

EIGHTH MEETING, THIRTY-FIFTH SESSION,

of the

S.D. A. General Conference,

S.D.A. Church, Oakland, Calif, April 2, 1903, at 10:20 A.M.

W.F.Knox in the Chair.

Hym No. 639.

Prayer by R.M. Kilgore.

The Chair. I believe there is unfinished business before the Conference. I would ask if any of the committees are ready to report.

W.H.Cottrell. Brother Chairman: The Committee on Plans and Resolutions are prepared to make a partial report.

The Chair. We will listen to the report.

W.H. Cottrell. The Committee on Plans and Resolutions are prepared to submit the following partial report which will be found on page 21 of the BULLETIN, beginning in column 1.

The report was read to the end of the first recommendation, when the speaker made the following statement:

H.W.Cottrell. I would like to suggest this with reference to this recommendation, that there are only about 75 millions of people in the United States, and only about 82 millions in all North America. Now this resolution refers us to the territory of the world. There are one billion, five hundred millions of people in the world in all, and 75 millions here.

The balance of the report was read here.

W.H.Cottrell. Brother Chairman: I would move the adoption of this partial report.

N.W. Allee. I support the motion.

The Chair. It is moved and seconded that the partial report of the Committee be adopted. It is now open for your consideration. The Secretary will read the first recommendation

(Recommendation 1 read.)

The Chair. This recommendation is now before you. Are there any remarks? The question is called for.

(Second resolution read)

The Chair. Are there any remarks upon this recommendation.

H. Shultz. Some of us are passing over these things hastily. It seems so to us who were not here before, and I rise simply for a little information in regard to the manner which is called in question. Perhaps you have studied the thing, but it is not so easy for some of us to pass who have not studied it. It says in this resolution that "all Conference resources of ministers and money be held open by the conference management to the needs and calls of the regions beyond the same as within the bounds of the local conferences." What do the formers of this mean by this? I should like to know just exactly what is meant. Do they mean that the General Conference or the Mission Board can just come in here to any of our local conferences and union conferences and say, Here, we will draw right from you just what we want, and what we please? or what does this mean? We want to get to the bottom of this so that we will shall know what we are voting on.

A.C. Daniells. It does not mean what Brother Shultz asks if it means. If I understand the spirit of this resolution, and the

meaning of this recommendation, it is that the conferences take that friendly attitude to all needy mission fields that they will be ready always to counsel with the Mission Board, and the General Conference Committee, and consider with them, giving assistance just as far as is consistent with their own home work. In other words it is not the idea that the General Conference Committee or the Mission Board shall enter into any union or state conference and take charge of the business and their workers, and pull them out and solicit money without the fullest counsel with the officers, and the most friendly cooperation between them.

Again the idea is to direct the attention of the conferences in America to the needy destitute fields outside of their own boundaries, and to keep these fields in mind in all their plans, in all their operations, and be ready to respond by letting their laborers go, and giving of their means just as far as it is consistent with the demands of their own conference.

I would say that nothing would bring greater confusion and disintegration and trouble, and ultimately weaken the hands of the General Conference and the Mission Board more than for that Board to enter upon the territory of the conferences without the fullest understanding and the heartiest and most sympathetic cooperation between the two. I believe that in order to get the largest number of good workers, and the largest amount of means, the Mission Board and the General Conference Committee must have the fullest confidence of the local fields. They must have the heartiest cooperation of those fields, and where they can have this and work together understandingly, and listen to all the needs of the fields that are presented before them, taking then what they cheerfully offer, we shall get the largest amount in that field. That is the meaning of

this resolution.

R.A. Kennedy. I am in sympathy with the spirit of this resolution. I know that the field is the world, but I do not like the wording of this resolution, especially the latter clause. You will notice that it reads "that all conference resources of ministers and money be held open by the conference management to the needs and calls of the regions beyond, the same as within the bounds of local conferences." Now I could not vote for that motion; but if you would take that and ~~xxxx~~ change it so that it will read "As far as is consistent with the local work," I could vote for it in that way. I think our point of view must be first considered. We are there today, the management of that work, to care for it. That is our first duty, and then do all we can for foreign fields. Of course, to say that we are to send out our ministers just the same as we send them into our local conferences, and the money just the same--I do not think that is the thing we want to vote for; at least, I don't.

Watson Ziegler. When I first read this, when it was adopted by the General Conference, I saw ~~making~~ it before any resolution was raised here by my brother, and it seems to me if you will look at it carefully it places it all in the hands of the local conference in consultation with the ⁻⁵ General Conference. That seems to me quite clear. I did not see it ~~really~~ when I first read it. You see it tells us to hold our means and ministers open to the foreign fields the same as we do in our own fields. If we are open to doubt that word "most needy" devolving upon us, we have that in our own hands in the local conferences, and we have it in our own power to say where we think is the most needy field, and we ought to be willing to do the work in the most needy fields.

I can see no objection to it, and I should like very much to see this passed, ~~in the~~ in the guarded language in which it is expressed.

A.G. Daniells: Notice the expression, "be held open." By whom are the resources ~~to~~ to be held open?---"By the Conference management;" that is, by your own State Conference. This is a qualifying clause. So far as I am concerned, I am perfectly willing to see inserted the further modification, "so far as consistent with local needs," making ~~this~~ this portion of the resolution read, "and that, so far as consistent with local needs, all Conference resources," etc.

C.W. Flaiz: I should not like to see this resolution modified in any way whatever. The principle underlying this recommendation is one we need to study. By this resolution we are simply invited to change ~~the~~ the policy to which for years many of our State Conferences have adhered. Many Conferences have been organized simply ~~within~~ ~~their~~ for the purpose of carrying on the work within the Conference limits. I do not believe that this is the right principle on which to work. Conferences should be organized to prosecute the work where work should be done,---not simply ~~within~~ within their own borders. The field is the world. We are organized in Conferences for the purpose of ~~advancing~~ advancing the work in the world; therefore every Conference should study the work of the world. This recommendation 's simply an invitation to study the principle of reaching out beyond Conference lines, to take in the great, needy ~~world~~ world, and to plan in conjunction with the Mission Board for the needs of the world. Any modification of this resolution will, I fear, modify our acceptance of

the principle that should underlie Conference management, ---the principle that the field is the world.

R.A. Underwood: The principle that we are not to confine our work to certain boundary lines, seems to be laid down ~~in~~ very clearly by Christ. State boundary lines have been made simply for convenience. They are a necessity in social and civil matters, and in our work we have found it convenient to observe these lines, to some extent, in forming Conferences and Districts. But really, as we studied the map of the United States during the reports of the Union Conference Presidents, did we not see, even in our own country, a great inequality in the division of laborers and means? When Elder Conradi and the other brethren from Europe began to talk of the extent of their field, the inequality was still more apparent. While I believe that the brethren will never ~~simply~~ regard it as their prerogative to send arbitrary orders to State Conferences for men and means for fields abroad, yet I believe that the principle that "all Conference resources of ministers and money ~~shall~~ be held open by the Conference management to the needs and calls of the regions beyond," is right; and that to modify ^{this resolution} ~~it~~ would be to lessen the importance ^{of studying} of the principle of taking an unselfish interest in every part of the ~~world-wide~~ world-wide field.

H. Shultz: I did not raise this question to create discussion. I knew that many did not fully understand the ~~importance~~ meaning of the resolution as worded; and I thought it would be far better to talk over the meaning candidly and plainly in open session, in order that when we separate and go to our various fields, we may work hand in hand, shoulder to

shoulder, without any quibbling or misunderstandings. For years I have been heartily in favor of using the surplus means lying idle in the treasury, ~~immense~~ for advancing the truth in needy fields, from which calls were coming for means. All the money that is given ^{by the people} for Conference work is God's means. The tithe does not belong to me, or to any other man; it is God's, and should be used wherever it can best glorify Him and advance His truth.

C.P. Bollman: If this phase of the question is settled, there is another phase to which I should like to call the attention of the Conference, and that is the phrase in the second resolution, "especially into fields outside of the United States." I think we should remember that to the South of us we have a field described as one of the "most needy ~~immense~~ and most neglected fields." I believe the attention of this Conference should be directed to that special fact; and that sometimes it would be well to encourage laborers to enter that field under ~~mine~~ support of our older and stronger Conferences, as is suggested should be done for needy fields abroad. Some who could not go to foreign fields, or who are not adapted for work abroad, might do good work in the South.

Among our brethren in the South there is a strong feeling that a mission should be established at Tampa, Florida, for the purpose of reaching Cuba. In this city there are thousands of ~~immense~~ Spanish-speaking Cubans. Constantly many are passing backward and forward. ~~This~~ This, and many other places in the South, are real mission territory. The whole Southern field is really a mission field; for it is a recognized fact that we must have help. The Chairman of the General

Conference called attention to what seemed to him a fact, that the situation could not be met simply by pouring money into that field, but that laborers should be sent there.

Between the brethren of the North and the South there needs to exist a closer bond of sympathy. How can such a bond be better ^{created} ~~maintained~~ and maintained than by various Northern Conferences putting laborers into the Southern field, supporting them there until they shall have raised up a constituency that will support them. Some men have been sent to the South; but ~~many of them~~ among these were those who were supported for only six months or for a year, at the end of which time either the local mission Conferences had to support them, or else tell them to become self-supporting. For this reason some have ~~returned~~ returned to the North. If all such laborers were supported by the Conferences sending them, until a constituency strong enough to support them had been raised up, the mission Conferences would ^{then} gladly take them ~~in~~ on the pay-roll.

I should like to see this resolution so modified that this Conference shall recommend the sending of ^{paid} laborers to the Southern field.

E.R. Palmer: I move that the clause, "especially into fields outside of the United States," be stricken out; for I am certain that it is the spirit of this resolution that Conferences should study the needs of the world, and supply means and laborers in harmony with these needs, regardless of territorial lines.

^{to amend}
This motion was seconded, and carried.

Smith Sharp: Does this amendment include the striking out of the similar expression in the first resolution?

The Chair: ~~Then~~ Simply the second resolution has been ~~amended~~ amended.

Smith Sharp: I move that the words, "and outside of the United States," be stricken out of the first resolution.

C.P. Bollman: I support this motion.

A.G. Daniells: I hardly like to see this done. All the countries in the United States are nearer to us that ^{are} the fields abroad. We certainly ~~ought to~~ know more about the various sections of our own land, than we know about the more distant fields. The great world abroad is very poorly known to us. I know that we who are living in the United States, have vague, indefinite, short-sighted views of the situation in the world outside. With the great work we have to do, it seems to me that we ought ~~not~~ not to cut out all these references to the countries outside ~~and~~ the United States.

~~With your permission~~ With your permission, I will read to you something that I think will be of interest to you, and that will illustrate to us how little we know of some of the fields in other lands. In my hand is a letter that has just come from Professor B.G. Wilkinson. This letter is written from Barcelona, Spain, where two or three of our ministers have gone for a time to ~~return~~ look over the ground and study the openings for entering Spain with the message. They give us a very encouraging report. Professor Wilkinson gives me a brief statement of a visit he has had with a man in Spain, a native of that country. ~~He has~~ With his letter he has sent a translation of a statement this man made to him. Brother Wilkinson says:---

"Yesterday a man came to see us at our hotel at ~~Barcelona~~ Barcelona, and gave us his history, as follows: He was converted seventeen years ago. From the day of his conversion, he received the missionaries in his home. Later, he was

invited to sell out his business and enter the missionary work. He agreed to do so, leaving the matter of supporting his family to the Lord, with the promise from the missionary that his case would be presented to the Committee in Sweden. He labored at his own expense for five months before the answer came. He has gone through hard times, and has seen many deliverances by the Lord. A little girl of his, and his father, were the first persons to be ~~buried outside of the Catholic Church in the town where he lived.~~ buried outside of the Catholic Church in the town where he lived. The civil authorities had to protect him against the fury of the clergy during the burial. In one place where he preached, twenty-four were converted; in ~~in~~ another place, thirteen in twenty-two months. At the same time, he taught fifty-one pupils.

"To-day this man has taken us to the principal places where missionary work is being done in Barcelona. [Of course he speaks the language, and acts as ~~interpreter~~ interpreter for our brethren.] Here is an abstract of his conversation with us on his way: 'Most of the missionaries say, and write in their letters home, that Spain has rejected the gospel. I have traveled much in Spain, and have visited a great many mission stations, besides preaching the gospel for several years; and I can say that Spain wants the gospel. I know for a fact that for each person that attends the Protestant meetings as regular members, there are a thousand of convinced ones who stay at home.'"

A.G.Daniells : Now I must not trespass upon your time, to read more, but it is very interesting indeed, and it opens up to us a knowledge of the field that we have never had possession of. We know nothing about the situation; and there are millions upon millions of people in those countries whose condition we are entirely ignorant of; and I feel that in all our plans we should keep uppermost before us the great world abroad, and outside the United States. (Amen). We have many people who can go to the Southern field, and to other places in the United States,-- on the Atlantic coast, in some of those hard-pressed Conferences can go there, who can never go abroad. We can supply that help in this country, but when we have got our vision extended to the very utmost, we shall find it was only to take in the needs, the destitution, and the openings of those great fields abroad. And while I am in favor of striking out that in the second recommendation, I would say let us not strike out the other. Let us not get it all out.

R.A.Underwood : While I feel anxious to see something done for our brethren in the South, and also in the East, I want to say --perhaps what I have said to a few of our brethren here, and they have been astonished, and I want to have the delegates know it-- in the State of Pennsylvania, there are a goodly number of counties that, so far as I know, and I have been laboring there now for several years, never has there been a Seventh-day Adventist minister entered into the county. We have had canvassers enter that

county. They have sold a great many thousands of dollars worth of books. Appeals are coming to me almost every week, from places where we have never had a minister, where these canvassers have sold our books--appealing for a minister to come into their neighborhood. The map showed here the other day that some Conferences have less than a million, or about a million or a little more, of population, it might open your eyes a little to learn that we have several cities--two at least,--with their immediate surroundings, take Philadelphia, --we have one minister and one Bible worker there,--more people there than you have in California,--barely one minister and one Bible worker. In the vicinity of Pittsburg, with Alleghany and Meesport, and other surrounding cities, round it, we have just one minister with about one million of people there, and there are about seven million people in the State, & we have ten active ministers. Now these dont compare with the record that Elder Conradi showed, but while I am anxious to see the brethren come into Pennsylvania and take up and help us, there, and plant the truth, in some of those counties, that have never been entered by one of our ministers, and we cant do it because we have not got them at present-- yet I do not want a single person to come to Pennsylvania, or into the East--and what I say of Pennsylvania is true of some of the other ^{Eastern} States, --I dont want to see them come there that can go abroad; Every man and woman that can go to these other fields, but I believe there are other brethren or sisters, or brethren, who can go to some of

these States, who would not be prepared to go into distant fields.

H.G. Thurston : I have ^{no} ~~a~~ great objection to the expression, either "Outside of the United States" in ~~that~~ recommendation; for it seems to me that the later clause in the second one will give us some trouble until they have raised up sufficient constituency that can give them their support. It seems to me there is danger of trouble in that. I don't know how we will determine it in many cases. We send many men out who don't preach the word and yet they are laborers, and how can we ever ascertain what they raise up

The Chair : The amendment is withdrawn. So recommendation 2 is before us.

H.G. Thurston : It seems to me there is danger if we weaken the force of the recommendation. So I am not in favor of striking anything out or of changing them at all. It seems to me that the change in the second recommendation would probably be alright, but I would be in favor of inserting the words "into the most needy fields". We can see needy fields at home. When the Lord has other more needy fields, we have a chance to look to the home fields, and see whether the needy field is here at home, and not abroad. I believe the Lord would have us see the needy fields round home, so I move that the words "most needy fields" be inserted in the second recommendation.

Elder A.J. Breed : In this first recommendation, I would much like to see that qualification as stated by Brother Daniells. We represent certain fields here and they certainly do have lines.

And as such we are here to represent them, and it seems to me, while I would not care to have it changed only with this qualifying phrase. We shall go back to our fields, and some of our brethren are watching these things very carefully, in the Bulletin and we shall go home and say 'You have placed our funds at the disposal so and so,'. ~~While there is~~ a missionary spirit coming in among our people, I believe that missionary spirit can be kept up better by not making this so arbitrary. If some qualifying words are put in there so that it would show these brethren that we have thought of that, I believe it would help the missionary missionary farther on in the work than if we should pass it just as it is. I don't think it need change the spirit of the recommendation, at all, but if it could be worded a little different, I am quite sure, from some things that I know, that I am pretty well acquainted with, that it would be taken in a little better light, and inasmuch as it would not change it, the spirit, of it, I believe that the words should be added, and it would ^{be a} help.

A.E.Hoy : Are both recommendations before us--1 and 2 ?

The Chair : Number 2 is really before us.

A.E.Hoy : The remarks I want to make, are relative to both. Permit me just a word concerning the recommendation No.1. It seems to me that the latter part of #1 covers all that is left in #2, ~~xxx~~ When we strike out "especially in the fields United States". The expression in the latter part of recommendation #1 says the same as within the bounds of local Conferences", so that is all that is embraced in recommendation #2 when you strike out

the expression "the fields outside of the United States"; so I move that the words in recommendation No.2 be removed.

H.W.Cottrell : It seems to me, brethren, that Recommendation No.2 should remain in, by all means. Now we have been 58 years dallying with 75 millions of people, of the world's population—practically that. And, as stated to-day by one member a few moments ago, in one State there are many counties, ~~and in some~~ even ~~states~~ that no Seventh-day Adventist minister has ever been inside of, and it is certainly true we have one half of this 75 million yet to warn. We have been 58 years at it, and have got 1,500,000 to tell the story to. It seems to me that we certainly would be doing about the right thing, if we reckon something quite strongly in favor of doing something outside of the United States (Many voices: Amen).

E.T.Russell : I should hate to see Recommendation #2 stricken out. I like the spirit of it very much. It reads "that Conferences urge the ~~in~~ laborers to ~~moving~~ move out into needy fields, especially into fields outside of the United States": in other words, that means, if it means anything, that there should be a sentiment created in the States in favor of mission work, beyond their own borders. And the message of ev. 14:6,7 is to go to every nation and kindred and tongue and people, so it seems to me that this recommendation is perfectly in harmony with our work which we are to carry to the world as a people.

J.W.Watt: I would like to relate to the brethren an experience that we had in our Conference last fall, in behalf of these resolutions. I suppose there is not a Conference in all the United States that is more destitute of laborers than the little State of Vermont. When we came up to our camp-meeting last fall, we had three ordained ministers, one licentiate, and one Bible worker. We had no idea of reaching beyond Conference lines; but before the Conference was over, we had voted to send a man to a distant field, and to support him there. I want to say, brethren, that the spirit of these resolutions was really our experience, and I think they are what God would have us experience as a people.

We heard the earnest appeal from Brother Cottrell with reference to the fields beyond the Conference lines. The resolution was brought in to send one of our three ordained ministers to a foreign field, and to support him there. Never in all in my Conference work have I had anything to occur that so stirred a Conference as that stirred that Conference. We discussed it for one meeting, and then thinking that perhaps it was a wave of enthusiasm, and that we ought not to be too hasty and in passing the resolution, we passed it over for the next day, and let the brethren have twenty-four hours to think and pray over the matter. We came into the meeting again, and the feeling was just as strong as it was the day before to carry out the resolution. And the Lord so completely took that meeting out of our hands, that I sat there as president of the Conference, feeling that the Lord had taken the meeting entirely from us. I sat there wondering what the Lord could do next, and only willing that he should do his will. ¶ I want to tell you what occurred between the first meeting and the second. When the meeting adjourned, a lady came to me and said, "Elder Watt, I place in

your hands that note of \$200. I want it to be appropriated to the cause, wherever you may feel that it should go." And the next day another person came to me and said, "Elder Watt, I place in your hands \$800 for the cause of God." And so the work went forward

until in that little Conference we had \$1625 donated right there and then for the different branches of the work; and since that time we have had what we term in Conferences, windfalls in tithe, covering more than the expense of sending that laborer to the field. And so I know by experience, brethren, that the Lord would have his people reach out beyond Conference lines, and beyond the United States, and that there is nothing that will bring into our Conferences, and into the hearts of our people more courage spiritually, and greater willingness to give financially than to reach out and say that we are going to warn the world. I believe that the stronger Conferences should see this matter as it is; for I believe the Lord has taught us a lesson in the little State of Vermont.

J.E.Jayne: If I understood correctly the purpose of the delegate moving that this recommendation No. 2 be stricken out, it was because that it is practically, or he thought it practically, a repetition of the first; that is, the principles involved therein were found in the first. Now they are closely associated, that is true; but the last delegate who has just spoken has called our attention to the fact that the Vermont Conference received special blessing and help because of their effort to assist needy fields; in other words, they did not obtain this blessing and help until such time as they had carried their work far enough to actually reap results. Now if we disassociate No. 1 and No. 2, we will do that very thing. We will not carry our work forward sufficiently to reap results. No. 1 provides for the campaign that shall turn the attention of Conferences and laborers to those needy fields. Well, now I believe that

all of us, to a greater or less extent, are aware that they exist; but we do not want to stop when we have their attention turned to these fields. We wish that thing to be pressed until the laborer, burdened to garner souls into the kingdom of God, shall actually go forth into that needy field. Now that is provided for in Recommendation No. 2. We can none of us lay our hand upon a laborer and send him forth into that field. He himself must have a burden, and so also, if he will be supported, must those who live in his local Conference, have a burden for that; this must be in order that there may be cooperation on the part of the people of the local Conference and the laborer; for they do certainly cooperate when the local Conference sends a man into the field, and sustains him there.

The second recommendation says that Conferences urge their laborers. Now that means a good deal, that a Conference shall urge their laborers to go. They do not simply say, We will sustain ~~him~~ you, but we urge you to go, that we may sustain you there. So if you stop short of this thing, you stop short of reaping the fruits that you really wish, and you spoil the whole thing. I should hate, therefore, to see this recommendation stricken out.

S.H.Lane: I think there is one expression in No. 2 that contains salt enough to save the whole resolution, and that is the thought of urging the men into the needy fields. The needy fields are not all outside of the United States. Sister White presented an idea to us the other day, which is indeed wonderfully true, and that idea is this, that when we labor in America, and souls embrace the truth, we are getting a class of people into our ranks that have means to support the cause of God. That is true perhaps in this country as far as our general laborers are concerned more thoroughly than in any other country.

Then again, we get not only means, but we raise up men, whose educational advantages are such that they can carry the message to other parts, not only in this land, but in other lands. And I believe that the United States can take care of herself very largely. I believe that as Presidents of Conferences, we have enough of home feeling not to let our men all slip away from us. I believe we will look out for our own fields, and we ought to do it, and to do it thoroughly too. I hope that both resolutions will be preserved, and not only preserved, but acted upon, and that that action will prove a great blessing at home and abroad.

W.A.Spicer: I would like to speak just one word that has come in since this meeting began, from the foreign fields. I received a letter from brother J.N.Anderson, in China, which raises the very question discussed in this second resolution. He is in that land of 400,000,000, a land that we have never really touched in earnest until during this term of the Conference. Now we have two or three workers there; and Brother Anderson reports that he has made a journey into the far interior, to the Province of Honan, and there he found six adult Chinese ready for baptism,---the result of work done by Brother Pilquist. They are men of intelligence, some of them being ready to go out into the work for others. The first Seventh-day Adventist church has been organized in China. (Amen!) Now along the sea coast, but in the far interior; and Brother Anderson says the people are coming in from the regions round about, inquiring after the truth.

Now with that situation pressing upon him, and with 400,000,000 of souls round about him in the darkness, he writes to this Conference, asking if it would not be possible to suggest that every Conference in America send one of its laborers to enter that

great land that we have neglected these fifty years. It may be that that it too much, and that it is not a practical suggestion; but surely it would not be too much for China's 400,000,000. These fifty years we have heard of the woes and the sorrows of China; but during these fifty years we have never told the suffering Chinese of the glorious message of salvation that God has given to us; and yet during all these fifty years, during every month of it, a million a month in China have been dying without God. It does seem as though that the very call from the fields, emphasized by the Spirit of God, must cause us to say, that, by the help of the Lord, we will ~~go~~^{give} forth the workers, and send them into the fields.

Now it is not the desire of the workers whose hearts are in other lands to cripple the work at home in any way, or to take from the work at home. It seems to me all these resolutions are in form and spirit God's own call to us to "enlarge the place of thy tent; let them stretch forth the curtains of thy habitation: spare not; lengthen thy cords, and strengthen thy stakes." I believe this work will strengthen home Conferences; it will strengthen the stake, and drive it down more securely, so that we may send out an even longer line, a life-line, to reach to the uttermost parts of the earth.

Here at home we have brethren and sisters who will come into the work, I verily believe, if those workers whose hearts are in the fields can only go forth into their fields; and from the ranks the work at home the workers at home will be reenforced; and it does seem to me that we must definitely plan to ~~get~~^{get} at least two workers, or one or two workers, there, in every great land abroad, where there is a people speaking some strange tongue that we have not yet touched, so that when the crisis comes, there will be somebody over there to rise up and speak God's word to the people. Surely

in this land there are enough Sabbath-keepers, there are enough believers, so that if when we get ready for the Lord to come, he allows the crisis to break over the land, there will be people to stand up and give the message at once. Now let us distribute the little centers of light all over the earth, so that in every land, without long delay, there shall be at least one witness to the truth God has given to us.

The question was called for.

H.W.Cottrell: I would like to beg the privilege of saying a word on this motion before it is passed permanently. Of course really, I suppose, we could let it go to the last meeting, and then bring it up, because the whole report is before us all the way through until finally acted upon, in the form that the motion was made. The motion was made to adopt the report.

I really think that the cream of this resolution No. 2 was taken out in the amendment that was passed a few moments ago. This was amended by striking out, "Especially to fields outside of the United States." That was carried. It seems to me that when we learn a few facts, as related by the last speaker, that our hearts should go out to the fields beyond us, away beyond us, to the myriad of thousands. And therefore, Brother Chairman, I would move, ~~which~~ if it please you, that we reconsider our action of the amendment to this motion

I should like to see this motion go through as written.

The Chair: It is moved and seconded that we reconsider our action. There is a motion before us striking out recommendation No. 2. This will have to be disposed of before we can consider any other action.

A. J. Haughey: I am in perfect harmony with the idea of sending laborers abroad, and to my mind the recommendation as it stands, with that thought stricken out should stand, because we will see needy fields right in our own conference, and my motion was simply to call out the arguments that have already been presented. These brethren that see the needy fields have been presenting the needs of these fields beyond the United States, and it seems to me we strike out the recommendation entirely if we leave out the other.

The Chair: The motion is called, on the amendment striking out recommendation No. 2. All in favor of this signify it by saying Aye. Contrary, No. The motion is lost.

Smith Sharp. I believe the whole difficulty has come from a misunderstanding on the part of those who proposed the recommendations, and I want to know if it would not be agreeable to read it this way: "We recommend that a ~~kk~~ systematic, thorough campaign be kept up to turn the attention of the conference committees, ministers and people to the fields outside of their respective conference, and to all parts of the world.

"2. That the conferences urge their laborers to move out into needy fields into all parts of the world and support them there"

It is not that we do not agree about all that is said about the need of carrying workers to the fields outside of the United States, but we believe this strikes out the need of stating it this way.

The Chair: There are to be no more motions on this subject.

discriminate against any section.

E.R. Palmer: I moved that the phrase be stricken out. I wish to state the reason why I did so. I am in harmony with the spirit of the phrase, and it never occurred to me until Brother Bollman spoke that it was so worded that it might seem to discriminate against a needy section of the field, and that it might be so understood, as intentionally worded that way by the people who lived in that section; therefore I moved that it be stricken out.

With regard to the second resolution as a whole, I think it is the compliment of the first. The first is that the conferences open the door that the invitations may come in. The second is that the officers inside invite those who are inside to go out in response to those calls that they have let in. If you have been to a camp-meeting and made calls for foreign fields, you will recognize the difference very quickly between ~~viz~~ visiting the conference where they have simply opened the door for the calls to come in, and visiting the conference where they have both opened the door and urged the people to go out. There is quite a difference in the result; therefore I think the second should be retained as the compliment of the first, and that the impression can be ^{saved} ~~saved~~ which might be caused by the expression, "especially outside of the United States." I should be pleased to have that thought retained.

W.M. Healey: I should like to call attention to the wording of this section 2. It is evident that we all agree with the spirit of this section; but it is also true that these words would come under the eyes of critics, and if we can do so, let us express ourselves according to what we mean. First I read here that "conferences urge their laborers to move out into needy fields." I do not think that the intent of that is that there shall be an indis-

criminate move, that all laborers in the Conference should go out of that field, but the wording might imply that. I hardly think that is the meaning of it, and I hardly think there is any conference that would carry that thought out, and I am not here to say that I think any of them will do it; but I wish we could put our words so that our actions will always harmonize with our words. As has been said by one speaker, we can not afford, as a General Conference, to say this or that; doubtless we are not; but why not have our words so they will be in harmony with what we expect to do, so there will be no question? Now it seems to me that there are other suggestions also, and without any remarks, perhaps it would be as well to save some of our talks here until we get to Ontario, China, or Japan; but I will in a few words offer this substitute for ~~the ~~resolution~~~~ ^{section 2:} ~~especially:~~ "We recommend that the conferences give prayerful consideration to their responsibility to send forth and support laborers in all parts of the world." I offer that as a substitute for section 2.

The Chair: The question is called, on number 2. The Secretary will read number 3.

(No. 3 was read here.)

The Chair: The recommendation is before you.

J.W.Watt: I would like to ask a question. In our own experience in sending out workers, we only had in mind the wages of the laborer. This recommendation provides that the conference under which the laborer is working shall audit the accounts. Do we understand that this recommendation would have in mind that the expenses also be borne by the conference sending that laborer into a distant field, and that both laborer and expenses would be expected of the conference sending out the laborer?

A.G. Daniells: Perhaps I might save a little time by making a brief explanation. I have here a list of the laborers that different conferences are supporting in fields outside of their own conferences. This is a list of those laborers who have been supported during some part or all of the period of 1901-1902. There are 52 of them, --- Fifty-two laborers at an expense of \$55,409; Ohio takes 5, Upper Columbia 1, Kansas 1, Michigan 8, Wisconsin 2, Western Washington 1, ~~Sanctuary~~ ~~and~~ California 1 in 1901, and 14 in 1902; Oklahoma 1, Vermont 1, South Dakota 1, Western Oregon a number-- it does not say how many; Indiana 1, Nebraska has some; Iowa in 1901 had 4 and in 1902 had 7.

Now here is the thought: When these workers were first sent out by these Conferences they undertook to support them and advance them their wages from the Conference direct, and audit their accounts. We have met with more or less difficulty along this line. In some instances ~~and~~ the ministers and laborers who were thus supported by a local conference thought that they were amenable, they were really subject to that conference that was supporting them, and not under the direction, ~~of~~ or not closely connected with the conference in which they were laboring, and it made some difficulty in some places. Then again the conference that was supporting them did not always understand the situation in the field where they were laboring. In some instances they gave them more wages than any laborer in the field supported by the conference in which they were working. In other instances they paid them far less than was necessary to support them, and it worked an injustice in both cases. For instance, one conference sent a minister abroad, or at least, when he went abroad the conference voted his support, his wages. Now he had been drawing, I think, ten or eleven dollars in his conference. When he reached the field it was found that not less than twenty-two

dollars a week was necessary for his support. Of course the conference that made that vote could not pay that; they did not have the means; they were not able to pay it; so the Mission Board took the matter up and supplied the difference. Then after we studied it all over it seemed like this to the Mission Board that every person who goes abroad into a field should directly connect with that field in which he works; that he should become a laborer of the conference or the Mission Board the same as all his colleagues and fellow-workers in that field; that he should be subject to the counsel and general direction and cooperation like all the other laborers; then, next, that his account should be audited on the ground by the people who audit the accounts of his fellow workers, so that all will be treated alike. And then ^{that} if the amount the conference is able to contribute to his support be sent to the Mission board there. The Mission Board is in touch with those fields and the audits that are made, and can do this. If the field places a smaller audit on the laborers, or a smaller wage than they were paid at home, and the conference would supply, then the Mission Board has that much of a gain. The Mission Board advances what the worker requires in the field.

On the other hand in those fields where the wages are placed higher than the conference at home allows, the Mission Board must make it up. Now in our actual experience we have found, I believe, that the requirements abroad are a little heavier, higher than those at home, so that any saving that has been effected on one person has been more than taken by other persons whose wages have had to be raised. But this brings a perfect adjustment, so that the laborers' wages requirements are met without any difficulty by the Mission Board who receives direct the amount the conference contributes

Another thing: This puts the means through the books of the Mission Board, and enables us to make a fair statement at the end of the year as to our real support that we are giving to the fields abroad. For instance, the conferences in the United States supported 52 workers abroad at an expense of fifty-five thousand dollars. Now if this money is all sent direct to the field, then the amount never gets into the Mission Board, and is not likely to ever appear in our statistics, and our reports that we work up.

Another thought: The Mission Board has not up to the present time done all this business as promptly and quickly as it ought to, because we have been in a sort of formative state in this new arrangement, and it takes a little time. When we have all the world to look after it takes a little time; but we have got the thing reduced to system, and this arrangement now since this action was taken about Christmas time, so that I believe the Mission Board can act promptly, and do this: Send out all its appropriations quarterly. In this way, for the quarter beginning January 1, send the appropriations January 1 at the very beginning of the quarter, for the field. We will take the British field, and we will say that the appropriation is now about six thousand dollars. That means fifteen hundred dollars a quarter. The first day of January send out fifteen hundred dollars to Great Britain, to the British Union Conference treasurer. It will get there in about ten days, about the 10th, we will say. Then let the British Union Conference distribute that fifteen hundred dollars to the different fields-- Ireland, Scotland, Wales, North England, and any other part; and let him cash his draft, and send ~~it~~ out the money, and it will reach those places about the middle of the first month. Then this means that each field for the quarter pays over to the workers monthly

to whom the money is to go. Now we have that thing systematized, and fixed in that way so that I believe it can be ~~xxxixd~~ carried out, and I am sure when you take into account all these states, and all these men, that if you will preserve this harmonious plan of operation you will save a great many difficulties and conflicts, and angles that ~~will be~~ we shall be likely to get into without it.

Watson Ziegler: I do not want to prolong the time of this, but I believe there is something in this resolution more than any other that will need some safeguard, and while I am not at liberty at this time to make known what I know in regard to it, there is a question in this phase of dealing with our laborers particularly that will have to be dealt with. Some times we find that laborers in mission fields are, under the present mode, working at a great inconvenience. Now if the Mission Board, when it sends the stipend for the quarter to these several laborers, could have that adjusted in some way so that the several laborers would be sure to get it always, the plan would work all right; but we find at this time there are places where that does not seem always to be accomplished. The purpose of the Mission Board is thwarted. I will not mention that which I have in mind until the matter is more thoroughly canvassed; but it seems to me that in this recommendation of the Mission Board settling with the several laborers, if that could be amended by adding to--"In mission fields, sending the audit to each worker respectively," that it might in some instances save a great deal of discomfort to those that are in such fields.

If, for instance, there should be sent to one person in a mission field funds for the payment of several laborers in that field, and this person, for any cause whatsoever, might see fit to withhold this money from the several laborers, or from any one of them, the money might elapse before word could be gotten back from the Mission Board, and a hardship be brought upon the laborer or laborers greater than language can describe. I be-
~~pledging ourselves to send workers to the world, --- that is~~
~~lieve that such ~~an~~ conditions are existing; (it seems to ~~me~~~~
~~an anomaly. That is what we are in the world for. But the~~
~~money~~ that means should be sent to the laborers in such a way that they could not be withheld; therefore I move that resolution 3 be amended by adding the ~~monetary~~ words, "and that all funds designed for the support of specified workers, be ~~sent~~ sent direct to each worker specified."

[originals read as follows: "That the Board send what is to go to each worker in some of these interior mission fields, as a portion to each one, or found to be due in their audit." When the Chair asked him to state the amendment definitely, Brother Ziegler said: "That recommendation three be ~~amended~~ so as to send the allowance according to the audit for each worker in the mission fields, directly to the laborer."]

E.J. Waggoner: I do not intend to make a speech; I have simply a few words to say. It seems to me that it is a wonderful anomaly of our position, that we should have any such resolution at all; but I will not talk about that. The idea that at this state of the world, we should need a resolution pledging ourselves to send workers to the world, --- that is an anomaly. That is what we are in the world for. But the

trouble with us is, we have made boundaries of imaginary lines. Inasmuch as that is done, inasmuch as we have accepted that fact, there is another feature that I should like to have come before the brethren here, that they may have to consider in their different fields, and that is an embarrassment that is sometimes caused. I do not know how it may be in any other field except Great Britain; I know that it does sometimes work a little hardship with the Committee there. ~~From~~

For instance: At a local Conference camp-meeting in the United States, a recommendation is made that such and such a brother go to Scotland, or such and such a brother go to Ireland, or such and such a brother go to Wales; or, even more particularly,---that such and such a brother go to the North of England, to labor. Of course you can see that that leaves the Committee in that field without any occupation. Of course that is all right---it saves them some work; they do not have to consider where that brother should go.

But you ~~sh~~ take this at home; take it in a local Conference. Suppose the General Conference would say, We will send this brother to work in Southern California; or, We will send this brother to work in Southern Michigan; or, We will send this brother to work in Southern Iowa. Take some Conference that is not divided in the State, and it might work disadvantageously, sometimes. You will find that the Committee on the ground might find that some other portion of the field was more needy, and that that brother was better adapted to labor in some other portion of the field.

Now if, in recommending to fields where there are Conferences already, and to fields where there are Union Conferences, such as Great Britain, Germany, and other places, the recommendation would be that they go ~~in~~ to that field,---for instance, send them to Great Britain,---and then the Committee on the ground shall determine in what part of that field they shall labor. If that is ^{not} done, there is no necessity ^{whatever} of having a committee there.

This is simply an oversight, I know; it is simply because the conditions in these fields are not known; but if our brethren, in the good of their hearts and kindness and love for the field, would do as I have suggested, it would sometimes save some embarrassment. And I will take opportunity right here to say that the brethren and sisters, as well as the ~~members~~ ^{Committeemen} across the waters, feel most kindly and lovingly toward the brethren and sisters in America for the interest that is being taken in sending out laborers to them. I know there is a most kindly feeling. I know their hearts go out in gratitude and love to the brethren and sisters on this side of the Atlantic for the help that has been rendered.

G.W. Anglebarger: I wish to second the motion made by Brother Ziegler.

The Chair: Let us hear the motion read.

Watson Ziegler: That resolution 3 be amended by adding the words, "and that all funds designed for the support of specified workers, be sent direct to each worker specified."

The Chair: You have heard the amendment, that the audit go directly to the laborer.

C.H. Parsons: I move that we adjourn.

J.E. Jayne: I second the motion.

W.H. Thurston: Mr. Chairman, before adjourning, I wish to call the attention of the ~~the~~ delegates to the DAILY BULLETIN, page 58, column three, paragraph one. It seems to me that something is omitted here which is very important, and that this BULLETIN should not go out to our people without being corrected. You notice that this paragraph reads:

~~Chairman~~

~~Chairman~~ "And let me say that God does not design that the sanitarium that has been erected in Battle Creek shall be in vain. He wants His people to understand this." ~~He wants this institution to be placed on vantage ground. He does not want His people to be looked upon by the enemy as a people that is going out of sight.~~

Now this delegation knows that the statement was made here yesterday, right in this connection, like this: "Now that the building is built [I do not know that this is the exact working, but it is the thought], now that the building has been erected, we should not forsake it; we should not withdraw from it, and withdraw our support."

It is well known that our people understand that the Testimonies did not sanction the erection of so large a building. Now for this statement to go out just as it is here, omitting that important point, "Now that the building is erected," I think would be confusing to our people. It will confuse their minds, and give a wrong impression. Therefore, in view of this, it is my opinion that this BULLETIN should be recalled or held until this statement is properly corrected, and the statement is presented in the BULLETIN just as it was presented from the floor.

It was voted to adjourn.

H.E. OSBORNE,
Secretary.

W.T. KNOX,
Chairman.

HWR.

GENERAL CONFERENCE PROCEEDINGS

Ninth Meeting, Thursday Afternoon,

April 2nd, 3 p.m.

Elder W. T. Knox in the Chair.

The meeting was begun with Hymn 1219 and prayer being offered by Elder J. N. Loughborough.

The Chair : At the time of the adjournment, we were considering Recommendation Number 3. An amendment had been offered and we will ask the Secretary to read it.

The amendment was then read.

W.H. THURSTON : Before entering upon this business, I feel called upon to make a statement: It has been inferred since the morning session that I was prompted to make the statement that I made before this assembly. Now brethren and sisters, I want to say candidly before you that no man is responsible for what I said but this man (pointing to himself). God has given us a mind and understanding, and I felt very serious over this matter: I do yet: and I wish to state here the situation just as it is, and why I made the remarks that I did. Farther than this, I want to say that it is my understanding that what is presented by Sister White in this Conference is for the people, for the public. And I am at a loss to know why things that are of so much importance, that are presented to us, should be with-held from the public. Now I want to call your attention to one more thing right in connection with this. On page 31 of the Bulletin, in the second paragraph,

it reads like this :- "Here is the medical missionary work--a wonderful work. God gave us this work thirty-five years ago, and it has been a great blessing". Now, right following this, the statement was made like this : 'But the medical missionary work is sick, and needs a physician. And God would be the Physician, if He was permitted to be'. But all that is not in the Bulletin. That is not published. Now, if that is the truth, --which I believe it is,--as stated, why not publish it ? And let it be known? If that statement to which I called attention this morning, is true,--and I want to say that the sentence which I called attention to seemed reasonable and consistent, to my mind--and I heard, I overheard a brother say last night, 'Well, that makes it clear and consistent, inasmuch as the building is erected, take hold and utilize it". I looked upon that as I would if I had made a mistake. Shall I give up, and go back to the world ? No; rectify my mistake, then go on, and succeed.

I dont say this with any reflection on anyone or any work. Especially the medical missionary work. I love the medical missionary work. I think I have convinced you of that.fact. We have started the medical mssionary work, in St. Johns, Newfoundland, and it is prospering; and we have now a Sanitarium in Canada in Quebec, and we have bought an institution there, and are going to start a Sanitarium there. I love that line of work; I love all ~~kinds~~ lines of work, and I dont wish to cast any reflections upon anyone, but I believe the time has come when we should take our

standas men,--as brethren, men--brethren, and know wherevwe stand. (Amen). And let the world know; let our people know that we have ~~nothing~~ to hide. And that all may be clean and above-board, and that we ma ygo from this Conference as one voice, proclaiming this grand and glorious message as a whole to the world,. I do not know how, ~~nor~~ why this has been done; but I know it has been done. And that is the query I raise, and I say that I believe this Bulletin, going out to the people, as published is misleading, and will confuse the minds of our people, for the question will arise, ~~ik ik~~ does the spirit of prophecy grow cold? That is what is in it. And that is why I called it down, and requested that this Bulletin be recalled ~~and~~ and revised, or a note of explanation be added to it before it went to our people. I say this in all kindness, and I love this ^Truth. I have known this ^Truth all my days, and I have connected myself with it to go through unto the wend, and I hope and pray brethren and sisters that we ~~xxx~~ everyone of us, will be willing to let the light shine forth as it is in all its beauty, covering up nothing, secluding nothing, but that everyone of us will stand right up, on the side of ttruth and rghteousness, and that everything if it is not right, may be adjusted and we may all be brought into harmony as one man,one voice, so that we can go forth with this message to the world as God would have us. (Amen).

A.T.JONES : I think, and I have been informed also, and I think it is correct, that Sister White herself reads over the MS

of the report of her talks, and submits them afterwards herself revised as she chooses, and that it is not printed directly from her words or from the reporter to the paper, but that they pass through her hands first, and are handed by her to the paper. So whatever these changes are, she would be answerable for, I suppose, but that would be the place to apply for the information.

W.A.SPICER : I might say in behalf of the editors of the Bulletin, that the reports of Sister White's addresses do come from her own stenographers, and from her own house . Of course the editors of the Bulletin do not exercise any judgment or scrutiny in matters which are brought to us from Sister White. So the editors are not responsible for any changes that may occur in reports of her addresses.

The Chair : Perhaps with this explanation we will have to pass this matter, as being beyond our province. As other delegates have come in since the reading of the question, before us, we will ask the secretary to re-read the amendment.

The Secretary did so.

S.P.S.EDWARDS : I would like to ask if the one who has moved this amendment intended that the allowance shall be sent directly from the Local Conference to the laborer, or from the Mission Board to the laborer ?

Watson ZEIGLER : Direct from the Mission Board was what I had in mind; that the auditing be submitted to the Mission Board and then send it direct to the worker.

W.H. THURSTON : I hardly see how it can be operated without great difficulty. I speak from experience in this matter. For in foreign countries our laborers go--to give an illustration : They send a laborer to a foreign country, and he is sent into the interior, and now when this money comes, to South America, or some other country, it has to be exchanged or sold and put into the money of that country. And then it is forwarded on to the laborer in the interior. Sometimes the laborers are out in the interior; so the money has been sent to headquarters and when ~~it has been~~ ~~sent to them~~ it has had to be returned to headquarters and there cashed, and turned over into the money of the country, and sent on then to them, in that money. That would be so in South American countries and some other countries, so I think the best way would be the way we were doing in South America when we left there--and the money was all being sent to the Treasurer ~~at the~~ and then it was turned into the money of the country, and then sent to the laborer. We deemed that the most expedient way to operate in this line.

W.A. SPICER : I think any special difficulties such as possibly may be in Brother Zeigler's mind might be dealt with in some extraordinary way perhaps. But that in dealing with the field as a whole, it would be exceedingly difficult, and I fear absolute-impossible for the Board to send money direct. As ^Brother Thurston has said, it is difficult to send money into many parts of the world. And the only way we can keep the workers supplied as to have in some central treasury, near at hand, a sufficient amount

so that they could call for it as they need it. If we had^d to send small remittances direct to the workers it would be exceedingly difficult to handle it, I fear impossible.

The question was called on the Amendment, which was lost.

The Chair : We will now ask the secretary to read the 4th Recommendation.

Accordingly the fourth recommendation was then read.

A. G. HAUGHEY : I would like to have it amended by ^{having it} ~~phrasing~~ read :
~~the workers' & ministers' "That the General, Union, and State Confer-~~
 ences continue to give their" etc. Not to ^{cast} ~~pass~~ any reflection upon our past action.

H. W. COTTRILL : I second that motion.

R. A. UNDERWOOD : That motion puts me in mind of a person who got up in a prayer meeting and said, he was trying to serve the Lord in his poor weak way, "pray for me that I may continue". (Laughter). I think that if this recommendation means anything it means ~~that we have~~ reform in some things. And if we ~~want~~ are not going to reform, well then let us not say so.

The amendment, being put to the meeting, was lost.

Question on Recommendation 4 was then ^{called} ~~put~~, and lost.

The Chair : The secretary will now read Recommendation No. 5.

R. T. DOWSETT : I would like to ask whether this is the second title ?

The Chair : Brother Cottrill, are you prepared to make a statement in regard to this ?

H.W. Cottrill : I rather think it means only what it says. That the States be encouraged which are able to do so. It means to set aside a definite percentage of the regular tithe as a provision for General work of the Mission Board. I think it means a portion of the regular tithe--first tithe. That is my idea of it.

N.P. Nelson : I would like to ask a question . Is that the second tithe ? We have the first tithe, to the Union Conference; then a second tithe to the General Conference; and this, does this mean another tithe besides these two ?

H.W. Cottrill : If I may explain, Brother Nelson I understand it is like this : A good many Conferences have more tithe than they know what to do with. They have been fifty years working a Conference, and have a small constituency to work, and a large constituency of our people has a large tithe. They can send out a good many dollars and pay a second tithe, and give perhaps several thousand dollars to foreign mission work. I think this is the idea of the originators of the resolution.

Question called on Res no. 5

Recommendations ~~5~~, 6, and 7 were read, and the question called on each in succession. The question was then called on the adoption of the entire report, and it was adopted.

The Chair: Are there any other committees ready to report?

C.H.Parsons: The Committee on Institutions have a partial report ready.

The Chair: We will have the report.

C.H.Parsons: I will state that I am offering this report in place of the Secretary, owing to the fact that I desire to make some explanations after we have it fairly before the house. Before commentigg ipon the report, I will read the whole report, so as, in a measure, you will have the substance of the whole thing in your mind.

The report is as follows:--

We, your Committee on Institutions, submit the following partial report:--

GENERAL PLAN FOR REORGANIZATION OF INSTITUTIONS.

1. All institutions to be owned directly by the people, either General Conference, Union Conference, State Conference, or organized Mission Field.
2. The electors or constituents of each institution to be the membership of the denominational body owning same.
3. Where possible under existing corporation law, the controlling boards of all institutions to be elected by the Conference.
4. The power of all boards to be limited as follows:--
 - a. No disposal or transfer of institutional property to be made without a vote of the electors or constituents authorizing same.
 - b. No large additions or extensions to be made to existing institutions without the electors or constituents authorizing the needed improvements.
 - c. Changes and amendments to be made to Articles of Incorporation only by action of electors.
5. Where institutions are of a profit earning nature, the Articles of Incorporation to be so formed that the electors or constituents be empowered to appropriate the profits at each annual meeting to either the betterment of the existing institution or to the starting or advancement of some other missionary, philanthropic, or benevolent enterprise.

6. Where the law is such that Conference trust associations can not operate institutions, then the Conference Association is recommended to own the property, and same to be operated by a corporation created for the express purpose of operating said plant, but the operating company is to be responsible to and controlled directly by the Seventh-day Adventist Conference as far as possible under existing State laws.

7. All institutional property to be treated as departments of Conference work, and where possible to be represented on the Conference Committee.

8. That an advisory committee of three be appointed by this Conference, for the study of institutions, and to render such assistance in the carrying out of these recommendations as may lay in their power.

COMMITTEE:

C.H.Parsons,
W.T.Knox,
L.R.Conradi,
S.H.Lane,
W.D.Salisbury.

With the reading of this report, I move its adoption, and would request a second, so that I can make some explanations in regard to it.

E.T.Russell: I second the motion.

The Chair: It is open for remarks.

C.H.Parsons: I want to read these things carefully now, inasmuch as we have this before the Conference, and make a few words of explanation of what was in the mind of the Committee on these various recommendations.

First, if there is any idea that this resolution is referring specially to publishing houses or educational work or Sanitariums, specially aimed at any one of the three, I want to say to you that you are right, because it is aimed at all three of them. All institutions to be owned directly by the people, either General Conference, Union Conference, State Conference, or organized Mission Field.

We start out with the accepted proposition that the parties that create the institution; that is, the section of the denomination that creates the institution, should be entitled to ownership.

We do not mean in this that the ministers are to own it, or that the doctors are to own it, or that the professors are to own it, but that the people of the Conference are to own it; that physicians, ministers, educational men, and people alike should become united in their efforts to make the institution a success. That this thing of division among us into bodies, representing distinct line of thought, should cease, and we should become united in all this work.

There is no drive, in this general plan, at any one individual or any set of individuals. All we have in mind in connection with this is to get together as brethren, and united in all of the work.

I am a firm believer in the doctrine that it takes everything in the third angel's message to make a complete Christian.

You will notice that we have General Conferences, Union Conferences, State Conferences, or Mission fields. It may be in the order of God's providence that each one of these, or some of them will have to own institutions. We can not tell how that will be worked out, and we did not desire to limit the operations of the plan.

Second, ---

^W
~~B.C.~~ Woodward: Mr. Chairman, Now this is a very serious question, and some of us have not the brains to keep these all in our minds. I wish we could have this report printed before we consider it. I really would like to consider it, and to know what we are voting upon before we take action. I have no wish to put it off, only that we may have it before us to consider.

C.H.Parsons: If you would sooner have this discussion of mine laid over until it is printed, all right.

E.K.Slade: I move that we defer action until it is placed in print in the BULLETIN.

C.N.Woodward: I second that motion, Mr. Chairman.

C.H.Parsons: I would like to offer this suggestion, that I could like to ask the consent of the Conference that this be made the order of business to-morrow morning. I will explain that I have important business of such a nature that I can not remain clear through, and it is possible that to-morrow morning may be the last opportunity I will have to present some thoughts that I have on this thing, and inasmuch as I have studied on this for a good many months, and several years back, I think may be I can advance some ideas on this that may be of help to the Conference. It is not that I want to right my mind on this, but I want to assist all I can, and that is the reason why I request that---

non

C.N.Woodward: I would like to make an amendment, that we defer this matter, and make this the special order for to-morrow morning.

E.K.Slade consented to the amendment.

The Chair called for a vote, after which he declared "It is so ordered."

The Chair: Are there any other committees ready to report?

H.W.Cottrell: The Committee on Plans and Constitution met, but did not go very far. I suggested to Elder Daniells we had one resolution we might submit, but only one. In the absence of our Secretary I will read the recommendation. ^{98.} "We recommend, That the General Conference offices be moved from Battle Creek, Mich., to some place favorable for its work in the Atlantic States." ⁹⁹ I move the adoption of this resolution.

E.T.Russell: I second the motion.

The resolution was re-read by the Secretary.

The Chair: This recommendation is now open for remarks.

L.A.Hoopes: Is this a part of the report of the C^ommittee on Plans?

The Chair: I so understand.

L.A.Hoopes: Then it should be numbered 8.

C.P.Bollman: I would like to ask what is connected with that, and how much does it mean? What naturally follows in its train. Is there anything that naturally follows that? Let us have it all. What will be the next step? Can we not have it all, so that we may know what we are doing? We might take that step, and would not like to take the next one.

A.J.Breed: It seems to me this is another important question, and I would like to have a little explanation, some reasons given for this. Now generally speaking, when work is planned, the business center is made in some central point. This is removing things a great ways away from the Pacific Coast, and if there are good and sufficient reasons for it, of course we on the Coast will be in harmony with it; but if there are not such good reasons, we would like to give some reasons why we think it should be located in some centrally located place.

H.W.Cottrell: In reference to the query of the first speaking, I would say I only wish I knew what the next step would be myself. I do not know. The Committee only got this far. So what the next step will be, I could not tell. I wish I did know.

Now in reference to why we recommend this, it is simply this: In order to get nearer the center, Brother Breed.

A.J.Breed: The center of what?

H.W.Cottrell: The center of the work. The Hub is over there, and New York is rather a suburb, you know, to the Hub.

Wm. Covert: What is the Hub?

H.W.Cottrell: Boston.

Well, leaving that. Now the point is this. At New York City, it seems to me that inasmuch as it is the metropolis of the United States, and London the metropolis of the world, and nothing between them but the pond,—that is all,---that the headquarters ought to be either at one place or the other, and at either place the eye can be over the whole world in a better way than it could in any inland place, like Battle Creek, if you places. It seems to me upon the face of it, it needs no argument. We can see that is certainly so. If we had had our eye on the entire world in the early days as we have to-day, I dare say that our fore- fathers

would not have thought of establishing the center at Battle Creek. We had a meager idea then as to just how, and to what extent the message would go to all the world. It is quite apparent to me that the General Conference headquarters ought to be either in London or New York, or near there, near one place or the other, and personally I thought, at the present time, it would be best, as I stated in my report, or our memorial, that for the present, we would recommend that it be New York City.

S.H.Lane: I consider this a very important matter, one that we should not trifle with at least; and if the Committee themselves do not know what will follow this, I think we would better go slow until they determine. It would be very unwise to decide this matter now, and have something follow it that we might be led to endorse because we have endorsed this, and then in the end find we should not endorse anything. So I think we would better just let this matter rest until the Committee determine what they themselves want to introduce, and when we have the whole thing before us, then let us take an impartial survey of the field, however extensive it may be, and then be prepared to act in an intelligent, understanding manner.

and take that action that will not live out three years from now. I have seen these moves come up every little while, and I have seen them swing away off, and then swing back again. If we are going to swing off this time, let us be sure that the swing off is right, and then stick right to it everlastingly. You cannot know, perhaps, this year, where we will be four years from now. I say let us not do it until there is the clearest evidence that we should do so; and then let us do so understandingly; so I should like to know what the Committee wants to do before we do anything.

J.N.Loughborough: As Brother Cottrell made a remark about the fore-fathers, my mind was struck about a figure four that had something to do with ~~that~~ moving to Battle Creek. J. P. Kellogg, Cyrenius Smith, Henry Lyon, and Dan Palmer were the four fathers. They put up a building at a cost of twelve hundred dollars for lot and building, and invited Brother White to move the Review and Herald up to Battle Creek, and they let him have the use of that building free of expense. That is the way the fore-fathers got there. That is what called them there, and the Testimonies in those days were all the while saying, Go west, Work west. But after while when the work got to going strong in the west, they said that it would come back powerfully in the east, and the work has got to going over the east, so there is something about the east in the wind now.

H.Shultz: I believe that whatever we do here we should do with all seriousness, ~~as the~~ and as the movers of this resolution do not know what is to follow, I move that this thing be laid over until they get the whole thing in shape, and get it before us, and it is printed so that we can read it and know what we are doing. I remember some years ago we made a break from Battle Creek with

the Mission Board, and it went from there to Philadelphia---you know where it is now. It went from Philadelphia, I donot know where. It afterward went to New York, and now where is it?

The Sentinel went to New York; then it went to Chicago, and where is it now? I think we would better go slow with this one thing until we get the whole business up before us, and then take it into serious consideration, and not be trifling with it as we are seeming to do now.

Wm. Covert: I second themotion.

C.H.Parsons: I move we adjourn to give the committees opportunity to work so that we can get the plans before us intelligently.

The Chair: It has been moved andseconded that this matterbe deferred until the committee can report more fully. All in favor say Aye. Contrary, No. It is carried.

R.A.Underwood: There has been something said about the gold bonds that have been offered for sale in the interests of the Sanitarium work, and I personally am a good deal confused, and know very little about it. I have heard it intimated that it was not a safe investment for our people, or a wise investment, and Judge Arthur is present, and I understand he has had pretty much to do in planning this, and I would be glad if he could make a statement before this Conference concerning this whole transaction and what it means, granting the delegates the privilege of asking him any questions that would be proper.

C.H.Parsons: I will second the motinn.

The Chair: If this is the desire of the Conference, we will request the Judge.

C.H.Parsons: Do you want a motion? I move that Judge Arthur be invited to address the Conference on the subject of the gold bearing bonds.

P.T.Magan: I second the motion.

The Chair: You have heard the motion. Are there any remarks?
All in favor say, Aye. Contrary, No. Carried. We would be glad to hear from the Judge.

Jesse Arthur: Gentlemen and ladies of the Conference, and those of you who are on attendance that are not members of the Conference: I am glad of this opportunity to say something with reference to these bonds. I was not aware until yesterday evening of the extent of the criticisms and comments that had been made with reference to them, and it seems to me that those criticisms that were adverse to the bonds themselves, and to the purpose for which they were issued, proceeded from a want of an understanding of the situation. Now if there is anything wrong in connection with this trust deed that was made and executed by the Sanitarium, or by what was known as the Battle Creek Sanitarium Food Company, Ltd., to secure the payment of what is designated as gold bearing bonds, I say if there is anything wrong about that deed, I am responsible for it. I am the villain in the fray, because I want to assure you that outside of ex-Judge William K. Lowry of Chicago, who represented the Central Trust Company, of that City in connection with the preparation of that trust deed, no one had their hand in it except myself. It was prepared exclusively, and only in the interests, and to protect the investors in those bonds.

It possibly would be best for me before explaining the bond itself to go somewhat into a history of the transaction. I shall do so briefly. When the question was first considered as to how the means was to be procured to rebuild the Sanitarium, it became manifest that they could only be secured by creating a mortgage lien upon the property. The Sanitarium, at the time of the fire, already owed a floating debt of something like two hundred and thirty or forty

thousand dollars. A large portion of that debt had been running for a great number of years. It was due principally to members of the Seventh-day Adventist denomination. Properly, some forty or fifty thousand dollars of it was due to what we may call outsiders, who had a friendly interest in the work; but are not members of the denomination. It was very certain then that it would be impossible for the trustees to secure the money to rebuild the Sanitarium on the personal obligations of the institution, and ~~as~~ it was already in debt to us, I would say to the denomination, to from two hundred and thirty to forty thousand dollars, I think in round numbers the amount was \$242,000, it became necessary then to devise some means, some plan by which the ~~same~~ means could be secured other than by the personal obligations of the institution. The only feasible way of doing that as a clear-cut business proposition was to create a mortgage debt of bonds; or to issue bonds on the Sanitarium secured by mortgage bonds of the property. After the Board considered the matter it was determined that that plan should be adopted. It then became necessary to consider the power of the trustees to mortgage the property to secure these bonds. The question was submitted to me, and I undertook to investigate it, and I want to say that at first I had very serious doubts whether or not the trustees of the Sanitarium had a right, under the law, to alienate the property that had been conveyed to them in trust for a solely benevolent and charitable, and philanthropic purpose. It did seem to me that if they were permitted to mortgage that property that they would place it in the power of those trustees to entirely defeat the object of the donors in creating that trust. I so informed the Board; but at the same time told them that I would take the matter under consider-

ation and investigate it. It occupied the larger portion of my time during the entire summer. Now that may seem strange to you brethren that such a thing --or that so much investigation was necessary to determine that simple question. But I will assure you that it did. I became convinced after a thorough investigation of the matter that the trustees had that power, and could mortgage that property, secure an issue of bonds for the purpose of raising money to rebuild that institution. I so reported to them about the first of December I think. It was either the last of November or the first of December. It was then proposed that a trustee be selected. In this election of a trustee I was not consulted. As to that part of the transaction, I had nothing to do. The trustee was chosen, and it was the Central Trust Company of Illinois. The next step necessary to be taken was for the trustee to ascertain whether or not the proposition to mortgage that property ~~could~~ and make that bond issue was a legitimate, commercial business transaction in good faith.

You must understand that so reputable a financial institution as the Central Trust Company, of Illinois, would not permit its name to be used under any consideration in connection with any financial transaction, unless, in business parlance, it was "on the dead square." They could not afford to do it. Their reputation was at stake, and it was to their interest to see that they were not connected with any transaction of any kind that would not bear the very closest scrutiny as to its good ~~man~~ faith, and in every other particular.

As soon as this institution was selected as the Trustee, the first step taken was for them to send a representative to Battle Creek for the purpose of ascertaining what property it was proposed to include in that trust deed, and the value of it. That was done. Just what that representative reported I am unable to say, as I never saw the report. I am ~~informed~~ informed, however, and the result afterwards showed that my information must have been correct, that he reported that the value of the property was to exceed half a million dollars after the building was completed.

The next step, then, was for the Trust Company to be assured that the Trustees of the Sanitarium had the legal authority to mortgage the property, to secure the payment of these bonds, and that the title to the real estate---in fact, that the title to the property---was good; because it is necessary, as I say, that Trust Companies, in deals of this character, should be cautious, as the bondholders and investors look to the Trustee to protect their interest in all cases of this class.

The Trust Company sent their representative, Ex-Judge Wm. K. Lowry, to Battle Creek. I met him, and afforded him all the facilities of investigating the question as to the legality or the right of the Sanitarium to execute this mortgage, and as to the title to the property. He became satisfied, after a thorough investigation, that that right did exist in the Trustees, and that the title to the property, after some steps had been taken to clear up defects that were made manifest in that examination, that their title to the property was good in that institution.

Now with reference to the preparation of the bonds of the trust deeds, as that seems to be the question that is uppermost in the minds of many.

The question was asked me by Judge Lowry, whether or not I had any particular form of trust deed I would prefer to submit to the Trustees; and if I did not have any preference to any particular form, that he had one that had been last used by one of the Gas Companies in Chicago to secure a loan, wherein this same Trust Company was Trustee; that its provisions had been carefully considered and looked into by attorneys for investors, and that many of its provisions had been tested in the courts, and found to be ample to protect all the interests of the bondholders. And he asked me to consider that form, and use it as far as it could be adapted to the Sanitarium case. I took the form, took it to Dr. Kellogg's house one afternoon, late, probably about half past six o'clock, I think, or somewhere in the neighborhood of that time. I do not remember just exactly the time, I remember I left my office just about six, and went to the Doctor's house; and I asked him to look it over, and

and Ex-Judge Lowry,---all the time looking to the interests of the bondholder, and nobody else; for that was their business,--- and after going over it carefully, they made several suggestions. Among the Directors there were two lawyers,---the President and the Secretary of the Company being attorneys. The Secretary of that association especially, Mr. Murray, was more than an ordinarily good lawyer; and, so far as this class of work was concerned, I suppose he was better qualified, in some respects, than either myself or Ex-Judge Lowry; because he has had a large experience in these transactions.

They made several suggestions. Among other things, they said considerable about insurance. There was quite a contention as to what amount the Sanitarium should insure, so as to certainly protect the interests of the bondholders. Several other provisions were questioned, and suggestions made. After that, I took the document back to Battle Creek to redraft it, and sent it to Chicago, and, to my surprise, it again came back, with some suggestions that had occurred to these gentlemen ~~and~~ after I had left them, as to certain provisions not being sufficiently guarded to protect those who might invest. It was again carefully redrafted. I then, gentlemen, had to get the bond signed; I had to procure an abstract of all the property; I had, then, to file my own personal certificate to the fact that I had carefully examined the property, and that it was good,---in the Sanitarium. I filed my own opinion, and then afterwards the opinion of Judge Lowry himself was given that the property was good, and that the Trustees had the authority to execute the bonds. In fact, we went through any amount of formality before those directors of the Trust

Company finally agreed that the bonds might be printed, that the deed might be filed, and that they would sign the certificate, on the back of it.

That is all the history of that transaction. I have given you all that Dr. Kellogg had to do with the preparation or execution of that paper. He signed it as president of the Sanitarium Corporation; and that is all the connection he had with it, except, as I have stated, in the first instance of reading over the original draft, ---not this trust deed, but the one from which this one was modeled.

I emphasize that, because I have been informed that Dr. Kellogg was accused of having some ultra designs of incorporating certain provisions in this trust deed. The provisions that I referred to, I do not believe the Doctor ever knew were in the paper, because I do not think he ever read it sufficiently to impress upon his mind what they contained. I read it, and read it very carefully, ~~man~~ every line of it, with a view, so far as possible, of protecting the interests of the investors in those bonds. That is a history of the Sanitarium building proposition.

The bonds do not cover all the property, by a good deal; but the main Sanitarium grounds, embracing all the property bounded on the east by Brook St., and on the west by Washington Avenue North; on the north by Barber St., and on the south by a long line of property along Champion St., except at one place where the Sanitarium property comes out, and, I think, covers about two hundred and fifty feet upon Champion St. That is what it embraces. On that ground is erected the main

Sanitarium building, the dormitory---what is known as the female nurses' dormitory; the power plant; the electric light plant; and a number of cottages---I think some four or five cottages---and the laundry; and also the cold storage plant,--- all valued at half a million dollars, costing probably more than that. When completed, the Sanitarium building, altogether, will probably ~~mount~~ amount to somewhere in the neighborhood of six or seven hundred thousand dollars, actual cost, and including the value of the land.

Now if there are any peculiar features in connection with this trust deed, that are not understood, I should be very glad indeed, so far as I can, to explain them. Of course it is impossible for me to meet the objections or the difficulties in your mind with reference to any of the particular features of this trust deed. I have no copy of it before me; for when I left Battle Creek, I was not aware that this question would be discussed, and I have left the copy in my office. But by memory, I may be able to aid you by way of explaining any of the features.

C.H.Parsons: May I ask some questions?

Judge Arthur: Certainly; I shall be glad to answer you, if I can.

C.H.Parsons: Before I ask the questions, I wish to make a statement, in order that the delegates may understand my motive in making these queries. I think that Judge Arthur and myself are sufficiently well acquainted with each other, that he will not misunderstand me; but I want the congregation to understand that I am asking the questions, not for the purpose

of embarrassing the Sanitarium, but for the purpose of clearing up misunderstandings, if possible. Get the idea, that these questions are not asked by way of embarrassment, but in order that we may get more light on the subject.

C.H. Parsons: What financial responsibility does the Central Trust Company assume in this ~~matter~~ matter, so far as the payment of these bonds are concerned, in case the Sanitarium fails to do it?

Judge Arthur : None whatever. No, trust, ^{company} and no trustee in a transacyion of this kind, and they are taking place, thousands of them all over this country every day, and have been ever since the Courts of Equity were in existence, and any financial responsibility so far as the payment of debt is concerned, in case the principal fails todo so. None whatever. But the Trust Company's responsibility, as I have already foreshadowed, --it is a financial institution whose reputation for care, whose reputation as an established institution is capital to it, and they will not--nt reputable Trust Company will permit its name to be used as trustee in a transaction of this kind until it is thoroely satisfied that the rights of the bond-holder has been thoroely and absolutely as far as is possible, to make it, secured. The Central Trust Company of Illinois could not afford to permit its name to be used in this transac~~ion~~ unless it was a transaction that it recommend. In other words, when they permit --when a Trust Company permits its name to be used, in that kind, it says to the world, it is a guarantee that this deal as a commercial transaction is in good faith. And that every precaution has been taken for securing the rights of the bond-holder. Anyone of you who knows anything about financial matters and have had any deal ings with this class pf transcatuons, --I know Brother Parsons has--knows that what I say is true.

C.H.Parsons : It simply guarantees the honesty of the transaction ?

Judge Arthur : And the good faith of it . That, so far as it has been able to investigate, the matter, it is amply secured, that the property is good, that the parties who make the deed have a legal right to ~~the~~ ~~as~~.it.

C.H.Parsons : In order to make those bonds good, there would be three things necessary : 1st, the security on which the mortgage rests must be ample to cover it;~~XXX~~,

Judge Arthur : Yes, sir.

C.H.Parsons : Second, the title to the property must be vested legally in the corporation making the mortgage ?

Judge Arthur : That is right.

C.H.Parsons : Third, the earning power of the Corporation must be sufficient to settle and pay the principal eventually ?

Judge Arthur : That is right.

C.H.Parsons: And they lend their name as a witness to the fact that they honestly believe that all these conditions have been met in this mortgage ?

Judge Arthur : That is right. That is what ~~I~~ ~~have~~ endeavored to convey in answer to your questions. That is as far as responsibility of the trustee goes.

C.H.Parsons : Providing the Sanitarium fails to pay the interest, what steps are necessary on the part of the bond-holders to secure same ?

Judge Arthur : That cannot be answered, except by way of an explanation. In all this class of trust deeds, provisions are made

such as in this one--I dont remember just exactly the details of the provision of that trust deed--where a trustee can either by request be authorized to foreclose the mortgage in the interest of the bondholder, or can be compelled to do so, under certain contingencies.

C.H?Parsons : Do you know what the contingencies are ?

Judge Arthur : No. I dont remember. I can only say that these provisions of the trust deed are almost stereotyped in every one of them. They have for a great length of time and in the experiences through the Courts, been tested and found necessary in getting up these trust deeds. The same provisions are incorporated in nearly everyone of them, and my recollection is that in this trust deed they are exactly the same provisions;-provisions which relate to that particular branch of the subject ~~were~~ incorporated in this trust deed that were contained in the trust deed of which it was a copy, and from which it had been drafted.--a trust deed made by one of the Gas companies of Chicago, to the Central Trust Company, for the purpose of securing bonds. It was at the special request of the Trust Company, that those particular provisions of the trust deed were ~~not~~ allowed to stand, just as they had existed in the trust deed which was the model ~~for~~ ~~the~~ from which this was taken. Because, as I have said, the experience has shown that this made the bonds a better commercial proposition for investors; that they have examined these provisions through their lawyers, and had concluded that the bond-holders were

better provided by the proposition, just as they stood, than any other, recognizing the fact that it was built upon financial experience superior to any that I had had. I submitted, and bowed to the better judgment, of the trustees of the institution. In fact, they would not have accepted the trust unless we had done so. Because they showed me that it was in the interest of the bond-holders, and if they became responsible for the good faith of this transaction, those provisions of that deed must be allowed to stand as they are.

C.H.Parsons : The next question that has been submitted, I suppose you could not answer either, because it is kindred to the other--Is there anything by which the bondholder can be prevented from securing interest or principal when due ?

Judge Arthur : I can't answer it, as to the exact details of the trust deed unless I had it here. I can only say, that I know of no provision in the trust deed that will prevent the bondholder from securing his money when it is due, whenever that money is due. I don't know that there is anything in the trust deed to prevent the trustee being compelled to bring suit, and if he fails to do so, a suit instituted in behalf of anyone ~~else~~ of the bond-holders or on his own behalf, ~~xxx~~ ~~xxx~~ to secure his rights. I think there is a provision that ~~if he~~ falls, within 30 days, or happens to become due, he may bring a suit upon request of the bond-holder or a fore-closure proceeding, and that suit can be instituted by some one of the bond-holders themselves. I don't just remember what the provisions are. Such provisions are incorporated

in the trust deeds.

C. H. Parsons : I will state, as Chairman upon this Com-
institutions
mittee on ~~plans~~, a copy of this bond proposition has been placed
in my hands, but I am free to confess that I have not yet reached
any special consideration; for our committee has not thought of
a
any institution, so I have never read it. I just have it in my
possession. I have not read it.

Judge Arthur : I would be glad to have my attention called
to any of these provisions. And I will explain them.

C.H. Parstons : I thought it might be a good idea to ask
the Judge, if the Conference is willing to take up the time,--to
read this document, and we have the benefit of it.

Judge Arthur : There are something like 30 pages of it. I
shall be very glad to read it--the copy you are handing me--is
it a certified copy from the records ?

C.H. Parsons: There are 13 pages, solid pages, of it.

Judge Arthur : Is it a certified copy of the record ?

C.H. Parsons : I can't answer; I won't be sure. I presume it
is, because it is signed in pencil at the close, "John H. Kellogg,
President, and other names as secretary and witnesses". And the
date of signing is January 28, 1903. I don't know who made the
copy, or whether it is genuine or not.

A.G. Daniells : I was stating I could answer your question
with reference to who made the copy. Elder Evans had a copy made
from the copy you furnished him at the office.

Judge Arthur : This is not a complete copy, then.

A.G. Daniells : No, sir. Those are the conditions beginning with the conditions of the bond; that is all that was copied. The description of the property was not copied.

Judge Arthur: There ~~xxxxx~~ are some very important provisions and the trust deed and the bond itself, though, that were left out--some very important provisions.

Elder Daniells : There are no conditions before those that you have there.

Judge Arthur : These are ~~xxxxxxxxx~~ provisions taken from the ~~xx~~ general body of the trust deed and these are only supplementary and they must be read in view of this, and precedes them, and the deed itself. These are only conditions that are added to ~~xxxx~~ them, and qualify them and explain them to some extent. Still I am willing to read them.

C.H. Parsons : There would be no object in taking the time of the Conference to read these conditions under the impression that there were other conditions that might modify these.

Judge Arthur : As Brother Daniells says, there are ~~xxxx~~ no conditions other than them, but you understand these are conditions added to the trust deed itself, but there are certain modifying conditions that apply to it.

C.H. Parsons : I believe I have got the solution of this whole difficulty.

Judge Arthur : There are only 13 pages here; there are 37

pages in the whole deed. As if you were going to make out a mortgage. After you have written the mortgage, you says 'I hereby guarantee the title except that you agree to pay a certain sum of money, ~~or if~~ you agree to ~~pay~~ do certain things, or to do certain other things, but the document is complete even without the con-
as the
ditions, that is, it conveys the property. ~~And in fixing the~~
the ~~rate~~

C.H. Parsons : I understand that these then are conditions limiting the liability of the trusteeship ?

Judge Arthur : I think very probably.

H.W. Cottrill : Let us have the reading then, Judge, anyway

Judge Arthur : As I say, it must always be considered that these are the tail end of the thing.

A.G. Daniels : I would ~~not suggest~~ move that we request that these conditions be printed and placed in the hands of the delegates to-morrow morning for personal examination.

The motion was seconded, put and carried.

Jesse Arthur: With the permission of the Conference, Mr. Chairman, I would like to go on with the history of another transaction that is closely allied to this one that we have been considering, that of the Battle Creek Sanitarium Company, Limited. We have so many companies Limited, and Battle Creeks around there, and Sanitarium business, and health foods, and companies, that people's minds get confused, and they really do not know where they stand when we talk about a Battle Creek company. But I have endeavored as far as I could to concentrate the thing, so as to do away with the possibility of our getting lost in the maze of Battle Creek institutions that belong to our denominational work, I refer to; not the others.

A.G.Daniells: How many are there?

Judge Arthur: I think there are 154,000,000 millions of institutions; I mean that they are capitalized at \$154,000,000, that is those outside of our denominational institutions.

Now I refer to the food business.

C.H.Parsons: How many corporations have we in Battle Creek, anyhow? Can you tell offhand, or would you have to have the records?

Judge Arthur: No, sir; I think I can tell offhand. We have, first, the General Conference Association. Then we have the Seventh-day Adventist Publishing Association. Then we have the---now I have that long name,--I will have to study it out a little bit. Brother Magan is here, and he will help me out, however. It is the International Medical Missionary Training-School Association. Am I right, Brother Magan?

P.T.Magan: That is orthodox.

Judge Arthur: Then we have the International Medical Missionary and Benevolent Association.

and Benevolent Association. Then we have the Good Health Publishing Company. Then we have the Battle Creek Sanitarium Food Company; and, last, but not least, we have the Battle Creek Company, Limited. I believe that is all I can remember.

A.G. Daniells: How about the Sanitas Company?

Judge Arghur: I thought they referred to our denominational institutions. That is a private corporation. I understood the brother referred to our denomination ^{tu} institutions. These are all denominational institutions, Every one of them, except the Battle Creek Sanitarium Company, Limited, are organized under a statute of Michigan that provides for the incorporation of charitable, benevolent, and philanthropic institutions. They are all eleemosynary corporations, purely so, except the Battle Creek Sanitarium Company, Limited, which is a commercial corporation.

Now I want to explain just how that company came to be created, and the reasons for it. When it became manifest that money had to be raised for the purpose of completing the main Sanitarium building, the new Sanitarium building, there was this thing to be considered: The old concern owed in the neighborhood of \$230,000 to \$240,000. I would say in round numbers, about \$242,000. Of course those debts were due, as I have already said, to the denomination, except possibly some \$50,000 or \$60,000; and it had been owing a great deal of it almost from the origin of the work. Some of them had been running for years and years. Now then if a mortgage was put upon the Sanitarium property, its principal property, you can readily understand that it would not be fair and just and honest to do a thing of that kind, without making some provision to protect these unsecured creditors. Their interests had to be looked after. If the deal was to be a fair and honest one, the question was how could they be taken care of without they were included in this bond

issue? It became manifest that if you take two or three hundred thousand dollars out of the bond issue for the purpose of paying these creditors off---in fact the great majority did not want their money as long as they could get their interest, and besides their notes were drawing six per cent, and the bonds were only five, and they did not care to exchange. Now the question was, What was the institution to do, in order to protect these unsecured creditors that had paid their money years and years ago, to help build up that work? Something had to be done, and here was the scheme devised, and it seemed to me that no better plan could have been suggested.

The Sanitarium just after its reorganization conveyed its valuable food franchises and business to a corporation organized and was known as the Battle Creek Sanitarium Health Food Company. It is true that that institution was also organized under the charitable Act; that is, I call it Charitable Act, for short; and no one could have any individual interest in the profits derived from the sale and manufacture of those foods; but it all must be used for charitable purposes.

But at the time the Sanitarium not only conveyed all those valuable rights, trade secrets, its business, and everything to this new corporation, but also made it a deed for valuable real estate, including its Battle Creek plant on White Street, its manufacturing plant, everything connected with the food business. ¶ At the same time, or shortly afterward, there was organized another corporation known as the Good Health Publishing Company. That was also organized under the charitable act; and to that new corporation the Battle Creek Sanitarium transferred all its rights, interests, and property in the Good Health journal and all the property connected with it. So you see it was parting with valuable property, at the same time that it was in debt.

Now if the Sanitarium had owed nothing, it would have been all right to part with that property, because it could be generous just as much as it wanted to be, provided it owed nothing; but, as it was in debt, it was right that it should be just before it was generous. But it could afford to give away that property to those institutions, because it had more than enough left to pay all of its creditors, and then have a surplus of several hundred thousand dollars.

C.H.Parsons: That is the condition you refer to before the fire?

Judge Arthur: I am getting to the fire. That is the condition of things when the fire occurred. Now then after the fire, and it became necessary to rebuild, it was found that if they had taken the insurance money, and paid off these debts, there would be nothing left, because without the Sanitarium, and without its earning power, and without a building to do business in, why, the creditors would not have received probably more than their insurance money, and the other property would not probably have brought barely more than enough to have paid its debts, and it would practically have been without any means at all. But as a good sound business proposition, the trustees said, We will go ahead and rebuild the institution; use the insurance money as far as it will reach, and then borrow the money necessary to put the institution upon its feet, so it can begin to go ahead in its career of usefulness, and be able to earn an income.

Now I want to say to you brethren, Look at the Sanitarium as a business proposition purely, leaving altogether outside the charitable feature,--the Battle Creek Sanitarium the year before its fire, its gross receipts were \$614,000. Why, it would have been folly for the trustees to have abandoned that work. A business

man would have made himself the laughingstock of the community that would absolutely sit down and let his business go, when it was capable of earning, making a gross earning of \$614,000, with the possibilities of net earnings, if properly managed as a commercial enterprise, of \$200,000 a year. Actual calculation shows that if the money that the Battle Creek Sanitarium took in had been operated, and the business had been treated purely as a commercial proposition, and no charitable work done, no patients received except those who are able and pay the full amount of the charges, that it would have earned \$234,000 the year before the fire, the net earnings.

And so it became necessary to raise the money. A mortgage had to be given, as I have already explained. Therefore we must take care of these unsecured creditors. How was it to be done? The only possible way was to go to the food business and the Good Health Publishing Association and say to them, Here, gentlemen, you have the property that properly belongs to these creditors of the Sanitarium. You have the Sanitarium's property. To the Food Company, You have property that would invoice \$140,000 or \$150,000. About \$144,000 of actual property; and the company was doing business on practically a cash basis; and at the time did not owe \$2,000 of running accounts; at a proper invoice, it had assets of about \$140,000 over and above its debts. The Sanitarium had no right to give that property away, as against the interests of its unsecured creditors, nor had the Food Company any right to retain it, nor had the Good Health Publishing Association a right to retain the property that had been presented to it, without any equivalent being paid over to the Sanitarium, because it properly belonged to those unsecured creditors.

C.H.Parsons: Who held the stock in those two corporations, or was it this benevolent act?

Judge Arthur: I said it was under the Charitable Act. There was no stock. The Act under which they were incorporated provided that every dollar of the earnings must be used for benevolent and charitable purposes, and there were no stockholders. There was a constituency, and that constituency is based on the trustees on the Battle Creek Sanitarium; practically it is a branch of the Battle Creek Sanitarium's business. But it had now become necessary to segregate it. In my opinion, as a business proposition, I do not know that I can say positively whether I can claim the credit for having suggested the idea. I claim the credit for so much that is wrong in the estimation of my brethren here, that may be I would better put that on somebody else; but anyway, the idea came to me that we had better do away with these miserable Charity corporations, ~~namely~~ regarding the status of which we did not know, and deal with something that we did know. It was a struggle all the time to know where I stood. Pretty nearly every day I used to tear out some of my hair out of my head---I am pretty near bald---in considering the status of these food companies and charitable institutions. Every day some fellow would come along and want to know where we stood. And I could not tell where we stood. So I thought I would wipe them out, and start fresh, and put down some more. It was agreed that that should be done. But at the same time, it was to be distinctly understood that this food business and the Good Health Publishing Company, and all their allied and kindred work was to be carried on for purely benevolent purposes. And still I had that difficulty to contend with again. So I tell you how we worked it out.

We organized the Battle Creek Sanitarium Company, Limited, a purely commercial corporation, with Battle Creek Sanitarium

Food Company, with a capitalization of \$500,000. You may say, Well, that is an enormous amount of money to capitalize a concern that has nominal assets amounting to about \$130,000 or \$140,000.

Voice: How much paid up?

Judge Arthur: I will get to that in a moment. That was an enormous capitalization, in taking over these assets amounting to \$130,000 or \$140,000, the food plant and its claims, and everything of that kind.

Now you must remember that in addition to the actual real estate and the building and machinery connected with it, and the wheat and the food products, and everything of that kind that was invoiced to go to make up that \$130,000 or \$140,000, that the Battle Creek Sanitarium Food Company had one of the most valuable franchises in the world,--the exclusive right to the sale of its foods, and the use of the Battle Creek Sanitarium as an advertising medium.

Now I want to say to you,---let me see, who was it said to me, to-day,---Oh, Brother Waggoner---there he is---I heard him say,--I could not catch just what it was, for he was in conversation with somebody else, t--- that Mr. Post (To Elder Waggoner)---You yourself had the conversation?

Elder E.J.Waggoner: No.

Judge Arthur: Somebody did, anyway. I could only catch a word. He was talking to some one else. I could a word once in a while; but I gathered from the drift of it, and it was to this effect, that if Mr. Post could only have the Battle Creek Sanitarium to be used as an advertising medium in putting his foods before the world, that there was millions in it; that it was worth more than five ~~million~~ hundred thousand dollars; that it was worth several

millions; and I know that is true; for independent of that, Mr. Post said if he had that thing, it was worth more than a million dollars to him, if he could only have it.

I know another thing: I know that Dr. Kellogg himself was offered on one occasion what was equivalent to \$25,000 a year for the privilege of using and advertising certain foods to be made in Battle Creek, under the name of the Battle Creek Sanitarium, and put them forward to the world to be used exclusively in that institution.

I know that too. And I know another thing, that when we were about organizing that food company that I myself was approached by a capitalist in this country who could raise a million dollars in twenty-four hours if he wanted to do it, and said to me, If you can procure the rights to manufacture those foods, and turn them into a commercial corporation, I will make you a rich man, and I will not only make you a rich man, but I will assure you that your people can have a half million dollars for it.

Why just look at that situation in Battle Creek, at those concerns, that are capitalized, and have invested their money in it, and to the extent of one hundred and fifty four millions, and I donot think I am far off. Look at the great big buildings built there, and money poured into them, stock selling, and institutions with \$250,000 capital established there on nothing, nothing but some fellow that learned how to roll our wheat flakes at the Sanitarium, and he had \$250,000 capital invested in great big buildings there, and then tell me the Battle Creek Sanitarium Food Company stock is watered! I only want to say to you there is a basis for it. It is not wind; it is not water; it is not an aqueous solution by any means; it is food. That is what it is. It is food, and it is solid food at that; it is pabulum.

How was that stock to be disposed of? and still keep up the charitable feature? It was disposed of in this way. They thought necessary to incorporate that commercial corporation. There were five persons selected--I have forgotten their names. I think Mr. Wentworth is one--M.W. Wentworth; H. G. Butler is another; W. K. Kellogg is one; Dr. Kellogg is one; and Chas. E. Stewart is another. Each one of them owns one share of stock valued at \$500. in that corporation. Dr. Kellogg owns one, Dr. Stewart owns one--each one

Sanitarium Food Company owns 422,000 shares, I think, and the Good Health Pub. Co. the remainder of the stock that goes to make up the five hundred thousand dollars. It is practically a trust, only it is a trust within a trust. Now then you have the commercial corporation that absorbed all of these outside institutions, and we now have ~~one~~ great commercial corporation that is operating all the food business. It is a commercial corporation. It is a merger; everything is merged into that.

Of course, all the Food Company was entitled to was the equities enhanced ~~in~~ in value as it has while it was being operated during these years since the Sanitarium all over to them; it was on account of the Good Health that that five hundred thousand dollars was paid; but the Sanitarium had to be taken care of, and how were you to take care of the Sanitarium which had originally owned all of the property? We have got it all now, and the Sanitarium has nothing. We provided thus: The Sanitarium merger for \$250,000., the estimated value of the actual property transferred from the sanitarium to these two companies was executed, and bonds issued to the Sanitarium increasing its assets to the extent of \$350,000 to what it was before the fire.

C.H.Parsons: I understand that proposition, but where do the holders that hold the two hundred and forty thousand dollars indebtedness come in now?

Jesse Arthur: I have been fishing for that question for some time. Of course, if I had said it right out nobody would have paid any attention to it. I have just been waiting for that. I knew you would come to it after while. The question is how are they protected? I will tell you how. Just as soon as it became manifest that they must be taken care of in that way, they were all written to. and I want to say I had an idea that they were held

generally by people who knew very little about business transactions, but I was surprised when within sixty days--well, less time than that--within forty days after the first letter was written, there were \$120,000 worth of that paper--persons holding that paper sending in favorable replies, that they would accept these bonds from the Sanitarium.

E.H.Parsons: That is, ~~these~~ ~~mer~~ this merger company, as Elder Jones described it, was turned over to the Sanitarium proper, and they give those bonds in lieu of the old indebtedness?

Jesse Arthur: No, Sir. They did not give them in lieu of it. The holder of the old indebtedness still holds his note, but they deposit these bonds as security against the note, because the bonds themselves are only drawing 5% whereas most of that paper is drawing 6% and some times 7%.

C.H.Parsons: Were not those merger company bonds issued to secure the old indebtedness?

Jesse Arthur: The merger company bonds were turned directly over to the Sanitarium ~~the~~ ~~x~~ to pay the Sanitarium \$350,000 for the property that had been acquired by the merger company.

In some instances the people surrendered their notes; they can do it if they want to, but they are not asked to actually surrender the notes and take the food company's bonds for their debt at a reduced rate of interest. The Sanitarium would much prefer to do this, because this interest is reduced; but they have not felt like it would be just and honest to ask these people to put their debts in those bonds; they say we will give you the bond as a collateral, as an additional security for your debt, because we have put a mortgage on the property, and we feel that something is due that you should have additional security. That is the way that three hundred and fifty thousand dollars is being disposed of.

It is there forx the purpose of securing these original debts, which they are accepting already.

C.H.Parsons: Do the old holders of the indebtedness have a second mortgage on the Sanitarium proper?

Jesse Arthur: No, Sir. They have not; they have got a first mortgage.

C.H.Parsons: Does their mortgage antedate this new issue of bonds?

Jesse Arthur: No, sir. That mortgage issued by the Sanitarium proper does not touch one particle of the property mortgaged by this new corporation.

C.H.Parsons: I mean they really still have a personal claim against the Sanitarium proper, subject to the mortgage.

Jesse Arthur: If you mean to say they have a personal claim against the Sanitarium corporation subject to this mortgage of three hundred and fifty thousand dollars, I will say, yes.

C.H.Parsons: In addition to that, they hold bonds, which is practically a first mortgage on this corporation?

Jesse Arthur: Not practically a first mortgage, sir,--actually a first mortgage. They have not surrendered anything. In addition to that they are given a bond as collateral security in addition to what they formerly held, that covers all the food company's property--not only the realstate, and the factory; but it covers all its patent rights, its food rights, its good will, business, and everything. I drew up that mortgage. I have not it here, but it is very much like the one we have here--this trust deed--so far as the conditions are concerned; but it covers everything.

R.A.Underwood: When those old notes are all paid up by that food company, then who owns the food company?

Jesse Arthur: The stockholders. You see these notes have nothing to do with the food company. The food company does not owe anything. The stockholders are the five gentlemen who incorporated, and who own one share each, and the Battle Creek Sanitarium Food Co owns 422,000 shares, I think it is, and the Good Health Pub. Co. own the balance.

As soon as these debts are paid by the Sanitarium, of course the Sanitarium has in its possession an additional asset to what it had before, because of this note for two hundred and fifty thousand dollars which it holds against this commercial corporation. This commercial corporation, while it can go on and do business in a commercial way, and has a commercial standing is not hampered by these trust deeds; still it does hamper things because when you go into the world -----

Allen Moon: Is it true that the original note holders are surrendering those for the stock merger company?

Jesse Arthur: O, no. The stock is not for sale. The stock and merger company is owned by the Good Health Pub. Co., the Battle Creek Sanitarium Food Company.

Allen Moon: And they are receiving this stock simply as security?

Jesse Arthur: No sir. They are receiving the stock for equities or whatever rights they may have had in this business when they sold out to the new company. The Battle Creek Sanitarium never received anything from either one of these institutions for the property it transferred to them several years ago, and now the Battle Creek Sanitarium says to the new corporation, You have got this property, it is true from the Food Company, and from the Good Health Pub. Co., but it belonged to me. Do not you see? It belonged to me. Now, then, I owe two hundred and thirty thousand dollars, and I have

been compelled to mortgage my property that I had here. I have already done it; and it is only just and fair that you should hold your property, unless you wish to take all these creditors, and pay them, take care of them. In order to take care of these creditors the merger corporation mortgages its property for three hundred and fifty thousand dollars, and pays the bonds of the Sanitarium, because the Sanitarium had already conveyed the property, and it was listed ^{over} ~~at~~ ~~for~~ one hundred and forty thousand dollars outside of its actual future business.

A.G. Daniells: I want to ask if the holders of the notes against the old Sanitarium have been requested to transfer these notes from the Sanitarium to this Battle Creek Sanitarium company.

Jesse Arthur: Not that I know of. The only thing I know anything about, Brother Daniells, is that the old note holders have been requested to either surrender their notes and take new notes secured by the bond issue made to the Sanitarium, or to take new notes from the Sanitarium. I do not know of any other plan, if there was any other plan. It was at one time suggested that the Battle Creek Sanitarium Company ~~xxxx~~ assume the liability, and stand the liability that it assumed, if persons were willing to exchange their notes of commercial corporations, and that the Sanitarium will surrender bonds to the old extent back to the Food company.

Whether that has been done, or not, I can not say, because I do not know.

A.G. Daniells: You do not say that it has not been done?

Judge Arthur: No, I do not.

A.G. Daniells: Will you state positively what the real assets of the Battle Creek Sanitarium Company, Ltd.

Judge Arthur: What kind do you refer to?

A.G. Daniells: The real estate assets.

Judge Arthur: I can not say positively; but I can give you the description of the property, as set out in the deed.

A.G. Daniells: I mean the value.

Judge Arthur: The value of the invoice---in November, I think, it was when the invoice was taken---the value in the invoice was \$107,000, I think, or somewhere in that neighborhood. I am not far from the exact sum; I think it would be safe to say about \$110,000.

C.H. Parsons: Is that the Sanitarium proper?

Judge Arthur: No; the Food Company.

A.G. Daniells: Then the real estate assets are about \$110,000?

Judge Arthur: No; all its tangible or visible assets.

A.G. Daniells: Then what constitutes the remaining \$390,000 of assets?

Judge Arthur: That is just what I am trying to explain.

A.G.Daniells: Just in a word,---

Judge Arthur: It is the trade rights and good will of the buisness.

~~Judge~~ A.G.Daniells: The good will of the business?

Judge Arthur: Why, certainly; the franchises, and formulae, and patent rights; just as if you would capitalize those food companies for ~~sum~~ \$200,000 or \$300,000, when the visible assets would not amount to probably \$50,000.

A.G.Daniells: Then the visible assets of \$110,000 are the visible security to these note-holders for \$250,000?

Judge Arthur: O no! it will not amount to \$250,000. \$230,000, I think, is about the limit. It was never over \$242,000; and I think it has been reduced now to about \$230,000. I don't know but that a portion of that has been paid off. When I say that that is the amount of the assets---\$110,000, I do not mean to say that that is probable the exact value of it, because, in putting it in, in making up the schedule for their books, why, you must remember that all those things are valued very low, always. You did it in the Publishing Company, and in any other concern. For instance, when ~~man~~^{we} went to go over our schedule, we found it away below what it really ought to have been.

A.G.Daniells: I suppose that would be a matter of opinion, as to who was placing the valuation?

Judge Arthur: Yes, it is, but I am speaking about---

A.G.Daniells: One gentleman who was a noteholder in the old Sanitarium, told me that he investigated the assets with the proper party, and he valued them at not over \$90,000; and therefore he would not transfer his note from the Battle Creek Sanitarium to this new Company.

Judge Arthur: Yes, sir. Well, that is his idea of the value of his note. Of course he has a right to have his own opinion as to its value. His opinion would not be mine.

David Paulson: Would it be violating any secret, Judge, to state the value of the franchises of six of the foods, as placed upon them by the offer made less than a year ago?

Judge Arthur: I do not know the exact value; I do not ~~know~~ remember what the figures were. I remember the transaction that you speak of; but I can not say as to that, because I do not know as I ever knew exactly what the value was.

W.C.White: May we hear Dr. Paulson's view of it?

Judge Arthur: I suppose he is at liberty to tell you, if he chooses.

David Paulson: I have all the facts, but I do not know whether it would be the proper thing to state them here, or not.

Judge Arthur: You must be the judge of that, yourself.

W.C.White: We should like to hear what the offer was, if thought proper.

David Paulson: It would only help illustrate what the value of those franchises really is.

Judge Arthur: There is no doubt as to the value of those franchises. The gentleman of whom Elder Daniells has spoken, ~~did not~~ failed to appreciate the value of these franchises, patent rights, etc. To my mind, he did not understand a good, sound financial proposition when he saw it; though that is a different of opinion between him and me; and any two persons are liable not to have the same idea about things.

Brother Daniells may see a business proposition in altogether a different light from the light in which I see it.

C.H.Parsons: May I ask a few questions now?

Judge Parsons: Certainly, sir; I am glad to answer anything I can. If I can not answer them, I will say so.

C.H.Parsons: As I understand it, these old obligations of the Sanitarium were not in the form of mortgages against the property?

Judge Arthur: No, sir; never.

C.H.Parsons: Then the necessity of making a loan for the finishing of this building, by mortgaged bonds, would make that security poorer.

Judge Arthur: That is right.

C.H.Parsons: Then, inasmuch as they can still hold those notes, and get this additional security from this new Company, you have certainly, to my mind, improved the condition of the old noteholders.

Judge Arthur: That is what we attempted to do; that is the idea.

C.H.Parsons: I think the Judge has been honest in this last transaction, anyhow. [Laughter.]

Judge Arthur: Much obliged to you for saying that! As I stated a while ago, every man has a right to hold his own opinion on this matter. Although Brother Daniells' friend valued his note as worth less in the new Company than in the old, I think he was very foolish for looking at the matter in this light. But, as I said, he has a right to hold his own ideas in regard to the matter.

C.H.Parsons: I am not giving you a good character too

fast, Judge---I am only giving a little at a time.

Judge Arthur: I am always thankful for any favors, large or small.

W.C.White: The value of these manufacturing franchises, for which a large sum of money has been offered, was the property of the Sanitarium Food Company?

Judge Arthur: Every one of them, as I understand it; I never knew of anything else.

A.T.Jones: And they are now the property of the "merger"?

Judge Arthur: They are now the property of the merger. That is, in drawing up the bill of sale and all ~~the~~ the papers connected with the transfer of the various properties, you find frequently mentioned "patent rights," formulae for manufacturing foods, etc. If there is any single individual that holds those rights over those foods, I want to say here that I do not know anything about it. I have always understood that they belong to that Company. It has been held out so to me, and I endeavored to make the transfer that way. And when I ^{drew up} ~~made up~~ the bill of sale, and wrote the deed, I endeavored to cover this point.

S.H.Lane: I should like to ask for information in regard to the length of time for which the limited incorporation is incorporated?

Judge Arthur: I think it is twenty years. That is as long as you can incorporate it, under the Michigan statutes.

S.H.Lane: Is it proposed that the notes will be paid up during the twenty years?

Judge Arthur: I suppose so.

~~misdirection~~

S.H.Lane: At the expiration of the twenty years, where does the property go to?

Judge Arthur: The property of the Food Company?

S.H.Lane: Yes, sir.

Judge Arthur: To the stockholders.

S.H.Lane: The Company itself is the stockholders--- the five men holding stock?

Judge Arthur: No, it is the ~~luna~~ Battle Creek Sanitarium Food Company and the Good Health Pub. Co.,---the old incorporation. [Undertain about this answer---Stenographer]

S.H.Lane: Then it will revert to them?

Judge Arthur: There are only five shares owned, outside of the shares owned by the Battle Creek Sanitarium Food Company and the Good Health Publishing Company, and both of these Companies are charitable organizations. It will go back to the stockholders,---those two companies. They are the only stockholders, except the five men who own one share each--- one \$100 share, for the purposes of incorporation. ~~misdirection~~

C.H.Parsons: If there is any of this bonded indebtedness that is not paid at the end of the twenty years, the bondholders have a ~~prior~~ prior claim over the stockholders in the winding up of the affairs of the Company?

Judge Arthur: O yes; that money goes to the Sanitarium. In other words---there seems to be, from the question suggested by Brother Lane, there seems to be a doubt in the minds of some, where this money will ultimately go to, if it is a commercial corporation. In the event, as Brother

Parsons has explained, that at the expiration of the twenty years, these bonds are not paid, the Sanitarium forecloses the mortgage and takes the property. That goes to the charitable institution that belongs to the ~~denomination~~ denomination.

If the earnings of the Food Company pay the bonds in the twenty years, ^{and,} when the charter limit expires, if it is desired to re-incorporate and go on with the business, then all of it except five hundred dollars will go to the Battle Creek Sanitarium Food Company and the Good Health Publishing Company. Both of these are ~~incorporated~~ Companies organized for charitable purposes. There are no stockholders in these two Companies.

R.A. Underwood: No dividends?

Judge Arthur: No, sir; because there are no stockholders in these two Companies.

Watson Ziegler: Was it not brought out here by Brother Parsons that these old notes would come in as a second deal, after the issue of these ~~bonds~~ ^{Battle Creek} bonds by the Sanitarium Company, Ltd. Was the Battle Creek Sanitarium Company, Ltd., the Company that gave these old notes?

Judge Arthur: No, sir; Brother Parsons asked me ~~minuten~~ this concerning them: He asked me if these old notes, primarily, still retained their position as a debt-bearing [obligation of] the Sanitarium; but subject to this first mortgage; but, in addition to this, they have, as their security for payment, the first mortgage on the Food Company. That takes the place of what they may have lost by reason of the original mortgage given by the Sanitarium. He used the word, "Were they not a second mortgage?" and I said, to be accurate (for I am a lawyer, and as a lawyer, have to be accu-

rate), that ~~they were not~~ they were not. A lawyer must be accurate, in speaking of these things.

G.G.Rupert: I should like to ask a question or two.

Judge Arthur: Certainly.

G.G.Rupert: If I held one of those old notes at this time, and desired the money on it, is there any provision at this time for its payment?

Judge Arthur: As to that, I can not say. I do not believe the Sanitarium has ever refused to pay one of them. I never knew it to default yet, to fail to pay anything that has been presented. I know that I have had several of them, and I have had some of them sent in to me, ~~and~~ since the fire, and Mr. Murphy did growl a little at the last twelve-hundred-dollar note that I paid; but I said that if the note-holder wished the money, I supposed that we could not do otherwise than pay him.

G.G.Rupert: They are paying the notes, and keeping their credit up, the same as before the fire?

Judge Arthur: So I understand. I never knew them to default. I have never heard of their refusing to pay a single one.

C.W.Flaiz: Has the responsibility ~~in~~ for the payment of the \$240,000 of the old Sanitarium debt, been transferred from the Sanitarium to this "merger"?

Judge Arthur: It could not be, without the consent of the holder of the note.

C.W.Flaiz: But has that been done?

Judge Arthur: Brother Daniells says that in some cases it has been done.

C.W.Flaiz: Do you know that it has been done?

Judge Arthur: I do not know of a single instance. I do not know that it has been attempted. At first, I know it was proposed that it should be done.

C.W.Flaiz: Was it necessary that it should be done, in order that the bonds should be issued?

Judge Arthur: No, sir; that is purely a matter of expediency.

C.W.Flaiz: Then the \$240,000 that stood against the old Sanitarium Company, ~~was not~~ did not in any way affect the ~~m~~ issue of new bonds by the new institution?

Judge Arthur: No, sir. The new institution issued the bonds, \$350,000, and delivered them to the Sanitarium, and its connection with the business was at an end.

W.C.White: In behalf of the many committees which have appointments for five o'clock, and which will entirely lose their appointment, if we continue fifteen or twenty minutes longer, I would ask if it would not be advisable to defer further discussion of this until a future meeting, and adjourn, that our committees may proceed with their work.

Judge Arthur: Just let me answer the question that Brother Rupert was about to ask. I never like to turn away any question, unanswered.

G.G.Rupert: I was about to ask this question: Has the Sanitarium at present a legitimate and moral right to make such shifts as they may mutually agree with their creditors, with these notes, to shift them in order to meet their present emergency, as well to protect their creditors?

Judge Arthur : I think when two individuals get together,---you and I get together,---and we say, I should like to arrange this in such and such a way,--I have a moral right to make such a proposition, and you have an equal right to accept it. That is the situation, exactly.

Upon motion, the Conference adjourned, at 5:27 p.m.

H.E.OSBORNE,

Secretary.

W.T.KNOX,

Chairman.

SERMON by Elder D. E. LINDSEY, Thursday Ap. 2. 7:30 p.m.

"This gospel of the kingdom shall be preached in all the world for a witness, unto all nations, and then shall the end come". It might be well for us to study a moment the setting of this text. We go back more than eighteen centuries, and find a people environed as perhaps no other race ever was, -- Israel. They were looking for the Messiah. In fulfilment of prophecies, He comes, and begins His work. He gathers round him a band of men whom we call His disciples, and one of the things He says to them is "This gospel of the kingdom shall be preached in all the world for a witness unto all nations, and then shall the end come". And I wish to study with you a little this evening into God's purpose. We gather from various scriptures that God created the heavens and earth, the animals, the fishes and the fowls, and then he made man, and gave him an helpmeet and gave them a beautiful Eden home, and commanded that they multiply and replenish the earth. All this came about, and later on man sinned and for the time being God's great purpose, which was to have this earth inhabited by a loyal race of subjects, who should subdue and beautify the earth, --this great purpose was thwarted; and I believe God will accomplish His purpose, what He set out to do; but it is a question whether we will have a place in it or not. But He will accomplish His purpose. God in His purpose created man a free moral agent, and He would not have created him with the intelligence that He gave him, if He had not desired to have

man serve Him of his own choice. These matters were provided for in God's great and eternal purpose. As is recorded in the Scriptures, With the possibility of transgression, with the possibility of man's failure, it was provided for in the eternal purpose that there should be a remedy for it. All these possibilities must have been provided for in the mind of God when He first created this world. And so we read that Jesus Christ is "the Lamb slain from the foundation of the world". It was only a little while after the creation till the tempter comes along, and you know the story. Adam and Eve are driven out of their Eden home, and yet they are not left without the favor of God. At once the Creator begins to seek for man's redemption and salvation. Noah was chosen as an instrument in this design. He preached we are told for 120 years, and he emphasized his faith with the hammer and his ~~w~~ faith was accompanied by works which corresponded to his faith. Nah and his family were given an opportunity to be saved, and they were. He encouraged them to lives of obedience and holiness, and in a little while the world was as it was in the days of Noah. Then we come to Abraham, who was told to get away from his kindred and out of his country. God promised that He would give him the land for an everlasting inheritance. I want particularly to call your attention to the good news that some time in the future, not very far distant, when Jesus comes He will establish a kingdom that shall embrace all the territory of the earth and the saints shall possess it as an everlasting inheritance.

This doctrine of the kingdom has largely been lost sight of; and this is because the arch-deceiver in a variety of ways, deceives men and has led them to believe things that are the reverse of the truth. The siren song has been sung by him and his disciples in every age and in every clime, without regard to nationality or anything of the kind, and men have been lulled into carnal security and again and again, from a human standpoint, God has almost despaired of accomplishing His purpose. But there was His purpose, and there was the plan; and there was the personage, who is the Lord Jesus Christ, through whom everything must be accomplished.

Abraham's descendants, like the descendants of Noah, become sinful. Captivity after captivity followed their transgressions of his law. They went down into Egypt, and they sojourned there four centuries. Finally the time came when God must deliver them, and Moses is raised up to deliver them, and miracle after miracle was wrought, until finally they started out to worship God. You remember the story of the Red Sea, of the giving of the law at Sinai, of their wanderings in the wilderness, and finally their entrance into the promised land. It was not long after reaching the promised land until they clamored for a king as the nations around them, that they might cope with them, that they might have advantages that they did not possess as simple followers of God. And God allowed them to have the thing they asked, when he knew it would be their ruin, that they would suffer the consequences.

The time comes for Christ to appear, and He appears in fulfillment of the utterances of their own prophets, and he verifies his claim to everything that he does claim, and he does it by the authority of the declaration of their own seers and prophets, and yet there were very few that comprehended the fact that he was the Messiah. That one borne under such lowly circumstances, and under such questionable circumstances as Jesus Christ was, could possibly be God in the flesh, God with us. And yet it was he, but they recognized him not. Christ came to enunciate the principles of the law which is a transcript of the divine mind, and the righteousness of which God would be pleased to have every one of us have this day. Christ gathers up the principles of righteousness that had been declared from the foundation of the world until that present time, condenses them, and codifies them in nine words, and then, that men might know that these were the words of God, he reaches back to Eden and takes the Sabbath, which shows that he is God, and seals that in

his law, thus making ten words. You are familiar with the work of Christ, and the consequences of it. You are familiar with the early history of the church. We pass down through the history of the early church, and we find a power prophesied of again and again, called the papacy; we find it developed, and in full power and control, governing in political affairs, and in ecclesiastical. We find that the world becomes full of darkness instead of light, a place of sorrow to the people of God instead of joy to God's people.

But there must come a reformation. God will sweep away everything else, so that there may be brought about the future and everlasting reign of Christ, and the possession of this world by his saints. He must do it. And in due time a reformation springs up. And one truth is revamped or brought out anew, one after another, until finally the time comes for the final messages. Line after line, precept after precept had been presented of a practical nature, and God always had a remnant through all these changing, shifting scenes of the world's history. Time after time there had been special messages, and such is the message that we preach to-day, which is found in Revelation 14. This warns against the worship of the best, or the receiving of his mark. As we study the message, we see the hour of God's judgment; there is a time of cleansing of the sanctuary, there is a time when the mystery of God must be finished, as well as the mystery of iniquity, and these things were typified in the sanctuary service. While many other ~~things may be drawn~~ lessons may be drawn from that sanctuary service, and while it is significant of many other good things, yet there is one thing that we do not want to forget.

And as there was a service each day in the year in the outer apartment of the sanctuary, there was also an annual service in the inner or most holy place, and that was the day of atonement when the recorded sins of the people which had accumulated and had been confessed by them during the year were blotted out, and unless these sins were blotted out, they were cut off from the house of Israel, and had no further part and portxion with them.

When we come to study the prophecy, we find a number of interesting periods of prophecy, but especially so is the period of the 2300 days, symbolizing the 2300 years. We know when that period began; we have learned when it ended, and we have learned that at the end of that period the sanctuary should be cleansed as God has said; and as in the days of Noah, so now; before bringing any great calamity upon the human race, God sends a warning to the people the same as he did in that day, and he has given to us the warning message to give to the world, proclaiming the antitypical day of atonement, and that the hour of God's judgment is come, and the three angel's messages as found in the 14th chapter of the Book of Revelation. There is no other book so consecrated by the Spirit of God as the book of Revelation. It begins with a blessing pronounced upon him that will read and understand it and it ends with a a curse on the man that will change it in any form, take anything from it or add anything to it. In these three angel's messages you read the warning against the worship of the beast and his image and receiving his mark, and you read further of a people developed by the preaching of these messages of whom it is said, Here is the patience of the saints; here are they that keep the commandments of God and the faith of Jesus, and all this is associated with the coming of the Lord Jesus Christ in the clouds of heaven, and then is the time of the harvest of the earth. If you

read the fifteenth chapter of Revelation you will find there the wonderful glory and blessing that is to rest upon those who do not worship the beast or his image or receive his mark. In the sixteenth chapter you will find a record of the plagues that will be poured out in the last days on those who have the mark of the beast. One can not proclaim this message without studying into the nature of God's law. One can not preach this message without a clear understanding of the sanctuary.

At the time this message was first preached, at the time of the 1844 movement, the people knew nothing about the doctrine of the setting up of the everlasting kingdom in this earth. This was revealed later. Then men went everywhere preaching the coming of the Lord Jesus Christ, and then came in some light on this other truth concerning the real nature of the future everlasting kingdom.

The disappointment came in because the prophecy was not understood; but as we go on we find a prophecy that provided for this very disappointment. At that time a great many took hold of the message through fear, and this was shown by the fact that but few clung to the truth after the time of the disappointment. O, how many there are today just like that, serving God through abject fear. Do not do it. God's love, God's law and name is not darkness at all. Get hold of right principles. See the object of these principles as given in the Word. It is the devil that suggests all these other thoughts. He is a liar from the beginning, and do not hesitate to tell him so. Let us understand the difference between him and his nefarious practices and his wicked works. Let us stand on the Lord's side. In this time he sets himself to work again. He brings other disappointments, and other things to bear upon the minds of men, and as they study the prophecies, he flashes doubts and question upon their minds; but when they see

through the scriptures, Jesus Christ, our High Priest, before the Father, making intercession for us; when they see the order of events in God's judgment, then they begin to take hold with new hope; they begin to proclaim these things. When they look into the Book of Revelation, and into the Book of Daniel; when they begin to look into the sanctuary, they can see the end of all things.

We can comprehend the end only as we think of that; for that is the end of all things.

Whenever I feel a little discouraged, I begin to study my Bible. I take up the prophecies of Daniel and Revelation, and study the principles of our faith, in connection with some of the good books we have; ~~and~~ perhaps I take up the sanctuary question; and I can testify that I never begin to ~~study~~ ^{inquire into} these things studiously, but that my faith and hope and courage are revived. As ministers, we have been told to keep the Sanctuary question and kindred truths before the people; for in the proclamation of these truths there is a blessing.

What do we see to-day?---We see the only people on the face of the earth to whom has been given the work of proclaiming the third angel's message of Revelation 14:6-12, perishing for the r lack of knowledge of these very truths.

^{our work half a century ago,}
 I We as a denomination began ⁱⁿ abject poverty and in obscurity. It hardly seems possible that so small a beginning could have resulted in so large a work. But I remember that Jesus ^{and that for years he lived} was born of humble parentage, ⁱⁿ an obscure village. During His ministry He had but few followers; but He began a work the results of which were worldwide.

As brethren and sisters, we have assembled to attend another General Conference. Shall we not go from this meeting more thoroughly consecrated and established in the love of God and in the work of God than ever before? Differences of opinion may arise; but in God's love there is a banacea for every difference. As Christ's ambassadors, let us be reconciled to God. Let us study His Word, and ~~then~~ especially the message He desires us to give. Let us remember that His purpose

must be accomplished; that there must come a time when the earth shall be restored in its Edenic purity and beauty. In the twenty-first of Revelation is portrayed a wonderful picture of the new earth when this purpose is fulfilled and man is restored to his former state. Then there will not be a jar in the universe. Every intelligence will be in harmony with God's mind, sin will be banished forever, and the reign of righteousness will be forever established.

O that I might be prompted by the Spirit of God to say something to encourage some dear soul to-night to determine to serve the Lord, forsaking sin, and uniting with God's people! I love to ~~contemplate~~ contemplate the Bible story, ---not only the story of the cross and the suffering connected with it, whereby man is redeemed; but the story of the restoration of all things, of the good time that is coming, when we shall be with the Lord forever. I love to think that there is now being prepared a people who are in harmony with God and ~~and~~ with His eternal purpose concerning man; and that when the dear Saviour comes, this people will unite with Him, evermore to live in the new earth. I love to think, too, of the privilege we have, while tarrying in this world of sin and woe, of laboring for the salvation of others, that they, with us, may fulfil God's purpose.

When the truth is heralded to the earth's remotest bounds; when God's servants are bidden to cease giving the message of warning; when, secure in His love, secure in the faith of Jesus, we shall await the time when our Saviour shall come, accompanied by the heavenly angels, to gather us to Himself and appoint to us a place in the heavenly mansions;---when the work ~~is~~ on this earth is accomplished, Christ will come,

our hopes will be realized, faith will become sight, sin and sorrow, pain and death, will be no more. O let the glad tidings go forth! God loves the world, and He is preparing a people to dwell with Him in the new earth. The same earth that at the beginning was given to man for a possession, will be prepared for the redeemed as an everlasting inheritance.

Let us think of these things, and be loyal to Christ, so that when He comes, we shall be ready to meet Him in peace, and be granted a home in the new earth, there to dwell with Him forever.

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