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THE EFFECTS OF THE GREAT DEPRESSION
UPON SEVERAL AREAS OF
THE LUTHERAN CHURCH--MISSOURI SYNOD

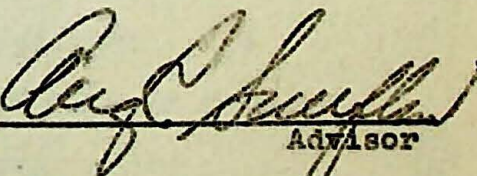
A Thesis Presented to the Faculty
of Concordia Seminary, St. Louis,
Department of Historical Theology
in partial fulfillment of the
requirements for the degree of
Bachelor of Divinity

by

Edwin R. Schwanke

June 1957

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Advisor

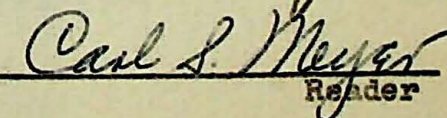

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CHAPTER I

INTRODUCTION

The economic instability and widespread unemployment throughout the United States following the Stock Market crash of October, 1929 had a profound effect upon nearly every phase of life and activity in this land. Such an economic recession would also affect the churches, for the source exists in the economic and social order.

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of depression. Special emphasis will be given to the home and foreign mission program, the colleges and seminaries, and the problem of placing missionary graduates during the last years.

This study of the Missouri Synod during the depression is divided into four main chapters. The first is a study of the years preceding the depression, a time of national prosperity for the country, but of growing financial problems for the church. The second chapter covers the first three years of depression, the initial reaction, and the gradual realization of the seriousness of the situation. The third

CHAPTER I

INTRODUCTION

The economic instability and widespread unemployment throughout the United States following the Stock Market crash of October, 1929 had a profound effect upon nearly every phase of life and activity in this land. Such an economic recession would also have an effect on the churches, for the church exists in the economic and social order. Serious fluctuations in the economy of the nation are reflected in the economic activities. The Lutheran Church--Missouri Synod experienced many of the difficulties which were common to the churches of America during the Great Depression. This paper will trace some of these effects upon several areas of the program of the Missouri Synod during the years of depression. Special emphasis will be given to the home and foreign mission program, the colleges and seminaries, and the problem of placing seminary graduates during the lean years.

This study of the Missouri Synod during the depression is divided into four main chapters. The first is a study of the years preceding the depression, a time of national prosperity for the country, but of growing financial problems for the church. The second chapter covers the first three years of depression, the initial reaction, and the gradual realization of the seriousness of the situation. The third

section will consider the darkest years of the depression, when a solution to a growing number of problems seemed impossible. The fourth chapter will trace the gradual recovery of the church, following the pattern of the national recovery, except for the continued problem of candidate placement, which was not resolved until after the outbreak of World War II.

No particular study had been made of this period and phase of Missouri Synod history as far as is known and discernable from materials available in Pritzlaff Memorial Library, Concordia Seminary, St. Louis, and Concordia Historical Institute, on the campus of Concordia Seminary. One study that might have proved helpful was not obtainable. Efforts were made to secure a copy of a Master's thesis prepared by Gladys Leech of Arlington, Virginia, entitled, "The Lutheran Church--Missouri Synod and the Great Depression, 1929-41." Inquiries concerning this work were not acknowledged by the writer. A study of Lutherans in the Great Depression appeared in the May, 1955 issue of The Lutheran Quarterly, however, this is a broad survey of general conditions in several Lutheran bodies and of little value for a detailed study of the Missouri Synod during the depression.

Secondary sources consulted were various economic histories, several church history texts and histories of the Missouri Synod, and a study of the financial aspects of the depression. A study of the effects of the depression on the

Western District of the Missouri Synod appears in The Heart of Missouri by August R. Buelflow, Director of the Concordia Historical Institute. Passing reference to the depression is made in A Century of Grace, by Walter A. Baepler.

Most of the information was gathered from The Lutheran Witness, a bi-monthly publication of the Missouri Synod, which records the activities of the church at large. This source supplied reports and reflected the thinking of the officers and members of the Missouri Synod during the depression years, however, a comprehensive treatment or summary of the depression never appeared in this paper. Because of the lack of a complete index in The Lutheran Witness, it was necessary to page through the yearly volumes from 1920 to 1942 to gather the necessary information. The issues of particular value appeared in the months of February or March which contained the financial report for the previous year, the budget for the coming year, and editorial comment on the financial condition of Synod. The reports of the 1920's were often difficult to interpret. The financial structure of the church was developing with its steady growth, constantly undergoing changes and revisions from year to year. This made it difficult to trace certain items over a period of years. For example, to determine the receipts and disbursements for the period from 1920 until 1929, it was necessary to go over the financial statement

for those years with Theodore W. Eckhart, financial secretary of the Missouri Synod from 1920 to 1954. The disbursements and receipts for the various boards of Synod had to be totaled from the financial records in order to obtain the correct figures. Without Mr. Eckhart's assistance, which is here gratefully acknowledged, this information would have been virtually unintelligible.

Additional primary source material was found in the Proceedings of the triennial synodical conventions. These were particularly helpful in obtaining overall surveys for a longer period of time. They also reflected the thinking and planning for the subsequent three year period. The Statistical Year Book, published annually by Synod containing figures of almost every part of the church's activity, was helpful in surveying longer periods of synodical activity to determine trends and movements. A number of pamphlets and tracts on stewardship, published by the Missouri Synod, furnished first hand information on the various financial efforts from 1923 to 1939.

The Great Depression literally froze the program of the Missouri Synod in its tracks. The 1920's was a period of expansion for the church, particularly in the field of higher education. Enlarged facilities and equipment were provided for the growing number of students preparing for the ministry and the teaching profession. As a result of the increased enrollment a large number of candidates were

available when the depression began, and this supply continued throughout the depression years. Opportunities for expansion in foreign fields were unsurpassed. Many new mission fields in the United States waited for workers. At this juncture the Great Depression swept the land and taxed the financial stability of the Missouri Synod. All effort was diverted to meet the current obligations of the church and opportunities for world-wide expansion had to be put aside for the time. The depression brought the program of the Missouri Synod to a virtual standstill.

CHAPTER II

THE YEARS BEFORE THE GREAT DEPRESSION, 1920-1929

The National Scene

On December 4, 1928, President Coolidge in his last message on the state of the Union said,

No Congress of the United States ever assembled, on surveying the state of the Union, has met with a more pleasing prospect than that which appears at the present time. In the domestic field there is tranquility and contentment and the highest record of years of prosperity.¹

This statement reflects the general conditions and spirit of optimism which prevailed in the United States throughout the 1920's. Prosperity had returned to the land after a brief post-war depression (1919-1921). The period from 1923 to 1929 was a time when large sections of the country and large numbers of the people enjoyed economic prosperity. The population increased by twenty-five per cent and the national wealth by twenty billions. Production and employment were high and continued to rise. Between 1925 and 1929 the number of manufacturing establishments increased from 183,000 to 206,700, while the value of output rose from \$60.8 to \$68.0 billions. The Federal Reserve index of industrial production which had averaged only sixty-seven in

¹John Kenneth Galbraith, The Great Crash, 1929 (Boston: The Riverside Press, c.1955), p. 6.

1921, reached 126 in June, 1929.² Due largely to speculation and marginal buying the Stock Market soared to dangerously phenomenal heights.

The financial status of the working man was sound. While wages increased only slightly during this period, prices were stable. The opportunity to buy goods on the installment plan increased the demand for many commodities, especially the automobile. In 1926, 4,301,000 new automobiles were produced, while in 1929, 5,358,000 rolled off the assembly lines.³ The 1920's witnessed the largest building boom in history. Eleven million people owned their own home. The peak of the building boom came in 1925, when over six billion dollars was spent on new construction. Despite the large amount of money spent on new homes and installment buying, the number of savings accounts increased from eleven million to forty-five million.

Prosperity did not embrace all the people of the land. Coal mining, textile manufacturing, the shoe and leather industry, and agriculture were failing. The middle Atlantic states, the east north central section, and the Pacific appeared prosperous, but New England, suffering with the textile decline, the South, the Middle West, and the mountain

²Ibid., p. 7.

³Ibid.

states were burdened with declining agricultural prices.⁴ For these regions the coming of the depression only intensified the already existing adverse conditions.

The National Church Scene

The economic prosperity of the United States was reflected in the activity of the churches of the nation. More beautiful and costly churches were built during the ten years after 1920 than at any time in history. In 1916 the value of church buildings was \$1,676,660,582; by 1926 their value had more than doubled. In 1921 the amount spent for new churches was \$60,000,000; in 1926 the figure for the same purpose reached \$284,000,000.⁵

The Missouri Synod Scene

The Lutheran Church--Missouri Synod, reflecting the prosperity of the times, erected many new churches, a new seminary, and many college buildings throughout the United States.⁶ In the peak church building year of 1926, the

⁴Harold Underwood Faulkner, American Economic History (New York: Harper and Brothers, c.1935), p. 731.

⁵William Warren Sweet, The Story of Religion in America (New York: Harper and Brothers, c.1950), p. 413.

⁶The Lutheran Church--Missouri Synod during this period was officially known as the Evangelical Synod of Missouri, Ohio, and other States. In this paper it will be referred to as The Lutheran Church--Missouri Synod, the present official name, the Missouri Synod, Synod, or the church.

congregations of the Missouri Synod dedicated fifty-three new church buildings, a complete new seminary for four hundred students at St. Louis, Missouri, a ministerial preparatory school for college and high school students at Edmonton, Alberta, Canada, and an academy for ministerial students at Austin, Texas.

The home mission program of the Missouri Synod, which was concerned with the establishment of new mission stations throughout the country, expanded during this period. From 1920 to 1929 the number of subsidized mission stations increased by 220, bringing the total to 1584, while 327 more pastors were added to the home missionary staff, increasing this group to 903.⁷ In an effort to utilize the new medium of radio as a missionary agency, Synod began operation of a station, KFUD, in St. Louis, in 1924.

New foreign mission stations were added in Mexico, 1922, Alaska, 1926, and Paraguay in the same year.⁸ The Missouri Synod already operated missions in India and China. Work in China was expanded by the addition of four new mission stations in metropolitan areas not touched before, and by the opening of a seminary for the training of a Chinese ministry.

⁷Figures are based on statistics taken from The Statistical Yearbook, 1920, p. 150, and The Statistical Yearbook, 1929, p. 163 (St. Louis: Concordia Publishing House).

⁸Walter A. Baepler, A Century of Grace (St. Louis: Concordia Publishing House, c.1947), p. 300.

In 1924 a seminary for a similar purpose was founded in Nagercoil, Travancore, India. In 1929 the Missouri Synod supported thirty-eight missionaries in India and nine in China.⁹

A survey of the higher educational training program of the Missouri Synod reveals that the enrollment at the colleges and seminaries had increased considerably following World War I. The enrollment in 1920 was 2042, while in 1929 it reached 2855. New dormitories, lecture halls and other buildings were required at many of the schools maintained by Synod. The seminary in St. Louis, erected in 1884, had become outgrown and inadequate for the proper training of ministers, therefore it was determined to erect a complete new seminary plant. The cost of this project with the other needs of synodical colleges was presented at the triennial convention of 1923, and totaled \$3,850,000. After this sum had been approved by the convention it was determined to launch a special collection from the members of Synod for the necessary building funds. This drive was conducted in the form of a Synod-wide canvass of every home in November, 1923. As a result of this campaign \$4,824,368.40

⁹Evangelical Lutheran Synod of Missouri, Ohio and Other States, Proceedings of the Thirty-fourth Regular Convention (St. Louis: Concordia Publishing House, 1929), p. 100.

was pledged.¹⁰ With the required funds coming in, the building program of Synod went ahead as scheduled.

Various synodical boards, while expanding their operations, found it necessary to increase their operational expenses. This was true of the home and foreign mission programs. The increased number of students at the colleges and seminaries meant an additional expenditure, for Synod provided free tuition and lodging for ministerial and teacher training candidates.

Although the amount of money received by Synod from the local congregations doubled from 1920 to 1926, it was not enough to keep pace with the increased expenses. In the same period disbursements exceeded receipts by \$513,818.45.¹¹ The synodical deficit increased from \$10,993.83 in January, 1922 to \$751,031.84 in January, 1928. Commenting on the rising deficit in 1925, Dr. Pfothenauer, president of the Missouri Synod, wrote, "this is due, in part, to the fact that our congregations are strenuously collecting for the Building Fund."¹²

¹⁰Frederick Pfothenauer, "Our Finances Improving," The Lutheran Witness, XLVI (March 8, 1927), 89.

¹¹This figure was obtained by totaling the receipts and disbursements for this period, and then subtracting the total receipts from the total disbursements. The figure does not appear in any publication.

¹²F. Pfothenauer, "Reflections upon Reading the Treasurer's Report," The Lutheran Witness, XLIV (March 10, 1925), 81.

Since 1921 receipts had failed to keep pace with disbursements. This made it necessary to borrow money to meet the operation expenses. In 1925 the synodical treasury borrowed money from the building fund, which had a surplus at this time. This measure was undertaken so that nothing would have to be borrowed from the banks, for interest had to be paid on bank loans. During the course of the year it was often necessary to borrow small sums to meet operation expenses, but this money was usually paid back by the end of the year.¹³ Regarding the borrowing of money from one board to pay the expenses of another, Dr. Pfothenauer stated,

Synod has established the rule that in case of need one treasury will help the other. Thus the Building Treasury was temporarily pressed into service to cover the deficit in other treasuries. Self evidently, this cannot go on forever.¹⁴

The pastors, delegates, and synodical officers who met

¹³The money for the operational expenses of Synod was received from the local congregations affiliated with the Missouri Synod. These funds were forwarded by the congregational treasurer to the synodical treasurer at the convenience of the congregational treasurer. Consequently, it was almost impossible to determine how much money would be available from month to month. Usually during the early months of the year the receipts were far below the operational requirements of Synod. This made it necessary to borrow money from the banks to make up the difference. At the end of the year when receipts usually exceeded the current requirements it was possible to repay the money borrowed from the banks.

¹⁴F. Pfothenauer, "What the Conditions of Our Treasuries Should Prompt Us to do," The Lutheran Witness, XLV (March 9, 1926), 81.

in convention, June 9-18, 1926, in St. Louis, faced the task of solving serious financial problems in the midst of one of the most prosperous periods in the history of the United States. The possibility of gathering a debt reduction collection was considered. The lowest possible attainable budget was approved for 1927-1929. This new budget called for more than three million dollars annually, with five hundred thousand dollars per year designated for the Church Extension Board.¹⁵ Over the three year period, six hundred thousand dollars was to be spent for further expansion of synodical colleges, where the enrollment of students continued to increase. The remainder of the budget was designated for the operating expenses of the mission boards, the Board of Support, and the colleges and seminaries of Synod.

According to Dr. Pfotenhauer the increase of the deficit was really a cause for rejoicing,

The real reason why our needs have become steadily greater of late years is one that should fill all Christian hearts with joy. Our work has grown, our business has expanded. All who are acquainted with the history of our Synod know how our educational institutions have developed in recent years. In all of them the enrollment has increased. In Seward and Milwaukee the number of students has doubled. Since Synod grants its students free tuition and lodging, the needs of our synodical Treasury have grown apace. Consider also the mission work of Synod, the many doors opened to us by

¹⁵The Evangelical Synod of Missouri, Ohio, and Other States, Proceedings of the Thirty-fourth Regular Convention (St. Louis: Concordia Publishing House, 1929), p. 178.

the Lord, for instance in Europe, South America and Asia. In all these countries we gained such a firm foothold that it became imperative to erect and support new institutions also there.¹⁶

In 1925, the synodical treasury found it necessary to borrow money from the building fund. Eventually this money was needed for building, and the synodical treasury turned to the Church Extension Board for money. In 1928 funds were borrowed from this account in order that the salaries of missionaries and other synodical employees might be paid.¹⁷ None of the borrowed money was used for expansion purposes, but only for the necessities of current expenses. In order to make this loan the Church Extension Board found it necessary to curtail its important activity.¹⁸ This meant the home mission expansion program could not progress as rapidly as it might have, if the Church Extension funds were available.

The laymen of the Missouri Synod, concerned with the welfare of their church, proposed to do what they could to

¹⁶F. Pfotenbauer, "Our Finances Improving," The Lutheran Witness, XLVI (March 8, 1927), 89.

¹⁷L. Meyer, "Expansion or Contraction," The Lutheran Witness, XLIX (March 11, 1930), 91.

¹⁸The function of the Church Extension Board is to make loans to newly-formed congregations which are unable to raise the necessary money at the moment for the construction of a chapel or other necessary facilities. The work of this Board is closely connected with the expansion of missions in the United States. If money was not available to the Church Extension Board this would seriously hinder the mission expansion of the Missouri Synod.

alleviate the financial situation. In the early months of 1928 a group of St. Louis business men stated the deficit of \$751,000 was a barrier to the forward movement of Synod. They proposed to solicit substantial sums from the wealthier men of the Missouri Synod to wipe out the debt. The St. Louis group underwrote the program and made efforts to spread the movement throughout Synod. The endeavor, labeled "Pay Synod's Debt," succeeded in raising \$108,000, which reduced the deficit to \$642,903.81 by January 31, 1929.

Assembled in convention in June, 1929, just months before the disastrous stock market crash of October, which precipitated the Great Depression, the members of the Missouri Synod faced grave financial problems. The receipts for 1927 and 1928 were more than two million dollars short of the budgetary needs. As a result of this shortage needed educational buildings were not erected. The Church Extension Board received little of the \$1,500,000 earmarked for that purpose; consequently, chapels were not erected where they were needed.¹⁹ The current expenses of the Synod had to be met before any thought of expansion could be entertained. In an effort to guarantee that this would be done, a new type of budget was proposed and accepted.

¹⁹F. Pfotenhauer, "President Pfotenhauer Comments on the Treasurer's Report for the 1928 Fiscal Year," The Lutheran Witness, XLVIII (February 26, 1929), 91.

The new budget was divided into two accounts, an "A" budget and a "B" budget. The "A" account was to handle the current expenses of Synod, the Board of Support, home and foreign missions, and the higher educational program of the Synod. The "B" account was to cover the building program, money for church extension, and the payment of the deficit. No money would be credited to the "B" account until all the requirements of the "A" treasury were met, for these were considered to be of primary importance and must be paid. The first item in the "B" account was reduction of the deficit, which was to be paid before any money would be made available for building or church extension. Such a move certainly reflected the gravity of the situation on the eve of the Great Depression. The Finance Committee at the convention reported,

Your committee is of the opinion that Synod's debt should be disposed of as quickly as possible, because its distressing and harmful effects are ever present. Finally, we agreed to recommend that the debt of Synod estimated at \$600,000, be made the major item of Group "B" budget for 1930.²⁰

The committee also reported that the adoption of this plan would make liquid \$279,000 of Church Extension funds which were borrowed by the synodical treasury. The proposed budget for the next three years suggested \$2,000,000 annually

²⁰The Evangelical Synod of Missouri, Ohio, and Other States, Proceedings of the Thirty-fourth Regular Convention (St. Louis: Concordia Publishing House, 1929), p. 178.

for the "A" group, and \$750,000 annually for the "B" group. If this full amount could be secured in 1930, the deficit would be completely liquidated, and \$150,000 would be available for building or church extension purposes.

Looking to the future, the Finance Committee announced the greatest present need of the Missouri Synod was expansion of missions, for opportunities were everywhere. In order to expand, much of Synod's resources would have to be appropriated for missions and church extension. With almost prophetic foresight the committee predicted that unless Synod expanded immediately, it would be unable to place the large number of graduates from the synodical seminaries in the next few years.²¹

Conscious of the responsibility to expand (something that had not been done to any extent in recent years), aware of a growing number of seminary graduates available for the ministry, and burdened with a debt in excess of \$600,000, the Missouri Synod entered a period of economic deflation which would have a telling effect upon its entire program.

²¹Ibid., p. 180.



CHAPTER III

THE FIRST THREE YEARS, 1929-1932

National Conditions

Although the beginning of the Great Depression is usually associated with the stock market crash of October, 1929, there were signs of economic recession even before this date. In June, 1929, the indexes of industrial and factory production both reached a peak, then they began to slide downward. By October, the Federal Reserve index of industrial production stood at 117 as compared with 126 four months earlier. Steel production, which began to decline in June, continued to fall off. In October freight car loadings, an accurate method of gauging the production of the country, decreased. Home building had been declining for several years and it slumped even further in 1929.¹ All of these economic phenomena preceded the resounding crash of the stock market late in October.

Unemployment followed the crash. According to figures gathered by the American Federation of Labor, unemployment rose from 1,500,000 in October, 1929 to 4,639,000 one year later. This figure climbed to thirteen million by

¹John Kenneth Galbraith, The Great Crash, 1929 (Boston: The Riverside Press, c.1955), p. 132.

1933.² If workers were fortunate enough to retain their employment, almost without exception they faced substantial salary reductions. These salary cuts, coupled with the widespread unemployment in the land, were bound to affect the spending pattern of the American economy and be reflected in reduced contributions to the churches.

Synod's Financial Condition

The financial program of The Lutheran Church--Missouri Synod for the next three years was outlined at the triennial synodical convention in June, 1929, just when the nation's industries were experiencing cutbacks which would culminate in serious financial depression. The budget for three years called for \$8,250,000, or \$2,750,000 per year. Two million dollars of this would go for current expenses, and the remaining \$750,000 was to be divided between the synodical building fund, the Church Extension Board, and the reduction of the deficit. The \$256,000 allocated for the program of home missions left room for very little expansion, and \$283,903.50 earmarked for foreign missions was considerably less than the amount requested. It is not surprising to read the words of the Reverend Lawrence Meyer who stated he saw no reason for the decline of 1927, 1928, and 1929.

²Harold Underwood Faulkner, American Economic History (New York: Harper and Brothers, c.1935), p. 758.

He went on to say that the church was standing still and, "Standing still in church work means retrogression."³

The first treasurer's report after the stock market crash showed no improvement over previous years. Receipts of \$2,093,949.96 were one million dollars short of the \$3,067,500 budget. However, they more than covered the disbursements of \$1,650,209.29, which were held down in an effort to reduce the deficit. The debt was reduced from \$642,903.81 to \$619,138.36. This reduction, coupled with an overall reduction of expenditures of \$350,000 from the 1928 level, reveals that the officers of Synod were doing their utmost to improve the financial picture. It also meant that there were reductions of operations as a result. In an effort to reduce the deficit even further, William Hagen, a member of Synod's Board of Directors, outlined some reasons behind the deficit. He stated that information furnished regarding Synod and its work was largely ignored by the congregations. He continued that the recommendations of Synod had been disregarded, and there was considerable criticism of the synodical program. He went on to decry the costly practice of congregations withholding money designated for Synod until the closing months of the year, for this forced Synod to borrow money from banks to pay current

³L. Meyer, "Wist Ye Not?," The Lutheran Witness, XLIX (January 21, 1930), 17.

expenses.⁴

Initial Reactions to the Depression

The first comment on the cause and effect of the depression appeared in The Lutheran Witness in August, 1930, written by Dean Fritz of Concordia Seminary, St. Louis.⁵ The cause of unemployment was laid to the depression, which was a result of a readjustment in the law of supply and demand. The article went on to declare there was an over-supply of housing, no demand for manufactured goods, and that people were living too high and saving too little, when they should have been giving more for the work of the church. In a 1930 Thanksgiving message, Dr. Pfothenhauer, President of the Missouri Synod, stated that unemployment was so serious that the government intended to do something about it. He continued that times like these afford opportunities for real Christian charity.⁶ President Arthur Brunn, of the Atlantic District, reported that people in his area were working fifteen hours per day for twenty to fifty cents per hour, and a pastor nearby was giving

⁴Wm. Hagen, "Prospects for 1930," The Lutheran Witness, XLIX (March 11, 1930), 92.

⁵J. H. G. Fritz, "Unemployment and its Lessons," The Lutheran Witness, XLIX (August 5, 1930), 261.

⁶F. Pfothenhauer, "A Thanksgiving Message," The Lutheran Witness, XLIX (November 25, 1930), 393.

one-third of his monthly salary of \$125 to keep his church going.⁷

The Home Mission Situation

The keynote of the 1929 convention home mission report was expansion. It was reported that promising mission areas were waiting in Alberta, British Columbia, Manitoba and Saskatchewan, California, Nevada, Colorado, North Dakota, Montana, Oregon, Washington, Texas and the southeastern states. In November, 1930, W. H. Hollis, President of the Southern District, reported that no new work could be started for lack of finances, although there were a number of promising fields. He listed northeast Florida, including Jacksonville, Tallahassee and Gainesville, including the state university, as areas waiting for missionaries. Jackson, Mississippi, a suburb of New Orleans and other locations were waiting for a pastor.⁸

Another home mission problem was discussed at the general mission conference meeting in St. Louis in September, 1930. This was the question of subsidized mission stations, which after twenty years were still receiving synodical support. Such churches were a financial burden to Synod. There

⁷Arthur Brunn, "A Word to the 'More Fortunate,'" The Lutheran Witness, XLIX (November 11, 1930), 384.

⁸M. W. H. Hollis, "How the Debt Gripples One District's Work," The Lutheran Witness, XLIX (November 11, 1930), 385.

were 249 such stations. This aspect of home missions was widely discussed in the following years. The appointment of a secretary of home missions at the 1932 convention had a direct bearing on this problem, for such an office had been discussed since the 1920 convention.⁹

Candidates and Students

At the convention in June, 1929, months before the depression began, the opinion was voiced that unless funds were available for expansion there would be a surplus of candidates in the near future.¹⁰ Although in 1929 there were 127 calls and 114 candidates, in 1930 there were only 124 calls for 136 graduates from both seminaries. A similar condition prevailed in the placement of Lutheran school teachers of the Missouri Synod, with only 42 calls for 78 graduates in 1930.¹¹ These were the first manifestations of a surplus of ministerial and teacher candidates which would confront the Missouri Synod for the next ten years.

While the number of students enrolled in synodical

⁹Theodore Graebner, "Missions and Finances," The Lutheran Witness, LII (June 20, 1933), 212.

¹⁰The Evangelical Lutheran Synod of Missouri, Ohio, and Other States, Proceedings of the Thirty-fourth Regular Convention (St. Louis: Concordia Publishing House, 1929), p. 180.

¹¹Theodore Graebner, "Candidates Assigned to their Fields of Labor," The Lutheran Witness, XLIX (June 10, 1930), 199.

colleges did not decline substantially in 1930, there were signs of an impending enrollment decline. In 1930, Valparaiso University reported an enrollment of 542, an increase of one hundred over the previous year. O. C. Kreinheder, president of the university, reported, "But for the financial depression, with the consequent unemployment situation, this increase would have been considerably larger."¹² From the preparatory school at Winfield, Kansas, came the report of A. M. Rehwinkel that only fifteen freshmen were enrolled and the total enrollment was 128. Rehwinkel added,

The general depression throughout the country seems to be the cause for this decline. Other church schools in these parts report a falling off in their enrollment. It is quite significant that the number of students supported from the Indigent Students Fund has more than doubled since last year though our total enrollment is smaller.¹³

In June, 1930, the first surplus of ministerial candidates in many years occurred. There were twelve more candidates than calls into the ministry. The reoccurrence of a similar condition in 1931 was averted through the effectiveness of the "Call of the Hour" effort. This synod-wide drive for funds and potential mission areas resulted in the collection of nearly \$200,000, and forty-one positions for seminary graduates. These positions combined with the other

¹²O. C. Kreinheder, "News from Valparaiso University," The Lutheran Witness, XLIX (October 14, 1930), 350.

¹³A. M. Rehwinkel, "St. John's College," The Lutheran Witness, XLIX (October 14, 1930), 351.

requests for graduates totaled 160 calls for 161 graduates of St. Louis and Springfield.¹⁴ Although the problem was solved temporarily, it was apparent that it would recur again.

A new crisis in the candidate situation arose in June, 1932. There were 177 candidates from St. Louis and Springfield eligible for a call, but only 67 positions available.¹⁵ The 110 men without a call were obliged to wait until the following June to receive a call, if any was available at that time. In October it was reported that 68 out of the 110 graduates without calls had been placed in some sort of church work.¹⁶

The surplus of candidates presented some problems concerning the call and ordination. Graduates receiving a direct call were to notify the seminary from which they were graduated and receive permission for ordination. This was a matter of records, enabling Synod to know how many of the graduates had been placed. Those serving as vicars or in teaching positions were not to be ordained.¹⁷

¹⁴"Responding to the Call of the Hour," The Lutheran Witness, L (June 9, 1931), 203.

¹⁵"Meeting of the Board of Assignments," The Lutheran Witness, LI (June 21, 1932), 224.

¹⁶F. Pfotenhauer, "Report on the Meeting of the Board of Directors and of the Fiscal Conference," The Lutheran Witness, LI (October 11, 1932), 356.

¹⁷"Ordination of Candidates," The Lutheran Witness, LI (June 21, 1932), 224.

Synodically supported colleges and seminaries throughout the country faced a number of financial problems. A way had to be found to reduce the operational expenses. The resolutions committee at the synodical convention, June, 1932, suggested that the individual schools pay the salaries of their maintenance employees, who previously had been salaried by Synod. This would reduce synodical expenses, but would only create a new financial burden for the colleges. To alleviate this somewhat, it was suggested that salaries of these employees be reduced by ten per cent. At those institutions where enrollment had decreased as a result of the depression, it was proposed that the number of instructors be reduced. No new buildings could be expected at those institutions which needed more facilities.

While enrollment at other seminaries throughout the country decreased substantially, the enrollment at Concordia Seminary, St. Louis, continued to increase.¹⁸ At any other time this would be considered a healthy situation, however with the inability to place the seminary graduates it became a growing problem instead of a blessing. Various solutions were proposed at the 1932 convention. It was suggested that entrance examinations be given to all new students at the seminary. Another possibility was to retain the graduates

¹⁸"Lutherans in the Great Economic Depression," The Lutheran Quarterly, VII (May, 1955), 150.

at the preparatory schools for another year, dropping one whole class from the seminary enrollment. This was only postponing the problem, not solving it. Dean Fritz proposed that those seminary students completing their second year of studies at the seminary would not return for the third and terminal year, but remain at home for one year. This would mean the graduating class of 1933 would consist only of those students who were vicaring the year before. The only additional students to be placed would be the graduate students completing their studies in June, 1933. This would mean a sizable reduction in the number of available candidates at that time. This suggestion was adopted and the year away from the seminary, which at this time was not designated as a year of supply church work, later became the vicarage year, an integral part of the seminary curriculum. The total number of the class of 1933 was 63; 166 seniors did not return for their last year of study. In an effort to ease the financial burden of those enrolled at the seminary, the yearly fee of \$135 was reduced to \$108.

Foreign Missions

In a time of declining financial contributions, there was a need for increased expenditures in the foreign mission fields. In China there was an immediate need for a seminary building, residences for the missionaries, an orphanage and chapels. More workers were needed as soon as possible,

including medical workers. The primary need was the erection of a new seminary in Hankow, and unless this was done soon the work in China would be affected. Conscious of the grave financial situation in the United States, yet keenly aware of their own needs, the missionaries of China decided to build the seminary in Hankow without the aid of additional synodical funds. This was possible because of the favorable rate of exchange of American money. On Reformation day, 1932, the \$13,400 seminary was dedicated.¹⁹

The foreign mission situation was also discussed at the 1932 synodical convention. Because of the general reduction of all mission fields, no new workers could be called to foreign fields, although they were urgently needed. Requests from China and India for land and building grants totaled \$313,488.34, of which \$69,664 was approved for the next three years. This money would cover maintenance costs and would not allow for any expansion. For 1933, \$263,250 was needed for operational expenses, and if it was not granted five additional workers already called, three missionaries, a doctor and a nurse, could not be sent.²⁰ Unlimited possibilities presented opportunities

¹⁹Max Zschiegner, "Dedication of Concordia Seminary At Hankow, China," The Lutheran Witness, LII (January 3, 1933), 8.

²⁰The Evangelical Lutheran Synod of Missouri, Ohio, and Other States, Proceedings of the Thirty-fifth Regular Convention (St. Louis: Concordia Publishing House, 1932), p. 145.

in all the foreign fields, if the money to utilize them was made available.

Growing Financial Concern

By the end of the synodical fiscal year which closed on January 31, 1931, the United States had experienced the first full year of depression economy. With the number of unemployed increasing day by day, and substantial wage reduction for those still employed, a proportionate decline in synodical receipts might be expected. However, this was not the case. Receipts exceeded the two million dollar mark for the third straight year, with a total of \$2,012,124.31, compared with disbursements totaling \$1,796,830.76. All the items in the "A" group were covered, however little remained for deficit reduction, building or church extension purposes. The deficit of \$619,138.36, at the beginning of the year was reduced to \$330,554.85, largely as a result of a concerted debt reduction drive. More than \$400,000 had been shaved from the deficit in three years.

It is difficult to explain why synodical spending for 1930 exceeded that of 1929 by almost \$150,000, when the condition of the national economy is considered. It is possible that the officers of Synod were convinced, as President Hoover and other leading figures and agencies declared, that the economic condition of the country was fundamentally sound. The idea that a time of depression is the time to

halt all expansion was questioned by Dr. Pfothenauer, who stated,

Hence it is entirely wrong to think that, when prosperity is abroad in the land, the Church has the special opportunity to expand, while it must curtail its work in times of national depression.²¹

Nevertheless, the officers of Synod were vitally concerned with the financial situation. During the season of Lent, 1931, a special drive, "The Call of the Hour" was sponsored. The goal and results of this drive have been discussed earlier.

In the closing months of 1931 it was suggested as a part of the yearly "Every Member" solicitation on the part of the individual congregations to make a special effort for larger contributions to Synod. It was observed that a large number of the congregations of Synod gave little or nothing for District and Synod.²² In order to stimulate the giving of the people it was suggested that they be better informed as to the needs of the church at large. Through the medium of an "Every Member" canvass, information could be conveyed into every home, and a pledge secured at the same time from the members. Necessary materials were available from the fiscal office and Concordia Publishing House.

²¹F. Pfothenauer, "Remarks on the Treasurer's Report," The Lutheran Witness, L (March 24, 1931), 109.

²²L. Meyer, "An Open Letter to the Congregations of the Missouri Synod," The Lutheran Witness, L (October 27, 1931), 380.

Professor J. H. C. Fritz presented some interesting facts on the depression economy of the land. Deposits in savings accounts had increased to \$300,000,000; \$400,000,000 was held by savings and loan associations; 3,500,000 automobiles were produced in 1930, and as President Hoover observed on this point, not all of these could have been used to transport people to the poor house. Dean Fritz continued that \$20,000,000 was spent every week on movies. He concluded that our real trouble was that the majority of the members of Synod never gave what they should have given.²³

Early in 1932, a year of intensified financial strain, it was announced that the "Call of the Hour" would be repeated, since it was quite successful the year before. The main emphasis for 1932 would be on home mission expansion. It was conceded that money would be even more difficult to obtain that year than the previous, and it would be increasingly difficult to convince the people that this was the time for expansion. Unemployment in the land was approaching the eight million mark, national production was far below normal, and farm income continued to decline. During the year 1931, 2294 banks experienced failures.²⁴

²³J. H. C. Fritz, "The Business Depression," The Lutheran Witness, L (November 24, 1931), 397.

²⁴Faulkner, op. cit., p. 761.

The members were reminded that unless substantial home expansion was undertaken, it would be very difficult to place the seminary graduates of 1932.²⁵

The Treasurer's report for 1931 revealed how seriously the depression was affecting the financial vitality of the church. The budget for the year was \$2,750,000, while the receipts were more than one million dollars short of that figure, amounting to \$1,639,644.02, or \$372,480.29 less than the year before. Disbursements reached a three year high of \$1,849,872.35, exceeding the receipts by \$230,708.79. No large buildings were erected during the year; this money was disbursed for the operational expenses of the church. It was impossible to operate without financial aid from the banks in the amount of \$175,000, which became a part of the growing deficit. Synod also held four per cent notes from members in the amount of \$206,421. The total deficit stood at \$561,263.64, an increase of \$221,000 over the previous year, 1930.²⁶

The bleak financial picture called for a number of financial readjustments. The various boards of Synod had already shaved \$150,000 from their budget appropriations,

²⁵Committee on Missionary Expansion, "Announcing the Call of the Hour," The Lutheran Witness, LI (January 19, 1932), 25.

²⁶"Our Annual Interview with Synod's Treasurer," The Lutheran Witness, LI (March 22, 1932), 123.

and still their expenses exceeded the receipts by \$230,000. Further curtailment of operations was the only alternative. All synodical employees had taken a salary reduction of ten per cent, by order of the Board of Directors and were faced with the prospect of another one. The money borrowed from the banks had to be repaid with interest. Some questioned the overhead expenses of Synod. In reply it was pointed out that the Missouri Synod spent less than \$100,000 annually for overhead, including printing and publicity. Less than \$50,000 per year was paid in salaries. As a comparison it was stated that the Northern Presbyterian Church with two million members, compared to the 750,000 of the Missouri Synod, spent \$1,941,878.79 for overhead.²⁷

The triennial convention, meeting in Milwaukee, Wisconsin from June 15-24, 1932, discussed at length the financial situation of the Missouri Synod. Originally a budget of \$2,325,000 was suggested for 1933; however, after further consideration, it was decided to permit the individual boards to fix their own budgetary requirements. A suggestion to empower the Board of Directors to borrow up to \$950,000, if necessary, was defeated. They were given the authority to borrow what was considered necessary for the operation of the program of Synod. All requests for major buildings on

²⁷T. Graebner, "Overhead Expenses," The Lutheran Witness, LI (April 12, 1932), 145.

the campuses of synodical colleges and seminaries were rejected because of a lack of funds in the building treasury. Mission appropriations were cut ten per cent effective immediately, because of the "tremendous deficit."²⁸ The work of Foreign Tongue Missions, Immigrant and Seaman Missions, the Immigrant Mission in Canada, Indian Missions and Jewish Missions were eliminated from the synodical budget, and this work was to be done on the District level. The Church Extension Board needed a large appropriation for the next three years to further the home mission program, but mindful of financial stringencies it requested nothing for 1933, \$50,000 for 1934, and \$150,000 for 1935.²⁹ Laymen at the convention backed a proposal for a debt reduction drive to be held later in the year.

Details of this drive to be known as "Synod's Emergency Collection" were given in August. October was designated as a month of penitence, humility, and prayer. In November a house-to-house canvass was to be conducted in every participating congregation, at which time subscriptions were to be gathered along with an initial offering. Coin containers were to be left for the gathering of the rest of the pledge. As an incentive it was announced that the Wisconsin Synod

²⁸The Evangelical Lutheran Synod of Missouri, Ohio, and Other States, Reports and Memorials for the Twentieth Delegate Synod (St. Louis: Concordia Publishing House, 1932), p. 95.

²⁹Ibid., p. 100.

with a baptized membership of 200,000 had collected an emergency offering of \$223,245.³⁰ The Missouri Synod listed 1,120,156 baptized members. At the conclusion of this effort approximately \$376,000 had been collected.

As 1932 dragged on conditions grew progressively worse. In June of this year it was reported that twenty per cent of the wage earners of Synod were unemployed.³¹ At a Board of Directors meeting in September it was announced that the financial conditions would necessitate a twenty-five per cent salary cut for all synodical employees from the February 1, 1932 level. All expenditures under the synodical treasury would be reduced twenty per cent from the 1931 level. The mission treasury, already reduced ten per cent, would not be cut any more for the present. Just a few days before the meeting of the Board of Directors, on September 1, 1932, the synodical indebtedness reached the one million dollar mark, \$1,072,128.08. Over half of this deficit was incurred during the first seven months of 1932. F. C. Streufert, secretary of home missions, stated that only sixty per cent of the members of Synod were aware of their obligation to Synod. He pointed out that the interest on a

³⁰W. G. Polack, "The Result of the Wisconsin Synod's Emergency Collection," The Lutheran Witness, LI (October 11, 1932), 357.

³¹L. Meyer, "Ye have not Resisted unto Blood," The Lutheran Witness, LI (June 7, 1932), 205.

million dollar deficit was from \$50,000 to \$60,000 per year. He continued that if the deficit was not cleared up soon forty per cent of the synodical missionaries would have to be recalled.³²

A Three Year Appraisal

An appraisal of the Missouri Synod after three years of national economic depression reveals the following situations. Despite a reduction of disbursements amounting to almost \$270,000 to a figure of \$1,580,065.03, this was still more than \$140,000 in excess of the total receipts of \$1,434,432.09. The budget for 1930 through 1932 had been set at \$8,250,000, and of this figure only \$5,086,200.42 was received from the congregations of Synod. This was \$140,567.72 less than the disbursements which amounted to \$5,226,768.14. The deficit had increased from \$619,138.36 on January 31, 1930, to the sum of \$706,896.58 on January 31, 1933. However, synodical troubles concerned more than money. A surplus of candidates for the ministry of 123 men in three years was only the beginning of a perplexing problem. Blessed with men, Synod lacked the money to erect necessary buildings and pay the salaries of additional workers. The Church Extension Board did not have the money it could

³²F. C. Streufert, "On the Eve of our Emergency Collection," The Lutheran Witness, LI (October 11, 1932), 352.

have used for building new chapels. Enrollment was beginning to decline at synodical colleges, while the St. Louis seminary tried to solve the problem of an overabundance of students. This was the situation at the beginning of 1933, one of the blackest years of the depression, a year that would present new problems and complicate the old ones.

General business had sunk to lower than any point of normal, steel output during January was but fifteen per cent of capacity, commodity prices had declined in the previous year to the lowest point since the beginning of the depression, while American exports for November, 1932, were the lowest ever recorded in history. The number of unemployed was over thirty million, the number of over-indebted million. The credit and banking structure was rapidly crumbling to collapse. During 1932, over fourteen hundred banks had failed. During these years since the people of the United States elected Franklin D. Roosevelt President.

The day after the inauguration of the new President on March 4, 1933, a special session of Congress declared a national emergency and authorized other measures were taken to stabilize the national economy, such as the Emergency Banking Act, the National Labor Relations Act, and an act empowering the President to

CHAPTER IV

THE DARKEST YEARS, 1933-1935

The National Scene

The beginning of the year 1933 saw the most acute stage of the depression. General business had sunk to less than sixty per cent of normal, steel output during January was but fifteen per cent of capacity, commodity prices had declined in the same month to the lowest point since the beginning of the depression, while American exports for November, 1932, (\$139,000,000), marked the lowest monthly total in thirty years. Estimates of the number of unemployed ran from thirteen million to over seventeen million. The credit and banking structure was rapidly crumbling to collapse. During 1932, over fourteen hundred banks had failed.¹ During these grave times the people of the United States elected Franklin D. Roosevelt President.

The day after the inauguration of the new President on March 4, 1933, a special session of Congress declared a nation-wide bank moratorium. Other measures were taken to stabilize the national economy, such as the Emergency Banking Act, an Economy Act, and an act empowering the President to

¹Harold Underwood Faulkner, American Economic History (New York: Harper and Brothers, c.1935), p. 764.

employ men in a Citizens' Conservation Corps. Measures were taken to ease the financial crisis in agriculture. Perhaps the most important single piece of legislation during the first year of the Roosevelt administration was the passage of a two year emergency measure known as the National Industrial Recovery Act. The general purpose of the act was to provide work for the thirteen million or more unemployed by setting in motion an extensive program of public works and by stimulating industry. Part of this effort was a \$3,300,000,000 bond issue to finance the construction of federal, state and local projects to create employment. The second part of the act gave the President and his administrators powers to promote self regulation of industry under federal supervision, to curtail overproduction, increase wages, shorten hours and raise prices. The President commented, "History probably will record the NIRA as the most far-reaching legislation ever enacted by the American Congress."² The part of the NIRA act regarding public works was administered by the Federal Emergency Administration of Public Works, which was known as the PWA. The money for this project was appropriated slowly and its effect was hardly felt until 1935. This measure did very little then, to alleviate the widespread problem of unemployment.

Those who were fortunate enough to retain employment

²Ibid., p. 772.

faced a variety of difficulties. Decreases in wages were much more rapid than a downward adjustment of the cost of living. Prices remained at a high level while incomes dropped considerably. Despite the best efforts of the Roosevelt administration, the net income of individuals in 1933 dropped another 3.04 per cent from the low level of 1932. Provisions in the NIRA act allowing labor to bargain collectively and organize freely led to widespread strikes throughout the country. In 1933, 812,137 workers were out on strike.

The Synodical Financial Dilemma

Aware of the dismal economic outlook, the synodical watchword for 1933 was economy. The Board of Directors reported in February, 1933, that \$80,000 had been saved as a result of the twenty-five per cent salary cut of all synodical employees. This salary reduction touched off a general salary reduction for parish ministers ranging from ten to thirty per cent. Vacancies such as editor of Sunday School literature and executive secretary of colored missions remained unfilled as a further economy measure. The Negro college in New Orleans was closed. The Board spoke frankly concerning the financial situation, "We must squarely face the fact that we are no longer holding our own; but have in

effect gone backward."³ As a further economy measure it was suggested to close some of the synodical colleges, especially those with low enrollment figures. This proposal was not accepted by the Board of Directors largely because it left unsolved the question of how to provide for the faculty men thus employed. At the 1932 synodical convention it had been decided to have the individual colleges and seminaries pay the salaries of their maintenance staffs, and as a result of this plan Synod saved \$100,000 annually. The Board emphasized the fact that \$22,768 was paid in interest on borrowed money. The emergency financial campaign held during the closing months of 1932 netted \$276,585 by February, 1933. Overhead items numbering forty-seven in 1932 were reduced to thirty in 1933. The Board maintained that they must continue to spend a considerable amount on publicity, because of its vital importance at a time of crisis. It was pointed out that businesses facing a period of trial often spend as much as possible on publicity in an effort to improve their condition, and the Board of Directors was concerned with improving the conditions of Synod. Synod spent \$16,500 on publicity in 1932 as compared with \$20,000 in 1930.

For Synod the most serious financial problem of the

³Theodore Graebner, "Synodical Projects and Prospects of 1933," The Lutheran Witness, LII (February 28, 1933), 73.

depression to date came in April, 1933, when the banks refused to loan any more money without collateral. This would mean the mortgaging of synodical property. Synod for many years had been dependent upon the banks for short term loans, but these were repaid at the end of the year. In 1931, when disbursements exceeded receipts by more than \$200,000, it was necessary to arrange loans for a longer period of time. The withdrawal of further financial aid from the banks would result in a crisis in synodical budgeting. A number of obligations had to be met monthly, and the receipts from the congregations were not adequate for this purpose. The Board of Directors appealed to the members of Synod through articles in The Lutheran Witness for the investment of any available funds with Synod at the rate of four per cent interest on amounts exceeding one hundred dollars. At the same time a letter urging the prompt forwarding of contributions for synodical purposes was sent to the treasurers of congregations throughout Synod.

The members of Synod responded to the need of the Church investing their savings at four per cent, thereby affording Synod the necessary funds to meet their expenses. In June, 1933, it was announced that the prompt response of the people had averted a fifty per cent moratorium on all

synodical expenditures.⁴ It is a curious fact that money for investment was available in these dark days.

In July, 1933, two statements were made reflecting some thinking on the real effect of the depression on the financial situation of the Missouri Synod. Reverend J. W. Behnken, first vice-president of the Synod, stated, "an unprecedented depression which did not bring about, but merely exposed and aggravated, the seriousness of our situation and has greatly torn and shattered us."⁵ Later in the month, Reverend R. H. C. Meyer, a St. Louis pastor, declared, "We need not hide behind the present depression and thus excuse the diminution of contributions; that would only be deceiving ourselves."⁶

Placement of Candidates

The spring of 1933 brought renewed discussion and concern over the placement of candidates. In March it was reported that about 200 candidates were waiting for calls. This number would increase to 325 by June, 1934, with the graduation of additional candidates from the two seminaries. The placement of teacher candidates from the two normal

⁴Edmund Seuel, "Good News and a Polite Request," The Lutheran Witness, LII (June 20, 1933), 223.

⁵Ibid.

⁶R. H. C. Meyer, "Reconstruction," The Lutheran Witness, LII (July 18, 1933), 241.

schools involved 140 graduates waiting for calls. A survey of the problem reported that an unmarried candidate could be supported for four hundred dollars per year. In June, 1933, 18 out of 180 ministerial candidates received a call, and 8 calls were received for 140 teacher candidates.⁷ By the end of 1933, 71 candidates for the ministry had received permanent calls.

A number of suggestions were made to remedy the surplus candidate situation, some of which were of a drastic nature. One recommendation called for the elimination of the freshman year at all the ministerial preparatory schools for 1933 and 1934. A second suggestion was the addition of a third year of college work to the existing two years of pre-theological training.⁸ Both of these suggestions had serious drawbacks. Those entering as freshmen in 1933, would be graduated from the St. Louis seminary in 1942, and by that time the candidate situation might be altered considerably. An extra college year would not do much to settle the problem of the increasing number of candidates, but would only postpone the seriousness of the issue for one year.

Preliminary surveys made in April, 1934, estimated

⁷L. Meyer, "Missionary Forward Movement Organized," The Lutheran Witness, LII (August 1, 1933), 257.

⁸F. Pfotenauer, "Meeting of the Board of Directors with the Committee of the College Presidents," The Lutheran Witness, LII (March 28, 1933), 120.

there were 300 candidates awaiting a call. This figure included 135 members of the graduating class of 1934, from the two seminaries, and 165 graduates from past years. One hundred thirty of these men were temporarily placed in pastoral positions throughout Synod.⁹ Of the 165 graduates from past years, 68 failed to register for one reason or another. Some of these men were studying at various colleges and universities; others were employed in secular employment. Some of this number were probably lost completely to the Lutheran ministry, although it is almost impossible to determine how many. Thirty calls were available and 233 men stood ready to enter the ministry. If we include the 68 men who did not register for one reason or another, but might later be interested in accepting one, 271 candidates remained with a call in May, 1934.¹⁰

Because of the lack of calls for candidates, it was decided that the annual meeting for the assignment of candidates was relatively pointless. The Board of Assignments did not meet from 1932 until 1943.¹¹ Candidates were placed

⁹L. Meyer, "A Critical Hour in our Synodical Work," The Lutheran Witness, LIII (April 10, 1934), 149.

¹⁰Theodore Graebner, "Officials of Synod and Districts Discuss Synodical Issues in Three Day Session," The Lutheran Witness, LIII (May 22, 1934), 194.

¹¹A. C. Stelhorn, "An Evaluation of Our Procedure in Assigning Calls," Concordia Historical Institute Quarterly, XXIX (Winter, 1957), 166.

all through the year as the calls were received. From June, 1934 until June, 1935, 77 candidates received permanent calls, reducing the surplus to about 300.¹² The Districts were urged to employ as many of these men as possible, even on a temporary basis, if permanent employment was not available.

Students and Colleges

Enrollment at the ministerial preparatory schools throughout Synod was declining as the depression years wore on. During the academic year 1931-1932, 1570 students were enrolled in the preparatory schools, while in 1933-1934, the number had slumped to 1247.¹³ While some talked of reducing the potential number of available candidates by the elimination of whole classes at the preparatory schools, other voices encouraged young men of the church to enroll. Theodore Graebner stated,

God-willing, when our newly enrolled of 1933 will complete their course of preparation for the ministry, there will be labors for them to enter into in home and foreign fields.¹⁴

¹²Evangelical Lutheran Synod of Missouri, Ohio, and Other States, Proceedings of the Thirty-seventh Regular Convention (St. Louis: Concordia Publishing House, 1938), p. 139.

¹³E. Eckhardt, "Candidates and Enrollments," The Lutheran Witness, LIII (March 13, 1934), 110.

¹⁴Theodore Graebner, "Send the Boys to College," The Lutheran Witness, LII (August 1, 1933), 260.

He also encouraged students who were not inclined toward the ministry to attend the synodical colleges, where they would receive a thorough education as well as a deeper appreciation of their religion. He suggested that the colleges reduce their tuition for non-ministerial students. Professor Graebner observed that it cost no more to instruct a full classroom than a partially filled one.¹⁵

Since the cost of supporting the synodical colleges and seminaries was the largest item in the synodical budget, and the number of students at some of the schools was decreasing, the Board of Directors again discussed the possibility of closing some of the institutions. It was pointed out that the closing of seven colleges, including the payment of no salaries to the unemployed professors, would only save \$80,148.48 annually.¹⁶ Some support would have to be provided for the unemployed teachers. Also the loss of financial support from the area in which the closed college was located might well exceed any saving affected by the closing of the institution. At the triennial convention in 1935, this matter was discussed in more detail. It was decided to

¹⁵The Reverend Professor Theodore Graebner was co-editor of The Lutheran Witness from 1913 to 1950, and for the same period of time professor at Concordia Seminary, St. Louis. From his vantage point in Synod he was able to follow the developments of the depression and reflect the course of events accurately.

¹⁶L. Meyer, "An Interview with the Board of Directors," The Lutheran Witness, LIII (March 6, 1934), 100.

close one college, the preparatory school at Conover, North Carolina, however a disastrous fire at this institution in May, 1935 had a great deal to do with the decision to close Conover.

The Depression and Synodical Morale

The factor of morale during the years of depression cannot be overlooked, although it is extremely difficult to document. College and seminary professors sustained a salary reduction of twenty-five per cent in 1932, and some of them faced the prospect of unemployment if their institution was closed. There was little possibility of receiving a call to another area of synodical activity in a time when very few calls were extended. The salaries of home missionaries had been reduced substantially, in some cases to as little as sixty dollars per month. The effort to consolidate the number of mission stations and thereby effect a financial saving, meant the missionaries in that area had to assume the duties previously performed by other pastors. This might also entail the additional strain of travel and corresponding expense. Additional family expenses were difficult to assume on reduced salaries. Low salaries often hindered pastors and professors from buying books and professional journals that are vital to the continued growth of

a professional man.¹⁷ The parish pastor had to maintain the financial program of his local congregation, and encourage his members to give generously for the needs of Synod, when his people were deeply involved in the problem of providing enough for their family needs.

Home Missions

A report of the home missions situation in Texas is typical of conditions in many areas of the country. Salaries of the missionaries had already been reduced and a further twenty per cent cut which was contemplated would force the discharge of some missionaries. These mission congregations made every effort to become self-supporting so that they might free the District from the obligation of paying part of their expenses, but were unsuccessful. They attempted to enter new mission fields to bring others into the church, but again their financial plight restricted their efforts. Finally, money was borrowed from the District Church Extension Fund to pay salaries, but this practice could not continue for these funds were to be used for the building of new chapels, not the payment of salaries.

The General Church Extension Board worked with the Home Missions program. In the middle of 1934, it reported great

¹⁷Theodore Graebner, "No Retrenchment?," The Lutheran Witness, LII (September 26, 1933), 326.

mission possibilities in the Central, Eastern, and Atlantic Districts. Lack of funds prevented expansion in New York City, California, Texas, Minnesota, and Florida. Similar conditions were reported one year later when the Church Extension Board stated, "We saw glowing prospects for growth grow dim through the storm of depression."¹⁸

Foreign Missions

The gravity of the economic situation was observable in the foreign mission fields also. Missionaries in China and India were told that expansion of any sort was out of the question at this time, despite the opportunities for further development. On the basis of 1933 receipts, a further reduction of 23 per cent was anticipated, which would mean that a number of missionaries would have to ask for a recall. They could not continue on a salary reduced any further. Nine missionaries on furlough could not be returned to their respective fields, if there was a further financial reduction. In addition, a large number of native workers would have to be dismissed; hospitals and schools throughout China and India would have to be abandoned. The seminary at Hankow, China, would have to be closed, and junior native

¹⁸Theodore Graebner, "Officials of Synod and Districts Discuss Synodical Issues in Three Day Session," The Lutheran Witness, LIII (May 22, 1934), 195.

missionaries dismissed.¹⁹

Further Financial Difficulties

The financial statement for 1933 reflected the economic picture of the country. During the first three depression years, the wage earners of Synod experienced a 33 per cent wage cut from the 1929 level. Receipts reached the lowest point of the depression with a total of \$1,072,585.63. Disbursements, reduced by almost \$350,000, still exceeded the receipts, amounting to \$1,238,412.²⁰ The largest item in the treasurer's report, the support of the educational institutions of Synod, was lowered by \$130,000 from the previous year. The deficit reached \$872,722.95. At the same time this report was published, the budget for 1935 appeared, totaling \$1,500,000, \$200,000 of which was earmarked for debt reduction. This was the first time since 1932 that any money was scheduled for debt reduction, for the receipts received were barely adequate to cover the current expenses, with little or nothing remaining for the reduction of the deficit.

Despite every effort to economize, to curtail expansion,

¹⁹Frederick Brand, "What Non-Participation in the Open-Bible Thankoffering will mean," The Lutheran Witness, LIII (October 9, 1934), 351.

²⁰L. Meyer, "An Interview with the Board of Directors," The Lutheran Witness, LIII (March 6, 1934), 99.

to retrench in established areas, to eliminate some work, the synodical deficit passed the one million dollar mark for the second time in two years in October, 1934. Further budget cuts without more seriously affecting the whole program of the Missouri Synod were impossible. In a desperate effort to secure the money required for synodical operation, a special Synod-wide collection was planned. The money collected from this drive would be designated only for the current expenses of Synod. This financial endeavor, the "Open Bible Thankoffering," netted approximately \$400,000 by March 1935, when the financial statement for 1934 was presented. This special effort averted the accumulation of any further debt.

The financial statement of 1934 that reported the success of the "Open Bible Thankoffering," also disclosed several promising signs in the synodical pattern of giving. Total receipts for the year were about \$340,000 more than in 1933, amounting to \$1,416,028.70, including the \$400,000 from the special financial drive. For the first time since 1930, disbursements were less than receipts, enabling the payment of \$197,235.75 on the synodical deficit, reducing it to \$675,487.20. The disbursements totaled \$1,218,792.95.²¹

One year later in March, 1936, the financial report for

²¹F. Pfotenhauer, "Comments of Our President on the Treasurer's Reports," The Lutheran Witness, LIV (March 5, 1935), 80.

1935 revealed that receipts were slightly lower than the previous year, but there was no special financial effort during 1935 as in 1934. Receipts were \$1,283,817.05, while disbursements, closely tied to the receipts, were \$1,265,141.32, and the surplus shaved the deficit to \$656,811.47.²² The proposed budget for the year of \$1,500,000 was not met, yet it was still possible to reduce the deficit to some extent. This fact reveals the consciousness of synodical officials to operate with the money available in an effort to gradually improve the financial situation of the Missouri Synod.

At the Turning Point

Receipts for the three-year period ending in January, 1936, were one and one-half million below those of 1930-1932. If these figures are translated to work undone and opportunities missed for further expansion, a partial picture of the handicap the depression worked on the Missouri Synod is obvious. Largely as a result of the financial conditions more than three hundred trained seminary graduates waited for a call in January, 1936. Yet the upward movement of synodical receipts indicated a general improvement in the national economy, which would continue upward from this point forward.

²²"Explanation of Figures on Page 90," The Lutheran Witness, LV (March 17, 1936), 95.

CHAPTER V

THE YEARS OF IMPROVEMENT, 1936-1941

The National Economy and the Second New Deal

The landslide victory of Franklin D. Roosevelt in 1936 seemed to indicate the people of the United States were pretty well convinced that their President was leading them out of the depression. Although the NIRA (NRA) Act was declared unconstitutional in 1935, the administration continued its efforts to employ the unemployed. It was the sentiment of the administration to keep the people off the relief rolls by employing as many as possible on federal, state, and local projects of civic improvement. The work of the PWA, a department of the old NIRA, was incorporated into the structure of the WPA in 1935. At various times during the next four years as many as three million people were employed by the WPA.¹

Times were so good, relatively speaking, in the spring of 1937, that it looked like another boom was in the making. The signs of such an economic phenomenon were the discounting of future profits and too much hedging about a future

¹Donald S. Howard, The WPA and Federal Relief Policy (New York: Russell Sage Foundation, c.1943), p. 854.

rise in prices.² However, other factors involved quickly put an end to any talk of another boom. Workers turned off relief because of improved times, found no new jobs in private industry. Investors were reluctant to sink their capital into a shaky economy. From 1937 to 1938 the national income fell ten billion dollars. Only retail sales remained steady. Industrial production which had been rising steadily, tumbled to levels just above those of 1933.

No satisfactory answer for the recession of 1938 can be given. Some attribute the slump to too much government intervention in the natural processes of economy. Others said the controls on the stock market were thwarting recovery. The lack of new investments was decried. No one seemed to agree on the answer. Business recovered during the course of 1938, and employment began to climb. The year 1939 brought war in Europe, and soon afterward the rush of National Defense bolstered the financial outlook. With the entry of the United States into World War II in December, 1941, the national economy soared to new heights and full employment.

The Improvement of Synodical Giving

The year 1935 marked a turning in the financial situation of the Missouri Synod. From this time on contributions

²Denis W. Brogan, The Era of Franklin D. Roosevelt, in The Chronicles of America Series (New Haven: Yale University Press, c.1950), p. 266.

for synodical purposes increased steadily, with the exception of a slight reduction in 1938, a year of financial recession for the whole nation. This section will cover the financial recovery of Synod from 1936 to 1941.

The budget for 1936 was \$1,600,000, to be appropriated three ways: \$1,300,000 for current expenses, \$200,000 for debt reduction, and \$100,000 for expansion.³ This was the first appropriation designated for expansion since the beginning of the depression. Besides the desire to bring the message of the Gospel to more people, expansion was vital for the placement of ministerial candidates and candidates for the teaching profession. The receipts for 1936 were \$1,366,780.60, the disbursements \$1,348,750.78.⁴ The deficit was reduced to \$638,781.65.

Reverend John W. Behnken, elected president of the Missouri Synod in 1935, commented on the financial situation,

Most graciously God has led us out of the depths of depression. More people are employed. Wages and salaries have improved. Incomes generally have risen to a higher level. Our Districts and the Church at large too, must consider the restoration of the salaries of missionaries and professors.⁵

³E. J. Friedrich, "Meeting of the Fiscal Conference," The Lutheran Witness, LIV (September 24, 1935), 328.

⁴Theodore W. Eckhart, "Report of the Treasurer of Synod for the Fiscal Year, 1936," The Lutheran Witness, LVI (March 16, 1937), 89.

⁵J. W. Behnken, "O Give Thanks unto the Lord for He is Good," The Lutheran Witness, LVI (March 16, 1937), 89.

The year 1937 showed even further improvement financially. The budget called for \$1,700,000; receipts were \$1,459,074.83, disbursements \$1,434,980.37, and the deficit went below the 1929 level, to \$614,687.19.⁶ Because of the increased receipts it was possible to grant the individual boards more money to operate their departments. Foreign missions received an additional \$15,000, home missions \$10,000, and the candidate fund \$58,000.⁷

Two factors combined to make 1938 a year of recession instead of further improvement. There was an economic decline in 1937 and early in 1938, which meant reduced incomes of the members of Synod and the nation. Secondly, 1938 was a convention year, which meant increased expenditures for important synodical projects that could not be done during the blackest years of depression. Despite the economic depression receipts for the year totaled \$1,444,526.69, one per cent below the 1937 level.⁸ This figure does not include \$153,826.69 raised in a special debt reduction

⁶Theodore W. Eckhart, "Financial Report," The Lutheran Witness, LVII (March 8, 1938), 83.

⁷The Candidate Fund was established at the 1935 convention. Its purpose was to subsidize candidates who were to be placed temporarily into good-sized congregations to assist pastors or mission boards, to canvass given territories, to survey new fields, and to perform such other pastoral duties as the pastor in charge or the mission board would assign.

⁸J. W. Behnken, "A Message from Our President," The Lutheran Witness, LVIII (March 28, 1939), 109.

collection. Disbursements soared to \$1,599,888.01, including a number of major expenses approved by the synodical convention. These included \$79,000 for major repairs at the various colleges and seminaries, \$74,000 for the erection of an addition to the administration building at Concordia College, Milwaukee, \$25,000 for a new dormitory at Concordia College, Portland, Oregon, and the increase of professors' salaries to ninety per cent of the 1929 level, effective February 1, 1938. Because of the special collection the deficit increased only \$2,000, to \$616,221.65, despite the sharp rise in disbursements.

The year 1939 brought sweeping economic advances in synodical financing. Receipts for the year of \$1,488,994.21 were augmented with almost \$900,000 raised in a special "Centennial Thankoffering," celebrating the hundredth anniversary of the arrival of the founders of the Missouri Synod. It was decided at the 1938 convention to designate one-third of the total from this venture for the work of the synodical Districts, and the remaining portion for Synod at large. Synod's share of \$581,048.71 was applied on the deficit, reducing it to \$35,172.94. Not since the early 1920's had the deficit been so small. And disbursements for the year, \$1,527,357.06, left an operating deficit of \$38,362.85, bringing the total deficit as of January 1, 1940

to \$73,535.79.⁹ In October of the same year, it was announced that the synodical debt had been completely eliminated. By the end of the fiscal year a balance of \$2,396.47 was on hand.

The elimination of all debts and deficits was a result of the increased receipts in 1940 to the total of \$1,573,373.15, and \$42,549 which was credited to the "Centennial Thankoffering." Disbursements were in line with the receipts, amounting to \$1,539,990.64, considerably below the tentative budget of \$1,700,000 for the year.¹⁰

Renewed optimism in the economy of the nation was evident at the 1941 triennial convention, which convened in Fort Wayne, Indiana. The budget committee asked for an overall increase of \$450,000, or a twenty-five per cent increase over the budget of 1941 for the year 1942. The Fiscal Conference felt that a five and one-half per cent increase would be more realistic, which amounted to a \$100,000 increase over the preceding year.¹¹ The Fiscal Conference also decided to raise the salaries of professors to the full 1929 level. The suggested figure of \$150,000 for expansion

⁹Ibid., LX (March 26, 1940), 105.

¹⁰Edmund Seuel, "Report of the Treasurer of Synod for the Fiscal Year, 1940," The Lutheran Witness, LX (March 25, 1941), 106.

¹¹L. Meyer, "Our Offense Program," The Lutheran Witness, LX (September 30, 1941), 336.

as proposed by the convention was reduced to \$100,000.¹²

The financial report for 1941 showed the continued increase for synodical giving, reflecting a trend that would continue in the years of prosperity ahead. Receipts were \$1,697,052.22, disbursements \$1,659,280.05. The surplus of \$37,772.17 was added to the contingent reserve fund. Ninety-four per cent of the budget was raised, the highest percentage in many years. Although the procurement of finances for the ever-expanding program of the Missouri Synod would continue to be a problem in the years of prosperity, the bitter days of depression were over, the deficit was wiped out and the church could move ahead instead of standing still.

The Candidate Situation Continues

With the gradual improvement of the overall financial picture, the various boards and departments of Synod also improved their position. Although finances were still far from adequate, gradual progress was perceptible. However, the placement of candidates did not follow the general pattern of gradual return to normalcy. It actually became more acute during the late thirties. Already in 1936 it was reported that a small number of candidates had been waiting three years for a call. In the same year there were signs

¹²Theodore W. Eckhart, "Report of the Treasurer of Synod for the Fiscal Year, 1941," The Lutheran Witness, LXI (March 24, 1942), 106.

of a solution to the problem when the number of men placed from June, 1935 to June, 1936 rose to 92 and 43 teaching candidates were placed during the same period. Despite this increase in the rate of placement there remained 330 ministerial candidates and 170 teacher candidates.¹³

It is quite probable that the lack of candidate placement of both seminary and normal school graduates had an effect of the enrollment of those young people considering a career in one of these callings. With the availability of a position upon graduation very much in doubt, there was little incentive to study for the ministry or the teaching profession. The resulting drop in college enrollment for this and financial reason caused concern among those who could see beyond the day of candidate surpluses to the time when there would not be enough men to fill the openings throughout the Missouri Synod. As early as 1936 a layman of Synod declared, "there will be a shortage of Pastors in the near future unless there is an immediate increase in the enrollment of students for the ministry."¹⁴ The circumstances that prompted such a remark when there were more than three hundred candidates are unknown, but the truth of his statement was witnessed within the next six or seven years.

¹³J. H. C. Fritz, "Candidates and Calls," The Lutheran Witness, LV (June 2, 1936), 180.

¹⁴Theodore Graebner, "Prospective Enrollment," The Lutheran Witness, LV (September 8, 1936), 292.

A report issued in November, 1936 gave no sign of a shortage of candidates in the foreseeable future. At that moment there were 283 uncalled candidates from the St. Louis and Springfield seminaries. One hundred ninety-three of these men were temporarily engaged in church work of one kind or another. The remaining 90 were occupied with some type of secular employment or were attending school at some college or university. One hundred seventy-nine candidates for the teaching profession were available, and all but 15 were temporarily employed.

The temporary placement of candidates to some degree solved the problem of placement. It also created new problems. There was a trend within the churches of the Missouri Synod to employ temporary teachers or ministerial candidates on a reduced salary, instead of calling a permanent teacher or minister. In this way the congregation could pay the temporary man a reduced salary, and if conditions became more severe, release him without feeling any obligation to support him as would be necessary if this were a called teacher or minister. Dean J. H. C. Fritz of the St. Louis seminary commented that many congregations employing a worker temporarily were making the temporary situation "temporarily permanent."¹⁵ Some months later he added that if a candidate

¹⁵J. H. C. Fritz, "The Candidate Situation," The Lutheran Witness, LV (November 17, 1936), 383.

is employed, even temporarily, a need exists in that congregation. He asked the question why not make the temporary situation permanent by extending a call to the worker?¹⁶

Still no real solution was found and the number of candidates increased even more. By November, 1937 there were three hundred ministerial candidates without a call, some of these men had been waiting for six years. All interested candidates were placed in temporary situations, for actually there were more requests for candidates than the number available, but only for temporary employment. A similar situation existed with the teacher candidates, for it was impossible to fill the requests for temporary help.¹⁷

Uncalled candidates numbered 312 by November, 1938. Two hundred six were employed temporarily in church work, while 106 were engaged in other employment or in school. The financial recovery of the nation failed to furnish opportunities for these young men to enter the ministry on a permanent basis. One hundred sixty-four of the 205 teacher candidates were teaching on a temporary basis.¹⁸

The number of waiting candidates reached a peak in

¹⁶J. H. C. Fritz, "The Calling of Candidates," The Lutheran Witness, LVI (March 23, 1937), 99.

¹⁷John H. C. Fritz, "Our Candidates--A Perplexing Problem," The Lutheran Witness, LVI (November 16, 1937), 391.

¹⁸John H. C. Fritz, "Candidate Situation," The Lutheran Witness, LVII (November 15, 1938), 403.

June, 1939, when 425 men were without a call.¹⁹ The number steadily decreased from this point on. By April, 1940, the number was trimmed to 275. In September, 1940, F. C. Streufert, secretary of home missions, asked for an increased appropriation of \$100,000, to enable the Missouri Synod to enter two hundred promising mission fields and employ a number of the waiting candidates. This proposal was approved. By the end of 1940, 160 men had been permanently called during that year, the highest number of calls ever extended in one year. Despite this heartening report, 292 men remained without a call. By March, 1941, this number was reduced to 233.

It is very difficult to discover at what point the candidate problem was completely solved, for several factors contributed to the eventual solution. As before stated the rising economy of the nation was a factor in placing the seminary graduates. The outbreak of World War II in December, 1941, required that a large number of Missouri Synod ministers enter the armed forces as chaplains. This resulted in a number of vacant pulpits which was estimated in 1944 to number 240. The candidate fund for the support of candidates in areas where the churches were not able to support them was discontinued at the beginning of fiscal 1943

¹⁹Theodore Graebner, "The Candidate Problem," The Lutheran Witness, LVIII (June 27, 1939), 219.

(February, 1943). At the synodical convention in 1944 it was reported that the problem of placing four hundred candidates which faced the church in 1939 had been turned into an acute shortage of ministerial candidates in the short period of less than five years.²⁰ The last of the major problems intensified by the Great Depression was not solved, but at last was ended.

²⁰Evangelical Lutheran Synod of Missouri, Ohio, and Other States, Proceedings of the Thirty-ninth Regular Convention (St. Louis: Concordia Publishing House, 1944), p. 154.

CHAPTER SIX

SUMMARY

The petrifying effect of the depression upon the program of the Missouri Synod had its roots in the years that preceded the complete collapse of the American and world economy. The Church recognized the opportunities before it in the 1920's. The increasing number of students for the ministry and the teaching profession was a blessing to the church, but there had to be adequate facilities for higher education, causing the church to engage in a college and seminary expansion program amounting to \$3,850,000. The church entered new mission fields throughout the country and the world, requiring a larger expense for missions. Synod began the operation of a radio station to further the spread of the Gospel. Educational expenses were higher because of the large enrollment. While contributions for Synod increased annually they did not keep pace with synodical expansion and subsequent spending, resulting in the accumulation of a deficit of over \$600,000 when the stock market collapsed in 1929.

Few men could foresee that the economic recession was destined to be much more than a temporary readjustment. The work of the Synod continued at a higher level of expenditure in 1930 and in 1931 than in the boom year of 1929. Receipts

were good, offering further encouragement that things were not as bad as they seemed. In reality, they were extremely bad, and growing progressively worse. Drastic cuts were made in synodical expenses in an effort to bring disbursements in line with receipts, but it was difficult to determine what phase of the vital work of the church should be reduced. It was not until 1934 that disbursements were brought in line with receipts, which meant the church was literally standing still.

While the officers of Synod were concerned with meeting current expenses, opportunities for expansion and new mission possibilities continued to pour in from throughout the country and the world. Pleas from India and China called for more workers and more money for expansion. The spirit of nationalism which is present in the world today and hinders the progress of Christian missions was not in the air in the 1930's and the expansion that was possible at that time, if the funds had been available, might have strengthened considerably the mission situation today. The constant request for funds to erect seminaries for the training of a native clergy in India and China would have benefited the organization of indigenous churches in those lands where we are no longer free to operate as we were during the depression.

The promising foreign field was matched by many opportunities for expansion in this country. The regions of Florida which provide us with a growing mission field today,

beckoned to us in the early 1930's. The Reverend H. G. Kramer, Pastor of Lake Wales Lutheran Church, Lake Wales, Florida, mentioned in January, 1955 that in his work he found a number of people who were Lutherans at one time, but when they moved to Florida in the 1930's there was no Lutheran Church for them to attend, therefore they became affiliated with other churches already in the locality, and did not feel that they could now leave the church of which they had been members for more than twenty years. This report might have come from almost any part of the country which was not reached in the 1930's.

An abundant supply of money would be of no value in an expansion effort if the man power was not available. However, the men were available, the product of the large college classes of the late 1920's. A surplus of twelve candidates in 1930 increased to over four hundred in 1939. Of all the problems presented by the depression, the placement of candidates was one of the most vexing and most enduring, lasting until the advent of World War II, when a large number of men needed for the military chaplaincy emptied many pulpits and caused a shortage of ministers which continues to the present day.

The surplus of candidates resulted in a permanent revision of the educational policy of the principal seminary of the Missouri Synod at St. Louis. The temporary placement of candidates into positions in Synod which required more than

average ability revealed a fundamental weakness in seminary graduates; they needed more practical experience to prepare for the office of the ministry. A vicarage year, a period of temporary church employment similar to an internship, had long been a voluntary part of the seminary program, but was not required by every student until 1932. In that year of grave economic depression it was decided that the senior class would not return for their last year until they had spent one year away from the seminary. However, this was not necessarily a year of church work, but might be spent in secular employment. Because of the continued lack of practical experience of the graduates in 1941 the synodical convention decided to make a year of practical church work a required part of seminary training, an action that was an indirect result of the depression.

If the surplus of ministerial and teacher candidates of the 1930's is attributed to the Great Depression, then the shortage of ministers that began in the 1940's can be largely credited to the depression, too. The prosperous years of the 1920's saw a large number of students enrolled at synodical colleges and seminaries, however, the lean years that followed saw a sharp decline in enrollment. It was some years before this decline appeared at the seminary level because of the nine year training program, however, it came just when the demand for personnel was sharply increasing.

A number of colleges and seminaries around the country were forced to close because of the stringencies of the time, however, no Missouri Synod preparatory school or seminary was closed as a result of the depression. One determining factor was that the colleges and seminaries of the Missouri Synod involved in the training of young people for the work of the church are supported by the Synod and are not dependent upon private endowments or other related sources for their income. Professorial salaries were reduced by twenty-five per cent, maintenance staffs were transferred from the payroll of Synod to that of the individual colleges, enrollment dropped sharply, yet the schools continued their educational programs.

One figure that would be most significant in appraising the lasting effects of the depression upon the Missouri Synod would be the number of men who because of the lack of a permanent call, or for other related reasons did not enter the ministry or the teaching profession. Such figures are not available. Certainly it must have been discouraging after spending years in preparation for a career to learn that no permanent position was available, that at the best only a temporary position was available. As the years of oversupply continued inequalities in placement were observable. Men graduated later than those before them often were placed before their predecessors for one reason or another. Men from certain Districts received a call back to that

District because they were from that territory, while others waited without a call.¹ Some of the candidates that continued their education decided to enter some other field because the opportunity presented itself, and there was no assurance they would receive a permanent call into the work of the church. While waiting others might have taken other work and remained there even when positions were again available. However, the number of men who did not enter the work of the church cannot be easily determined.

Despite the severity of the years of depression several factors have been regarded as "blessings in disguise." The first of these was the heartening response to the plea for invested savings with Synod when the banks refused to grant any more loans in 1933. The flow of money received was not only enough to avert a fifty per cent moratorium, but saved Synod the expense of higher interest rates paid to the banks. Some of the money invested was given with no interest expected; other funds were invested at three or four per cent against a bank rate of five or six per cent.

A second blessing in disguise was the reduced home mission appropriation, which was influential in reshaping and reforming the entire home mission structure and the appointment of a secretary of home missions to coordinate the

¹Evangelical Lutheran Synod of Missouri, Ohio, and Other States, Proceedings of the Thirty-eighth Regular Convention (St. Louis: Concordia Publishing House, 1941), p. 122.

mission program. After a survey of the mission fields it was found that there was a need for consolidation in many areas, and that the work in these areas could be done more economically with the employment of fewer home missionaries to serve the same amount of people. Many mission stations had received synodical or district aid for many years without becoming self supporting, remaining a burden to the mission boards. The reason for such conditions was analyzed and improvements recommended.

A third blessing came as a result of the candidate situation. As was noted earlier in this paper, a number of uncalled candidates elected to continue their education while they waited for a permanent position. These men studied in a variety of fields associated with their theological fields. Many of them acquired enough of a background in their special field that they were qualified to teach at one of the synodical institutions. Since the number of men on the faculties of the various colleges was quite stable, because of the smaller student bodies, there was little demand for new instructors. However, if they were needed, there was a sufficient number of trained candidates to fill vacancies in any field.²

An effect of the depression which lingered into the

²Theodore Graebner, "Surplus of Candidates a Blessing," The Lutheran Witness, LV (January 28, 1936), 19.

prosperous 1940's was the reduced pattern of giving on the part of church members, which resulted because of lowered wages or unemployment during the depression. Naturally when less money is coming in there is a tendency to cut down wherever possible and church contributions was one of the items. People formed a habit of giving a certain amount for church and the process of giving became almost reflexive with them. When wages were increased during more prosperous years it was quite possible that the amount given to the church remained at the same low depression rate. It was not until 1943 that contributions to Synod reached the two million dollar rate of 1927, 1928, 1929 and 1930.

Almost every study of the depression leaves many questions unanswered or only partially solved. One of the most perplexing problems is an explanation of why the number of candidates available did not decrease in proportion with the rising economy instead of continuing to be a major problem until after the advent of World War II. All other phases of synodical activity seemed to improve with increased funds available, but this is not true of the candidate problem.

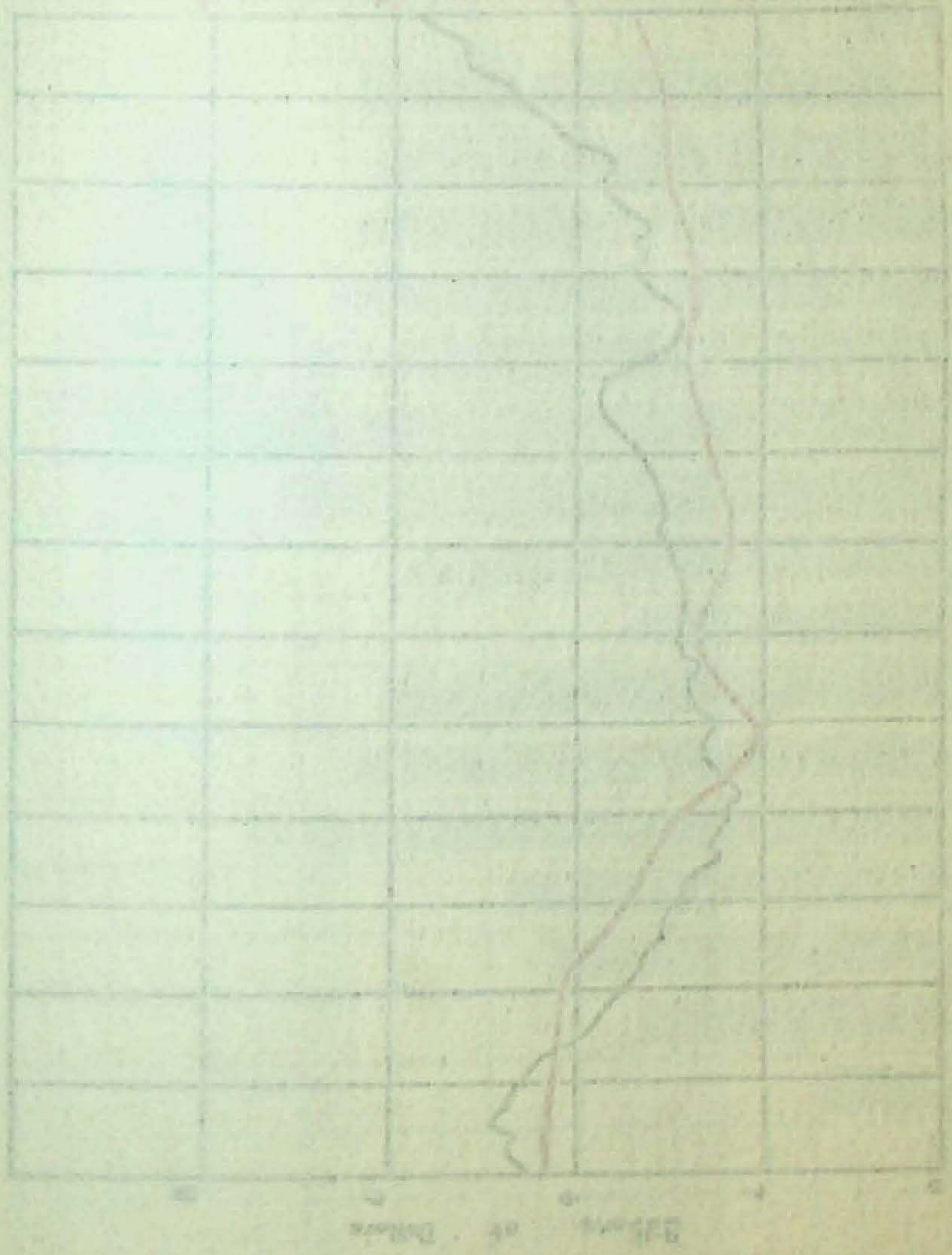
The home mission program would prove to be a worthwhile study. What steps were taken to consolidate the supported mission of the Missouri Synod? In what ways was the new mission policy superior to the old one?

A survey of the individual colleges and seminaries during the depression years would reveal the peculiar problems of these institutions which were forced to alter many of their policies and assume more of their own expenses and support. A number of college buildings were to be erected in the early 1930's. If these were erected at that time, even though they were not filled to capacity during the depression years, this would have meant a saving to Synod which spent several million dollars on institutional building programs after the war at increased costs all around.

A review of the foreign mission fields would point out what expansion was possible in the 1930's that was not possible because of the depression, which brought a halt to all synodical expansion.

The task of the Church is to spread the message of the Gospel in every way possible. The Lutheran Church--Missouri Synod is dedicated to this task. The principal effect of the Great Depression was to hinder seriously the spread of the Gospel to those who do not know it. If we are to regard the millions of dollars that were not contributed during the depression as tasks undone, then there were many things that were not done. If we regard every unoccupied candidate as a potential missionary, who for financial reasons was unable to fulfill that potential, then again a great deal of mission work went undone. It is conceded that the deficit was finally paid, and all interested candidates were placed, but this

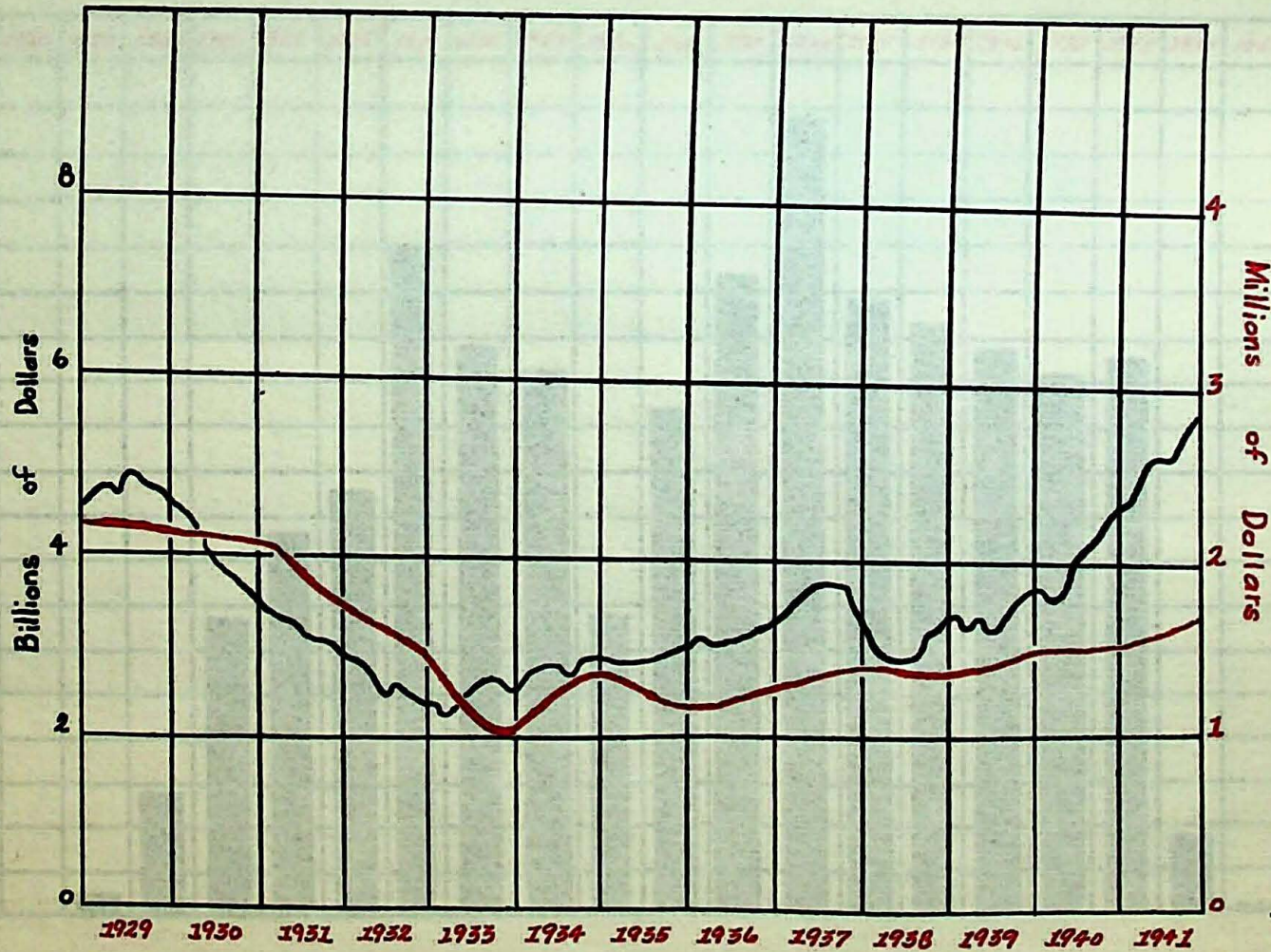
can hardly make up for the work that was not done. The depression period will remain as a decade during which The Lutheran Church--Missouri Synod was at a virtual standstill.



The black line indicates the percentage of ... and the red line indicates the percentage of ...

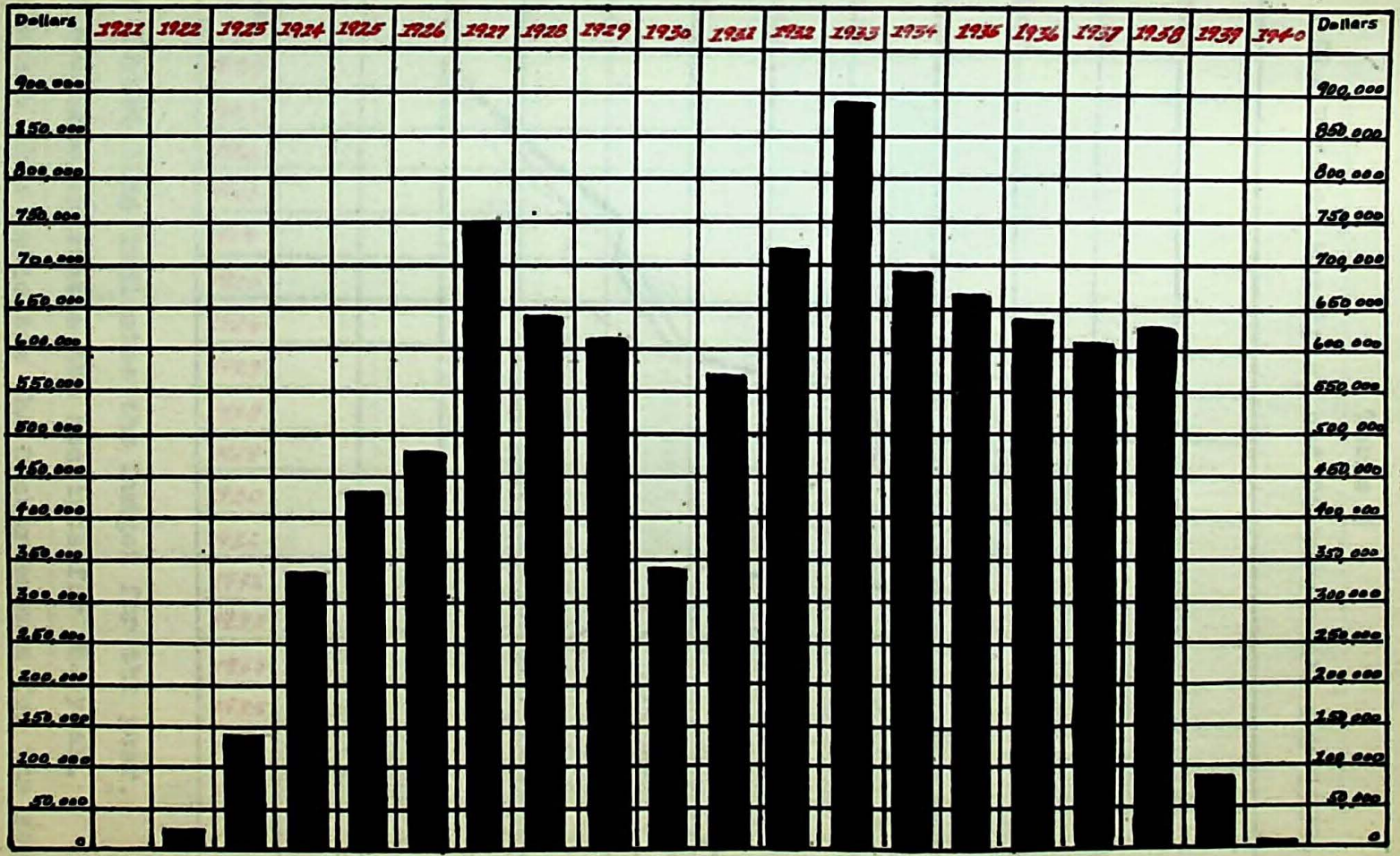
Table 1

The National Income compared to Synodical Receipts



The black line indicates the National Income.
The red line indicates the Synodical Receipts.

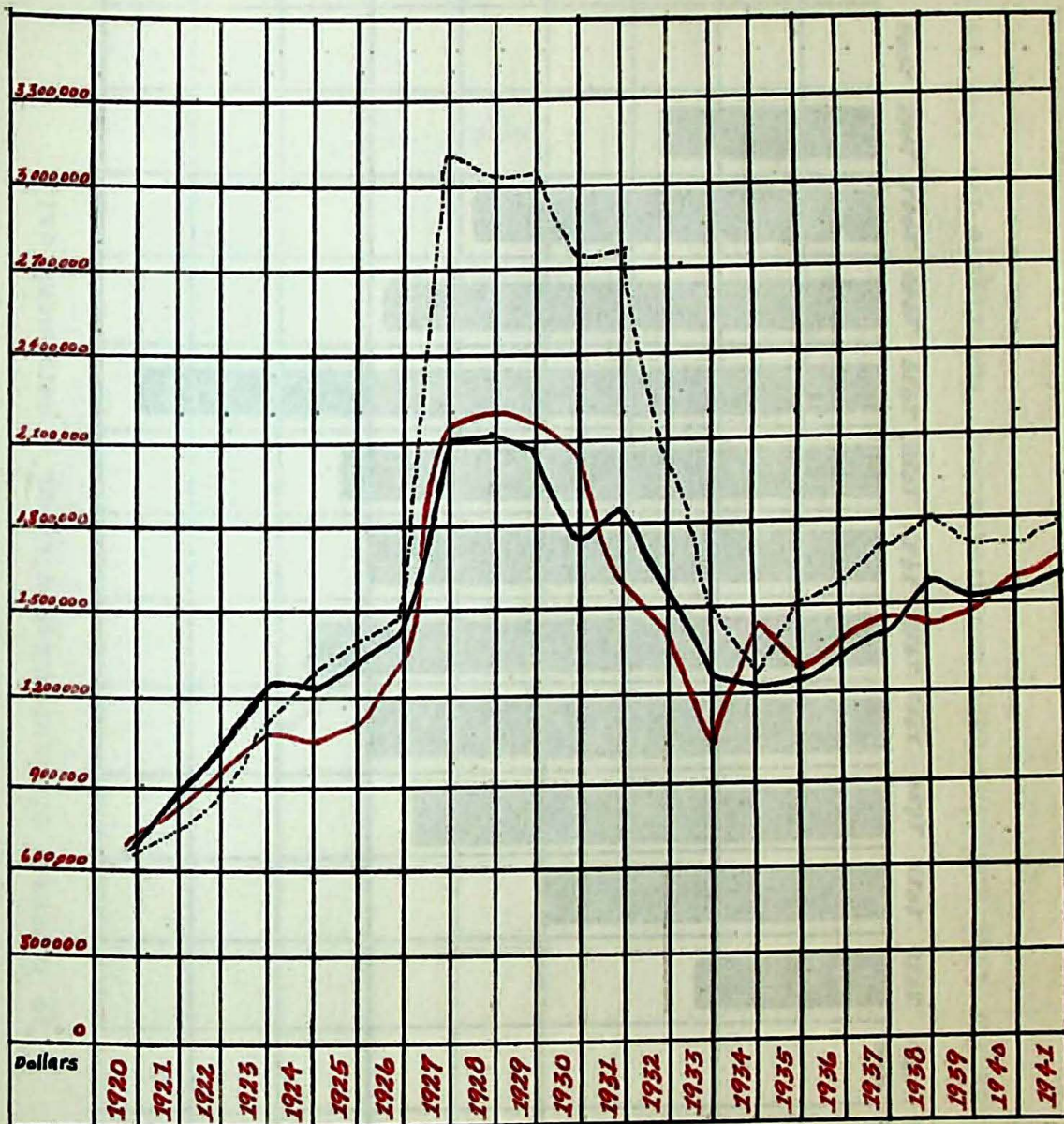
Table 2
The Rise of the Synodical Deficit



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Table 3

The Budget, Receipts, and Disbursements for 1920-1941



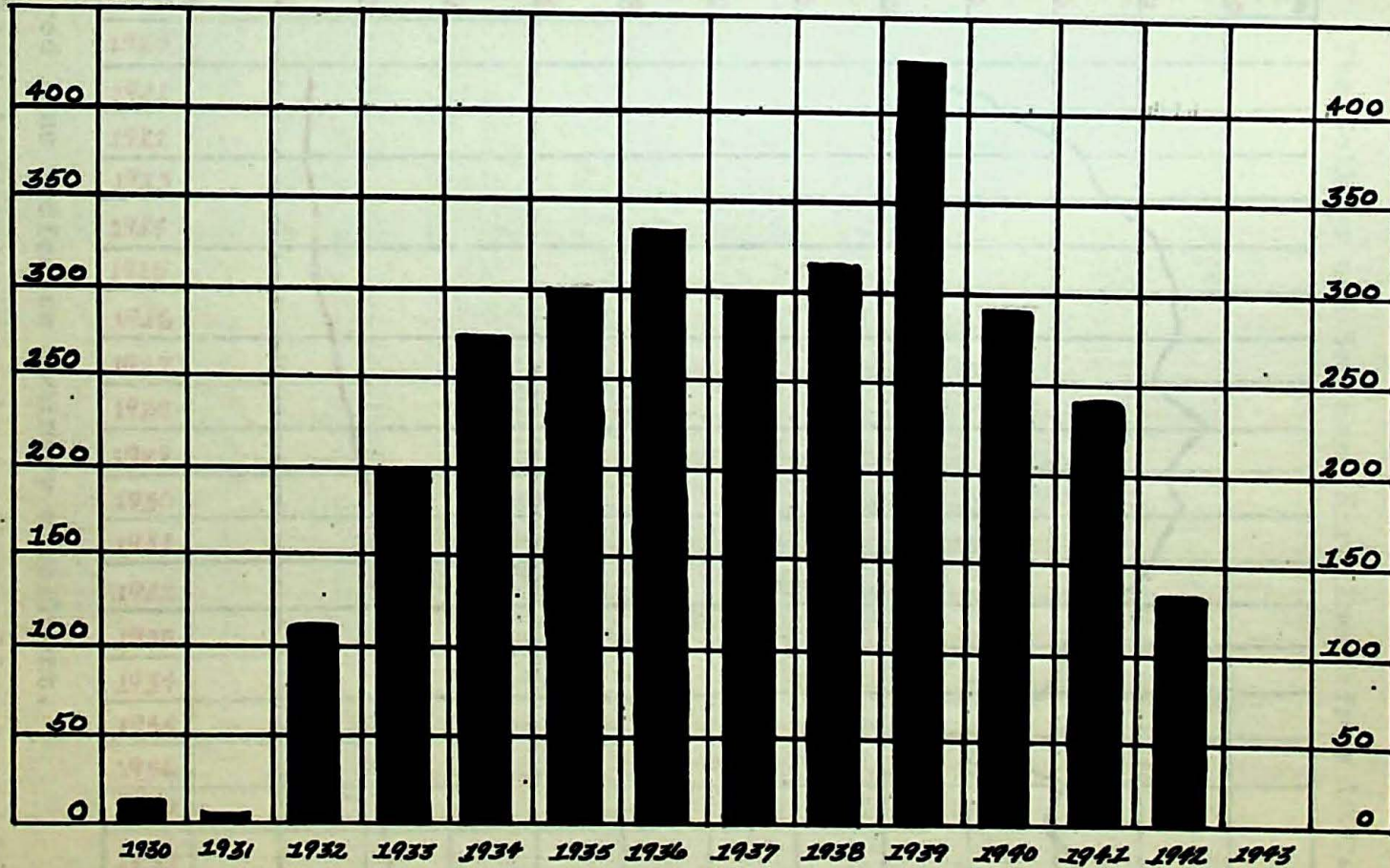
The dotted line indicates the Budget for the year.

The red line indicates the Receipts for the year.

The black line indicates the Disbursements for the year.

Table 4

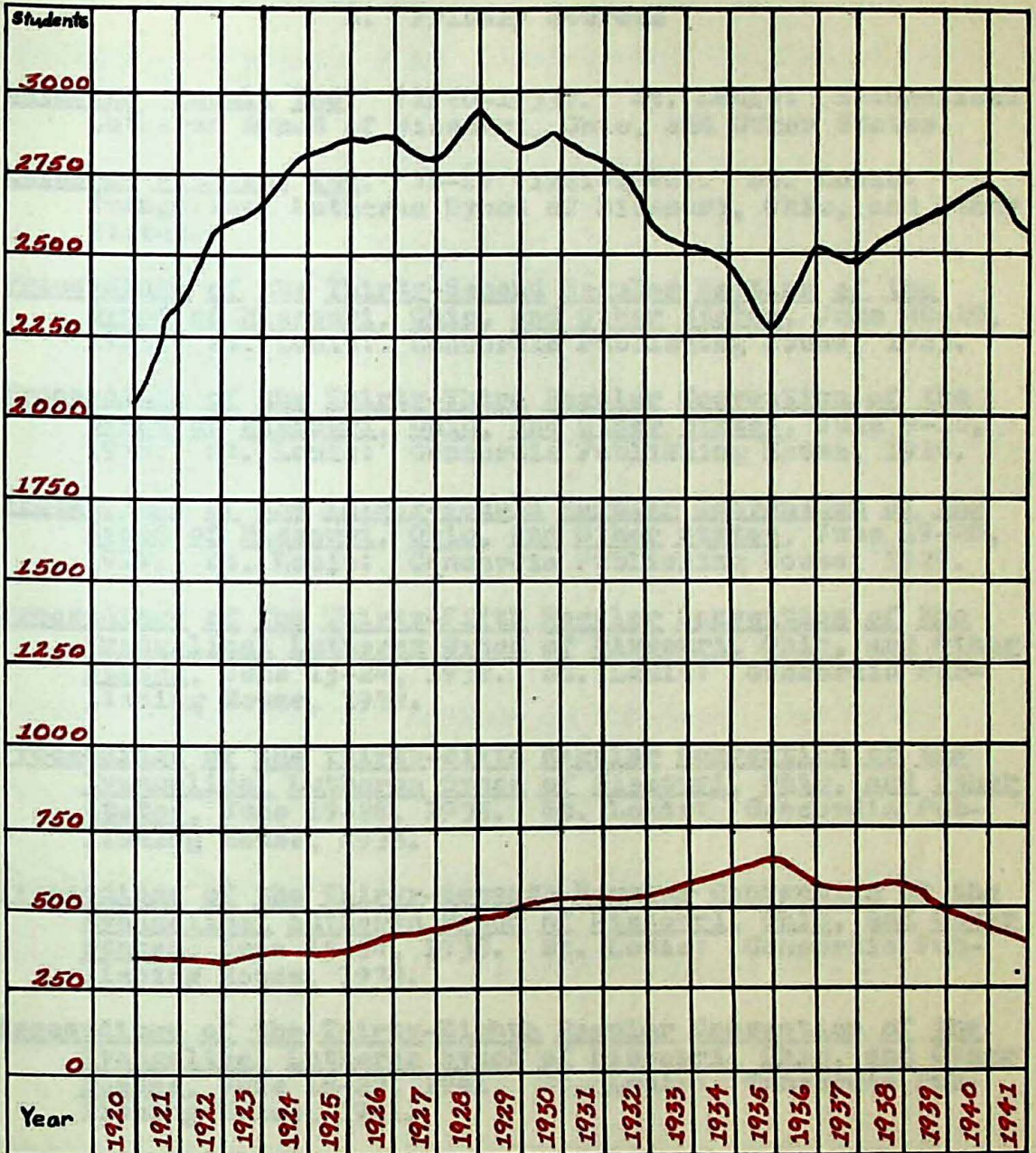
The Increase of Candidates without a permanent call



The figures for 1942 and 1943 were not available. The figure for 1942 is an estimate.

Table 5

The College and Seminary Enrollment from 1920-1941.



The red line indicates seminary enrollment.

The black line indicates the total enrollment at all other colleges of the Missouri Synod.

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