

*Senior Church History Project*

The Experience of  
Pastor Jonathan Schultz  
Concerning  
Mission Work in Canada

April 2002

Video segment filmed - December 2001

*By: Wayne Halldorson*

On December 30, 2001, I interviewed Pastor Jonathan Schultz with the intent of gathering some information from his experience on mission work in Canada. Pastor Schultz came to Canada in 1991. During his years of ministry in and around Calgary Alberta, he has learned many important things about the culture of Canada, and how best to serve Canadians with the Gospel message.

I had several reasons for choosing Pastor Schultz for this interview. First of all, he has given over ten years of faithful service to people spread throughout southern Alberta and also a preaching station in British Columbia. He began his Canadian ministry at St. Paul Lutheran church on the northeast side of Calgary. This area has mostly younger working-class people together with a high concentration of immigrants – especially people from India and Pakistan. Four years later he took the call to serve a daughter congregation west of the city: Mountain View Lutheran church. This area has more upper-middle class and wealthy people. Businessmen and women from around Canada, and the world are moving into this region to take advantage of the economic growth in Calgary. Pastor Schultz has also been serving another daughter congregation of St. Paul – Morning Star Lutheran, located one hour north of the city in a rural, farming community. Jonathan Schultz has had many opportunities to become familiar with Canadian culture and mindset beyond just one area, culture, or economic class.

Besides the duration and scope of his work, he has been my home pastor through high school, college, and Seminary years. I also had the wonderful blessing of getting to know and admire four other WELS, American, pastors who have served in Calgary. They all were excellent servants of the Lord, and well-respected men – yet something always “stuck out” about Pastor Schultz. He went that extra mile to embrace Canadian culture;

he studied Canadian history and governmental structure, and even learned our National Anthem to show that he was happy and excited to serve God in Canada. Jonathan never stood out as “American,” and thus he never put up those extra roadblocks to his work of spreading the Gospel. He and his family even endured hassle and red tape in order to acquire Canadian citizenship.

Jonathan Schultz is also currently serving as the president of WELS-Canada, an association of Canadian congregations formed in 1995 – for the purpose of mutual encouragement, and to promote identity and mission work.

Pastor Jonathan Schultz seemed like the right man for this interview. Here is a list of the questions that were asked, and answered in the accompanying video segment:

1. Where had you served as pastor before taking the call to Canada?
2. What were your perceptions of Canada before receiving the call?
3. When you received the call to Calgary, what went through your mind?
4. What was the hardest part of your transition to Canada?
5. How was the reality different from what you expected?
6. How is mission work in Canada different from the U.S.?
7. Can you tell us briefly about the history of St. Paul in Calgary and her daughter congregations?
8. Presently you serve as the president for WELS-Canada; what can you tell us about the purpose and mission of WELS-Canada?
9. Considering the vast mission fields in Canada, and also the shortage of man-power – in your opinion, would it be wiser to send two pastors as a team into a large urban setting (something attempted in Vancouver, and now being done in NYC,) or to send

a single man into an area with an existing nucleus of WELS people?

What are the positives and negatives of each?

10. In your opinion, should mission work in Canada be considered part of home missions or world missions?
  11. In world mission fields, one goal is to have indigenous pastors serve in each field. Besides Pastor Priestap (trained LCMS, WELS through colloquy) we have no Canadian pastors serving in Canada. What are the obstacles, and is there a plan in place to encourage and support Canadians going into the public ministry?
  12. Based on your experience, what advice would you give to an American pastor called to do ministry work in Canada?
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After conducting the interview, I found that his wisdom in three areas was particularly useful for pastors and future pastors who may serve in Canadian fields.

Firstly: a missionary in Canada will recognize that his field is different in many ways from the United States. As an American, what struck Pastor Schultz upon transition to Canada was a feeling that he was “different.” Many WELS people do not think of Canadian culture and identity as being much different from American. It is. A wise pastor will strive to understand the people around him so that he may be an effective channel for the Gospel. Jonathan pointed out how so few in Canada appreciate the Gospel or are willing to accept biblical authority. While several factors may contribute to that problem, one can sum it up by saying simply: Canadian society has drifted far away from a foundation on the Truth. The culture is more European and liberal. Teachings of Scripture are offensive to most Canadians. With such a diversity of religions and cultural

heritages, one can offend many people by stating that Christ is *the only way* to heaven. Someone willing to learn more will be very surprised to hear that we hold to the biblical teachings of Creation, roles of men and women, and the fate of those who reject Christ. While this may be true in any area of the world, it is *more* typical and *more* striking in Canada than it is in the United States, even the western states. Canada has inherited a “State-Church” mentality from her strong ties to France and England. Even the word “church” carries a negative connotation, and the word “WELS” will make people think of nothing more than drilling holes in the ground for water. Pastor Schultz emphasized the importance of understanding the culture and the need for patience. Mission work takes a long time in Canada. Results are often slow.

The second area has to do with our WELS structure. Pastors who serve in Canada agree that, in some ways, Canada should be treated more like a world mission than a home mission. It is a separate, sovereign nation, yet historical development and convenience has led the WELS to treat her more like one of the American states. Pastor Schultz presented paper in March of 2001 to a WELS and WELS-Canada ministry meeting in Milwaukee (see the attached document) where he outlined some of the factors and barriers related to the work of serving souls in Canada. Obstacles are in place (political, social and economic) that hinder capable Canadian men from pursuing the pastoral ministry, and burden both congregations and pastors. For over thirty-five years of work, outreach, and growth in Canadian fields – there should be more than two Canadian men trained as pastors in our synod. (Both men serve in the United States as of 2002, a third candidate will graduate our Seminary in May.) The solution to the problem is not an easy one, yet the BHM is open to the possibility of training students in Canada

through the multi-cultural pre-seminary program. While there is much work to do and progress to be made, our synod is looking in the right direction and taking steps toward the encouragement and training of Canadian men and women for the public ministry.

Thirdly, I found that Pastor Schultz's advice for pastors called to mission fields in Canada was very useful – and not only for work in Canada, but for mission work in any foreign field. His encouragement for a man coming to Canada is to read up on Canadian history. His advice was to leave the flag behind, pretend you're not a U.S. citizen, but a world citizen – and more importantly, a citizen of heaven. Be humble! Remember that you are a guest in a foreign land. Be deeply devout in your own devotional life (good advice no matter where a pastor goes.) Lastly, be prepared for a wonderful adventure, and don't come unless you have a pioneering, adventurous spirit.

I hope this project will help others see the potential, the needs, and the obstacles that face our brothers and sisters in Canada. We're all on the same team, and we all have the same purpose.

*To God be the Glory!*

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WELS – WELS-CANADA MINISTRY MEETING  
March 16-17, 2001  
Milwaukee, Wisconsin

As we pray about and plan our gospel work and expansion in Canada, the following cultural, spiritual, and economic factors bear consideration:

**I. Cultural Factors**

**A. Historical Background:** U. S. & Canada developed as distinct entities.

- 1) History of French Canada
  - a. “Je me souvien”
  - b. Quebec Act of 1774
  - c. Bloc Qubecois party’s mission: Establish Quebec as an independent country. Referendum on Separation (most recent, 1995 – 49.42 percent of the voters in Quebec voted to leave Canada. The referendum to create a separate nation lost by only 54,288 votes.) New Quebec Premier Bernard Landry (assumed leadership March 8, 2001): “My ambition is to be the last premier of the province of Quebec and first head of state in an independent nation.” (Imagine the effect on the U.S. national psyche if every 5-10 years 27% of its population threatened to secede.)
- 2) History of English Canada
  - a. North American colonies bear taxation of war against French.
  - b. 13 southern colonies declare independence; 2 northern colonies (Quebec/Nova Scotia) remain in imperial fold.
  - c. War of 1812

**B. Cultural Results:**

- 1) One article notes: “Due to its history, Canadians do not have the same monolithic sense of national identity that characterises the U.S. For example, remember that we in the U.S. have appropriated the very word ‘American’ to refer to ourselves, effectively disenfranchising every Canadian. Canadian culture is described as a curious contradiction, a manifestation of several conflicting forces. Until relatively recently, Canadians were British subjects. Their allegiances and alliances were directed across the Atlantic. Canada has more recently been under the economic domination of the U.S. Among some Canadians there is an anti-American feeling.” (Birnbaum’s “Canada”)
- 2) A year-end poll (*Maclean’s Magazine*, December 1999) comparing the U.S. and Canada demonstrated some of our cultural differences: (1,200 adult Canadians from all 10 provinces; 1,000 adult Americans proportionately representing NE, Midwest, W. & S. were polled)  
*Please Note: References to the sentiments expressed over a telephone interview are not always those expressed publicly or when speaking face to face. We do not intend to stereotype all Canadians*



*or Americans nor do we find Canadian Christians expressing some of the godless sentiments of this poll.*

- To the question, “Would you describe Canadians and Americans as the same or different? 45% of Canadians/ 19% of Americans answered: “Mainly or Essentially Different.” When the *Macleans* poll found that fully 71% of Americans think Canadians are essentially or mainly the same as them, it added this comment: “Americans mean that as a sincere compliment. Canadians, of course, often take it as an offensive denial of their distinct identity.”
- The poll admits to an anti-American streak among Canadians. When Canadians were asked to describe their continental neighbours in one word, “Arrogant/snobs” ranked highest (16%). U.S. described Canadians as “Friendly.” (29%)
- Canadians traditionally embrace these core virtues: open-minded tolerance for other points of view; belief in a measure of equity between the advantaged and the less-so; a history built on negotiation rather than coercion;
- Canadians feel *more* different from Americans than they did a decade ago.
- 90% assert their country has “a unique identity, separate and different from all other countries in the world.” 77% dispute the idea that the national identity is “nothing more than a desire *not* to be Americans.” They say it is made up of many ingredients, including the nation’s history, the accomplishments of its people, health-care system, international role, multicultural and multiracial make-up, English & French speakers sharing one nation, the way Canada treats the poor and disadvantaged, and having the Queen as monarch.
- 68% of Canadian respondents consider it “acceptable” for gay people to be teachers (only 56% of Americans agree). 45 percent of Canadians say marijuana should be legalized (29% of Americans). (Incidentally, Canada’s census form this year will not only ask whether adults living in the home are single, married, or common-law. It will ask those who respond “common-law” to indicate whether they are living in a same-sex or opposite-sex common-law relationship.)
- Free trade has been in effect for 10 years. To the question, “Do you feel that Canada has benefited more or less than the U.S. from the free-trade agreements?” 63% felt the U.S. has benefited more.
- Quote from the article accompanying the poll: “Another question which asked respondents to identify the most important issue facing their country, sheds further light on our respective national characters. In both countries the largest number of respondents (31% of Canadians, 39% of Americans) identify social or moral issues as their most pressing concern. But close examination reveals telling differences in how respondents define those issues. Among Americans in that group, 11% identify their country’s biggest problem as ‘moral decline’ or ‘permissiveness.’ A further 6% say the biggest problem facing the U.S. is either a shortage of religion (‘We need Jesus back in America...’ said one respondent) or abortion, homosexuality, or adultery – all issues which preoccupy conservative Christians. In Canada, moral decline, religious erosion, adultery, abortion, and gay rights are barely mentioned. Combined, they are the top issue for less than one per cent. Instead, nearly half of respondents who identify social or moral concerns as this country’s most pressing issue cite health care. Another fifth point to services for the poor, the young, and the elderly.”
- Quote from the article accompanying the poll: “Canadians take a perverse pleasure in how little Americans know about us. Rick Mercer of *This Hour Has 22 Minutes* makes a running gag of asking Americans about Canada and then

broadcasting the most ridiculous answers. Margaret Atwood once noted that the 49<sup>th</sup> parallel is less the world's longest undefended border than its biggest one-way mirror. 'We (Americans) look down on them (Canadians) – constantly and obsessively.'”

- Excerpt from *Macleans* article titled, “Benign Neglect,” December, 1999. “Americans really don't know very much about us, but then, why should they? Americans generally know as much about Canada as they need to. No need to be offended: The U.S. is so enormous that Americans are often quite ignorant about each other. The problem, of course, is that so many Canadians desperately want Americans to take an interest, to really get to know us. 'It is,' writes Will Ferguson, 'a classic love/hate obsession.' Ferguson proposes these five propositions of Canadian nationalism in regard to Americans: 1. Boy, we hate Americans. 2. We really do. 3. Really. 4. I'm not kidding. We really hate them. 5. So how come they never pay us any attention? Worse, he suggest, Canadians take a masochistic pleasure in being ignored by the object of their obsession. Why else do they keep parting with their tax dollars to ask Americans, 'So what do you really think about us, eh?' Why else do Canadian newspapers fuss over every offhand comment about Canada by an American academic or junior official? Canadians, says Ferguson, 'love to be misunderstood and unappreciated' –especially by big, strong, America: 'The problem is not that America is screwing us daily – which they are – but that they never send flowers or call after-words.'”

(Personal note: On several occasions our children have come home from school asking why do Canadians hate Americans? When the topic comes up among the children at school, it must be reflecting the dinner table conversations the kids hear at home. Our kids usually “duck” under the cover – “We're not Americans – we're dual citizens.”)

On the other side, the following quote from the March 8 Calgary Herald notes: “Canadian Alliance Leader Stockwell Day (Leader of minority party in Parliament) will sell himself as a pro-American, conservative ally when he meets with U.S. Vice-President Dick Cheney in Washington. 'I think this is a trip to...let the United States know that there is a strong, healthy, conservative body of opinion that does not always speak to the reflexive anti-Americanism of the Liberals (Governing party in Canada since 1993),' said Ezra Levant, Day's spokesman. 'We're not going there to bash the Liberals, but by doing so, I think Americans will realise that we're not all Lloyd Axworthy-style America-haters,' Levant said. (Referring to Canada's former foreign affairs minister.)

- C) **Canada's school year:** Runs through the very last week of June for elementary – high school students. (Some school systems are on year-around schooling, as no doubt are some in the U.S.) Since the congregations have only two months of “summer” to work with, this implies creative thinking for VBS, youth camp, family retreat, the pastor's vacation, and planning programs for the fall. (The Dakota/Montana District Rally last summer was in June while the Canadian students, part of that district, were still in school; the Dakota/Montana “Family Retreat” is June 1-3, while the Canadian students are still in school). The pastor with children in school will find it a challenge to attend any seminary summer quarter sessions. (He can't take a vacation at that time with the family to the Midwest since his children are in school. He'll be planning VBS for early July. There's the challenge of filling the pulpit or even having a congregation to return to in an exploratory setting if the pastor is gone for 3 weeks & any possible vacation

Sundays. Travel assistance to the summer quarter is available only for those who attend the entire 3 weeks). The Canadian high school student, considering MLC, will work over the "summer" for only 2 months in order to save for school.

## II. Spiritual Factors

- A. Especially in the realm of religion, Canadians are private people. Bumper stickers are viewed as only for zealots and fanatics.
- B. Religion seldom captures centre stage in Canadian political life (unless it is to express a fear of Christianity, as in the last federal election). When questions of a religious nature were asked of the Prime Minister in the last federal election (November, 2000), his *office* answered, "We do not answer questions concerning the prime minister's religious views. He will not answer questions about religion."  
Canadian media and people love to talk about religion to highlight things like:  
- sexual/psychological abuse of residence students by priest/nun teachers  
- the Pope's oppression of women by not ordaining female priests  
- any event that could be interpreted as a possible hint of an aspersion against a Jewish person  
- any financial wrongdoing or mismanagement by a cleric. All of which help the liberal media prove their case that religious people - especially Christians - in fact are the ones who are bad.
- C. Jewish American scholar Michael Horowitz, described as an expert on anti-Christian persecution at Washington DC's Hudson Institute, wrote, "Anti-Christian prejudice is the last respectable bigotry, and it's worse in Canada than anywhere else in the developed world...Your recent election campaign proves it." (Calgary Herald, Jan. 5, 2001). The article quoting Horowitz notes, "Religion was a dirty word in the Nov. 27 election campaign (Canadian federal election). Just as some U.S. politicians once attacked their rivals by calling them liberal Canadian politicians and special interest groups attacked the Canadian Alliance (Party) because many of its members are Christians. It was the first post-war era election where politicians were under media scrutiny because they read the Bible..."
- D. Canadians have by and large been more ecumenically minded than U.S. churchgoers due to geography & demographics.
- E. Overall, less than 20 percent of Canadians attend Christian services weekly (Catholics score in the 25% range, mainstream Protestants around 10% - from an article in the Calgary Herald). From the Book, Where's a Good Church-Canadians Respond from the Pulpit, Podium, and Pew (Written/printed in Canada, 1993): "In Canada, including Protestants and Catholics, about 25% participate regularly in organized church life. In the U.S. the level is close to 40%. Particularly alarming for the institutional church is that far more young people are involved in the U.S. than in Canada. In the case of our southern neighbours, approximately 40% of those in their late teens and early 20's are regularly involved in church life. In Canada, the level is only 15%."
- F. Quote from the article accompanying the Dec. 1999 *Macleans* magazine's poll about Canadian/American differences: "But the most dramatic difference is revealed by what some might consider a larger issue. In Canada, 29% say they believe

“strongly” in the existence of hell. Among Americans that conviction is nearly twice as common, at 57%. The cross-border difference is the largest on any question dealing with personal values. It goes hand in hand with another religious response. Asked how often they attend religious services, Americans are almost twice as likely to say at least once a week (42%) as Canadians (22%).

- G. “Canada Customs and Revenue Agency (counterpart to IRS) within the past year has stripped two pro-life groups of charitable status for not presenting a “balanced” account of abortion. A national teen-outreach group promoting chastity has been denied its charitable status because it does not include contraception “alternatives” in its message. Last year the Canadian Council of Christian Charities warned its members of CCRA’s new aggressiveness toward Christianity as it applies a novel criterion of “disinterested generosity” to invalidate church-centred charitable donations. A Bible college was denied charitable status for its missions program because the young missionaries helped to raise the funds, thus “benefiting themselves.... For now the elite antagonism to the Christian church remains on the level of a collective prejudice. Persecution has not yet taken the giant step into policy. In September 1998 a Prime Minister’s Office policy intervened in the conduct of the memorial service of the previous year’s Swiss Air disaster (off the coast of Nova Scotia). A protocol officer ordered that the Catholic and Protestant ministers could not mention Jesus Christ or quote the Bible, even while a Muslim spoke of Allah, a Jew read from the Torah, and a native medicine man invoked the Great Spirit.” (Calgary Herald Editorial, August 14, 1999)
- H. The following is also noted in Where’s a Good Church: “The majority in Canada use the services of religious institutions for the rites of passage: baptism, marriage, and burial. For Canadians there is no moralistic universal drive imbedded in our national identity. Canada has no unifying “civil religion.” On the whole, Canada is a much more secular society than the United States. God is not central to our national social and political dialogue, nor a major part of our personal dialogue...Although many Canadian pastors and church leaders continue to look south for support, publishing facilities, speakers, and models of ministry since almost all books, tapes, and videos are published or produced in the U.S., this creates a problem. They are written by Americans about American churches. Americans have a different church mentality...Reading books about American mega-churches may provide inspiration, but the innovations they speak of are based on congregational models that simply do not exist in Canada. The combination of a more evangelical heritage in the U.S. and the current strength of American evangelicals gives Americans a more universally acceptable national religious creed. From Puritan days onward civil religion pervaded American society. It has imbedded itself as part of the character of American Culture. American churches participate in public life. In contrast Canadian churches, once very much connected to state activities, are isolated in a sea of secularism that dissolves our historic national connection between the state and our religious institutions.

WELS-Canada member Eugene Ludwick adds a personal thought to this point:

“A few years ago I watched the first 5 minutes of a broadcast of the United Church of Canada. They made no representation of serving Christ but boasted that they were ‘uniquely Canadian’ amongst churches operating in Canada. This uniqueness permits them to champion unholy values like ordainment of lesbian ministers under the guise of Canadian style ‘tolerance’.”

- I. From Where's a Good Church regarding outreach: "Canadians have never responded positively to aggressive religious approaches. To live with the mindset that 'my way is the only right way,' is untenable for Canadians. Canadians are too committed to living cooperatively with each other to widely endorse such approaches...In the United States people join churches in order to belong. When they go to a new church, they do so with the intention of joining. In Canada...people rarely join until they have a sense of belonging. The most immediate implication lies in the areas of church growth and evangelism. In the U.S. the priorities are evangelism and rapid growth. Canadian congregations should place a high priority on issues of belonging and assimilation, and accept that church growth will be slower than in the United States."
- J. Summary from Where's a Good Church: "The faith experience of contemporary Canadians comes out of our history which is counter-revolutionary and Europe-focused...The equations of religious life in the U.S. will not easily translate into the arena of Canadian life." If church is perceived as a traditional arm of the government (formation of Canada through French/Catholic & British/Anglican politics and state religions), the same indifferent attitude people have about government will carry over to their attitude about church. Due to the state-church mindset, there are fewer people with a sincere Christian background that are interested in looking for a church.
- K. In Canada 208,000 (140,000 ELCA; 60,000 LCMS; 1500 WELS) Lutherans make up just .8% of Canada's population. In the U.S. there are 8.3 million Lutherans, making up 3.5% of the total population (implying there are 40 times more Lutherans per capita living in the U.S.) People here don't readily identify with the name Lutheran. They don't make any connection at all with the name WELS and with our doctrinal stance. The ELCA is called the Evangelical Lutheran Church in Canada. The LCMS is called the Lutheran Church of Canada. Educating people in Bible classes is a slow process. Slipping back into a secular view is a strong temptation. People given the gift of faith will quickly browse the only Christian bookstores around and are tempted to embrace the Reformed ideas prevalent.
- L. **Travel Distance & Isolation**  
 While travel distance is a factor in many of our outlying districts, it is also a factor in our work in Canada since the congregations are associated with districts, whose major population base is far south. A pastor in the Dakota-Montana district will spend a month's worth of working days outside the congregation attending District Missionary's Conference, Fall Pastor Conference, Spring Pastor Conference, and June District Convention/Pre-Synod Delegates' Conference. Since a day (or 2) travel one-way is usually necessary to attend the conference, it takes a great deal of time from the parish work. Saving a day's travel by using the airlines is expensive for the small congregation. District Convention in the Dakota Montana district is 1100 miles from Calgary, the southern-most city represented by WELS in Alberta. Assuming any opportunity for spiritual growth & encouragement through summer quarter, assuming a 2-4 week's vacation (depending on pastor's years of service & whether the congregation uses the mission guidelines or the pastor is able to follow them and still feel faithful to his calling), and the pastor could spend 11-12 weeks away from parish work. In a small congregation the members rely heavily on the pastor's leadership, especially if they are new to the faith or ministry of the church.

Does the fact the pastor is absent so often affect the congregation's ability to grow, the number of calls the pastor can make, etc.?

Isolation from other Christians and brothers in ministry can be a challenge for our pastors & members. Since the distances and isolation make study groups difficult, the lack of motivation, encouragement, and sharing of ideas can thwart a pastor's growth and ability to serve. District and fall pastoral conferences, while providing opportunity for spiritual growth, can miss the mark in offering help for Canadian pastors since the themes and topics don't identify with Canadian mission/congregation challenges and opportunities.

### III. Economic factors

A. On March 9, 2001, it costs 1.544 Canadian dollars to buy one U.S. dollar. Why is the Canadian dollar so low in its value to the U.S. dollar? C.D. Howe Institute study found the long-term decline in the value of the Canadian dollar against the U.S. dollar since the mid-70's when it was at par with that currency reflects the long-term decline in prices for non-energy commodities. The share of Canada's exports that are commodities has declined to about 30% from 55% in the 1970's, and in turn, so has their impact on the value of the Canadian currency. The gap between Canadian and U.S. interest rates, differences in inflation rates, and – in recent years – the strength of the U.S. dollar against virtually all other currencies are the other determinants of the value of the Canadian dollar against the U.S. dollar. A Feb. 4, 2001 Calgary Herald article notes, "Decades of massive government intervention in the Canadian economy created a welfare state. Misguided as this was, enough Canadians consistently chose it. Inspired by an ideology that held the program to be more important than how to pay for it... governments ran deficit budgets from 1967 to 1997, until national debt reached \$583 billion (for Canada's population of 30 million residents, that's about \$20,000 per person living in Canada) and now requires almost a quarter of annual government revenues to pay the interest. High program spending, high interest payments, high taxes to pay for it all. Why would anyone hold Canadian dollars? The market place voted. The Canadian dollar went on a 20-year slide.... Debt cannot be treated as an abstraction; there are real consequences and now we can't afford national defence. We evidently can't afford to keep our hockey teams (Montreal Canadiens were recently sold to an American buyer) and soon, we won't even be able to afford these precious social programs."

At .66 the C.D. Howe Institute says the Canadian dollar is not "undervalued." The March 8 Calgary Herald reported "The loonie could be headed toward a record low, analysts warned, as the economy flashed boom and bust signals and the currency plunged back below .65 cents U.S." Currently, with the Canadian dollar at .647 to the U.S. dollar, it takes 1.544 Canadian dollars to buy one U.S. dollar. According to the C.D. Howe institute, we should not expect that to change much higher in the future.

B. High Taxes: May 13, 2000 Calgary Herald article reports: "High taxes have helped turn Canadians into the poor – the very poor—cousins of the Americans, according to a new analysis which found that even those Canadians in the richest provinces have less disposable income than Americans in the poorest states. The analysis of after-tax incomes concludes that all of Canada's provinces are at the bottom of the list. The richest Canadian province is below the poorest U.S. state in

terms of real disposable income per capita.... and it's not even close. Alberta's real per-capita disposable income is 10% below that in Mississippi, the poorest U.S. state. The comparison is based on a Canadian dollar with the purchasing power of .74 U.S., almost 7% higher than the actual exchange rate of .69 US for 1998, the year used for the income comparisons. Seven of 10 provinces had real disposable income per capita below the average of industrial countries. (Only Ontario and Alberta had incomes that were at or above the average.) While in the U.S. tax-freedom day was May 11 (1999 article), Canada's tax freedom day was 5 weeks later, June 18<sup>th</sup>. Although governments in both countries have been cutting taxes, the article notes the tax burden is about 30% heavier in Canada. Canadians pay the highest taxes of the G-7 countries. Add to the burden of federal and provincial income taxes the federal 7% sales tax on all goods and services, as well as provincial sales tax. In some provinces people will pay 14-16% sales tax on any purchase.

- C. High taxes are leading to a "Brain Drain" from Canada to the U.S. according to a March 1999 article: Some 23,000 Canadians are enrolled in American universities. Nearly 800,000 Canadian-born people live in the United States (not counting the hundreds of thousands of snowbirds living in the US part time). (26% of Canadians in the December 1999 *Macleans* magazine poll said they would take opportunity to become a U.S. citizen.) One Canadian émigré reported he didn't leave Canada for the higher US income. "We came to the US for the promise of prosperity, but more fundamentally to escape the pessimism, gloom, and artificial austerity imposed upon us by various layers of government. We came to the US to be able to hope again. The change in culture and simply having to make choices made for you by government in Canada were more stressful than I could have ever imagined. Nevertheless, I woke up every day bursting with a feeling that I had not experienced since I was a child: optimism. Had nothing else gone well, the move would have been worth it just for that." The author of the article concluded, "Governments are choking us financially and psychologically and costing us a fortune in taxes and lost talent." Some symptoms of the drain, especially in the area of medicine: Calgary, AB, a city of 860,000, is facing a shortage of 200 family doctors. Our family doctor left for the U.S. One of my sons and I were taken into another practice, but the doctor refused any more patients. My wife has been looking for 9 months for a doctor that will take new patients and only recently found one (a visitor at our church!). Alberta needs upwards of 5,000 nurses. Many have moved to the US. Some return. Many do not. Texas hospitals are recruiting nurses in Alberta with promises of higher pay, lower taxes, paying moving costs, 3 month pay incentive, etc.
- D. A Fraser Institute study offers the headline: "U.S. more charitable than Canada." It reports, "All Canadians are Scrooges compared with their American cousins. That's because they have less, especially after taxes, to give." One study showed charitable giving is 4 times higher in the US than in Canada.
- E. Canadian students in our worker training system may not work off-campus while attending U.S. schools. A married Canadian man, attending college or seminary, will not be able to have his wife working outside the home for financial support for the family or to help with schooling costs.

- F. When a U.S. pastor's family immigrates into Canada, the wife/teen children cannot work until they receive the status as permanent residents, which may take 6 months to a year. Any family depending on income for schooling, etc. would be hard-pressed in the first year.
- G. Cost to bring a U.S. family to become permanent residents of Canada is currently: \$1475/adult, \$100/youth (A congregation will pay \$3150 to bring a family of 4 into Canada).
- H. U. S. citizens who give birth to a child while residing in Canada must make a personal visit to the U.S. Consulate with records establishing they are U.S. citizens, with records establishing they have resided in the U.S. in the past, and with the child's birth records in order for the child to establish U.S. citizenship. That implies travel cost to the centre where there is a U.S. Consulate, lodging if necessary, and time spent in the travel & visit to the Consulate. Most recently our missionary's family in Saskatoon, SK, traveled 650 km (400 miles) one-way to Calgary to receive their son's U.S. citizenship.
- I. The following is a rather lengthy, but informative quote from an authoritative Canadian Tax Guide, Evelyn Jacks on Tax Savings, 2001 Edition:

**Canadian Residents:** These residents are taxed on world income (in Canadian dollars). Foreign income from employment, business, investments, pensions, or disposition of property outside of Canada will generally be subject to tax here in Canada. If you pay tax in the foreign jurisdiction, you may apply for tax relief through a special credit called the foreign tax credit. (p. 41)

**Immigrants/Emigrants:** When a taxpayer comes to Canada and becomes a resident here, he or she is required to file an income tax return and report world income from the date of immigration. That person is also considered to have disposed of all capital property owned immediately before immigrating, and reacquiring it on the date of immigration at its fair market value in Canadian funds at that time. This is done so that the immigrant only reports capital gains on subsequent dispositions for the period after the immigrant becomes taxable in Canada. In the case of emigrants, a deemed disposition of capital property is considered to have taken place on the date of emigration, and in general, the tax on any resulting capital gains must be paid at that time (pp. 41-42):

**Chapter 11, Special Situations, Departure from Canada:** On October 2, 1996 the Canadian government released proposals that will dramatically change the way Canadians who leave permanently will file their final tax returns. The changes primarily concern the taxation of capital assets that are still held at the time of emigration. The rules provide for an accounting of any accrued value in those assets by way of a "deemed disposition" at fair market value at the time of departure"...Controversial at its outset, and now even more so for its lengthy retroactivity, this legislation is important for any Canadians who are considering moving out of the country permanently and would indicate a need for careful tax planning to minimize tax liabilities to Canada before the move...Canada is interested in receiving its fair share of tax revenues on capital assets acquired in Canada in two ways: on accrued gains in assets held upon departure and on the actual gains that occur upon actual disposition when the taxpayer has left the country....The proposed new departure tax laws are meant to ensure that



emigrants pay their tax on the Fair Market Value of their accrued gains on most capital assets before leaving. *All properties (Italics - original author's)* will now be considered to be disposed of on departure for the purposes of determining the tax liability of accrued gains...(Some exceptions include Canadian real estate or capital property used by a non-resident in carrying on a Canadian Business). (Pages 284-286). End of quote from tax guide.

This implies that if a non tax-sheltered investment has gained in value, the capital appreciation must be declared as taxable income, although the family may not redeem the investment until a future date. The appreciated value of the investment is added to other income that year, thus spiking that year's income, and therefore giving a tax burden at a potentially higher marginal rate than had the tax not been levied in that one year. A U.S. worker coming into Canada must note the value of any U.S. non-sheltered investments they retain the day they move into Canada and pay Canada taxes based on any appreciated value of those U.S. investments the day the family leaves Canada. Canada will not tax non-residents, unless they have Canadian source income. Thus they want to get the last grab at the residents' taxes before they leave the country. The IRS, on the other hand, keeps track of U.S. citizens around the world and taxes them wherever they live. Thus it doesn't deem the person leaving the U.S. as liable for tax on the market value of his investments. It will assess taxes when the investments are actually sold.

The U.S. citizen living in Canada will have to report to the IRS annually, however. Tax treaties allow U.S. citizens to exclude their Canadian-source income from total income, thus the U.S. citizen won't pay tax on it unless his income exceeds \$70,000 U.S. The Canadian income must be reported, however. Any U.S. worker who returns to the U.S. will pay taxes to Canada on any Canadian tax-sheltered retirement income when it is used in retirement. Thus the person will have to be reporting to the U.S. & Canada's tax system throughout his retirement years. During his working years in the U.S. he will not be responsible for paying taxes to the IRS for the Canadian tax sheltered investment income. He will have to annually file a form with the IRS, however, declaring its value and asking for an exemption.

### SUMMARY THOUGHTS:

1) The economic factors noted above, especially relevant to the Canadian dollar's value to the U.S. dollar precipitated this meeting. The difference between the U.S. and Canadian dollar has a profound influence on congregations as they initiate CEF loans, pay WELS Pension for called workers, purchase NPH products, send delegates to conferences in the U.S. (a district convention can cost a small Canadian congregation \$1,200 just in travel to send a pastor & delegate), send teens to District Youth Rallies, and pay salaries based on U.S. salary code pegged quarterly on the basis of the fluctuations of the Canadian dollar. Mountain View Lutheran (WELS, Calgary, AB, 84 members) paid \$2,700 (\$C) as a line item in its budget to simply buy US dollars to pay for pension, NPH, & WELS Evangelism products. The congregation will not only pay the exchange rate to buy U.S. dollars, but also pay the bank a 2-3% fee to buy the dollars. Thus when we see an exchange rate reported in the Wall Street Journal at 1.54 Canadian dollars to buy a U.S. dollar, the congregation or pastor buying U.S. dollars will pay 1.57 at the bank. What impact would it have on all our U.S. congregations if they spent 3-5% of all their offerings just to buy another country's currency?

2) The Canadian – U.S. dollar difference will have a profound affect on congregations considering going from mission status to self-support. The congregations on mission status are able to re-negotiate their subsidy grant agreements if the Canadian dollar's drop has made it impossible to pay their pastor. Remember, his salary, based on U.S. mission code put into Canadian dollar value as reported quarterly in the Wall Street Journal, will go up as the Canadian dollar drops. It will decrease if the Canadian dollar increases in value. The congregation pays their pastor a higher salary due to the drop of the dollar, although the congregation's offerings haven't increased (members salaries haven't increased) just because the dollar dropped in value. So the congregation will have the option of re-negotiating its subsidy agreement – although not without the constraints of BHM meetings, review, questions about faithfulness, ministry, stewardship, etc. The challenge the congregation faces in reducing subsidy due to increases in called workers wages simply due to dollar differences can have a detrimental effect on the congregation's sense of ownership of ministry & its sense of growth in stewardship efforts. In reality it's simply a matter of the U.S. dollar buying more Canadian dollars at that time. Perhaps if the subsidy were paid out in U.S. dollars the congregation would be able to buy more Canadian dollars with it and simply pay their pastor the higher salary. But how can a congregation consider going to self-support when it can't plan its budget with a stable salary figure? Canadian congregations that are self-supporting (5, currently) are left to fend for themselves in either trying to keep up with mission code, exchanged into Canadian dollars, or pay their pastor a Canadian salary that in effect falls far below what he would receive in U.S. dollars.

3) This challenge for the self-supporting Canadian congregation looms especially large in view of the proposed salary structure changes recommended to the synod convention. All our congregations will experience the joy of returning to Christ's Word for motivation & direction as we honour Christ with our offerings and support the public preaching/teaching/staff ministry with a portion of our gifts. All our congregations will experience the faith-testing & faith-strengthening that comes from dealing with these issues in Christ's church. The Canadian self-supporting congregations may however be brought to the financial realisation that paying U.S. called workers salaries based on U.S. dollar exchange rates has priced them out of the market for a WELS pastor. The opportunity does present itself for Satan to create resentment within the congregation that sees its pastor's salary increase disproportionate to their own salary increases or growth in stewardship. Is there no help available for them since they are "self-supporting"? As an aside, to note it's not just church bodies operating on both sides of the border that wrestle with these issues. The National Hockey League pools its money to support the "self-supporting" Canadian teams, since they must pay U.S. dollar equivalent salaries to retain their players.

4) The difference in the Canadian/U.S. dollar value also affects the U.S. called worker and his family if he moves to Canada with U.S. dollar debt (from school, auto purchase, loans for children's school, etc.) or if as he's serving in Canada he considers potential schooling for children, retirement in the U.S., being called back to the U.S. at some future time, saving for big ticket purchases (auto, appliances, furniture, etc.) in Canadian dollars – that he may have to spend in U.S. dollars if he should return to service in the U.S. The pastor who began a savings program for U.S. schooling for his child in 1991, when the Canadian dollar was at .89 to the U.S. dollar, for example, would have seen the value of those savings set aside in that year to pay future school bills erode 38% by 2001 as the Canadian dollar is worth .647 U.S. dollars. (In 1991 it cost 1.12 Canadian dollars to buy a U.S. dollar. Today it cost 1.54 Canadian dollars to buy a U.S. dollar).

One Canadian member recommended we adopt a "made in Canada" salary policy for called workers in Canada and adopt a "Cross the Border" policy for called workers and congregations that face costs of immigration, paying out U.S. school loans and other debts, and compensating for the inability of spouse/children to work until receiving residency. A U.S.

pastor serving in Canada wonders whether we could pay the U.S. workers' salaries out of synod as we do with the other foreign missionaries.

It would seem some very specific information, tax advice, and financial planning assistance ought to be offered to those assigned to Canada or considering calls to and from Canada. I consulted a tax accountant whose expertise is dealing with U.S. & Canadian taxes. She graciously offered me a free interview. Her normal fee is \$180/hour for her work & consultation. When I asked about a written statement of advice, offering to pay the fee, she refused. Her goal, undoubtedly, was to try to have our WELS-Canada U.S. called workers as clients rather than issuing a letter of tax advice. It would be very honest and informative to share the various financial implications in crossing the border with U.S. called workers as they consider calls to serving the Lord in Canada. They could prayerfully consider all these ramifications as they deliberate their calls. It certainly adds a measure of earthly stress and uncertainty to U.S. pastors considering calls to/from Canada since the called worker will be reporting to 2 nation's tax systems for the rest of his life (assuming during his Canadian ministry he places savings into a tax-sheltered plan in Canada and would therefore have Canadian-source income) and will be concerned about future and constantly fluctuating dollar exchange rates for the rest of his earthly life.

5) One can't help but wonder whether the immigration cost + moving cost affects vacant congregations as they or the DMB reviews the call list. Not only under scrutiny is the pastor's gifts, but also the family size, children's age, consideration of whether the wife/children may need to work & be unable to in the first year of residency in Canada.

6) The Canadian families considering sending their children to our WELS worker training schools certainly face an incredible hurdle also. They will be paying \$10,000 Canadian for tuition/room/board (at prep level) and another \$5,000 Canadian for travel. Their child will be in a pool of candidates of a U.S. church body upon graduation from school. If they serve as teachers/staff ministers, they will undoubtedly spend the rest of their life in a country foreign to them and their parents. If they graduate from seminary, there is a chance they may be called to Canada, upon assignment or at some future date. All the tax considerations mentioned above, however, will apply to them whenever they cross the border to take up residence.

How many WELS students would we have in our worker training system if our U.S. families faced all these issues when sending their 14 year old away to prep to become a pastor or teacher? There are currently 9 Canadians in our worker training schools (1 in his vicar year, 5 at MLC, 3 at prep.) The vicar is a native Canadian. 4 of the 5 at MLC are native Canadians. All 5 at MLC intend to become elementary or high school teachers. None are in the pastor track. 1 of the three at prep level is a native Canadian. 1 intends to serve as a pastor, one as a teacher, and one is undecided. To my knowledge we have only 3 native Canadians in the preaching ministry, only two of whom were trained by our worker training system. One is currently serving in Oak Creek, WI. The other is currently serving in Fargo, ND. The other was trained by the LCMS and came to WELS by colloquy. He is serving in Calgary, AB. There may be others of which I am unaware. Our Canadian student in his vicar year has had his student visa pulled by the U.S. Immigration official at one of his recent returns to the U.S. He had married a U.S. citizen. The U.S. official stated that he would now have to apply for a green card in the U.S. He this past week was in Wisconsin to make this application. His residency status now is uncertain, although he's not received his first permanent call. The Canadian tax laws noted above may apply to him now as he is perhaps deemed to have "departed" from Canada since he's attending school in the U.S. and has married a U.S. citizen.

7) We as WELS are only newcomers into the Canadian religious scene. The Canadian field as a whole was LCMS, ALC and LCA territory. Apparently at the turn of the last century WELS had a large congregation in Regina, SK, but in the 1920's it became a member of LCMS. WE also had a congregation in Sault Ste. Marie, ON, which to my knowledge amalgamated with the WELS congregation in Sault Ste. Marie MI. Outreach in western Canada came primarily because the German people of Alberta inquired of WELS in the early 1960's to send someone who would proclaim the gospel in their mother tongue. WELS work in eastern Canada began with the confessional and courageous move of St. Paul's, Ottawa, to leave LCMS and affiliate with WELS. U.S. District Mission Boards have also worked faithfully to bring the gospel through the establishing of mission congregations in high population centres in Canada. After our approximately 35 years of continuous work in Canada, we currently are serving 1,500 baptized souls in 5 self-supporting congregations (baptized membership of 901), 3 mission status congregations (baptized membership of 313) 3 exploratory congregations (baptized membership of 89), and 6 preaching stations (baptized membership of 200). (1999 statistics). We have 14 pastors in Canada, one of whom is Canadian by birth, having come to us from LCMS. The all-purpose giving for the Canadian congregations is \$514, compared with a U.S. average of \$707. (1999 statistics)

8) We're grateful that our WELS Home Mission Division has patiently worked with our Canadian mission field, congregations, and pastors in understanding that the cultural/spiritual/economic differences of our work in Canada do at times imply longer periods of subsidy, re-negotiation of grants, longer terms of exploratory/mission status, etc. We're also grateful that NPH has offered some relief by granting Canadian congregations (although not members ordering personally) 20% of curriculum materials & 10% off NPH propriety items.

9) As we consider the larger issues facing us as we serve the Lord, his saints, and reach out for His lost sheep in Canada, I can't help but wonder why after 35 years do we have only 2 Canadian pastors trained by our system serving in the preaching ministry? What factors prevent more Canadians from considering the public preaching ministry? I can't help but also wonder whether creating a greater Canadian identity for our work in Canada, as well as training Canadians to serve in their native country wouldn't help alleviate some of the cultural & economic factors that might be hindering our work in Canada.

The value of the Canadian dollar and the plea for prayerful discussion of the challenges facing our self-supporting congregations was the presenting issue as our WELS-Canada annual meeting asked for this meeting with WELS home, world, worker-training, and synodical council representatives. By the grace of God what is not an issue is the Spirit-born faith, love, respect for the ministry, joy in the ministry, and zeal for serving the Lord through the ministry our called workers and congregational members share. We have an incredible team of pastors and members serving the Lord together in Canada!

I trust this report has helped you grasp an understanding of the stresses that face both our congregations in Canada and the U.S. called workers who serve here. We're seeking your wisdom, based on your God-given faith and missionary zeal, to help us address this issue. We in Canada are not a large group with vast resources, but brothers and sisters in faith striving to work together, thanking God for our synod's fellowship, support, and love.

If as we discuss the Lord's ministry through our WELS work in Canada, the Lord gives us insights that would serve to further His gracious gospel cause in recruiting and training Canadians to serve in their home land, in bringing the stability and strength of Christ's Word and His public ministry to our WELS work in Canada in an even greater measure, and in establishing

guidance and direction for our efforts to carry out Christ's will to seek and save the lost in Canada, to Him be the glory. Upon Him we rely for wisdom, strength, and resources, and the faith, hope, and love, to do it.

Respectfully submitted,

Pastor Jonathan E. Schultz,  
Mountain View Lutheran Church, Calgary, Alberta  
WELS-Canada President

Additional thoughts:

From recent conversations, apparently the Lutheran Church of Canada (LCMS) is experiencing a critical financial challenge in establishing new mission congregations since it operates two seminaries, one in eastern & one in western Canada. It also is facing a pastoral shortage. Apparently it has only 6 students in its eastern seminary. To help resolve the shortage the eastern seminary is training U.S. students (who reside in the U.S., wives may work there, etc.) and asking them for a 5-year commitment to working in Canada after graduation.

The March 9 Calgary Herald noted that the Canadian Southern Baptist Seminary in Cochrane, AB, recently was accredited as a graduate-level theological school. It is now the only accredited graduate seminary in southern Alberta. The 14-year-old seminary's student body has doubled over the past year to over 100 students. Over the past 3 years the Canadian Southern Baptist Conference has grown by over 30% to over 10,000 members. "Our greatest challenge is raising up new leaders," said CSB seminary vice-president Randy Bond. "Last year we adopted a vision to plant 1,000 churches by 2020" - from 150 churches today - "so the denomination is underwriting a significant portion of our students' tuition costs." The article notes the CSBC began to root in the 1950's when individual Canadian churches started affiliating with the Nashville-based Southern Baptist Conference. It incorporated as the independent Canadian Southern Baptist Conference in 1985.

A member of one of our Canadian congregations is in the process of establishing an educational trust fund. In applying for registered charity status, the following was remitted to Canada Customs and Revenue Agency:

- A) In keeping with objects of the Company 2a) and 2d), the Hallmark Educational Foundation intends to provide educational scholarships to Canadian students pursuing public pastoral, teaching, or staff ministry of the Wisconsin Evangelical Lutheran Synod - Canada (WELS-Canada). The WELS-Canada does not currently have a preparatory high school, ministerial college or seminary in Canada. Students desiring to serve in our WELS-Canada congregations as either pastors, teachers in elementary schools run by congregations or groups of congregations of our fellowship, or staff ministers (Youth Discipleship, Family Counselling, or Evangelism) are required have the training to support our specific beliefs. Currently, we send our Canadian students to attend the preparatory high schools, ministerial college and seminary affiliated with the Wisconsin Evangelical Lutheran Synod, headquartered in Milwaukee, Wisconsin, with which our WELS-Canada is in agreement in matters of faith and confession. These are as follows: Luther Preparatory School, Watertown, Wisconsin; Michigan Lutheran Seminary Prep School, Saginaw, Michigan; Martin Luther College, New Ulm Minnesota; and Wisconsin Evangelical Lutheran Seminary, Mequon, Wisconsin. These schools are

all owned and operated by the Wisconsin Evangelical Lutheran Synod, the church body in North America with which we are in agreement in our faith and confessions.

- i. The nature of our beliefs and confessions on the basis of Scripture in our WELS-Canada implies that only those who have received religious training from or certification from the above schools are qualified to serve in our WELS-Canada congregations.
  - ii. WELS-Canada, an association of congregations in fellowship with the Wisconsin Evangelical Lutheran Synod, is a registered charity in Canada. Its Business / Registered charity number is 88876 4743 RR0001
  - iii. We have enclosed handbooks of the WELS ministerial training schools.
  - iv. Current costs incurred by our Canadian families to send their children to these schools runs about \$15,000 (C\$) annually, including tuition, room, board, and transportation.
  - v. We have enclosed a copy of our scholarship application form and criteria we will use to consider scholarship requests. This is our Appendix 1.
  - vi. Currently 9 Canadian students, members of WELS-Canada congregations, attend these schools.
- B) In keeping with the objects of the Company 2e the Hallmark Educational Foundation intends to assist in establishing a ministerial training school in Calgary, Alberta. Once the WELS-Canada ministerial training school is established, the Hallmark Foundation could be called upon to help fund any one of the following: professors, library resources, or other operating expenses. The foundation could also be called upon to help develop ministerial training promotional materials for the WELS-Canada. An example of videotape used by the Wisconsin Evangelical Lutheran Seminary is enclosed. Material like this will be adapted for use by WELS-Canada.