

THE ECONOMIC IMPACT OF AUTONOMY IN LUTHERAN CHURCH HISTORY

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Chapter One: Introduction

Purpose

Martin Luther says in his famous Galatians commentary: “When Satan cannot suppress the preaching of the Gospel by force he tries to accomplish his purpose by striking the ministers of the Gospel with poverty. He curtails their income to such an extent that they are forced out of the ministry because they cannot live by the Gospel.”¹

This paper traces the relationship between faith and finance in the Lutheran Church from the time of Martin Luther to the time of C.F.W. Walther (a period of 350 years). The research question this paper attempts to answer is how much has economic autonomy historically driven doctrine and ecclesiastical polity in the Lutheran church? This paper shows that economic forces have been instrumental in defining doctrine and polity throughout Lutheran church history, and continue to influence doctrine and polity today.

Significance

Luther’s position on money was that it was essentially evil.² Luther was initially opposed to the new capitalism that was emerging in Germany at the end of the medieval era.³ Until the Reformation, the Roman Catholic church and the nobility held most of the financial resources and Luther saw how the Roman Catholic church extorted money out of the people and used it

¹ Martin Luther, *Luther’s Works Galatians Commentary*, pp. 237 – 251.

² Julius Bodensieck, *The Encyclopedia of the Lutheran Church, Volume II*, Augsburg Publishing House, MN, Minnesota, 1965, 1661.

³ *Ibid.*; And, “Usury objections by the Thomists sought to preserve the ‘connection between one’s labor and one’s compensation,’ which in turn was essential to preserving social relationships and real economic production,” Charles A. McDaniel Jr., 83.

unwisely.⁴ He favored the nobility's use of money because they used it in their civil capacity to build and maintain services for the common good.⁵ Capitalism, however, was used for the individual good and the accumulation of wealth.⁶

The new protestant churches during Luther's time were autonomous: cut off from the coffers of the Roman Catholic church. They had the responsibility of funding their own missions and ministers. During the emergence of the protestant denominations, they went from being reliant on the Roman Catholic church to being reliant on the generosity of the princes and parishioners.⁷ Luther notes how the parishioners could give freely to buying indulgences, but hesitated once it came to support the preaching of the pure Gospel.⁸

The new protestant model was initially effective and instrumental in establishing a free and autonomous German Lutheran church, wherein "a vast effort [was] made by the human mind to achieve its freedom; it was a new-born desire which it felt, to think and judge freely and independently of facts and opinions which till then Europe received, or was considered bound to receive, from the hands of authority. It was a great endeavor to emancipate human reason; and, to call things by their right names, it was an insurrection of the human mind against the absolute power of the spiritual order."⁹ But, by the time Walther went to America with the German

⁴ See generally, Painter, *Luther on Education*, Concordia Publishing House, St. Louis, MO, 1889, 15-22. And the quote of Leo X. recorded by his secretary, Bembo: "All the world knows how profitable this fable of Christ has been to us and ours," *Ibid.*, 15.

⁵ Painter, *Ibid.*, 167.

⁶ Bodensieck, *The Encyclopedia of the Lutheran Church, Volume II*, Augsburg Publishing House, MN, Minnesota, 1965, 1662.

⁷ Luther wrote regularly to the princes asking for their support in funding protestant churches and schools, such as the following: "If we must annually expend large sums on muskets, roads, bridges, dams, and the like, in order that the city may have temporal peace and comfort, why should we not apply as must to our poor, neglected youth, in order that we may have skillful school-master or two." Painter, *Luther on Education*, 174.

⁸ Martin Luther, *Luther's Works Galatians Commentary*, pp. 237 – 251.

⁹ *Ibid.*, 12.

Lutheran immigrants, the German Lutheran church had become reliant on the princes (government) instead of the “Holy Roman Empire.” The goal for the German Saxons had been to, “come to America with the hope of preserving the most holy treasures of the Reformation Church for themselves and their children.”¹⁰

By that time, wars had been fought between Catholic states and protestant states. Eventually, the German church, once necessarily reliant on the princes to establish the new church of the reformation now was being controlled by the government.

Society had also changed to include the advancement of the “‘third estate,’ composed of merchants and artisans.”¹¹ Along with the development of the idea that “mankind had matured sufficiently to take its destiny into its own hands,”¹² many early settlers saw an opportunity in America to free themselves (once again) from religious oppression. The German Lutheran immigrants went to America so that they could practice their beliefs free of governmental dictates, but what they encountered was an elemental impediment to the free practice of their beliefs. Many of the immigrants felt they came readily prepared for the task of settling a new land. An article by Curtis states: “The Saxons launched their fifth ship pointed toward American shores with dutiful hope. Edward T. O’Donnell notes that ‘most Germans arrived with the two things that distinguished them from the Irish: capital and skills.’”¹³

The immigrants’ ships were loaded with money, skilled artisans, church artifacts, and belongings which would tide the immigrants over against many hardships.¹⁴ But, after three

¹⁰ D.H. Steffens, “Doctor Carl Ferdinand Wilhelm Walther,” *The Lutheran Publication Society*, Philadelphia, PA, 1917, 140.

¹¹ *Ibid*, 13.

¹² *Ibid.*, 205.

¹³ Rebekah Curtis, “Lutherans in Peril on the Sea,” *American Lutheran History*, Winter, 2016, 15.

¹⁴ *Ibid*, 16.

ships sank¹⁵ and Stephan misappropriated funds,¹⁶ setting up an autonomous Lutheran church in America proved difficult. Satan used this opportunity to cause the new community to question the legitimacy of the church in this new place. A series of financial catastrophes, very like stock market crash, caused the immigrants “faith” community to question their legitimacy as a people of God.

Ultimately, the immigrants had to become a band of autonomous individuals, separately funding autonomous Lutheran congregations. Steffen records, “Their solution seemed impossible. A splitting up of the colony into a pitiable host of little separatistic groups seemed inevitable.”¹⁷ Economic concerns became too difficult to overcome corporately. Scandal over philandering and finance almost reflected a comparable situation in Rome during Luther’s time.¹⁸

The Lutheran church still houses a collection of “autonomous” Lutheran congregations today. But, the position on money still seems fragmented. On the one hand, LCMS institutions establish institutional endowments in perpetuity, implement investment policy statements, hire sophisticated gift planning professionals, along with development departments and strategic plans to increase assets under management. Individual churches, on the other hand, proceed forward “on faith” and talk about the evils of hoarding. Autonomous churches and individual ministers are assessed based on their economic success.

¹⁵ Ibid., 15.

¹⁶ “Meanwhile Stephan acted as if their treasury was inexhaustible. He used 4000 thalers in seven months (three of them spent on shipboard) for his own household and personal comfort.” Steffens, Ibid., 123.

¹⁷ Steffens, Ibid., 145.

¹⁸ Ibid.

Chapter Two: Literature Review

The Renaissance and Protestant Autonomy

The Reformation was the final nail in the coffin of the Medieval Era (Middle Ages), bringing about the end of the feudal system and the beginning of the modern era and, finally, capitalism. Painter agrees, stating, "... the Reformation began a new stage in human progress; it marks the close of the Middle Ages, and the dawn of the modern era."¹⁹

In *The Encyclopedia of the Lutheran Church*, Bodensieck observes, "Luther lived in the period of early capitalism, that is to say, in a time when economic life began to emancipate itself from the limitations of local autarchy and the controls which ecclesiastical and secular powers had established over it."²⁰ Luther's primary concerns, notes Bodensieck, were, "first, the emphasis in economic life had shifted from the satisfaction of the consumer's needs to the making of profits on the part of the producer and the trader, and secondly, there was a general craving for and hoarding of gold and coined metal in general, whereas formerly wealth was found in the possession of real estate."²¹

Bodensieck notes, "The Reformer calls it [money] the word through which the devil created everything in this world, just as God creates things through his Word."²² For Luther money was "metaphysically evil."²³ Luther's approach towards faith and money was to approach it from the functioning position of the believer and then from the unbeliever. The key is understanding his view towards the believer and money. Bodensieck notes for Luther, "the new

¹⁹ Painter, *Luther on Education*, Concordia Publishing House, St. Louis, MO, 1889, 9.

²⁰ Julius Bodensieck, *The Encyclopedia of the Lutheran Church, Volume II*, Augsburg Publishing House, MN, Minnesota, 1965, 1661.

²¹ Ibid.

²² Ibid.

²³ Ibid.

attitude toward money is in conflict with humility, trust in God, charity, nature, and God himself.”²⁴

At the same time, “Luther was a realist and he knew that no man can live outside of the economic order. It is a necessity of nature for fallen mankind. Luther was not willing, however, to leave economic life entirely to itself. God’s providence rules over sinful life, too, as is evidenced by natural law.”²⁵ So, “Luther’s approach to the problem of money was bracketed together by his view of the overruling providence of God and his loving care for this world. Natural law had, therefore, a religious foundation, although not a biblical one.”²⁶ Luther’s writes in his explanation to the First Commandment, that one should “use all the blessings that God gives, just as a shoemaker uses his needle, awl, and thread for work and then lays them aside.”²⁷

Bodnensick says “Luther’s view was determined by his negative evaluation of money. His followers, however, acknowledging the practical necessity of the economic life, abandoned this attitude. They acquiesced in the new capitalistic use of money, and all that was retained...man had to be faithful and conscientious in its use.”²⁸ “Under Melancthon’s influence,” Bodensieck continues, “the duality became one of Gospel and law, of which the former one is revealed, but concerned with the individual’s soul only, whereas the latter, while taking care of the things of this world, is of purely secular origin and purpose. Hence the believer would move in two unrelated realms. The change in outlook was radical.”²⁹

²⁴ Ibid.

²⁵ Ibid.

²⁶ Ibid.

²⁷ Luther’s Catechism.

²⁸ Ibid., 1662.

²⁹ Ibid.

During this time after Luther, Bodensieck notes, “Inasmuch as economic life is under sin, the political authorities have the right and duty to supervise it. This leads to a theological justification of the mercantilistic system of the 17th century. Since the princes are above the law and since all they do serves the common good there is no harm in their engaging in profitable business.”³⁰

In a similar manner, just as princes and individuals were permitted to engage in capitalism, so were the autonomous protestant churches. Churches were free to launch enterprising efforts particularly in the form of schools. This did not always fair well, however. Painter notes, “At the beginning of the sixteenth century, the schools suffered from the corrupt condition of the church. The ignorance of the clergy was reflected in the lives of their members.”³¹

Collingwood describes how the arrival of the Renaissance repaired what the medieval age, Christianity, had broken. He notes, “The positive fruits of this new movement were found first in a great clearing away of what had been fanciful and ill-founded medieval historiography.”³² No doubt this view would apply to money and capitalism.

The bridge between the Middle Ages, the time of Luther to the Modern Ages, the time of Walther saw a continuity of sorts in Christianity. Breisach maintains that the secular historians of the Renaissance could provide a universal history framework. He says, “...all of them were at least nominal Christians and accepted fully the framework of Christian historiography: The Creation, Christ’s central role, and the Last Judgement. Renaissance historians, inspired by the

³⁰ Ibid.

³¹Painter, *Ibid.*, 87.

³² Breisach, *Ibid.*, 57.

ancients, simply granted mankind a greater measure of ‘home rule,’ which in turn made them stress the importance of human deeds and motives in history.”³³ He continues, however, “When the humanist historians emphasized Greek and Roman models of historical explanation they began to weaken the dominant medieval Bible-centered account of human affairs.”³⁴

The Enlightenment and Individual Autonomy

In the 1700s the “unified and systematic Christian view of the past, present, and future had gradually disintegrated” and “ecclesiastical history was divorced from secular history.”³⁵ Such accepted beliefs like “Divine Providence was reduced to a vague concept, ecclesiastical history was divorced from secular history, and the milestones of sacred history – Creation, Christ’s life and death, and the expectation of the Last Judgement – were used less and less as markers in world histories by historians who preferred the theologically neutral scheme of ancient, medieval, and modern periods.”³⁶

This new approach to history is credited a great deal to Giambattista Vico when, in 1725, he published the first edition of his *New Science*. It was a game changer for historians. He asserted that “large-scale changes in the collective frame of mind were the great events in cultural history.”³⁷ Breisach asserts, “In an ultimate reversal the historian could understand mathematics and its role but the mathematician could not grasp history.”³⁸ Over the next century this theory laid the ground work for historians to add to their work of seeking the accurate and critical study of sources to including interpretations. And what followed was the theory of

³³ Ibid.

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

³⁷ Ibid., 204.

³⁸ Ibid.

progress – the advances of humans, “The progress view had a firm support in the conviction of many eighteenth-century intellectuals that mankind had matured sufficiently to take its destiny into its own hands.”³⁹

In the late 1700s to the mid-1800s “historians were called on to mediate between the demands for change and the equally strong desire to see the continuity of the past, present, and the future preserved.”⁴⁰ A unique challenge was presented to each nation depending on their state of development. “French shared the agony of French history”, England following “nearly serene” period, North American historiographies contending with the establishment of a new nation. Breisach notes, “Ironically, conservative Prussia became the sponsor of philosophers and historians who championed a thoroughly dynamic world.” The Germans professors sought “to make the world a radically fluid one.” He notes, “Two safeguards insured stability to such a world: the acknowledgement of the state as a moral institution – as the guardian and moral educator of people – and of a metaphysical reality, whether God or World Spirit, which gave an absolute reference point for all changes. Both features fit with a strong German nationalism...”⁴¹

For historians America became like an experiment. Could it work? It was like nothing they had seen in the past. Was there anything to learn from America? The author notes the observations of Alexis de Tocqueville, “America was a democracy but not ancient Athens...its egalitarian spirit erodes all institutions and social mobility.”⁴² And such individual fulfillment, he thought, “Gradually the individual becomes isolated; he exists in a vacuum of values and

³⁹ Ibid., 205.

⁴⁰ Ibid., 228.

⁴¹ Ibid., 230.

⁴² Ibid., 246.

seeks stability in the conformity enforced by a mass society.”⁴³ The lens for the early *American* historians was that “God’s Providence had created the United States as the defender of the ideal of liberty in the ongoing struggle between the forces of liberty and its opponents.”⁴⁴

American Lutheran Autonomy

C.F.W. Walther and his fellow German immigrants arrived on the scene in America in the early 1800s. For them, the position was (like the historians) a mediating position between the demands for change and the equally strong desire to see the continuity of the past, present, and the future preserved. They sought to preserve the past “treasures of the Reformation Church” in a new country, which would give their children a future chance at practicing their faith as they had grown up in it. Unfortunately, the many disasters that the group encountered led to a reassessing of the legitimacy of the church they were trying to establish.

C.F.W. Walther was part of the settlement of the German Saxons in the middle of the country. Upon arrival, the Saxon emigrants “depended upon the common treasury for their support...”⁴⁵ Steffens records, “Finally, after months of inaction, a selection of site was made and a tract of 4400 acres, about 110 miles south of St. Louis, purchased for the sum of \$10,000, about \$2.50 per acre, when government land was open for homestead or for sale at \$1.25 per acre. Stephan considered the site more beautiful than the Land of Promise itself, which he, of course, had never seen.”⁴⁶

Steffens records,
“To make matters worse, Stephan insisted upon planning and directing all their activities. Instead of building log cabins, planting a few potatoes, some corn and

⁴³ Ibid., 247.

⁴⁴ Ibid., 266.

⁴⁵ D.H. Steffens, “Doctor Carl Ferdinand Wilhelm Walther,” *The Lutheran Publication Society*, Philadelphia, PA, 1917., 120.

⁴⁶ Ibid., 120 – 21.

making a little garden, they began to make roads, build bridges, clear up meadows, tec., in a perfectly senseless attempt to make the wilderness look like Neiderfrohna and Paitzdorf at home. They lived and kept their goods in camps which offered them no real protection against the weather. Their precious belongings spoiled, their wives and little ones became ill, strong men lay down in despair. Meanwhile Stephan acted as if their treasury was inexhaustible. He used 4000 thalers in seven months (three of them spent on shipboard) his own household and personal comfort.”⁴⁷

Unfortunately, the funds had been wasted. Steffens records, “The four months of inaction at St. Louis, the land purchase, together with other equally imprudent purchases of stock, implements, etc., above all, the foolish wastefulness of the ‘bishop,’ who was so unquestioningly followed by his blinded adherents, had exhausted the funds of the common treasury.”⁴⁸

The downward spin economically became worse. Steffen describes, “This led to a complete abandonment of all communistic schemes and ideals, together with a division of the 4400-acre tract into small holdings, which were awarded to the various colonists upon a basis which, however equitable it might seem to be under the circumstances, was still bound to cause great dissatisfaction.”⁴⁹ Many emigrants felt they did not get back as much as they put in.⁵⁰ History records there was a great deal of depression tied to their financial woes. “Some of the candidates [Saxon ministers and candidates] walked about loaded down with melancholy, as if mentally disordered.”⁵¹

⁴⁷ Ibid., 123 – 4.

⁴⁸ Ibid., 137.

⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ Ibid., 144.

Interestingly, the cost of financial autonomy in Walther's era may have led to a crisis of faith in a way finances had not in Luther's time. The financial and economic woes they experienced caused the new colony to call into question their legitimacy as church. Steffens writes, "The discussions and debates were unending. It was impossible to escape them... Their solution seemed impossible. A splitting up of the colony into a pitiable host of little separatistic groups seemed inevitable."⁵² Due to the financial turmoil, the faith of these emigrants was challenged. "Doctor Jacobs describes the spiritual conflicts confronting these people, and especially their pastors, as follows: 'Was not the emigration a sin? Were they warranted, without a clearer indication of Providence, in abandoning the places where they had been put by God's call in Germany?'"⁵³

Eventually, by God's grace working through Walther's leadership and organizational gifts, the new Lutheran church established church in a manner that provided autonomy and a "faithful Lutheran union of congregations or Synod."⁵⁴ The matters related to corporate financing through comingling individual investor (member) funds forced Walther's church to grow in faith and seek a closer understanding of God's purposes for them in the new land and in relationship with one another.

⁵² Ibid., 145.

⁵³ Ibid., 141.

⁵⁴ Steffens, Ibid., 253.

Chapter Three: Conclusion

Since the available literature does not directly address source of funds issues, such as how the pooled funds were solicited, nor the financial management issues, this paper was restricted to questions of autonomy, polity, and doctrine. This paper did not address the extent of reliance on economic resources in the establishment of the American Lutheran church (nor enlightenment era churches) nor the nature of the doctrinal concerns – merely that a relationship exists. Future study in these areas may be beneficial. This paper showed how funding and authority in church polity went from top-down in German Lutheran churches to bottom-up in American Lutheran churches; and the impact this economic autonomy has on individual and corporate faith, church doctrine and polity.

Application

Kleinig describes a front door and back door attack by Satan on believers.⁵⁵ In the case of attacking the ministers of the Gospel, a front door attack would be to cause the ministers to sin, abuse their office, come to dislike the ministry, or lose their faith. A back-door approach would be to drive the ministers out of their office through hardship or physical necessity. While Satan loves to employ these kinds of attacks on the church of God, God “does not just allow Satan to attack us in this way; He actually uses it to fulfill His plans for us.”⁵⁶

Similarly, the emigrant Lutheran church of America was tested “as if by fire.”⁵⁷ There is a significant account in the life of Ferdinand Walther, at the age of 28, when he confronted

⁵⁵ See generally, John Kleinig, *Grace Upon Grace*, Concordia Publishing House, St. Louis, MO, 2008, 233-36.

⁵⁶ *Ibid.*, 233.

⁵⁷ 1 Corinthians 3:15.

Stephan regarding his sexual misconduct and misappropriated and waste of funds. In this account Stephan was “deposed from his office, expelled from the colony and the State of Missouri, and his private property confiscated in restitution for the funds he had misappropriated and wasted.”⁵⁸ This event with Stephan seems to have been a turning point for the Lutheran Church in America, specifically in Missouri.

There is a saying, “people get funny with money.” There is an inconsistency in how the Lutheran Church in American institutionally treats faith and money today and how the “autonomous” individual Lutheran congregations behave towards faith and money, almost by two different set of rules or doctrines. The inconsistency may be rooted in matters of faith and money dating back to the time of Walther and the founding families. Walther was influenced by many things in the development of his theology and doctrines, and among them I would assert should be added money. For it was the lack of funds, limited resources, Stephan’s mismanagement of funds, the lack of oversight of the role of clergy in relation to administration and oversight of the people’s (investors) physical resources, and the role of the laity and parish administration in the new church which, among other concerns, caused so much dismay.

As noted in the Introduction of this paper: “But, the position on money still seems fragmented. On the one hand, LCMS institutions establish significant endowments in perpetuity, implement investment policy statements, hire sophisticated gift planning professionals, along with development departments and strategic plans to increase assets under management. Individual churches, on the other hand, proceed forward “on faith” and talk about the evils of

⁵⁸ Ibid., 132.

hoarding. Autonomous churches and individual ministers are assessed based on their economic success.”

Luther describes God’s providential hand in caring for Noah and the animals, saying, “It would have been an easy matter for God to preserve Noah and the animals for the space of a full year without food...But God in the government of the things created allows them to perform their functions. In other words, God performs his miracles along the lines of natural law;”⁵⁹ and, “Noah is here enjoined to employ the ordinary methods of gathering food. God did not command him to expect in the ark a miraculous supply of food from heaven.”⁶⁰

Luther’s statement flies in the face of many churches designing expansions with little to no resources. They often will claim, “We must simply press forward and look to heaven with eyes of faith.” In a similar way, the local Lutheran churches view the higher institutes of learning in the Concordia University System and the Synod. These can create large endowments, enrich these funds, and make profits; while for the local congregation there is informal disapproval of such “hoarding.”

What a history. No wonder the laity lack confidence in staff-led church governance models. No wonder church staff do not bother developing knowledge or skill in stewarding church and school resources entrusted to their care. This problem of faith and finance only appears to be growing for the modern Lutheran churches in America. As the membership base is shrinking due to an aging population, rural brain drain, low birth rates, and shrinking volunteer base (due to both husband and wife in the work place), the forty hour work week ever growing,

⁵⁹ John Sander, LHD, *Devotional Readings from Luther’s Works*, Rock Island, Ill. Augustana Book Concern, 1915., 292.

⁶⁰ Ibid.

and the increased complexity and sophistication of the church office and finance. There remains a tension: how much oversight should the autonomous Lutheran congregations have to gather and oversee assets under management at the local congregational level to preserve their ministries? Or will they continue to be riddled with guilt? Will large and sophisticated asset-gathering apparatuses be reserved for the clergy at the higher levels of church?

Summary

This paper addressed the economic factors that influenced the development of doctrines and practice of the role of laity and the role of clergy in relation to church administration from the time of Luther to Walther's Lutheran church in America. The literature showed that the church (from Luther's Reformation era to Walther's post-Enlightenment era) responded to economic necessity in how "church" was understood and established. Understanding how God works through means, such as money and the economy, would help us as a church system better understand ourselves and better use God's means to serve our neighbor and reach the lost.

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