

The Debt of the Joint Synod
of Wisconsin A.O.ST.
During America's Great Depression

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"May God in these trying times graciously protect us from hysteria..."¹ This prayer concluded the report of the Board of Trustees to the districts of the Joint Synod, June 1932. The lowest ebb of the Synod's debt during America's Great Depression had been reached on December 31, 1931, \$752,649.69.

Professor E.E. Kowalke in Centennial Story gives a summary paragraph telling of the events of the 1920's which plunged the Synod into this debt.

In the decade before the depression struck with paralyzing force, the Synod, like almost everyone else, had gradually accumulated a sizable debt. Every year outgo had exceeded income, and routine current expenses were not being covered by contributions. Between 1926 and 1929 the Synod had also completed a number of major building projects. On the New Ulm campus an addition to the boy's dormitory was built in 1926, and the present administration and classroom building was completed in 1928. Northwestern Lutheran Academy in Mobridge was opened in 1928. In 1925 and 1926 Michigan Lutheran Seminary built a modest refectory, completely remodeled its recitation building and built and purchased needed professors residences. The Apache Indian Mission received an allowance for new buildings that had been needed for years, and in 1929 the new seminary in Thiensville was dedicated. 2

While it wouldn't be fair to put the whole blame for the debt on the seminary building, these special collections

together certainly cut into the general Synod contributions. Theo. H. Buuck, Synod treasurer in 1931 states as he closes his financial report, "Special collections for buildings never achieve the required amount, and what they yield, detracts from the main issue, the budget." 3

The burden seemed to fall heavily on the Board of Trustees. The situation had become so bad that at this point they did the only thing they could do--they made cuts in the budget.

Effective November 1, 1931, salaries, wages and rents were reduced as follows: institutions and administrative departments 20%, and missions 10%

Despite the fact that the Trustees urged strict economy in all departments of Synod, it was necessary to declare a further general cut of 20% in all departments of Synod, including salaries, wages, rents, and maintenance, effective November 1, 1932.

Virtually every branch of Synod's activities was frozen, and still the pressure was on. In 1932 the banks began to close in on Synod asking for payment of loans amounting to \$256,000.00.

Besides making cuts in the budget a positive appeal needed to be made to the congregations, so three interested pastors of the Southeast Wisconsin District proposed the scheme of the Every-Member Canvass (EMC) to the Board of Trustees. The organization to carry out the EMC was completed by Pastor A. Koelpin and the canvass was made begin-

ning April 3, 1932. Through the canvass, Synod's indebtedness was reduced from \$752,649.69 on December 31, 1931, to \$597,863.35 on April 30, 1933, the debt reduction for the period being \$154,786.34-- not bad, but not enough.

The EMC left a lot of the planning up to each district and congregation, so it was more effective in areas where pastors got together and planned a united effort.

One thing the EMC certainly did was to wake up the members of the Synod to the reality of the debt. Their responses were heard primarily in the form of criticism directed at the Board of Trustees. In 1933 the Board revealed these criticisms:

For its various actions during the last biennium the Board of Trustees has come in for a good deal of criticism on the part of many members of Synod. We have been charged with sins of commission and omission. We were accused of assuming undue authority and of laxity in taking drastic steps to relieve our financial distress; we were reprimanded, on the one hand, for setting aside direct resolutions and for omitting the exercise of brotherly love toward our brethren, and on the other hand, we were urged, rather than to make cuts, to go deeper into debt, and were scored for not closing this or that institution or mission in our midst; we ran into a storm of opposition when we made appeals for special collections, we had to overcome violent antagonism to the EMC collection, and we were severely criticized for the disposition of the moneys collected through the EMC Collection. But the heaviest artillery was moved against the Board for instituting the two cuts. 4

The Board was clearly frustrated, and sought to explain:

With bleeding hearts your Board had

to institute a second general cut of 20% in all departments of Synod... . These measures resorted to by your Board, on the face of it, appear to be heartless, cruel, brutal. And if anyone deplures the necessity of these measures it is your Board. We would, however, have considered ourselves derelict in our duty if we had not employed them. It was a matter of live or die for the Synod." 5

"So, what do we do now?", was the question on everyones mind. Answers came in from all the districts. Some approached the problem with idealistic solutions as one memorial from the English Lutheran Church, Oshkosh, Wisconsin.

Troubled by the ever-mounting overhead and expense of Synod and sincerely trying to determine what would be best for Synod, they proposed a merger of all Synods in the Synodical Conference. "We have come to the conclusion that it is poor business policy on the one side to continue a number of Synods who have no difference in religion... . At present each of the individual synods maintains its own expensive institutions together with the necessary staffs, offices etc. Through a merger and in the hands and under the guidance of competent men, each in the class best fitted, the overhead can be cut considerably, and the number of the institutions in this way could be reduced, and buildings now used could be converted into other Lutheran educational institutions, making them self supporting." 6

This memorial was studied by the districts with little reaction. It was difficult enough trying to unite the Joint Synod in the EMC without trying this merger.

Another plan saw Synod as a big corporation, managed by a central control board. It came in the form of the Ruedebusch Memorial. In it the Board of Trustees was given unlimited authority in all fields of synodical activity. It meant a change in synodical constitution and the employment of a full time salaried committee of three experienced men whose status and qualifications answered the requirements specified in the memorial:

- a) one member shall be a clergyman who has served as an ordained minister or professor for a term of not less than ten years.
- b) one member shall be a layman with a practical bookkeeping experience and knowledge of accounting, to enable him to examine all books and accounts kept within the Synod's activities.
- c) one member shall be a layman with a broad knowledge and practical experience in financing. 7

The general reaction to this memorial was not favorable. The chief objections pointed out that the success of a Board of Control in the business world does not guarantee its success in the church. The sentiments of many pastors and laymen opposed such centralized power controls over the whole Synod so such a plan would never work. Something that the whole Synod could approve of--that's what was needed.

Finally it was admitted by all that what was really lacking among the parishoners was a general knowledge of the workings of Synod, and its needs.

A plan proposed to solve this problem, the Rossin Plan, had as its purpose to bring information to the laity to create the desired interest, and to stimulate whole-

hearted cooperation in the Synod. To do this the plan suggested:

1. Combine our present church papers (Gemeinde-Blatt and Northwestern Lutheran)
2. That it be a monthly paper, more in the form of a magazine, with at least 36 pages, divided into departments.
3. That the Synod engage a managing editor who would be responsible for the paper.
4. That this paper be sent to every family in the Synod and that the Synod bear at least part of the expense. 8

The districts reacted to this by saying that there wasn't enough money at this time to follow through on such a program.

Though everyone agreed that information needed to be spread in the homes, they weren't ready to adopt such permanent measures.

So--when a quick, relatively inexpensive plan of spreading information came, nearly everyone was sold. This plan was called the Michigan Plan.

The Michigan Plan wasn't exactly new. Pastor Edgar Hoenecke and other pastors in the Southeastern and Southwestern conferences of the Michigan District had employed it during the EMC of 1932. It simply involved using a crude form of placards for presenting the various departments of Synod work. They were very successful during the EMC.

At the Michigan District meeting at Bay City 1932, the district voted its protest against the prevailing haphazard methods employed in the collecting of monies for the

synodical budget.

Two resolutions were made with specific suggestions:

I. We would suggest that a set of posters or placards, containing the main points of information in striking form be available.

II. The Synod should sanction the appointment of assistant pastors and lay visitors as we had them in the recent EMC. The visit of the congregation ought to be made immediately after the synodical budget has been adopted, and each congregation ought to be informed of the apportioned share which it is to bear for synodical expenditures. 9

The resolutions were approved by the district. The plan was presented to the pastoral conference at Hopkins, June 1933. Again it was approved, and plans were made to bring the plan before the Joint Synod.

In August, 1933, the "Memorial to Joint Synod Regarding Adoption of a Uniform Plan For Raising Budgetary Allotments From the South-East Michigan Delegate Conference" was presented. It had three parts: I. A Uniform System for Disseminating Information; II. A Uniform Method of Collecting for the Synodical Budget; and III. A Uniform Method of Control.

The Synod Board of Trustees was instructed to introduce it if they found it feasible.

In November, 1933, the Board of Trustees tentatively endorsed the plan and ordered Pastor Edgar Hoenecke to prepare and distribute materials for three months synod-wide. The plan was extended several times until 1941 when Pastor Hoenecke resigned as the author of the Bulletin and the

plan was discontinued.

From December 1933 to May 1935 693,920 bulletins were printed, complete with original cartoons. 11,900 placards were made by hand in those years with pen and India ink. In the last report of the Michigan Plan in 1941, 5 bulletins had been written, and the number distributed in that biennium was 71,000 in English and 6,000 in German.

The Synod Convention in 1935 reported "no new substantial debts." Both the 1937 and 1939 conventions reported "no new debts this biennium." Much of the success of raising contributions to the budget demands was credited to the Michigan Plan. Many of the ideas used in the plan have continued today in the Board for Information and Stewardship.

While the Michigan Plan functioned toward raising funds to meet ~~the~~ budget, a Debt Retirement Committee was chosen in 1935 to attack the debt, with Professor E.E. Kowalke as chairman, Pastor K.A. Timmel as secretary, and Wm. J. Mueller.

They worked toward involving every congregation in Synod to do as much as they could toward liquidation of the debt. Forms were sent to each pastor and progress reports were made at each district meeting and Synod convention.

Their means of operation is clear from Professor Kowalke's report to the Michigan District in 1936:

Your committee will continue to function as heretofore. It is not its inten-

tion to set up any new machinery or to think up any new money-making stunts. We already have ample machinery for this work, as for all work that our Synod is doing. There is first of all the pastor in his congregation, upon whom the chief responsibility rests before God and the rest of the Church. Then there is the Conference Visitor and the Conference itself. And finally there are the District Presidents and the other duly elected officials. If all of these function according to the call that they have in the church no new machinery is necessary. 10

The Debt Retirement Committee too was successful. The going was slow. By 1939 the half way mark was reached toward there goal. Finally in 1945 the debt was retired. There was no champagne spilt at the time in rejoicing because the Synod had taken so long to retire the debt and was now concentrating on other matters.

The Lord certainly did preserve our Synod from hysteria during the Great Depression, and gave us grace to grow in maturity and unity through this struggle.

<u>Date</u>	<u>Debt</u>
June 30, 1931.....	\$696,916.65
Dec. 31, 1931.....	\$752,649.69
July 1, 1933.....	\$593,529.45
July 1, 1935.....	\$638,067.79
June 30, 1937.....	\$611,525.65
June 30, 1939.....	\$320,799.04
April 30, 1941.....	\$240,489.89
Aug. 1943.....	\$97,682.06
Aug. 1945.....	\$00,000.00

Financial Report For Biennium 1943 To 1945 Summary

Total Receipts.....	\$1,867,107.48
Total Disbursements.....	<u>1,812,226.34</u>
Budget Cash Balance, Ju 30, 1945...	54,881.14

End Notes

1. Synodal Berichte, Michigan Distrikt, Vol. 65, 1932, p. 42.
2. E.E. Kowalke, Centennial Story, p. 195.
3. Synodal Berichte, Allgemeine Synode von Wisconsin u. a. Staaten, Vol. 21, 1931, p. 109.
4. Ibid., Vol 22, 1933, p. 23.
5. Ibid., p. 24.
6. Ibid., Vol. 21, 1931, pp. 76-77.
7. Ibid., Vol. 22, 1933, p. 84-86.
8. Synodal Berichte, Michigan Distrikt, Vol 67, 1934, p. 68.
9. Ibid., p. 78.
10. Ibid., Vol. 68, 1936, pp. 57-58.

Bibliography

Kowalke, Erwin Ernst. Centennial Story. Milwaukee: Northwestern Publishing House, 1965.

Synodal Berichte Michigan Distrikt, Vol. 59-70

Synodal Berichte Allgemeine Synode von Wisconsin u.
a. Staaten Vol 19-21; 22-26; 27-30.