him as an usurer, neither shalt thou lay upon him usury." Everyone agrees that usury is a sin; that is, provided that everyone is allowed to define usury for himself. Few, if any, would defend usury no matter how it is defined, but almost everyone would condemn usury according to some definition. However, there is not a universal feeling that "interest" is wrong. When the statute is expressed as prohibiting the charging of "interest", it generally is supposed that this prohibition must hold only in certain cases. Some define usury so that it may be lawful in certain cases, and define "interest" so that it may be unlawful in certain cases. The controversy over usury has centered on the problem of definition. In order to receive the instruction of Exodus 22:25, and a number of other texts, in their fullest sense, it is necessary that we understand what is meant by "usury" in older translations, and "interest" in newer ones.

Gary North says, "The definition of usury is precise Biblically: *any increase taken from the poor in return for having made a loan.*"¹ Actually, "usury" is not defined in the Bible. It might be said that the Bible *circumstantially* defines "usury", in the usage of the term in various texts. It would be more true to say that the definition of usury is *as precise*

1. Gary North, *An Introduction to Christian Economics* (The Craig Press, 1973)

as is one's interpretation of certain biblical texts. In the case of obscure, little used words, their usage in context can give a clue as to their meaning. However, the biblical terms which may be translated "usury" are not of this type. In the case of usury, an exegetical problem arises more from the fact that the economic teaching of God's Word comes to us from a time when men had no discreet economic theories. Economics is a young science. Usury in ancient times was not understood according to discreet economical categories. The writers of the Bible did not have a range of economically defined concepts from which to choose when speaking on the subject. In their time there was nothing like the shades of meaning between "interest" and "usury" that we have today. The modern temptation is to read one's favorite economic doctrine back into the Scriptures. Therefore, the order of the present discussion shall give a treatment of the pertinent biblical texts only once the definition and history of usury have been treated. This order does not imply a low view of the Scriptures. The present writer holds to the orthodox confession, that the Bible is the very word of God, inerrant in the original manuscripts, and is man's only infallible rule for faith and practice. The prior discussion of definition and history is necessary because of the misunderstandings of usury that are introduced by modern "interest theories". That is, in order to gain an adequate understanding of the requirement of Exodus 22:25, it is necessary that one know what is meant by the terms "usury" or "interest", and yet the modern, popular understanding of those terms is not sufficient.

It shall be difficult to exhaust the matter of the definition of usury without going into the facts of its history. Indeed, a brief survey of various ways of defining usury provides a general outline for the history of usury. Usury is as ancient as civilization. From earliest records up to the present, it has been understood to be an evil that lenders commit upon borrowers. Variations of meaning occur within this general idea. The popular conception of usury has evolved through the ages. The ancient understanding of usury was largely an emotional one. Ancient thinkers did not develop economic theories that were distinct from other theoretical disciplines. Consequently, usury was considered not according to definite economic concepts, but according to its character as it impacted the parties to a loan. This is illustrated by the language that

was used in ancient documents that treat of usury. There are two Hebrew words that are translated "usury" in the Old Testament. *Neshek* spoke to the character of usury vis-a-vis the borrower. Its root means literally "a biting". In this term, the oppressive nature of usury was expressed. The other word, *Tarbith*, has to do with the creditor's experience; it means "increase".² Numerous texts of ancient Mesopotamia, notably the Babylonian Code of Hammurabi, deal with usury. The term in the original language is *Sibtu*. It is related to another word, *Asabu*, that means "to enlarge, to add, to increase in size or number". This parallels the Hebrew *Tarbith*. *Sibtu*, however, carries a distinctly negative connotation, as does the Hebrew *Neshek*. Besides its meaning of "usury", it also means "attack" or "seizure" as in epilepsy, and also the violent seizure of property by pirates. As well, it means "tax", "tribute" or "levy", as a conqueror or lord would impose upon his vanquished.³ As these terms suggest, usury in ancient times was known for the hardship and misery that it inevitably meant for borrowers, and the riches and power that it meant for lenders. The difference between ancient Israel and Babylon was simply that the former got her laws from God, and consequently condemned usury, while the latter derived her laws from pagan men, and accordingly permitted and "regulated" usury.

This ethical and emotional conception of usury endured into the medieval era, but near the close of this era economic theories began to emerge into view. The technological advances in transportation and in industry led to the maturation of the partnership in commercial enterprise. Commercial activity stood to gain from loans of capital, but such loans seldom were made because 1) lenders typically wanted usury and 2) usury still had a bad reputation. In this context of developing commerce, economical concepts also began to develop. The medieval English term *usury* derived from the Latin *usuria*, and carried the more theoretical idea of selling the *use* of property. In an attempt to rescue money-lending from the stigma of "usury", an alternate concept was

2. A. Pick, *Dictionary of Old Testament Words* (1845; Grand Rapids: Kregel, 1977) p.523

3. *The Assyrian Dictionary*, (Chicago: The Oriental Institute, 1962), Vol.XVI, p.158-167

proposed: what now is known as "interest" (from the Latin *interest*, meaning a compensatory payment). The ancient, pagan method of government regulation of "interest rates", rather than the simple censure of usury, came into favor in Western, Christian nations.

The age-old popular aversion to usury was overcome by means of a new science: economics. Economic argumentation convinced the civil powers of the pragmatic benefits of loans at usury to commercial enterprises. The ancient emotional view of usury was undercut because these commercial ventures demonstrated that those who borrow on terms of usury do not always suffer for it. The lender had his "increase", but the borrower who was successful in his enterprise no longer experienced the "bite". The proverbial miserable and enslaved debtor gave way to the commercial entrepreneur, who stood to profit from borrowing at usury. Those in the church, who inherited from their forefathers a distinct disapproval of usury, nevertheless did not inherit any theoretical basis for such disapproval. There was little basis for them to object to usury once it was shown that misery no longer automatically attends borrowers. The civil powers were tempted by the potential lucrativeness of commercial activity that was artificially accelerated by abundant loans at usury. Since the church seemingly was unable to refute what the new "economists" were saying, her strict anti-usury position was abandoned.

The early modern era, therefore saw a push to destigmatize the idea of usury. Through the 19th century "interest" was regarded as "usury without the bite", and in order to assure that usury was rendered toothless, the maximum rate of such "interest" was set by law throughout Europe and in the United States. The term "usury" still was in popular usage, though it was restricted to mean "interest" which was in excess of that allowed by law. Such laws were designed to allow for enough "interest" to stimulate the economy, but not enough to result in the misery and suffering that attended usury in ancient times. The latest economic theories attempt to explain "interest" as a natural market phenomenon that varies according to the subjective values of men. It is thought of as a "price" of money, which ought to be allowed to fluctuate naturally in the market along with other prices.

All theoretical underpinnings for "usury laws" have vanished, as have many of those laws themselves. As a result, the term "usury" no