

FIRST PRESBYTERIAN CHURCH OF DURHAM

"Downtown by history and by choice"



SESQUICENTENNIAL SNAPSHOT

Our Church in Crisis Times: Great Depression, 1929-1939

Like an unheralded hurricane, the Wall Street “Crash” of October 1929 brought a sudden end to the “Roaring Twenties” Since 1922, the stock market had increased 20 percent per year for seven years to reach its all-time high on September 3, 1929, only to cascade downward with a fleeting recovery in early 1930 to a “Bear Market” bottom on July 8, 1932. By then it had lost 90 percent of its value. The “Bull Market’s” seemingly sudden transformation into a panic-stricken “Bear Market” unmasked the reality of ballooning personal debt, tariff-based protectionism initially designed to safeguard the faltering agricultural sector of the economy, and slowing economic growth attested in part by declining freight-car loadings. Yet, throughout the ‘20s, the foremost issue spread across newspaper front pages stressed not economic developments, but rather the pros and cons of national prohibition and enforcement or lack thereof of the Volstead Act. As what turned out to be a decade-long economic crisis, the catastrophic chain of events unleashed by the “Crash” became painfully apparent: mass bankruptcies, failed banks, including 190 in North Carolina, and devastating unemployment reflecting falling demand and production that in North Carolina triggered staggering blows to textile and furniture manufacturing while sparing the tobacco industry. And the deflating dollar became ever scarcer resting as it did on the prevailing inflexible Gold Standard.

At Durham’s First Church, Rev. David Howard Scanlon (1920-1938) saw the church, as had his predecessor Edward Ridley Leyburn (1902-1919), as both a center of worship and an agent of reform. Rev. Scanlon was a modernist in the relationship between religion and science and a traditionalist in social morals, especially those involving liquor, the use of which was perceived as bending minds away from Christ’s saving grace. The issue became salient in the rival 1928 presidential campaigns between Iowa Quaker Herbert Hoover and New York Catholic Al Smith which pivoted in large part on urban-rural, Protestantism-Roman Catholicism, and “wet”-“dry” issues. Republican Hoover embraced national prohibition as a “noble experiment.” His election

triumph in the nation and in the heretofore safely Democratic Old North State found a warm reception from Pastor Scanlon who on Thanksgiving Day that year optimistically assured the congregation that “the elevating power of the gospel has freed our land from many social scourges,” including liquor, and made it “a joy to live in a day when the gospel is triumphing, when it is elevating the race as a whole. There has never been a time,” he declared, “when we had more temporal and spiritual reason for gratitude than we have today.”

Rev. David Howard Scanlon (1875-1950)



When the tide of unabashed optimism suddenly ebbed and the uplifting civic progressivism of an earlier time fell short, Rev. Scanlon explored means of helping the congregation at Roxboro and Main streets fathom the collapse of the once stalwart economic edifice and the world around it. He turned to the Sunday bulletin that featured a “Notes” section composed of short homilies, some by the minister, others by public figures such as Christian financial guru, churchman and leading prohibitionist, Roger Ward Babson. His entry appeared in the “Notes” under the title “Business Depression” on October 26, 1930, almost exactly one year to the day of the “Black Tuesday Crash” on October 29, 1929. Babson asserted that the causes of such calamities depended not on impersonal economic forces, but rather on human failings: “dissipation, dishonesty, disobedience to God’s Will – a general collapse of moral character.” The cure, he maintained, lay in a “moral awakening, spiritual revival and the rehabilitation of righteousness. To bring back prosperity, people must be conditioned to the right way of working and living.”

Church officers had more to worry about than the path proposed by Babson. As did the Hoover Administration, they regarded the economic crisis as a short-term phenomenon and accordingly responded in late 1929 by establishing an interest-free loan fund for hard pressed members “in good and regular standing” of the then economically diverse congregation.

The News and Observer

THE ONLY DAILY PAPER IN THE WORLD HAVING MORE SUBSCRIBERS THAN POPULATION OF CITY IN WHICH PUBLISHED

RALEIGH, N. C., WEDNESDAY MORNING, OCTOBER 30, 1929

TEN BILLIONS MORE LOST AS STOCK SELLING WAVE REACHES NEW HIGH MARK

No Serious Depression of Business Likely to Occur

Long Period of Easy Money, Rejuvenation of Bond Market and Resumption of Foreign Financing Seen as Result of Stock Collapse; Mellon Confers With Hoover; No Statements Issued

By ROBERT C. ALBRIGHT.
United Press Staff Correspondent.
Washington, Oct. 29.—(UP)—Secretary of the Treasury Mellon was in conference with President Hoover and members of the Federal Reserve Board today as stock values on exchanges throughout the country continued to work toward lower levels. No statement was made as the result of either conference, although it was assumed here that the market crisis was the subject discussed. The Federal Reserve Board went into session at the opening of the market, and, with the exception of a brief interval for lunch, continued its deliberations until 4:10 p. m. Governor Young declined to comment when the meeting adjourned.

Secretary Mellon saw the President at the regular meeting of the Cabinet this morning. No reference, however, to the market situation was made at the President's interview with the press, which followed. The first note of real pessimism to be voiced in official Washington was sounded today by Senator Brookhart, Republican, Iowa. He declared it his belief that any further decline

in stocks would be likely to endanger the position of the banks. Other Senators have viewed the reaction as an inevitable, but “healthy” development.

Note of Optimism.

Brokers were optimistic over today's car loading report given out by the American Railway Association here, which showed an increase in revenue freight of 6,502 cars above the week preceding. Declines had been reported in the two previous weekly statements. Representing distribution of commodities through primary channels, the figure is an important barometer of trade.

A long period of easy money rates, accompanied by a rejuvenated bond market and a resumption of foreign financing in this country, was seen today by government fiscal experts as the probable sequel to the cataclysm in Wall Street.

Much money released in the liquidation process must inevitably find its way back to the banks and into legitimate business channels, reducing seasonal demands upon the

(Please Turn to Page Two.)

Powerful Banking Support Finally Checks Liquidation in The Last Few Minutes of Trading

SALES ON STOCK AND CURB MARKETS MOUNT TO 23 MILLION SHARES

Turnover on Stock Exchange Set Record at 16,410,000 Shares, With Total For Curb Market Rising To 7,096,300 Shares; Tickers Far Behind on Both Markets; Traders Forced To Part With Vast Holdings Due to Inability To Put Up More Margin; Liquidation Plays Chiefly Upon Pivotal Shares, Including General Motors, United States Steel, Radio Corporation and Montgomery Ward; Selling So Extensive That Bankers Were Powerless To Intervene; Late Banking Support May Be Only Temporary Obstacle

By ELMER C. WALKER

United Press Financial Editor.

New York, Oct. 29.(UP)—Ten billion dollars' depreciation in stocks on the New York Stock and Curb exchanges occurred today before banking support was able to stem the break in the last few minutes of trading.

Sales aggregated 23,506,330 shares on the two exchanges—16,410,000 on the stock exchange and 7,096,300 on the curb, both new records for all time.

The Dow, Jones & Company average of 30 representative stocks declined \$30.57 to a new low for the year at \$230.07. The railroad average declined \$3.83 to \$151.58. Today's decline brings the industrial average down exactly \$161.10 from the high of \$381.17 reached on September 3.

Page 1 news: Wall Street “Crash” on “Black Tuesday” 1929

The relief plan would later surface in the form of a “Maintenance of the Poor” fund devoid of any loan conditions. Worship services included offerings designated for relief for the poor and church women dispersed the monies to needy in both the congregation and in the city while collecting and distributing food and clothing.

Church finances deteriorated in the meantime such that the Deacons, then responsible for financial matters subject to Session approval, warned in autumn 1931 of a budget deficit. That spring the Session had already acted to stem the flow of red ink by covering operating expenses by pledging income from Durham County municipal bonds to secure a \$6,000 bank loan. The dire financial situation thereafter caused the Diaconate to reverse its prior decision against holding an “Every Member Canvas” in 1932. With local banker and Elder John Sprunt Hill leading the campaign that year, the relieved Session in April 1932 pronounced the canvas a success. Yet, funding the annual budget remained a struggle such that in 1936 the Session noted a real need to reach previously non-pledging members. Following the national model for meeting the economic exigencies facing the country embodied in various Economy Acts, the Elders in November 1931 pared the budget that had peaked in 1921 at \$142, 095 to \$63, 203, some \$23,000 less than the 1930 budget. Not until 1948, with a single year exception, would the budget exceed \$60, 000. Yet, throughout the long crisis with the “light at the end of the tunnel” becoming ever dimmer, church leader persevered in seeking to meet commitments made in more prosperous times.

The mission-fiscal reality conundrum thus confronting the church was resolved by cutbacks that impacted the Presbyterian community’s life. The Sunday bulletin shrank from four pages to one and disappeared altogether during three church years (1931-1934). Rev. Scanlon’s terms of call were revised to reduce his salary and vacation leaves, but, unlike other Granville Presbytery colleagues, his remuneration never fell short of the terms of his call. Reduction of the minister’s leaves, in turn, substantially reduced the stream of prominent preachers, theologians, and politicians whom the well-connected pastor brought to the pulpit. Their numbers fell precipitously from 23 in 1929 to an average of 11.6 per year during five years from 1930 to 1934. At the same time, their individual honoraria fell from \$350 to \$100. The Choir Director, Religious Education Director, and Church Hostess all saw salary reductions while paid Boy Scoutmasters and others became unpaid personnel.

As the overall budget declined, so too did budget-supported benevolences and domestic missions as attested by the fate of the church’s last local mission modeled on the successful mill chapels that resulted in Trinity Avenue, Fuller Memorial (former Edgemont Church at East Main and Alston Avenue) and Blacknall Memorial churches. The Bragtown Chapel had opened in 1928 and was staffed by a succession of Union Theological Seminary students. Even as late as December 1930, the session had considered construction of a chapel building, and, in January 1931, it had appointed a Union student

*Bragtown Chapel mission,
early casualty of the Great Depression*

Every Sunday Evening
—AT—
BRAGTOWN

Sunday-School 3:00 P. M.
Mr. J. A. Albright, Superintendent

Young People’s League 7:45 P. M.

Preaching 8:00 P. M.

*Dr. David H. Scanlon, Minister
Mr. Frank R. Brown, Assistant
Mr. R. R. Branton, Assistant
Mr. W. E. Whitford, Assistant
Mr. A. C. Waggoner, Assistant*

Bring your family to this Community Centre:
train up your children in the way they should go,
and go that way yourself.

The Steps to Church are Steps to Success

*Mother taught you to go to Sunday-School
and Church, and Mother was Right.*

to staff the mission during the ensuing summer. But, by June, the Elders discussed “discontinuing operations at Bragtown” and, on October 1 that year, the axe unceremoniously fell on the once promising mission project.

Other home missions elsewhere in the Synod of North Carolina and in the South suffered from revenue losses at the flagship Presbyterian Church in Durham notwithstanding the untiring fundraising efforts of the Woman’s Auxiliary. That organization eliminated its own budget for social gatherings during 1932-1933 in an effort to maintain its long-maintained mission benevolences. Foreign missions, on the other hand, had always received generous support following the biblical command to “Go ye into all the world, and preach the gospel to every creature” (Mark 16:15 (KJV)). Even as late as 1938, twenty-eight foreign missionaries and mission workers on three continents received support that claimed as much as 40 percent of the church budget during the depths of the Depression.

In the midst of the economic crisis the likes of which had not been experienced by Americans in nearly a century, church membership rose steadily from 690 in 1929 to 890 a decade later. At the same time as the congregation grappled with the searing consequences of the nation’s economic plight, there existed a recognition that the experience held a special meaning for the faithful. Helen Scanlon (Mrs. Richard H.) Wright, President of the Woman’s Auxiliary, gave voice to that meaning in the early 1930s. She stressed that the congregation must thank “God for the lessons that we have learned, for the spiritual growth and development that we have achieved. We feel that we are close to the Master for all that we have seen and experienced.” The crisis had tested the church and yet it had persevered and, in a sense, flourished during a challenging time of seemingly overwhelming crisis.

By Peter Fish, member, 150th Anniversary Team