

**D & C Lesson 26**  
**‘GO YE INTO ALL THE WORLD, AND PREACH MY GOSPEL’**  
**THE GREAT NATION-WIDE FINANCIAL DEPRESSION OF 1837**

Prepared by Duane S. Crowther, July 2001

**1. The Lord poured out great blessings during the Kirtland Period (1831-1838)**

A. Great doctrines revealed during the Kirtland Period include (1) the kingdoms of glory, (2) the priesthood, (3) the second coming of Christ, (4) the Word of Wisdom, (5) the law of tithing, and (6) the law of consecration.

B. Many revelations given during the Kirtland Period include commandments to preach the gospel to others. *Examples:*

1. *D&C 42:6*: “Ye shall go forth in the power of my spirit, preaching my gospel, two by two, in my name, lifting up your voices as with the sound of a trump, declaring my word like unto angels of God.” (1-8)

2. *D&C 88:81-82*: “Behold, I sent you out to testify and warn the people, and it becometh every man who hath been warned to warn his neighbor. Therefore, they are left without excuse, and their sins are upon their own heads.”

**2. Early missionary work involved great sacrifice, courage and faith. Examples:**

A. During the 1831-1838 period, Joseph Smith traveled over 15,000 miles, and served 14 short-term missions in many states and in Canada. [*Our Heritage*, pp. 30-31]

B. “Answering the call to warn their neighbors, missionaries came from all walks of life. Many of them were married and had family responsibilities. They departed in the midst of harvests and during the dead of winter, during periods of personal prosperity and at times of economic depression. A number of the elders were almost destitute when they entered the mission field.” [*Our Heritage*, p. 30]

C. Example 1: Levi Hancock & Zebedee Coltrin (June, 1831. *D&C 52:29*. See the long list of mission calls in *D&C 52:3-10, 21-36, 39*) [*Gospel Doctrine Instructor’s Manual*, 1999, p. 147]

D. Example 2: Zera Pulsipher & Elijah Cheney (January 1832) [*Our Heritage*, p. 30]

E. Example 3: Mission of the Quorum of the Twelve Apostles (spring, 1835. *D&C 107:35*, foreshadowed in *D&C 18:26-28*.) “In 1835 members of the Quorum of the Twelve Apostles were called on a mission to the eastern United States and Canada. This is the only time in the history of the Church when all 12 members of the Quorum undertook a mission at the same time. When they returned, Heber C. Kimball testified that they had felt God’s power and were able to heal the sick and cast out devils.” [*Our Heritage*, p. 32]

F. Example 4: Parley P. Pratt’s mission to Canada. [*Gospel Doctrine Instructor’s Manual*, pp. 146-147]

G. Example 5: George A. Smith, Erastus Snow and John E. Page: leaving in poverty (spring, 1836). [*Our Heritage*, pp. 31-32]

**3. The great nation-wide financial depression of 1837 and the collapse of the Kirtland Safety Society**

A. *Economic conditions in Kirtland in 1836-1837:*

1. Converts were joining the Church and coming to Kirtland in ever-increasing numbers. Many had given up their homes and possessions and were in an impoverished condition.

2. Gentile land speculators had raised the price of available land in Kirtland to a level that few of the Saints could afford to purchase building lots for new homes.

3. The Saints already living in Kirtland had spent all their available funds building the Kirtland Temple and in missionary service.

4. The economic pressure on the Church grew so great that a council of the Church leaders was forced to adopt and publish a resolution that new Saints not come to Kirtland unless they have means for their support, either personal or from their Churches. [HC 2:468-469]

**B. *Establishment of the Kirtland Safety Society, Anti-Banking Company:***

1. The saints undertook to establish a bank, but the Ohio State Legislature denied their application for a bank charter, so the saints decided to establish a “Stock Industrial Company” [a credit union, in modern terminology], which didn’t require state approval.

2. A meeting held January 2, 1837 established the organization. (A) It was to be governed by 32 managers elected from the society’s membership. (B) A person gained membership by purchasing one or more shares at \$50 a share. (C.) The society could loan money for the purchase of lands, implements, and supplies needed by the members. (D) Members agreed to hold their personal goods as bond for the redemption of any loans made by the society, to the amount of \$100,000 each. (E) Many of the Church leaders were elected as managers. Sidney Rigdon was elected Secretary and Joseph Smith was named Treasurer. (F) The society issued its own currency, or notes [paper money].

**C. *Speculation in the Society and Joseph Smith’s Resignation:***

1. The same spirit of speculation which gripped the nation took hold among the members of the Kirtland Safety Society. They began borrowing money to purchase lands, expecting their price to rise so they could resell them. Joseph Smith, as treasurer, counseled against unwise decisions being made by the Society’s managers but his warnings went unheeded. Joseph finally resigned as treasurer and withdrew his membership in the Kirtland Safety Society.

**D. *A nation-wide banking collapse and depression; collapse of the Kirtland Safety Society:***

1. In April of 1837, three months after Martin Van Buren became U.S. President, a great commercial crisis and nation-wide depression occurred. Speculation and excessive banking practices over the previous three years, which had led to a huge expansion of paper currency, led to the “crash” and failure of more than half the banks in the country.

2. Other banking institutions refused to accept the Kirtland Safety Society’s notes.

3. Warren Parrish, a Kirtland Safety Society officer, embezzled over \$25,000 of the Society’s funds, which bankrupted the society.

4. The officers (mostly Church leaders), had to back the Society’s notes with their personal funds, which in effect bankrupted almost all of them. Joseph, who had resigned, did not do so.

**E. *False reasoning led to wide-spread apostasy:***

1. Since the Kirtland Safety Society had been instituted under the direction of the prophet Joseph, some believed this automatically meant that “the bank was instituted by the will of God” and that “it should never fail, let men do what they would.” [HC 2:509-510] In a council held in September, 1837, Joseph refuted these ideas and “stated that if this had been declared no one had authority from him for so doing, for he had always said that unless the institution was conducted on righteous principles it would not stand.” [HC 2:510]

2. Many in Kirtland apostatized, including several bankrupted Church leaders.

3. Does our Church believe in infallibility? Is every action—every word—of a man holding the prophetic office to be considered the will and word of God? Joseph Smith’s statement

recorded in *History of the Church*, vol. 5, p. 265, is important: He wrote, “I . . . visited with a brother and sister from Michigan, who thought that ‘a prophet is always a prophet;’ but I told them that a prophet was a prophet only when he was acting as such.”

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