

Pacific Lutheran College Bulletin

Published quarterly by Pacific Lutheran College at Tacoma and Parkland, Washington. Entered as second-class matter April 26, 1927, at the postoffice at Tacoma, Washington, under the Act of August 24, 1912.

VOL. XIII

AUGUST, 1933

No. 2, Part 2

TABLE OF CONTENTS

1. Paid-up Endowment Pledges, List No. 6.
2. Annual Report of the President of Pacific Lutheran College—1933.
3. Financial Statement for 1932-1933:
 - Current Expenses for the Year.
 - Current Income for the Year.
 - Decrease in Assets during the Year.
 - Increase in Liabilities.
 - Status of Endowment Fund, July 31, 1933.
4. Pacific District Resolution, June 24, 1933.

PAID-UP ENDOWMENT PLEDGES List No. 6

Previous lists have made public the names of the donors of 1,134 paid-up endowment pledges. Pacific Lutheran College hereby gratefully acknowledges the full payment of 36 additional pledges, which bring the total of fully paid-up pledges up to 1,170.

Name	Date	Paid in Full and Amount of Pledge	Name	Date	Paid in Full and Amount of Pledge
Andal, Lawrence B., Nov. 25, 1932		\$ 25.00	Mt. View Ladies' Aid, Aug. 15, 1932		50.00
American Central Lutheran Ladies'			Nilsen, Caroline, Mar. 28, 1933		50.00
Aid, Bellingham, Aug. 15, 1932		100.00	Nyhus, Mr. & Mrs. L. G., July 31, 1933		500.00
Anderson, Hanna, Jan. 17, 1933		100.00	Olsen, Hilda J., Nov. 25, 1932		50.00
Anderson, Mrs. S., Nov. 25, 1932		100.00	Omdal, Nels, Sept. 10, 1932		50.00
Askeland, Arthur, Aug. 5, 1932		50.00	Osterlie, John, Aug. 5, 1932		25.00
Asklund, Norval, Aug. 5, 1932		25.00	Paulson, P. C. and C. L., Aug. 5, 1932		200.00
Fjelstad, Knute, Dec. 7, 1932		50.00	Sanderston, Mrs. E., Aug. 5, 1932		50.00
Foss, Agnes, April 3, 1933		100.00	Sinland, Mrs. Inger, Jan. 17, 1933		50.00
Freeborn Ladies' Aid, Aug. 5, 1932		50.00	Stalwick, Ole, Aug. 30, 1932		25.00
Hennies, Mrs. Regina, Aug. 5, 1932		100.00	Stephenson, Oscar A., Dec. 7, 1932		37.50
Hinderlie, S., June 14, 1933		100.00	Thorpe, Rev. N. B., Jan. 17, 1933		50.00
Johnsen, Ragnolf, June 14, 1933		50.00	Woman's Guild, Our Saviour's Lutheran		
Knudsen, Melvin C., Aug. 30, 1932		50.00	Church, Everett, May 11, 1933		60.00
Knudson, Knud, Jan. 17, 1933		50.00	Women's Missionary Federation,		
Ladies' Guild, 1st Lutheran Church,			Oregon Circuit, June 14, 1933		13.59
Mt. Vernon, Aug. 5, 1932		50.00	Zion Ladies' Aid, Burlington, April 5, 1933		50.00
Lakewood 1st Lutheran Ladies'			Pledges paid in full since July 31, 1932	\$	3,361.09
Aid, Sept. 10, 1932		50.00	Pledges paid in full to July 31, 1932		95,309.35
Larson, M. O., Sept. 27, 1932		50.00	Pledges paid in full to July 31, 1933	\$	98,670.44
Larson, Nettie, Sept. 24, 1932		300.00	Partial payments, all other pledges		43,462.18
Lian, T. O., Nov. 25, 1932		50.00	Total Paid, July 31, 1933		\$142,132.62
Mathison, N. J., Aug. 15, 1932		500.00			
Matson, Ruth, June 14, 1933		150.00			

ANNUAL REPORT OF THE PRESIDENT OF PACIFIC LUTHERAN COLLEGE—1933

"It is better to trust in the Lord than to put confidence in men. It is better to trust in the Lord than to put confidence in princes." Psalm 118, 8-9.

When the undersigned came into his present position on August 1, 1928, he hoped that he might survive therein for five years, because he believed that within that period Pacific Lutheran College would demonstrate its right to exist and its ability to endure. Today no one who is faced with the responsibility of decision and who is familiar with the facts questions the right of Pacific Lutheran College to exist. It remains for the Pacific District, incorporated as the Pacific Lutheran College Association, to decide at this Convention whether the College, dependent, under God, upon the prayerful interest and the sacrificial loyalty of Western Lutheran Christians first of all and for the indefinite future, truly has the ability to endure. Others will help; indeed, few schools command a wider range of interest and support; but the responsibility for decision as to survival and continuance still rests with this Convention.

In this point of view Mr. Ludvig Larson, the Business Manager of the College, fully concurs. In a letter addressed to the undersigned at Chicago on June 12, 1933, Mr. Larson writes as follows:

"This has undoubtedly been an outstanding year, both as regards blessings and tribulations. It is quite remarkable that the morale of faculty and employees has stood the test to which it has been put.—I think it is important to note," Mr. Larson continues, "that the program we have tried to carry out has the approval of the District and the Corporation. We have tried to carry out their wishes regardless of financial handicaps. We cannot continue to do this in the future. If Pacific Lutheran College is to continue operation under the present auspices, there must be financial justification for such plans as are made from year to year." So far Mr. Larson's letter.

Just what does this mean? First of all this, that the owners of Pacific Lutheran College are definitely at the parting of the ways. If the faith and the courage and the convictions that are required to carry forward the authorized program of Pacific Lutheran College are lacking, the general economic situation and the consequent problem of the College are perhaps such as to afford an excuse for taking a backward step. At any rate, the present owners must now make a decision, not only in words, but in action. Some may regret that this decision must be taken in San Francisco, so far removed from Parkland, at a meeting at which those who know the school best may be too sparsely represented. There may be adverse criticism, too, of this manner of presenting the question. But the circumstances are such that plain speaking is necessary; and the issue is such that the contrary-minded must speak now or in all probability forever hold their peace.

Reference to the August issue of the *Pacific Lutheran College Bulletin* for each year since 1929 will reveal through the annual financial statements appearing therein, that the operating deficits were met each year for the three years ending July 31, 1931, and also, *on paper*, for the fourth year, ending July 31, 1932. This does not mean that there was no increase in the indebtedness of the College during this four-year period; on the contrary, the College's indebtedness increased about \$50,000.00; but it was an increase that was due to additions to the permanent or fixed assets of the school. Some of these improvements and additions were required for state accreditation; others were a part of the development program sanctioned by the Corporation and sponsored by the Pacific Lutheran College Development Association. But the fourth year's financial statement differed from the previous three in that it listed among the assets of the College "Emergency Appropriation Receivable—\$14,581.35." This emergency appropriation was, in the opinion of the College authorities, due on July 31, 1932, under the resolution passed by the Norwegian Lutheran Church of America in 1930; but the wording of this resolution was found by some Church officials to be ambiguous, and, furthermore, neither on July 31, 1932, nor at the end of that year were funds available in the treasury of the Church for the payment of such emergency appropriation. The result was that the College, in order to open last fall according to schedule, had to borrow said sum and more from the Endowment Fund for the payment of current bills that had to be met in order that the College might command current commercial credit. This, for the College, was the beginning of sorrows for the year which is to close next July 31.

The undersigned does not recommend that the Pacific District press this claim for \$14,581.35 upon the Norwegian Lutheran Church of America. In the first place, neither the undersigned nor, presumably, the Church expected at the time of adoption of the resolution in 1930, that any such sum would be needed from such a source, in view of the very strong resolution which the Church voted at the same time in support of the Pacific Lutheran College Development Association, (which resolution, however, under the continuously deepening economic depression, proved to be worth only a few hundred dollars more than the paper on which it was officially printed). In the second place, and more to the point, the Church at its 1932 Convention gave its Board of Trustees authority to reduce or even eliminate voted appropriations in order to safeguard the credit of the Church, and this Board answered the plea of the College last January in the words, "No emergency appropriation available." On the other hand, it should be noted that neither the Church nor its Board of Trustees has officially and specifically repudiated this claim of Pacific Lutheran College for \$14,581.35. The District should also realize that action, if any, in a matter of this kind may more properly be taken by the District than by the College administration or by the College Board of Trustees.

The biggest disappointment and miscalculation of the year, however, came in connection with the failure of the Preus-Elvestrom plan to become operative. Messrs. Paul A. Preus and Victor A. Elvestrom are, it will be remembered, under special contract, terminating January 1, 1937, to solve the whole financial prob-

lem of the College, including the most essential features of its development program, by means of a cooperative financial effort on the part of the whole American Lutheran Conference. The Norwegian Lutheran Church of America, on June 3, 1932, by unanimous vote, approved this Pacific Lutheran College Finance Plan (Preus-Elvestrom Plan) "as approved and recommended by the Board of Education and the Board of Trustees of the Church"; and the Augustana Synod, in convention assembled at Fargo, North Dakota, on June 11, 1932, resolved, "that we approve the action of the Columbia Conference in endorsing the Preus-Elvestrom plan for the endowment of Pacific Lutheran College, and we hope that our people throughout the Synod will voluntarily come to the assistance of the Columbia Conference and Pacific Lutheran College in realizing the objective of the plan." The undersigned and his associates nevertheless failed in their attempt to have the plan approved by a third synod in the American Lutheran Conference; and therefore, because of the condition stipulated in the approval of the Board of Trustees of the Norwegian Lutheran Church of America, that the plan shall not become fully operative before it has been approved by three synods of the American Lutheran Conference, the plan has not yet become effective; and meanwhile the self-sacrificing authors of the plan have been tied up without pay and without immediate financial productivity for the College for more than a year. The health of the President cracked under the ensuing strain, and the Board of Trustees, about November 1, relieved him of all routine duties except that of financial supervision.

What made this miscalculation in regard to the immediate productivity of the Preus-Elvestrom Plan doubly unfortunate was the fact that the Board of Trustees of the College, on recommendation of the President, had in July and August, 1932, liquidated all outstanding bank indebtedness of the College, namely, \$34,000.00, by the sale of bonds belonging to the Endowment Fund. The action of the bond market in 1932 certainly justified this recommendation, inasmuch as these bank loans were secured, not by mortgage on any College property, but by bonds belonging to the Endowment Fund. Nevertheless the recommendation might not have been made, and the action might not have been taken, if the President had not felt confident that the funds in question would soon be replaced through the effective operation of the Preus-Elvestrom Plan. While it was a great relief not to be beholden to any bank during the financial crisis of the winter just past, it is economically unfortunate that the funds thus borrowed from the Endowment Fund have not been available for reinvestment this spring. Needless to say, it remains the intention of the College authorities to seek the approval of the Preus-Elvestrom Plan at the hands of a third constituent synod of the American Lutheran Conference at the first opportunity, unless this Convention impose other mandate.

In addition to these disappointments, the College has faced several other handicaps imposed by the depression and its psychology. The income from students, or net operating income, which last year was \$28,652.60, may this year not exceed \$22,000.00, even though the enrollment for the year has been 264, as compared with 262 the year before. Why? Because many students could attend only one semester or a part of the year, for lack of funds; and because

the number of students boarding and rooming at the school was reduced. Several students worked for room and board; others boarded themselves; and the percentage of day students from Greater Tacoma greatly increased.—The income of the College was further reduced by a ten per cent reduction in the regular appropriation of \$10,000.00 from the Norwegian Lutheran Church of America and by the sponsorship of the "pay-as-you-go" principle by the Augustana Synod. The American Lutheran Church also for a time applied this principle to the Pacific Lutheran College appropriation, but later included this item in its fixed charges. And, for this year, the Columbia Conference of the Augustana Synod has asked the College to take the initiative in gathering the funds promised (\$3500.00 for 1933), thus greatly reducing, if not entirely eliminating, the net cash value of this item, as far as this year's budget is concerned.

All these difficulties came after the College had reduced last year's budget by ten per cent by the elimination of field service (a doubtful policy), and after the guaranteed budget of the College had been reduced an additional \$10,000.00 because of the failure of the three cooperating bodies to grant \$10,000.00 apiece for 1933 in response to petitions from their respective Western units. Instead of the \$30,000.00 petitioned for, the total amount voted in regular Church appropriations for 1933 for Pacific Lutheran College was \$21,300.00, made up as follows: \$4300.00 from the American Lutheran Church (as compared with \$2500.00 for 1932 and \$5000.00 for 1930); \$3500.00 from the Augustana Synod and \$3500.00 from its Columbia Conference; and \$10,000.00 from the Norwegian Lutheran Church of America. Later developments indicate that the maximum amount that will be paid out of these appropriations will probably not exceed \$18,000.00.

Naturally the College, even though its budget for the year was balanced on paper, could not, under all these circumstances, avert a crisis. Times grew harder as the year progressed, and the ability of Tacoma merchants to extend credit grew increasingly less. Two days before the Christmas holidays a notice from a downtown merchant made it clear to the College authorities that at least \$15,000.00 would have to be forthcoming in cash by January 15, if the College was to continue in full operation beyond the first semester. In this crisis, friends of the College, through the so-called Emergency Committee of Fifteen Hundred, raised over \$4000.00; the faculty and staff voluntarily surrendered about \$9000.00; and the Norwegian Lutheran Church of America first paid \$500.00 and later in the year advanced, in two installments, the remainder of the full 1933 appropriation, less ten per cent. Thus the College was able to continue with educational scope uncurtailed to the end of the school year despite apparently insurmountable difficulties.

It is plain that the business manager is justified in insisting that "if Pacific Lutheran College is to continue operation under the present auspices, there must be financial justification for such plans as are made from year to year."

What are these plans for the coming year? As far as the yearly budget is concerned, the Board of Trustees has approved a total budget of \$43,500 for 1933-34. This is about \$10,000.00 less than the twice reduced budget for this year, and \$27,000.00 less than the budget for last year (1931-32), which is the last budget that met the standards of the accreditation authorities of the state.

(For 1932-33 the University accreditation committee declared a moratorium on financial standards; and for the coming year the Board has, in imitation of University of Washington emergency procedure, voted two reductions in salaries, a first reduction of ten per cent from the regular salary schedule and a second of 31 per cent from the remainder.) The total allowance for teachers' salaries in this \$43,500.00 budget is \$21,000.00. On this basis the highest salary, that of the President, would be about \$1672.00, and the lowest full-time salary about half that amount. To maintain a decent standard of living and institutional self-respect on such a salary scale will, in the opinion of the undersigned, not be possible. He has therefore proposed to the teachers, that each teacher's load for the coming year be increased one-fifth, (this now being possible because of revised standards in this field); that the saving in salary, as occasioned by the resulting reduction in teachers' time, be distributed among the faculty members in proportion to the number of dependents; that the President's salary be surrendered and similarly distributed; and that any income from sources not otherwise allocated in the budget be added to the teachers' salaries in proportion to the difference between the salaries paid and the salaries specified in the regular salary schedule. It is the intention of both the Business Manager and the President to ask, on August 1, for a year's leave of absence without pay, if the remaining members of the staff cannot otherwise be assured of the minimum income which their positions, in view of the actual needs, require.

These proposals presuppose that the College will continue with its present scope uncurtailed, even as the Board of Trustees has voted. But this, again, will not be possible, unless last year's operating deficit of \$14,581.35, as well as this year's deficit, be met before school opens in the fall. To meet the former deficit, Messrs. Preus and Elvestrom are recruiting the forces of the Women's Missionary Federation of our Church, inasmuch as Pacific Lutheran College is one item on the work program of this organization for the present biennium. To meet this year's deficit, the size of which will be considerably smaller than last year's, is primarily the task of the Pacific District, the present owners of the school.

Ever since the organization of the American Lutheran Conference in 1930, the Pacific District has offered the constituent synods of the Conference cooperation on their own terms in regard to Pacific Lutheran College. In these hard times no synod has been ready to assume a sufficiently large share of this responsibility. And for the coming year greater caution than ever is but natural, even though there assuredly is no lack of good will. The Columbia Conference, meeting at Seattle, on April 28 voted \$3000.00 for 1934 (as compared with \$3500.00 for 1933) and petitioned the Augustana Synod for \$3500.00. The Augustana Synod, however, would not do more than match the appropriation of its Columbia Conference dollar for dollar at its convention at Chicago on June 17. The President of the College pleaded, on the day before, that this appropriation of \$3000.00 for 1934 might be made a fixed charge instead of a pro-rata "pay-as-you-go" item, but without success. What the American Lutheran Church will do under the circumstances at its annual convention remains to be seen; its Northwestern District petitions for at least the present subsidy of

\$4300.00. The Norwegian Lutheran Church of America has voted \$10,000.00, but may not pay it all unless its whole budget is raised for 1934. The very most that can be hoped for from these three sources for 1934 is \$20,300.00. The student body must provide the balance of the budget, as the Business Manager and the Board of Trustees agree that the income from the Endowment Fund and from the Development Association must be reserved for emergencies and for debt service.

In all other respects but the financial this has been a wonderfully good year, rich in blessings from the Lord, among these blessings an excellent reputation, increasing influence, good health, fine morale, and a Christian family spirit. The faculty remained intact, except that field agent Rev. George O. Lane, who resigned to reenter the ministry in June, 1932, was replaced about three months later by Mr. Theodore Nelsson, of Tacoma, for field work mainly in the Columbia Conference. The Rev. E. Arthur Larson, Augustana Synod Pastor of Tacoma, has taught a college class in Swedish throughout the year. Fifty-seven students, (19 Liberal Arts, 12 Normal, 15 Third-Year Normal, and 11 High School), graduated on May 29; the occasion was graced by the presence of the Director of Education of our Church, who preached the baccalaureate sermon the evening before, the President of the largest denominational college in the state, and the State Superintendent of Public Instruction, who delivered the commencement address.

The following matters require the attention of the District at its corporation meeting on June 24:

1. The balancing of this year's budget, and whatever matters of policy are connected therewith.
2. The outstanding Endowment pledges. Nearly \$140,000.00 remain uncollected. Field service in this cause was discontinued in January, 1932.
3. The election of three trustees, according to the constitution of the Pacific Lutheran College Association. Neither the Columbia Conference of the Augustana Synod, represented on the Board since last January by the Rev. Dr. C. R. Swanson, of Seattle, nor the Northwestern District of the American Lutheran Church, represented by its President, the Rev. L. Ludwig, of Portland, desired greater representation on the Board at this time. The College is most fortunate in enjoying the loyal and able services of these distinguished Christian gentlemen.
4. The ratification of whatever action the District may take in regard to the *Pacific Lutheran Herald*.
5. Recognition of the passing of the heroic founder of our one remaining Western school, pastor B. Harstad. Blessed be his memory!

There is appended for encouragement and guidance the plea of the undersigned to the Women's Missionary Federation:

"Pacific Lutheran College is our *only* college and academy in the Western two-fifths of the United States. If you believe our Church has a national mission, you will support Pacific Lutheran College.

Pacific Lutheran College is a *home missionary* institution. Without such a rallying point and training school, our Western home mission work cannot prosper as it ought.

Pacific Lutheran College is a *specifically Christian* institution. It is the living testimony of our Lutheran Church to the love and lordship of our Savior Jesus Christ. The teachers are Christian personalities.

Pacific Lutheran College is a *growing* institution. This year's enrollment of 264 marks a new high. The College is steadily and rapidly growing also in influence and prestige in wider and wider circles.

Pacific Lutheran College is a *high-grade* educational institution, because of the excellent students it attracts, its high standards of work, and its Christian family spirit.

Pacific Lutheran College is *strategically located*. Parkland, a beautiful suburb, is a part of Greater Tacoma. More Lutheran students live within a 150-mile radius of Tacoma than is the case with any other West Coast city.

Pacific Lutheran College *enjoys public confidence*. It enjoys full state accreditation; its graduates are in demand, especially in the elementary schools of the state; its personnel promotes Christian harmony.

Pacific Lutheran College is the *child of sacrifice*. "Pioneering on the last frontier," it has been built by sacrifice, survives by sacrifice, and humbly faces the path of sacrifice also for the future.

Pacific Lutheran College is a *path-finding* institution in matters of Christian cooperation. Three synods already cooperate in the discharge of a responsibility which no one synod can discharge alone.

Pacific Lutheran College *walks the way of faith*. It must look to its Christian friends in faith for the necessary support. This year the Women's Missionary Federation is the one hope of uncurtailed continuance.

Personally the undersigned pleads for your intercessory prayer and pledges his most faithful stewardship of whatever gifts and confidence you will give to our one Western school in the interest of the educational and missionary program of our beloved Lutheran Church."

Respectfully submitted,

O. A. TINGELSTAD.

June 22, 1933.

Notes on the Above Report:

1. On the back page of this bulletin appears the resolution adopted by the Pacific District, in convention assembled at San Francisco, California, on June 24, 1933, regarding Pacific Lutheran College.

2. On July 27, 1933, the Board of Trustees set Monday, September 18, 1933, as the opening day of the coming fall semester.

3. The Committee on Intersynodical Cooperation has been called to meet at the College on September 18, 1933, and the Board of Trustees to meet on the following day. These meetings are of critical importance and need the intercessory prayer of Christian people.

FINANCIAL STATEMENT FOR 1932-1933
Current Expenses for the Year Ending July 31, 1933

Teachers' Salaries	\$ 30,572.27
Office Expense	6,420.29
Heat, Janitor, Night Watchman	6,372.97
Advertising	1,666.31
General Expenses	905.84
Light & Water	896.72
Repairs & Replacements	756.17
Insurance	382.25
Typewriter Rent & Repairs	199.50
Board of Trustees	76.55
Library Expense (Net)	57.31
Placement Service (Net)	46.99
Pipe Organ Rent	22.15
Taxes	13.47
 Net Operating Expenses	 \$ 48,388.79
Interest	5,332.27
Traveling Expenses	4,680.49
 Total Current Expenses	 \$ 58,401.55

Current Income for the Year Ending July 31, 1933

Tuition (General and Music)	\$ 15,835.35
Room Rent	4,137.07
Physical Education (Net)	837.05
Laboratory Fees	447.98
Board (Net Income)	432.79
Sundry Items	63.21
Book Store (Profits)	50.55
Piano Rent & Repairs (Net)	48.88
 Net Operating Income	 \$ 21,852.88
P. L. C. Development Association	10,885.84
Norw. Luth. Ch. of Am. Appropriation	9,250.00
Augustana Synod Appropriation	3,500.00
American Luth. Ch. Appropriation	3,191.67
Endowment Interest	1,709.10
15 per cent of Endowment Collections	217.35
Real Estate Sales (Profit)	252.56
Other Donations	51.00
 Total Current Income	 \$ 50,910.40
 Net Operating Deficit for Year Ending July 31, 1933	 \$ 7,491.15

Decrease in Assets

During the Year Ending July 31, 1933

Decrease in Cash on Hand	\$ 93.99
Decrease in Accounts & Notes Receivable	2,422.35
Decrease in Other Current Assets	1,440.83
<hr/>	
Less Increase in Fixed Assets:	
Library Additions	166.16
Furniture & Equipment	47.50
Real Estate	20.47
	<hr/>
Total Net Decrease in Assets	\$ 3,723.04

Increase in Liabilities

Increase in Notes Payable	\$ 9,359.77
Increase in Funding Plan Loans	231.90
Appropriation Advanced (Net)	1,482.69
Increase in Other Current Liabilities	2,932.13
	<hr/>
	\$ 14,006.49
Less Decrease in Accounts Payable	2,341.73
	<hr/>
Surplus Reduced	\$ 15,387.80
	<hr/>

Surplus of Assets over Liabilities July 31, 1933	\$ 167,597.99
Surplus Reduced 1932-1933	15,387.80
	<hr/>
Surplus of Assets over Liabilities July 31, 1933	\$ 152,210.19
Indebtedness Due to Operation	\$ 35,801.21
Indebtedness Due to Investment Assets	89,197.48
Indebtedness Due to Pac. Luth. Herald Operation	5,167.49
	<hr/>
Total Amount of Indebtedness	130,166.18
Total Valuation of Pac. Luth. Col. July 31, 1933	\$ 282,376.37
Permanent Endowment Fund July 31, 1933	120,812.73
	<hr/>
Trust Fund Investors	\$ 403,189.10
	6,853.95
	<hr/>
Total Capital Invested in Pac. Luth. College	\$ 410,043.05
Net Increase in Endowment Fund	\$ 1,231.59
Trust Fund Investments	6,853.95
	<hr/>
Total Net Decrease in Assets	\$ 8,085.54
	<hr/>
Total Increase in Capital Invested During Year Ending July 31, 1933	\$ 4,362.50

Status of Endowment Fund July 31, 1933

Total Amount Pledged for Five-Year Period	
Beginning 1927	\$290,000.00
Amount Paid in to July 31, 1932	\$140,683.68
Amount Paid in During Year Ending July 31, 1933	1,448.94
 Total Amount Paid in July 31, 1933	 142,132.62
Transferred to Operation (15 per cent)	\$ 21,319.89
Invested in Bonds	\$39,281.32
Invested in Mortgages	2,500.00
Invested in Real Estate	485.78 42,267.10
 Loans to Pacific Lutheran College	 57,062.21
Bond Interest	245.23
Endowment Expense in Process of Amortization	26,989.27
Special Trust Account Services	220.25
Cash Awaiting Investment	882.62
 Less Trust Funds Invested	 \$148,986.57 6,853.95
 Total Endowment Funds July 31, 1933	 \$142,132.62
 Interest Received on Bonds During Year	
Ending July 31, 1933	\$ 1,060.57
Interest on Loans to Pacific Lutheran College	3,273.60
Interest on Real Estate Mortgage	237.50
Interest on Savings & Loan Account	7.69
 Total Interest Income for Year	 \$ 4,579.36
Earnings Due to Accretion in Value of Bonds Sold	3,130.06
 Total Endowment and Trust Fund Income for Year	 \$ 7,709.42
Distributed to Trust Fund Investors	1,445.59
 Total Endowment Income for the Year	 \$ 6,263.83
Interest Paid in Annuities	\$ 374.00
Applied to Amortization of Endowment Expense	1,709.10
Applied to Current Operating Expenses	1,709.10
Applied to Payment of Life Insurance Premium	503.04
Applied to Rehabilitation of Endowment Capital	1,968.59 \$ 6,263.83

PACIFIC DISTRICT RESOLUTION Adopted at San Francisco, California, June 24, 1933

The Pacific District desires to express its heartfelt gratitude to our Heavenly Father in that He has caused to be planted in this vineyard an institution for Christian nurture and education of young men and women. Also that He has called educated and consecrated men into the service of that institution. Only those imbued with the conviction of the worthiness of their cause would willingly sustain the great material and professional sacrifices suffered by the President and faculty of Pacific Lutheran College as a result of accumulating financial distress. The Pacific District desires to record special recognition of the spirit of those teachers and friends who would not "desert the ship" in this time of need and takes new inspiration from the knowledge that the spirit of our indomitable pioneer fathers still abides with us.

"It remains for Pacific District"—reads the report of Dr. O. A. Tingelstad—"to decide at this convention whether the College has the ability to endure." Your committee unreservedly urges in this question, that the spirit of defeatism have no part in the deliberations of this convention, and that the District proceed on the assumption that Pacific Lutheran College shall be continued.

Immediately arises the question: What shall be done about the deficit? For 1931-32 the deficit was \$14,581.35—caused by no fault of Pacific Lutheran College. Deficit for the current year will be "considerably less," reports the President, although the exact figures are not yet available, presumably between \$5,000 and \$8,000.

It is not incumbent upon the District to consider now the deficit for 1931-32. But it is absolutely essential that effective steps be taken to meet the deficit of the current year that the school may continue.

The Pacific District recognizes that it is neither just nor wise to permit a few to bear the full burden of Pacific Lutheran College. Heavy as the load may be, it would be comparatively light if it were dissipated throughout the District and equally assumed.

With this basic thought in mind the District recommends that each circuit assume what would be deemed its fair share of the fund necessary to meet this deficit; each circuit to determine its own method of procedure. Coincident with whatever method adopted, effective use could be made of the Development Association, whose possibilities have not as yet been fully utilized. Also further enrollment in the Emergency Committee would be helpful.

While the District is fully aware of the financial straits in which the general treasury stands, it respectfully requests that the sum of \$598.42, due the College from recent appropriation, be paid in time to aid in the present crisis.

The Committee regrets that time and opportunity have not been afforded for a more thorough study of the problem suggested in the report of Dr. Tingelstad. It believes, however, that these material problems pictured in his report can be solved. This confidence can justly be drawn from the knowledge that enrollment at Pacific Lutheran College is increasing; that its high reputation as a center of Christian culture is being constantly refreshed; and that its leader and teachers are men and women who have seen a great vision. The Pacific District hears the command of Our Lord: "Go, teach," and pledges itself to concentrated and effective effort to meet the crisis at Pacific Lutheran College.