



"Watchman, what of the night?"

The watchman said, The morning cometh, and also the night: if ye will enquire, enquire ye: return, come. *Isaiah 21:11-12*

SPECIAL REPORT - I

Last year in the April thought paper - "This and That" - we discussed the investments of the General Conference in stocks and bonds. Since writing this paper others have become interested in this aspect of church administration by the hierarchy. Also questions have come to this desk asking for more information, and explanations of what was given in the previous thought paper. In this report, we desire to enlarge the scope of the previous brief summary, and give added facts that have come to light in regard to losses suffered by one conference in California.

Never having owned a stock or bond in my lifetime, it will be necessary because of my limited knowledge to stay very close to source materials, and quote heavily from those who are reporting what is taking place in the area of church investments. "The investable funds of a church organization come from two basic sources: (a) funds actually *owned* by the church and (b) funds held in *trustee* capacity, in either revocable or irrevocable form."¹ While the report by Robert E. Osborn, associate treasurer and manager of investments for the General Conference of Seventh-day Adventists, appearing in the Spectrum did not so state, the reader was left with the distinct impression that the "owned funds" include the tithes that are invested, or available for investment, plus Sabbath school and other mission offerings. This concept of "*owned* funds" is very interesting in itself. The tithe is the Lord's, but the hierarchy consider that they own it! This very attitude and concept is one of the basic roots which leads to papal-like policy to keep the ministry

in line and subservient. If the title were recognized as truly the Lord's money, then all would be brethren in Christ instead of there being an hierarchy.

Investment of these "owned funds" is limited by policy to commercial banks, savings banks, savings and loan companies, short-term obligations of the Federal government, Federal agency issues, and commercial paper rated "prime" or "A"². The trustee funds come from the laity who will to the conference, or give to the conference with life-estate reservations, their property, and who invest with the conference their life savings with certain stipulations and reservations. These are the funds that are used to invest largely in stocks and bonds.

In 1967 - does the date have any significance? - the General Conference began operation of what is called its "unitized funds" program. These funds are operated similar to mutual funds. "All unit-holders (conferences, unions, divisions, the General Conference, and church-owned institutions) own a proportionate share of the unitized funds, on the basis of the amount invested; and the unit holders share in the investment income and capital appreciation."³ (It follows these same units would also share in the losses.) The purpose of this program operated by the General Conference is to provide for organizations and institutions of the Church a place to invest funds, because, except for union conferences no other organization within the framework of the Church is authorized to invest in stocks and bonds. Only one union conference has chosen to operate its own "unitized funds" program. That union is the Pacific Union Conference.

Also in the year 1967, upon the adoption of this unitized funds program, the Controlling Investments and Securities Committee voted to "retain professional investment counsel. . . Lionel D. Edie & Company, Inc., of New York City, was chosen to do the research, analysis, and selection of securities for the General Conference portfolio."¹

We now have available a report of what has happened over the last six years

in one conference of the Pacific Union. Here is the outline by year, cost of stock investment, the market value, and the resulting loss:⁴

<u>Year</u>	<u>Cost of Stock Investment</u>	<u>Market Value</u>	<u>Loss</u>
1968	\$4,514,921.92	\$4,470,915.19	\$ 44,006.73
1969	5,783,867.66	4,817,736.70	966,130.96
1970	5,775,774.75	4,006,669.39	1,769,105.36
1971	6,164,161.29	4,881,549.35	1,282,611.94
1972	6,315,270.71	5,281,248.22	1,034,022.49
1973	6,934,958.74	4,881,660.32	2,053,298.42

The comment of this committee making the above report was:

This situation is precarious and subjects to unacceptable risks those who place money in the Association, especially those with Trust Deposits and Revocable Trust Agreements, the Association itself, and the future of the Conference.⁴

The total loss over the six year period covered in this report amounts to over Seven Millions of dollars for this one conference alone! How can this loss be covered? One way will be through more wills and legacies plus annuity agreements. Thus funds given to the Conferences that will not have to be returned can be used to cover this loss, when the laity giving these funds - property and savings - thought they were following the admonition of our Lord to lay treasures "in heaven, where neither moth nor rust doth corrupt, and where thieves do not break through nor steal."⁵ Certain things should be increasingly clearer as to the meaning of the prophecy that Jesus made as found in Luke 21:24.

The largest single fund of the Northern California Conference Association, as reported by the Lay Committee is the Trust Deposits and Revocable Trust Funds. This committee found that due to the decline in value of the stock investments, "a dissipation of the estates of the trustors" is represented "that should sadden everyone, and raises questions in one's mind whether the Conference can afford to continue to be involved in a program that is subject to such high risks and that shows prospects of so little return. And worse, if the trustors and trust depositors should elect to withdraw their money the fund would be insolvent - unable to honor

these withdrawal requests."⁴

Would it not be well if we would take down from the bookshelf and dust off the cover of Counsels on Stewardship, and read pp. 242-245. Or have we because of our obdurate rejection of the Counsels of the Lord passed the point of no return, and since 1967, the Lord has left us to our own devisings?

¹Robert E. Osborn, "Investment Practices of the General Conference", Spectrum Vol. 5, No. 2, 1973, p. 52

²Ibid., pp. 52-53

³Ibid., pp. 53-54

⁴Report of the Sub-Committee on Conference Organization and Finance as voted by The Steering Committee of the Lay Advisory Committee of the Northern California Conference, and recorded in their minutes, October 13, 1974, as Report # 2, p. 3.

⁵Matthew 6:20

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SPECIAL REPORT - 2

Johnson County, Arkansas, located in the Northwestern part of the State is very picturesque. Its elevation ranges from 337 ft above sea level along the Arkansas River on its southern boundary to more than 1500 feet along its northern line. Its total population is 12,421. The Ozark National Forest covers most of the northern half of the County. Located in the heart of this northern section, near Ozone, is the campus, and what will become the office of the Adventist Laymen's Foundation of Arkansas, Inc. This sister institution of the Adventist Laymen's Foundation of Mississippi, Inc., has an interesting history of God's Providence, and has formulated plans to assist in the finishing of the work of Advent Movement in these final hours of human history.

For over ten years, Brother and Sister Willie Miller had placed on the altar their tract of land which they owned near Ozone, Arkansas. This is a small plateau

bounded by deep canyons of natural beauty, and circled by the higher ridges of the surrounding mountains. Brother Miller died in 1973, and it was left to his good wife to determine in what way the Lord should have use of their property. In the Providence of God, our paths crossed. Brother and Sister Miller attended some meetings which I held in the area on the subject of the Incarnation. I shall never forget Sister Miller's testimony at the final service. She arose and stated - "This week God got bigger, and bigger, and bigger, and I got smaller, and smaller and smaller." Writing of this experience she said - "Brother Grotheer didn't know our farm was on God's altar for ten years before we knew him, but God knew it."

In the course of the events that followed after the passing of her husband, she gave to the Foundation to be used in the service of God as outlined in the charter, ninety acres of the one hundred and forty five they owned. Along with these ninety acres, the Mississippi Foundation was able to secure an adjoining twenty acres to put together a natural area of beauty - falls, trails - which can lead directly into an untrammelled wilderness area of the Forestry Service. Land adjoining the twenty acres has actually sold for \$1,000 per acre, and in the Providence of God we were able to obtain the area for a *very* small fraction of that amount per acre. In fact, Sister Miller was offered \$30,000 for her farm. Commenting on this experience, she has written - "A man came to buy the farm after my husband died. Although he offered me, cash in hand, \$30,000, I couldn't let it go. The man begged me to let him have it, but my God had a better plan. So I gave the ninety acre farm to God's work, and I am happy with God's work on it."

Sister Miller is living on the farm along with the managers - Ronald and Nancy Renk. Although handicapped, she serves as a member of the Board of Directors, and does what she can to further the work and plans there. Speaking of her handicap, she wrote - "The Lord is real good to me; and although Satan has handicapped me by

taking off my left leg, Satan cannot handicap my heart. I thank my God." In this same resume of the Lord's leadings, she testified - "If we keep all things on the altar, God will show us what to do in the last days with our property and money. Remember our Lord is a living God but wants us to use our hands and heart to do His work on the earth. So all I got belongsto my Lord, the King of my heart. Although left a widow, I can live on Dear God's property as long as God lets me live, and then it will be seen after by God's people on the property. My God knows best for His people." (We all need such a simple child-like faith, do we not?)

Now what are the objectives for this campus of the Arkansas Foundation? For some time now, we here in Mississippi have been reading through each Sabbath as a part of our Sabbath school program the book - Counsels on Diet and Food. On page 187, we read:

Those who sincerely desire truth will not be reluctant to lay open their positions for investigation and criticism, and will not be annoyed if their opinions and ideas are crossed. This was the spirit cherished among us forty years ago. [1852] We would come together burdened in soul, praying that we might be one in faith and doctrine; for we knew that Christ is not divided. One point at a time was made the subject of investigation. Solemnity characterized these councils of investigation. The Scriptures were opened with a sense of awe. Often we fasted, that we might be better fitted to understand the truth.

As we read, and realized that we have nothing to fear for the future except as we should forget His leading and teaching in our past history, we longed for the Lord to open up a place where this experience could again be realized. We believe that in the Providence of God, this campus in Arkansas can be the place, located as it is in the midst of God's second text book - nature.

There is also the need for conferences, seminars, and even a place where some might wish to re-coup their physical strength for a brief period of time after a taxing period of work, or a period of ill health. Then in the not too distant future, there will need to be a refugee camp for those leaving the cities for secluded spots preparatory for the final retreat to the most isolated areas that can

be attained. With all of these things in mind, we have dedicated this campus high in the Ozarks.

On the following page you will find a hand drawn map of the area. You will notice Building "A". This is the first project. This former "chicken" building and lamb shelter will be renovated - a firm foundation placed under it - to house a meeting place to seat well over 200, a class room, or small chapel, work office, cafeteria area, two guest rooms, and shower and rest facilities. Immediate plans as funds are available call for small single unit dwellings for those who wish to come and relax temporarily from the rigors of modern living. We do not plan to develop a "Jerusalem center", or to become "institutionalized" with all the resulting curses that have marked the past and present history of God's church.

Contacts and information can be obtained by writing either to the Mississippi office, or to the Adventist Laymen's Foundation of Arkansas, Inc., P. O. Box 594, Clarksville, Ark., 72830.

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Note: Beside the regular thought papers which will continue on a regular monthly basis, special reports like these in this publication will be issued periodically as time will permit in the gathering and preparation of relevant material.

