

A REPORT
ON THE USE OF TITHE
IN THE SEVENTH-DAY ADVENTIST CHURCH

Prepared by
Bert B. Haloviak, Research Assistant
and
F. Donald Yost, Director

Office of Archives and Statistics
General Conference of Seventh-day Adventists
Washington, D.C.
September, 1976

INTRODUCTION

Early in July, W. J. Hackett requested the staff of Archives and Statistics to undertake a research project on the use of tithe through the years. This report is the result of that project.

Because we have realized that a considerable amount of time has already been devoted to discovering what Ellen G. White wrote on the subject, we have devoted most of our staff time to exploring leads in the correspondence files of major General Conference officials, minutes of the General Conference Association, General Conference Committee and General Conference Officers. GC Session records, some of which contained complete stenographic reports, have also been examined. Review and Herald articles, especially for the earlier period, have been used to some degree. Some 13 volumes of Ellen G. White testimonies that were sent to General Conference officials were thoroughly examined.

The following years were selected for intense examination in correspondence files: 1889, 1896-97, 1906. Selective correspondence was examined for the years 1934-36 and 1940-44.

We have understood our assignment to be an investigation of the way in which church leaders have used the tithe. We have not dealt with the theology of tithes, nor have we attempted to draw substantive conclusions from the historical records. Our task, we believe, has been to delineate objectively what the records reveal, while also making sometimes cryptic references meaningful in the light of the period during which the incidents occurred. We have faithfully attempted to avoid reading back into

history the interpretations and connotations of today. The paper concludes with some subjective observations.

The material is presented in chronological order for the most part. As we began to bring the report together, we discovered that events and policies caused the study of tithe use to fall into four time periods, each with its characteristic developments:

- | | |
|-----------------|---|
| 1. 1859-1878 | Development and promotion of Systematic Benevolence
Establishment of local, state, and general treasuries |
| 2. 1878-1896 | Development and promotion of tithing based upon Old and New Testament principles
Development of institutions and the problems of financing them
Effects of severe economic conditions
The tithe of the tithe for the General Conference
Founding of the powerful General Conference Association |
| 3. 1896-1930 | Ellen G. White watershed counsel
Tithe sharing for missions
Establishment of tithe-sharing percentage policy |
| 4. 1930-present | Practices and policy of tithe exchange
Attempts to resolve tithe-use issues |

This outline of "tithe eras" hints at four areas that deserve watching as the report is read:

1. The relationship between Systematic Benevolence and tithing as we understand the term today.
2. The historical and interpretative significance of the Ellen G. White letter of March 16, 1897, to A. G. Daniells in Australia.
3. The distinction between the use of tithe as a wage for various types of workers and the use of tithe for nonwage purposes.

4. The concept of sharing of surplus tithes that developed into a concept of exchanging surplus tithes for nontithe funds.

We regret that time and facilities have not at this time permitted the Archives and Statistics staff to make a thorough survey of extant accounting records to find exactly how tithe was handled on the books. We have only our knowledge of the separate SDA organizations prior to 1901 and the statements of contemporaries to throw light on the question of whether and to what extent tithe accounts were kept separate from other income accounts at various periods in the church's history.

SYSTEMATIC BENEVOLENCE AND TITHING

Prior to the first steps in church organization, taken in 1860 and 1861, the support of Sabbathkeeping Adventist ministers was haphazard. When they traveled among scattered believers or conducted meetings away from home, they were often dependent upon the uncertain generosity of their hosts. By 1859 James White complained that "our ministers should have a competency to support themselves and families," yet to attempt to provide for them "without form or system, seems to be proving a failure." The solution to the problem was what he called "systematic benevolence," a plan he urged upon all the churches and scattered believers. (General Conference, "Report of General Conference held at Battle Creek, Michigan, June 3-6, 1859," pp. 13-4).

(The Systematic Benevolence plan has been described in other papers prepared for the committee studying the use of the tithe.)

In the 1859 plan, the person chosen in each church to handle Systematic Benevolence funds was to "dispose of them according to the wishes of the church," the understanding being that they would be available "to remunerate those ministers who have left their homes, and have gone out . . . to preach." (Ibid., pp. 20-1.)

The intended use of the Systematic Benevolence funds was described in succeeding years by the following words and phrases:

- 1863 "for the support of the ministers and tent operations, and
 for such other purposes as may be necessary for the advance-
 ment of the cause" ("Extracts From the Doings of the Michigan
 State Conferences 1863 to 1866," p. 2)
- 1873 "for the support of God's cause" (George I. Butler "Systematic
 Benevolence," Review and Herald, March 11, 1873, pp. 97-8.)

- 1873 "preparation, translation, and publication" of foreign-language materials; missions extension
proposed: appropriation to the Book Fund
"our school at Battle Creek, our health institute, the Publishing Association" (James White, "An Earnest Appeal," c. 1873, pp. 15, 20-1, 29.)
- 1876 "to meet the ever rising wants of the cause in its several departments" (GCC, "An Earnest Appeal From the General Conference Committee Relative to the Dangers and Duties of Our Time," 1876, p. 14.)
"in the support of missionaries abroad and at home, to assist young men to prepare for the ministry, and to meet other wants, in extending the message" (Ibid.)
foreign-language tracts and books (Ibid., p. 15.)
"support of his [God's] ministers" (James White, Review and Herald, Nov. 30, 1876, pp. 169-70.)
"expenses of the General Conference" (Ibid., p. 171.)

In 1873, S. B. funds were seen as a fountain, which if properly supplied, might overflow with funds for various programs and projects. (James White, "An Earnest Appeal," p. 29.) Then came an extension of the S. B. idea. At the General Conference session of 1876, a resolution was adopted recommending that each member raise a sum equal to one third of his S. B. "to meet the demand for means to be used as far as necessary in the proposed increase of the circulation" of various publications and for the "support of our institutions." (GC Session Minutes, Vol. I, p. 141.)

The earliest general treasury appears to have been established at the 1859 GC session, when James White, J. P. Kellogg, and Cyrenius Smith were voted

to be a Missionary Board "to manage all funds which any brethren may appropriate for missionary purposes." ("Report of 1859 General Conference," p. 7.)

Development of the Tithe

As the concept of figuring the systematic benevolence offering changed from net worth to income, so the term "systematic benevolence" began to be superceded by "tithe" as an item distinct from offerings. In 1873 we find the term "tithes and offerings" as well as this specific statement by Elder R. F. Cottrell: "besides our tithes, liberal offerings are due." (James White, "An Appeal to Working Men and Women, . . ." p. 161; R. F. Cottrell, "Present Wants of the Cause," Review and Herald, Oct. 14, 1873, pp. 140-41.)

At the 1876 special session of the GC Committee this resolution was adopted:

"Resolved, That we believe it to be the duty of all our brethren and sisters, whether connected with churches or living alone, under ordinary circumstances, to devote one-tenth of all their income from whatever source, to the cause of God. (GC Session Minutes, Vol. I, p. 121.)

In 1878 the General Conference Committee urged through the columns of the Review and Herald "that all our brethren pledge to God one-tenth of all their income for the support of the ministry; this one-tenth to be laid aside weekly as fast as received, and paid to the systematic benevolence treasurer at least once a quarter." (Review and Herald, Dec. 12, 1878, p. 188. Emphasis supplied.) Despite these clarifications of stewardship, the tithing system continued in 1880 to appear under the general term "systematic benevolence." But soon thereafter "tithe" seemed to have generally overtaken "systematic

benevolence." Some fifty years later R. A. Underwood said: "We had a plan then called 'Systematic Benevolence.' Some confuse that with tithing, but they are as far apart as the east from the west, with only one exception--there was system to it." (Review and Herald, June 4, 1926, p. 3.) Of course, "tithe" and "tithing" often occurred in the promotion of systematic benevolence.

During the 1880's tithe was used for "tent expenses, paying tent helpers, freight bills, traveling expenses of ministers" (1880) and as always the "support of the ministry." (1887) But it was also being used by local churches for other objects. Such diversions of tithe caused the leading brethren some concern. (Review and Herald, June 24, 1880, p. 16; Review and Herald, Sept. 16, 1880, p. 194.)

In 1880 the General Conference in session passed a resolution "that no church should devote any portion of its tithe to the erection or repairing of its church, without the free consent of the State Conference Committee." (GC Proceedings, Oct. 11, 1880, Review and Herald, Oct. 14, 1880, p. 252.) Note that exceptions were recognized. In 1883 Elder W. H. Littlejohn writing in the Review and Herald made it clear that free will offerings were to be used for the needs of the poor and for other religious purposes. These needs were not to be satisfied by the use of the tithe. (Review and Herald, July 10, 1883, p. 442.) In the same month, Elder William Covert reveals that some individuals were making their own use of the tithe, and he urges strongly against this. (Review and Herald, July 31, 1883, p. 485.)

About 1884 George I. Butler, president of the GC, authored a pamphlet entitled "The Tithing System." In it he wrote of the use of tithe for the building and repairing of meeting houses: "Many thousands of dollars of tithes have been paid for these purposes." (George I. Butler, "The Tithing System: Or the Divine Plan for Supporting Laborers in the Cause of God," p. 74.)

He proposed a broad use of the tithe and based his proposals for the use of tithe on the Hebrew economy: "In the Jewish dispensation those who served as priests and in all the subordinate offices of religion, giving their lives to God's work, received the tithe as their chief support. . . . No doubt many of these Levites were teachers of the law, scribes, workers connected with the services of the sanctuary and the temple, and those who helped in the offering of sacrifices, etc, etc, . . .

"In the Christian dispensation, the application of the same principles would require the tithe to be used for the support of the ministry proper, and all other laborers who were called by the church to devote themselves to the work of God, and make that their principal business. It should be used for the support of God's workers as far as it will go; while other means should be used for the same purpose, if found necessary. We could not, in view of the application of the tithes in the past, confine their use now only to ministers who preach. There is no evidence that they were thus confined in past dispensations." (Ibid., pp. 57-8.)

Referring to colporteurs and missionary workers, Elder Butler went on to say, "Until within a few years past the tithe has been used almost wholly for sustaining ministers of the gospel, those who preach from the stand, . . . but more recently it has become customary to pay our Tract and Missionary State secretaries from the tithe." He then mentions that questions have been raised about "colporteurs and missionary workers of different classes, laboring in the field or in city missions. These have in many cases been paid from the tithe." Because the strain on the treasury was heavy, some ministers were not receiving reasonable support. Despite the lack of funds, he concluded:

"After giving the matter much reflection, we have settled the question in our own mind. We believe the tithing is designed of God for the support,

as far as it will go, of all laborers who are called by the cause of God to give their time to his work." (Ibid., pp. 71-2.)

In Battle Creek, according to Elder Butler, writing about this time in the Review and Herald: "In the past, while the great debt hung upon the Tabernacle, the tithe was used to pay it off." In addition, certain other church expenses were paid for by the tithe, because it was "in this important center." He further states that "the Sanitarium used its tithe to assist in caring for the sick poor." We understand this tithe not to be tithe from the profits of the Sanitarium but the tithe of the Sanitarium workers. In concluding this discussion of the misuse of the tithe, Elder Bulter says, "We expect that all the tithe paid into the treasury of the Battle Creek Church during the present year, will, every cent of it, be paid over to the State treasury, where it ought to go." (George I. Butler, "Tithing in Battle Creek," Review and Herald, Feb. 3, 1885, p. 75.)

An 1889 General Conference Committee action makes it clear that efforts were being made to distinguish between tithe and nontithe funds at the General Conference level: "We recommend that as much of the indebtedness for city missions as was incurred for the payment of wages be paid out of the tithe fund, and the balance out of the proportion of the one hundred thousand dollar fund that was set apart for city missions." A further action recommended "that contingent expenses of the Gen. Conf. not otherwise provided for be paid out of the donation fund." (GCC Minutes, March 22, 1889.) The donation fund, as we have been able to interpret it, consisted of nontithe funds.

GC financial reports of the time typically show a number of different funds, with tithe shown as the "General Conference Fund."

The leaders of our work at that time showed concern that funds be used as intended by the giver. In 1881 George I. Bulter put a note in the Review

asking who had given him \$1.25 on the Iowa campground. He wanted to be sure "to make the proper disposition of the money." (Review and Herald, July 19, 1881, p. 64.) In 1889 D. T. Jones wrote to S. N. Haskell: "The other point you make, of having all contributions go where the contributor wishes it to, meets the mind of all the brethren." (Letter, D. T. Jones to S. N. Haskell, Feb. 7, 1889.)

In 1884 a plan was adopted whereby state conferences were to send to the General Conference one tenth of their gross tithe receipts. (SDA Yearbook, 1885, p. 76.) This money was used for the support of General Conference laborers--those not attached to any state conference. The same idea was promoted by the Sabbath School Association. It recommended that the state Sabbath School Associations receive ten percent of the Sabbath School contributions "to assist new schools, and to supply Sunday-Schools that might be started." (GC Daily Bulletin, Nov. 15, 1887, p. 1.)

A Critical Decade

The events and experiences of the ten-year period from 1888 to 1897 cannot be well understood unless we become acquainted with how the work was organized and with the men who held principal financial posts. This period coincides, perhaps coincidentally, with the presidential term of O. A. Olsen. More specifically, it coincides with the development in Battle Creek of the personal power ("kingly" power, as Ellen White described it) of three men--A. R. Henry, Harmon Lindsay, and Clement Eldridge, who succeeded in gaining stronger and stronger control of the general financial affairs of the denomination.

A. R. Henry was treasurer of the publishing association, 1882-1897, with minor breaks. He was General Conference treasurer, 1883-1888. He was closely

involved in the affairs of the General Conference Association, the church's "holding company," 1889-1893, and in addition to being treasurer, was also manager of the publishing association, 1893-1895.

Harmon Lindsay was General Conference treasurer, 1888-1893, and treasurer of the publishing association in the 1890's.

Clement Eldridge was general manager of the publishing association, 1889 to 1892 or 1893.

The General Conference Association was organized in 1887. Its functions were later described by S. H. Lane, its president, as a part of his report to the General Conference session of 1903: "All the money gathered from all sources, outside of the tithe, as far as the general work was concerned, went to the hands of the General Conference Association, and when institutions were started and churches were purchased, and the work was opened in any field the General Conference Association was drawn upon, and it forwarded means.

"That arrangement was kept intact until the Foreign Mission Board was established [1889] , . . . and then the General Conference did not handle mission money" but it did handle "its own tithes." (S. H. Lane, Stenographic Report of 1903 GC Session, March 31, p. 38.)

More details concerning the GC Association are found in Elder Lane's 1899 report: "Later, it began to enlarge and branch out, . . . even beyond the highest anticipations of those who brought it into existence. . . . In 1893-95 it began to assume larger proportions, holding titles to property in all parts of the world, getting a large control of the publishing work, directing sanitariums in various parts of the country and taking an active and aggressive part in the foreign mission work.

"In fact, nearly the whole work of the denomination was carried on under the name of the General Conference Association. All the funds of the denomination that came into the treasury in a general way were entered upon the books of the association. At that time there was but one set of books, known as the books of the G.C.A. All the money received for foreign mission work, the tithes to the GC, and all gifts, bequests, and legacies of every description were entered upon the books of the G.C.A. Moneys paid out were charged up to this association, or credited to it. In fact, everything was done through its name.

"It had reached proportions so large that it began to be feared that it might get too large. . . . Therefore it was thought wise, in view of the evils that might come to the work through this association, that instead of making it such a tremendous corporation, we should begin to cut down some of its work, forming separate organizations, associations, and managing boards. . . .

"In the fall of 1896 some Testimonies were received, saying that, instead of centralizing everything in the General Conference and the association, we should divide up these responsibilities, allowing other bodies to assume parts of this great work." (S. H. Lane, GC Session Report, Feb. 17, 1899, in Review and Herald, Feb. 17, 1899, pp. 9-10.)

During an 1896 meeting of the General Conference Association, Elder W. H. Edwards responded to the question of the mixing or comingling of different funds in the G.C.A. treasury: "He said that each account was kept separate, and that there was no mixture, whatever of the funds." (G.C.A. Minutes, Oct. 19, 1896, pp. 9-10.) It was also explained: "With regard to the tithe that came in from the conferences in the United States, none of this is used for the work in foreign fields, but is devoted exclusively to the carrying on of work in the United States. The first day offerings, Christmas

Offerings and donations, constituted the funds for the maintenance of the work in countries outside the US." (Ibid.)

O. A. Olsen by his own admission was unable to cope with the strong-willed businessmen associated with him. It is likely that he also was often perplexed about how to deal with Dr. John Harvey Kellogg, who by this time had become openly critical of the ministry's "dictatorial" manner and the way in which the leaders were using various funds. The doctor felt that higher priority should be given to opening up new medical institutions and in conducting medical missionary work, not unwisely expanding the publishing houses.

During this ten-year period there seems to be no question that leadership believed that the tithes should be used for the support of the gospel worker. But there was considerable discussion for a time as to whether other workers besides ministers could be included in the definition. The Butler pamphlet of the mid-1880's had already concluded that all laborers might be paid from the tithe.

In 1888 the General Conference Committee passed a resolution that "the fares of the teachers making the changes above suggested, be paid from the Gen. Conf. fund" (tithe). (GC Committee Minutes, April 5, 1888.) These were academy and college teachers transferring from one institution to another.

The 1888 General Conference session recommended that companies of canvassers should be sent into unoccupied fields and it agreed that the General Conference should pay their transportation. It is not clear whether this was paid from the General Conference fund or from the donation fund.

In 1889 when the Wisconsin school fell into debt, D. T. Jones wrote to C. A. Hall: "I would not feel like advising you to take the money out of your tithe fund to pay this bill." (Letter, D. T. Jones to C. A. Hall, July 16, 1889.) In the same year when Elder Jones wrote Elder William Evans that if

he should take up lecturing on national reform matters, he "would be under the pay of the conference just as any other ministers." (Letter, D. T. Jones to William Evans, July 19, 1889.)

When a Sister Gillett wrote from Graysville, Tennessee, in 1889 that the believers there wished to be permitted to retain their tithes for one year to assist in building a meeting-house, the General Conference voted "that it is the sense of this committee that we do not endorse the withholding of tithe for such purposes, under any circumstances" but the committee also offered this resolution, "That we promise the brethren at Graysville, a donation to assist in building a meeting-house." (GC Committee Minutes, Dec. 28, 1889.) This is the first known instance of a substitute appropriation to placate a field request relating to the improper or nonpolicy use of tithe.

In 1892 the National Religious Liberty Association Committee requested that the General Conference pay one half of one of their worker's salary for his work in connection with the "Sentinel" the association's publication. This request was granted. (GC Committee Minutes, March 13, 1892.)

Early in the 1890's we begin to see the use of tithe funds for the remuneration of Bible teachers. For example, the General Conference Association voted to recommend "that the Upper Columbia and North Pacific conferences each pay from their respective conference funds the salary of one Bible teacher employed in the Walla Walla College, with the view of meeting the present season's deficit." (GC Association Minutes, Oct. 15, 1893.)

In 1894 a General Conference Association action indicates that nonelected workers of the local offices, probably meaning those in Battle Creek, were being compensated out of the General Conference fund, or tithe. (GC Association, Executive Committee Meeting, May 24, 1894.)

A summary of the use of tithes at this time appears in the comments of the General Conference president at the GC session 1897. The question was raised: "Since the tithe of the General Conference comes from the tithes of the state conferences, and these conferences are mostly located in America, how will the foreign mission fields obtain the necessary funds?

"Answer.--Up to this time, the tithes received by the General Conference have been used to support two classes of laborers; first, the general laborers not dependent upon any particular field; and, second, mission workers in this country; and from the surplus thus remaining, appropriations have been made to other fields." (GC Session, March 3, 1897, 1897 GC Daily Bulletin, pp. 255-56.) (Rarely was there enough, let alone a surplus from about 1890 to about 1897.)

By the mid-1890's we begin to see evidence of the unavailability of General Conference funds because while the account may have been intact the cash was not. The construction of institutions such as the Boulder Sanitarium appears to be the cause. A description of this situation is found in a letter from L. T. Nicola to O. A. Olsen, July 17, 1896: "It is probably a fact that enough money has been sent in through tithe channels and donations, to support the work that is being done in home and foreign fields, at the expense of the General Conference in ministerial and strictly missionary work; but the building of sanitariums and colleges is undoubtedly largely responsible for the depletion of the treasury. It is probable that some will consider that the General Conference has misappropriated its funds. I fear that depriving the workers in the field of the money due them will not have the best affect." Three days later Elder Olsen declares himself to be unable to make the decisions necessary to cope with the deepening crisis in Battle Creek and he mentions particularly the money that was put into the Boulder Sanitarium. (Letter, L. T. Nicola to O. A. Olsen, July 17, 1896; Olsen to Nicola, July 20, 1896.)

During 1896, a message from the Spirit of Prophecy dealt with local church tithe misuse. In her "Special Testimony to the Battle Creek Church" Ellen White wrote: "You are robbing God everytime that you put your hands into the treasury for funds to meet the running expenses of the church." In response to this special testimony, the Battle Creek Church in August adopted a resolution, given here in part: "That the church discontinue the practice of paying the current expenses of the church and Tabernacle out of the tithe." (Ellen G. White, "Special Testimony to Battle Creek Church: Will a Man Rob God?" August, 1896, p. 7; Explanatory Note in "Special Testimony to the Battle Creek Church," p. 10.)

In early 1897 Ellen White told a little of the history of the use of tithe. "There was a time when there was very little missionary work done, and the tithe was accumulated. In some instances the tithe was used for similar purposes as is now purposed [to meet local church expenses]. When the Lord's people felt aroused to do missionary work in home and foreign missions, and sending missionaries to all parts of the world, those handling sacred interests should have had clear, sanctified discernment to understand how the means should be appropriated. When they see ministers laboring without money to support them, and the treasury is empty, then that treasury is to be strictly guarded. Not one penny is to be removed from it." (Ellen G. White, "Tithe," March 14, 1897, p. 1.)

In the same document she wrote: "Those who have used the tithe money to supply the common necessities of the house of God, have taken the money that should go to sustain ministers in doing his [God's] work." (Ibid, p. 6.)

A most significant Ellen White statement occurs in a letter to A. G. Daniells who at that time was a conference administrator in Australia. She said that her letter to him "will show you how I regard the tithe money being

used for other purposes. This is the Lord's special revenue fund, for a special purpose. I have never so fully understood this matter as I now understand it. . . . I have had special instruction from the Lord that the tithe is for a special purpose, consecrated to God to sustain those who minister in the sacred work, as the Lord's chosen to do his work, not only in sermonizing, but in ministering. . . .

"That there will always be a temptation to divert the tithe money to other channels, we know; but the Lord has guarded this his own portions, to be sacredly used for the support of the gospel ministers." (Ellen G. White to A. G. Daniells, March 16, 1897, pp. 1-2. Emphasis supplied. See Appendix D for complete letters.)

An Empty Treasury

Pointed Ellen White testimonies concerning the evils attending the concentration of power and control in Battle Creek, the proper management of church funds, and the importance of decentralization occurred during the final years of the nineteenth century. The above letter to Elder Daniells is but one example. (For others, see Ellen G. White to Brethren who shall assemble in General Conference, Oct. 21, 1894; EGW to O. A. Olsen, Feb. 2, 1895; EGW, "Relation of General Conference Committee to Business Interests," 1896; EGW to My Brethren in American, Feb. 6, 1896.) By the time the delegates gathered for the GC session of 1897 the ground was fertile for changes in administrative policy and procedure. Some changes were inaugurated at this session; general reorganization occurred in 1901; and adjustments continued in 1903.

Economic conditions in the 1890's no doubt greatly encouraged administrative

reformation. As the counsels from the Lord arrived in Battle Creek, the leaders often found themselves with little or no money in the GC treasury. In 1893, for example, the GC was running about \$10,000 a year behind in settling with its laborers. (GC Session, O. A. Olsen, "President's Address," GC Daily Bulletin, Feb. 17, 1893, p. 284.)

In April, 1897, L. T. Nicola wrote to J. H. Durland: "Our treasury has been empty. . . . To be direct, the income of the General Conference is not sufficient to support the work that is being carried forward. The former administration seemed not able to cope with this difficulty; it is hoped that the new will succeed better." (Letter, L. T. Nicola to J. H. Durland, April 4, 1897.) According to A. T. Jones, the new administration had found \$15,000 tithe on the books but no cash. (GC Session, Feb. 22, 1899, GC Daily Bulletin, Feb. 23, 1899, p. 63.) In June, I. H. Evans wrote to I. D. Van Horn: "We haven't a dollar in the treasury. We have some \$1,500.00 waiting to be sent as soon as we can get the money. . . . We have overdrawn our account with the Review and Herald about \$6,000.00." Earlier the Review had ceased advancing funds to the GC. This critical period continued until the second-quarter remittances began to come in, when L. A. Hoopes could confide to G. A. Irwin: "We feel rather cheerful." However, optimism was short-lived. In September, I. H. Evans wrote to W. H. Edwards: "We are exceedingly sore pressed; we have now about \$8,000.00 demanding immediate payment. We have not enough money even to pay our help." (Letters, I. H. Evans to I. D. Van Horn, June 17, 1897; L. T. Nicola to B. F. Purdham, April 11, 1897; Hoopes to Irwin, July 11, 1897; Evans to Edwards, Sept. 16, 1897.)

The situation did change again as year-end remittances came in. Early in 1898, I. H. Evans wrote to N. W. Allee: "The Gen. Conf. is pretty well

fixed at present. That is, we have several thousand dollars of tithe on hand. We are not using the tithe for any purpose whatever except paying the laborers." (Letter, Evans to Allee, Feb. 3, 1898.)

This definite reformation in the use of the tithe following the Ellen G. White counsels of 1896 and 1897 is reflected in the General Conference Committee minutes: "It was the unanimous opinion of the Committee that the tithe funds should be kept sacred, and be dispursed to the laborers as intended by the Lord." (GC Committee Minutes, June 20, 1897.)

The determination of the leaders in Battle Creek not to use tithe for general institutional purposes is indicated by I. H. Evans: "We are not able to pay our ministers in the field, and I am sure that the brethren would not want us to take the tithes with which to run Sanitariums." (Letter, I. H. Evans to A. J. Breed, June 30, 1897.)

A useful summary of the situation in 1897, along with an expression of the attitudes of the time, appears in a letter that J. H. Morrison wrote in behalf of I. H. Evans to C. H. Jones, manager of the Pacific Press: "We are anxious to change our way of doing in regard to the tithe. You know what we teach our people individually and also the churches, that the tithe is sacred and should not be used or appropriated to other purposes, and it seems to me that we as institutions and associations should observe the same principle, especially when the turning of the tithe out of its proper channel would interfere with the work and workers who are dependent upon the tithe. . . .

"If we had plenty of money in all our different associations and institutions so that we could make these transfers without interfering with the work dependent upon the tithe then that could be done, but the way it is there are a number of institutions that are so behind that when the tithe is transferred

in this way our laborers have to suffer." He also speaks of "the reformation that we desire to bring about in reference to the tithe going to its proper place." (Letter, J. H. Morrison to C. H. Jones, Nov. 24, 1897.)

That the reformation had to do primarily with the diversion of tithe to major projects rather than its use for certain salaries is evident from the discussions that continue into 1898. With shortages and financial crises developing at both Walla Walla College and South Lancaster, the General Conference Association discussed the use of tithe for payment of salaries of the teachers (GC Association Minutes, March 20, 1898.) On March 27, the GC Association asked the GC Committee "to take under advisement and make recommendations to the various conferences in each school district the advisability of placing on their pay-roll one or more teachers to be supported from the conference funds." (Ibid., March 27, 1898.)

The minutes indicate that "Elder Irwin . . . thought that the teachers should come under the same head as ministers, and should be paid out of the conference funds." (At this time it was the policy "that what funds have been supplied the laborers come from the Gen. Conf., and that which is furnished to build up the plant, be supplied by the Gen. Conf. Assoc." It was stated that province of the General Conference Association was "to deal with the financial matters pertaining to the denomination," while the General Conference was "to look after its spiritual welfare." Their funds were now separate. (GC Committee Minutes, Sept. 27, 1897; GC Association Minutes, March 27, 1898.)

As a result of this request, the General Conference Committee voted that "the Conferences and mission fields in each school district, as far as they are able, . . . employ one or more teachers, to be placed on the pay-roll of the Conference." (GC Committee Minutes, March 30, 1898.)

As the payment of teachers from the tithe was being discussed, the same question was raised regarding medical missionary workers. A provision for such payment was made in 1898: "The General Conference should support Sanitarium trained workers in the United States, under the auspices of the Medical Missionary and Benevolent Association in conjunction with the General Conference Committee and as far as possible with the cooperation of State Conference Committees; such support not to exceed the amount of tithe received by the General Conference from the Sanitarium helpers." (GC Committee Minutes, May 4, 1898.)

Apparently there was pressure for this use of tithe coming from Dr. Kellogg. Ellen White wrote to Uriah Smith and G. A. Irwin in June, 1898: "He [Kellogg] says if no means is allowed to carry the message by medical missionary laborers into the churches, he shall separate the tithe that is paid into the Conference, to sustain the medical missionary work. You should come to an understanding, and work harmoniously. . . . If this money in tithe is paid by the workers into the treasury, why, I ask, should not that amount be apportioned to the carrying forward of the medical missionary work . . . ?" (Ellen G. White to Uriah Smith and G. A. Irwin, June 6, 1898.--~~This statement is contained in a manuscript that has not yet been released by the White Estate. It is made available solely for the study purposes of the Tithe Committee and should not be published or distributed. Further unreleased materials in this category will be cited, "Unreleased."~~)

From these cryptic lines in the records we can assume that the provision for the payment of medical missionary workers from the tithe was not wholly agreeable to those who were attempting a reformation. Two years later in a General Conference Committee meeting the question of the May 4, 1898, action was raised. A small committee was set up, met, and gave a verbal

report to "the effect that they did not feel free to make a definite recommendation at this time. By common consent, the Committee deemed it prudent to let the matter rest for the present." (GC Committee Minutes, April 6, 1900.) Coincidentally, A. G. Daniells, the soon-to-be elected General Conference president, in his 1901 report about the work in Australasia, told how he had used tithe to pay A. W. Semmens, a nurse who came out to Australia. He admitted he had not known just how to get this man started in the work, so the leadership there put Brother Semmens in a church as a pastor and medical worker combined and paid him from the tithe. Brother Semmens apparently developed some income from his medical services and gradually was able to become self-supporting as a medical missionary. (GC Session, A. G. Daniells Report, April 5, 1901 Stenographic Minutes.)

Because the servant of the Lord stated clearly in 1897, that she had "never so fully understood this matter [tithing] as I now understand it"; because of the critical financial situation and controversies in Battle Creek in the 1890's; and because the tithe question had been so thoroughly aired in our publications from both a theological and practical viewpoint, it seems appropriate to consider 1896-1898 as a great divide on the subject of the use of tithe funds. Correspondence, minutes, and other papers housed in the GC Archives reveal that the new generation of church leaders did benefit from their predecessors' experiences. Significant administrative decisions were made in 1897 and onward into the Daniells administration regarding the handling of the church's funds, including tithe.

Surplus Conference Tithe

From the very earliest days come statements about what would be done if there should be a surplus of tithe. James White spoke regarding the Systematic Benevolence funds: "Should all our people come up to the figures on S. B., so that there might be a surplus in the hands of the General Conference treasury, what a fine thing for the General Conference to be able to make an appropriation of a few thousands to the Book Fund." (James White, "An Earnest Appeal," 1873, p. 33.) Another wish a few years later was: "There should be a surplus in the General Conference treasury to meet the wants of any needy State." (GC Committee, "An Earnest Appeal From the General Conference Committee Relative to the Dangers and Duties of Our Time," 1876, p. 13.)

At this time the Battle Creek church was paying 75 percent of its systematic benevolence receipts into the GC treasury, "to meet the ever rising wants of the cause" in its various aspects. That same year, 1876, the General Conference Committee called for "not less than \$25,000" to be put into the GC treasury annually to be used "in the support of missionaries abroad and at home, to assist young men to prepare for the ministry, and to meet other wants, in extending the message." It called for this sum to be made up by conferences "donating their surplus means." (Ibid, p. 14.) General Conference dependence upon donations from the conferences for its funds existed until 1884, when GC Committee action called for state conferences to pay one tenth of their gross tithe income to the GC, assuring it a consistent and steady flow of tithe funds. (GC Constitution, Art. VII, Section 1, in SDA Yearbook, 1885, p. 76.)

In September, 1891, Ellen White reacted strongly to a resolution by the Michigan Conference designed to retain the Battle Creek church tithe within that conference rather than sending that surplus to the General Conference.

She maintained that as early as 1888 she had a vision concerning the tendency of people to "fold their arms" and say, "There is an abundance of tithe." She wrote to the Michigan Conference, "I tell you that if you expect the blessing of God to rest upon you, you must put into the treasury that which will support the interests of the cause in different places. . . . The amount that goes from the Battle Creek Church to the General Conference will go for the universal wants of the cause in different places where the work must be built up." (EGW to Michigan Conference, Sept. 3, 1891, "~~Unreleased.~~")

Release
#512

When, at the 1897 General Conference session, a question was asked about the support of foreign missions, the answer, as we have noted earlier, was that any surplus tithes available after general laborers and U.S. mission laborers were paid would be appropriated to other fields. Whether very many appropriations were actually made to other fields is not known.

The unevenness of available tithe funds from field to field and between General Conference and local fields, led L. A. Hoopes to offer the suggestion that where local conferences had tithe funds available, but the General Conference did not, general laborers--those not attached to a local field--might be paid by conferences that were adjacent to the GC mission where these general laborers were working. (Letter, L. A. Hoopes to L. A. Spring, July 25, 1897.)

In 1899 the General Conference Committee passed a resolution that conferences with surplus tithe were to support laborers in foreign fields (GC Committee Minutes, April 27, 1899). During the discussion of that resolution, S. H. Lane noted that "the idea of one field helping another, and sustaining the laborers in another work, is not a new feature." He made the following statement relating to the denominational heritage of using surplus means:

"Brother Underwood said that the East helped the West. He might have

gone further, and said that through the influence and means of the State of New York, the Pennsylvania Conference came into existence. He might have told you how, through the efforts of Michigan, the Indiana Conference came into existence. He might have stated that Illinois and Wisconsin worked hand in hand for years, and were known as the Illinois and Wisconsin Conference. He might have gone west of the Mississippi, and stated that Iowa was instrumental in raising up Nebraska; that Minnesota was instrumental in bringing into existence the Dakota conferences; and that these combined conferences raised up California in 1868, when God impressed Brethren Loughborough and Bourdeau to go to the Coast." (GC Daily Bulletin, March 1, 1899.)

After J. N. Loughborough pointed out that California started the work in the Upper Columbia and North Pacific conferences, Lane mentioned that "Sister White saw that the work would go from California to Australia, and that, too, before California knew very much about it." (Ibid.)

The resolution then passed reads:

"That each of our conferences be asked to furnish and support from the regular tithes, one or more laborers in foreign lands, if it appears to have laborers whom God has fitted and burdened for foreign work; or if it has not such laborers to support some other laborer, whom the Foreign Mission Board may suggest." (Ibid.)

The 1901 GC session voted to receive a "second tithe" from the conferences for mission work. P. T. Magan explained that this was in addition to the tithe of the tithe. The total remittance would amount to 19 percent of the total tithe receipts of the conference. W. W. Prescott conceived that the action meant "turning the whole home field into one Mission Board" that would take up the work with vigor "in every part of the world." (GC Session, Stenographic Report, April 8 and 12, 1901.)

Elder Bordeau writing in the Review and Herald of August 6, 1901, said that the tenth of the conference tithe income that is sent to the treasurer of the General Conference is "used to support ministers who engage in the general work, and missionaries who are sent to start the work in fields in which no local Conference has yet been organized." A statement appears in the GC Committee minutes of November 12, 1902, stating that the California Conference was at this time setting apart "a certain amount of its tithe for the support of workers in foreign fields. . . . The amount of the tithe now going to foreign fields from the California Conference is practically half the amount raised in the Conference." A few days later the Committee voted: "That we encourage the States that are able to do so to set aside a definite percent of the regular tithe as an appropriation to the general work of the Mission Board." Perhaps the 1901 19 percent plan had not become fully operational. (D. T. Bordeau, "The Support of Gospel Ministers According to God's Plan," Review and Herald, Aug. 6, 1901, pp. 501-02; GC Committee Minutes, Nov. 12, 1902; GC Committee Minutes, Nov. 25, 1902.)

A. G. Daniells, in his report to the 1903 GC session lauded the conferences appropriating a portion of their tithe to the Mission Board. He believed that the action "has started a new line of thought . . . [and] opened to us new ideas with reference to the support of our mission fields, our mission work." He noted that the West Michigan Conference had voted to devote 50 percent of its yearly tithe to the mission fields. (GC Session, Stenographic Report, March 30, 1903.)

By 1904, the plan for conferences to share their tithes beyond the ten percent was gaining momentum and mission work was blossoming as a result. At camp meeting time in 1904, according to A. G. Daniells, the Iowa Conference voted to send "one-half of their laborers and one-half of their annual tithes

to mission fields. . . . Gradually our conferences are getting toward the point of sharing one-half of their annual tithes with the mission fields. It takes time to make such a great revolution as this." (Letter, A. G. Daniells to L. R. Conradi, June 24, 1904.)

Elder Daniells continued to press this philosophy at the General Conference session of 1905. By mid-1906 he was able to say: "The General Conference is having a new experience in its dealings with the conferences. I could remember when it was very difficult for the General Conference to get anything more from the state and Union Conferences than the bare tithe of the tithe. This condition is wonderfully changed now, and this is relieving us from tremendous pressure we were under for two or three years." His correspondence reveals that more than \$100,000 came in during 1905 and about \$75,000 was expected in 1906. He wrote: "I believe that the time will come when our ministers and gospel workers in all parts of the world will be supported primarily from the tithe." (Letters, A. G. Daniells to W. C. White, May 30, 1906; Daniells to W. D. Salisbury, June 27, 1906; Daniells to A. T. Robinson, July 27, 1906.)

Daniells avoided using surplus tithes to satisfy the debts of the General Conference or the General Conference Corporation. Although he wished to liquidate these debts he said, "Just how to do this, and not make a misuse of the tithes, is what is not clear to me at present." (Letter, A. G. Daniells to W. B. White, August 1, 1906.)

The result of a more consistent and correct tithe policy lead to an increase in tithe paying, according to Elder Daniells: "Since our local conferences have begun to share their tithes with the mission fields, our brethren are coming to the front and paying a much larger tithe." (Letter,

A. G. Daniells to Clarence Ball, Sept. 21, 1906.) An interesting corollary to the increase in tithe and the use of tithe in overseas fields is that the denomination began to have a shortage of workers. Daniells said to Dr. Ball: "I do not know of a single person who left our schools last June prepared for any kind of public work who was not pressed into service somewhere." (Ibid.)

The 1909 GC session resolved that the conferences be invited to appropriate "from one fourth to one third of their total tithe receipts to the support of the work in the regions beyond." (GC Bulletin, 1909, p. 311.) However, early support of this resolution was limited. In 1910 E. E. Andross urged "that all the stonger conferences definitely send a fifth of their tithe. . . . It would be better to immediately begin with this smaller proportion and do it, rather than to attempt the larger proportion recommended at the General Conference, which few could apparently do." (GC Committee Minutes, Nov. 25, 1910.)

It is doubtful that many conferences in the United States shared these large percentages of their tithe with the General Conference as the years passed, but surplus tithe did flow into the GC treasury at the rate of about \$50,000 to \$75,000 a year. The establishment of the North American Division in 1913 and its discontinuance in 1917 make the GC Committee minutes and GC treasurer's reports difficult to interpret.

A report given to the GC on April 30, 1919, listed \$383,099 as surplus tithe income. (GC Committee Minutes, April 30, 1919.) At the 1919 Autumn Council, following the treasurer's report, conference representatives responded to his appeal for more funds by informally pledging surplus tithes as they spoke from the floor. (GC Committee Minutes, Oct. 12, 1919.) The treasurer's report for the year ending January 20, 1920, records an income from surplus

tithe from conferences of \$498,857.89. (GC Committee Minutes, March 25, 1920.)

That year an action was taken during the Autumn Council implying that a percentage plan had been in effect. A graduated scale was outlined including an increase over the previous plan. It began at 1% for North American conferences with tithe incomes up to \$15,000 but had no specified ceiling. (GC Committee Minutes, Oct. 26, 1920.) The plan for 1922 ranged up to 18% on \$37,000 tithe income. The plan for 1923 began with 1% up to \$25,000 and had its maximum at 20% for \$130,000. (GC Committee Minutes, Oct. 22, 1921, and Sept. 24, 1922.)

This schedule with minor adjustments remained in effect until about 1944, when an 11-30% alternate schedule was added which provided that for those fields adopting this more liberal plan "the General Conference will appropriate to the local conference through the union from funds other than tithe, an amount equivalent to the increase in percentage of tithe resulting from the adoption of this alternative schedule." Unions were for the first time authorized to exchange up to 25% of their annual tithe. (GC Working Policy, 1945 ed., pp. 166, 167.) (See also p. 41 of this report.)

Now let us trace the beginnings of this policy of exchanging surplus tithe for nontithe funds.

The Beginnings of Tithe Exchange

At the time of the Autumn Council of 1933 an agreement was reached between the General Conference officers and the Pacific Union Conference "that a sum of \$10,000.00 tithe money might be sent to the GC, with the understanding that an amount equal to 2/3 of it be given to the Pacific

Union Conf. as a special appropriation." Apparently this provision was carried out in 1933, for the same Officers Minutes report further: "The Pacific Union has now sent in another \$1,000.00 desiring that we carry out the same plan as at the time of the Autumn Council and send them a special appropriation of 2/3. (Officers Minutes, Jan. 17, 1934.)

At this juncture there was no policy regarding tithe exchange and the Officers minutes note that there was "opposition to it." The action of January 17 was "to respond to the request of the Pacific Union Conference in the matter of this \$1,000.00 which they have sent, but at the same time to state to them that before our agreeing on this plan as a policy an action upon it as a policy would need to be taken when wider counsel could be had, and so the Officers feel that they could not continue to carry it on further." (Ibid.)

In 1933 and 1934 the following officials were in office:

president, GC, C. H. Watson, 1930-1936
 vice president, NA, W. H. Branson, 1932-1936
 treasurer, GC, J. L. Shaw, 1922-36
 president, Pacific Union, Glenn Calkins, 1933-1941

By May, 1934, another request had come from the Pacific Union. The Officers minutes read: "Glenn Calkins again asked the question he had previously asked,--whether the General Conference would favor the conferences of the Pacific Union exchanging tithe with the General Conference in order to carry out the pledges to the chapel building at Loma Linda. Inasmuch as Loma Linda receives appropriations from the regular funds, it was

"VOTED, That we favor the exchange." (Officers Minutes, May 3, 1934.)

We note that the January 17 action specifically states that the 2/3 being returned would be "as a special appropriation." This wording does

not occur in the May 3 action, although reference is made to appropriations of mission funds to Loma Linda.

On May 1, 1935, J. L. Shaw, in writing to C. H. Watson, who was recuperating at the Glendale Sanitarium, spoke of tithe exchange. A building program was underway at the College of Medical Evangelists with about \$125,000 yet needed. The Alumni Association apparently was going to be responsible for \$100,000 and the Pacific Union \$25,000. Elder Shaw writes: "The \$25,000 will probably be arranged from the Pacific Union in way of tithe remitted to the General Conference, or at least \$20,000 of it in exchange of tithe with the General Conference, they giving us tithe and we making them an appropriation." (Letter, J. L. Shaw to C. H. Watson, May 1, 1935.)

An exchange of correspondence took place in January, 1936, between Elder Calkins and the two officers of the General Conference most concerned, Elders Watson and Shaw. A misunderstanding had evidently developed as to whether the tithe-exchange transactions in the future were going to be dollar for dollar or whether they would be at a lesser rate. Elder Calkins wrote that he had talked to the leaders of the conferences of the Pacific Union and "told them all that it was a dollar for dollar transaction and that it was being done to make it possible for these conferences to help in some of the church building enterprises for which there were no funds available from the General Conference Church Extension Fund." (Letter, Glenn Calkins to C. H. Watson, Jan. 17, 1936.)

Because he had already made commitments and appropriations based on this understanding, he continued in his letter to offer a solution to the problem: counting previous surplus tithe gifts coming from the Pacific Union

or its conferences as part of the necessary moneys needed to elicit the needed amount of nontithe funds from the General Conference. He also suggested that an internal exchange in the Pacific Union Conference between Hawaii and Northern California would take care of an additional \$10,000. He said: "You know it is customary for the Hawaiian Mission to retain their Harvest Ingathering funds right in their own field. Their Harvest Ingathering this year amounted to approximately \$10,000. We could exchange the \$10,000 from the two Northern conferences with the Hawaiian Mission, dollar for dollar." (Letter, Glenn Calkins to C. H. Watson, Jan. 17, 1936.)

In 1934, the 2/3 returned to the Pacific Union was called an appropriation. This same procedure was again used that year, allowing funds to be used in nonpolicy ways without contravening policy. In December, C. B. Haynes, president of the Michigan Conference, asked that his conference be released temporarily from a surplus tithe obligation to the General Conference. Elder Shaw, writing to Elders Watson, Branson and Williams (undertreasurer) of the General Conference said that one of the burdens of the Michigan Conference is to help Indiana. "It appears to me it might be better for us to help Indiana some thus releasing Michigan from that burden, rather than releasing the regular percent of tithe. . . . If we could carry Michigan's burden in that respect I think they would be willing to go along and pay the regular percent." (Letter, J. L. Shaw to Watson, Branson, and Williams, Dec. 17, 1934.)

We next move to 1941, where we find a significant reference to tithe exchange. The officials at that time were:

president, GC, J. L. McElhany, 1936-1950
 (a former president of the Pacific Union,
 1922-1926, 1932-1933)
 vice president, NA, W. G. Turner, 1940-45

treasurer, GC, W. E. Nelson, 1936-1950
 president, Pacific Union, Glenn Calkins, 1933-1941
 secretary-treasurer, Pacific Union, C. L. Bauer

W. E. Nelson is writing to J. L. McElhany, president: "It was certainly good news what you tell me of the splendid appropriation in surplus tithe made by the California Conferences. I do believe, Brother McElhany, that cooperation in the long run is the best policy, and I hope we can work out something whereby we can be of some assistance to the brethren out there in meeting some of their larger problems in financing their work." (Letter, W. E. Nelson to J. L. McElhany, Dec. 23, 1940.)

A few days later, Claude Conard, statistical secretary, wrote to McElhany, Turner and Nelson: "To my mind, eventually some plan will have to be adopted which will leave the local and union fields more free to apply non-tithe funds where they are most needed; and will also safeguard the General Conference in its support of the great mission work in foreign fields." (Letter, Jan. 3, 1941.)

Financial information for the year 1940 reveals that tithe from the North American Division to the General Conference showed an increase of \$115,597.55. The report indicates that only one union exchanged tithe: "A total of \$106,524.95 was received as surplus tithe from the Pacific Union as a whole, \$61,500.00 of this being in excess of funds returned to that field on the basis of exchange of funds." (Letter, H. W. Barrows to the Officers of the General Conference, Feb. 18, 1941.) Here the \$45,024.95 exchanged is not spoken of as an appropriation.

Another approach to providing local conferences with the nontithe funds they needed was suggested by the General Conference Committee in 1941: "We recommend, That approval and encouragement be given to conferences desiring to increase their non-tithe funds through the channel of regular

monthly or quarterly offerings, or by encouraging members to contribute an extra percentage of their income for this purpose." (GC Committee Minutes, Oct. 29, 1941.)

Another example of a substitute appropriation occurs in 1941. The Officers minutes read: "W. E. Nelson presented a request which had been received from the Pacific Union and Southeastern California brethren regarding the use of \$10,000 which had been received as a gift to missions. The brethren desired to pass this gift to the General Conference, but request that the General Conference will pay them a similar amount to apply on the indebtedness of the Paradise Valley Sanitarium. It was not felt that we should enter into any such arrangement with the Pacific Union Brethren, but it was

"Agreed, That we list for the General Conference Committee the suggestion that a special appropriation be made to the Southeastern California Conference of \$10,000 to assist them in their debt paying plans." (Officers Minutes, Nov. 4, 1941.)

Early in 1942 the Southeastern California Conference through the Pacific Union sent \$1,000 to the General Conference for an equivalent amount in non-tithe funds in order to donate that amount toward the new dormitory at the College of Medical Evangelists. The response from H. H. Cobban, assistant treasurer, was that when he brought the question to the attention of the officers present in Washington at the time, "there was not one present who was in favor of this method of transferring money from the tithe fund of a local conference to enterprises which a conference does not feel it can appropriate directly to." Just the same, Elder Cobban recognized that he and his colleagues "did not wish to take an action different from former procedure in the absence of the president and treasurer of the General

Conference from the office." (Letter, H. H. Cobban to C. L. Bauer, Jan. 30, 1942.)

He then goes on to say: "I may say, Brother Bauer, that there has been a growing sentiment in opposition to the practice of your union in sending tithe funds to our office with the request that we appropriate a like sum to some enterprise which cannot legitimately be cared for from the tithe. And each time the matter has been acted upon by our committee those voting in favor of it have done so reluctantly and have expressed the hope that the request being acted upon would be the last that would come to us.

"According to the Testimonies an increase of tithe in a field should make possible the employment of more laborers, but the method of sending money to the General Conference for exchange wholly nullifies the benefit that might come to a field by an increase of tithe, for the process leaves us with not one cent more of money than we had before and the increase of tithe in the local field simply means that field or some other has more money with which to do other things than employ workers." (Ibid.)

This letter was based upon the decision of the Officers January 28, "that this matter be referred to a meeting of the Officers when J. L. McElhany and W. E. Nelson are present with the suggestion that the general problem in connection with use of tithe funds be referred to the Spring Meeting of the General Conference Committee for consideration." (Officers Minutes, Jan. 28, 1942.)

On February 26, W. E. Nelson returned the \$1,000 to Elder Bauer for the Southeastern California Conference stating, "I talked with Brother McElhany in regard to this and he feels with the attitude of the great majority of our committee as it is, it would be unwise to present this to

the committee knowing that they would not be willing to vote the exchange of funds. I feel that since the amount is not large compared with transfer[s] we have made in the past, it would be much better to wait until there would be some emergency or real case where there would be a large amount involved.

"Really, I regret that others take the attitude they do but everyone is entitled to his own judgment and perhaps they are right. It does hurt me to return any money that comes to the General Conference for its mission program. When I see the great need in overseas divisions, I am very zealous for every bit of help we can receive." (Letter, W. E. Nelson to C. L. Bauer, Feb. 26, 1942.)

Developments in Washington produced the following reaction in Glendale:

"I find myself somewhat puzzled over the two letters of February 24 and 26," wrote C. L. Bauer. "I have taken some time to think over the matter. Has it come to the place where we can no longer exchange funds, that is, tithe funds that can be used in your mission program, for mission funds that are nontithe and might be used for projects for which tithe funds could not be used?" (Letter, Bauer to Nelson, March 20, 1942. For complete letter see Appendix A.)

"As far as I personally am concerned," replied Elder Nelson, "I feel it is proper for us to make certain exchanges." He also said "I should be glad to have this whole question discussed with a few of the officers rather than to bring it in before the entire committee. . . . I would rather have some larger project as it is just as difficult to get \$1,000 through as it would be for \$50,000." (Letter, Nelson to Bauer, March 25, 1942.)

On March 31, with the Spring Meeting at hand, the Officers "Agreed, That the matter of the use of tithe funds be listed on the supplementary agenda to be considered primarily by the Officers when they meet with the union

conference presidents on Thursday night." The next day the Officers minutes record: "The item of the use of tithe and exchange of funds had been listed for the supplementary agenda. On further study as to the involvements of this problem, it was

"Agreed, That this be withdrawn from the agenda and be listed on the agenda for the Autumn Council." (Officers Minutes, March 31 and April 1, 1942.)

A few months later, at the Officers meeting of September 21, Elder Nelson reviewed the present financial plans and policies and said: "It would be decidedly advantageous if a readjustment in our plan could be made for the sharing of funds between the General Conference and the conferences so that the conferences might have more non-tithe funds for the building of churches and other projects for which tithe should not be used; and the General Conference on the other hand might have less of these non-tithe funds, but in place of them more tithe funds for use in our foreign mission program." He made a number of specific suggestions (not recorded). As a result of this discussion a committee of three was named to study "the whole matter of our financial set up" and make proposals for presentation at the forthcoming Fall Council: W. E. Nelson, W. G. Turner, and W. H. Williams.

A discussion on the use of the tithe at the Home and Foreign Officers meeting of October 6 lead to considerable discussion about the fact that large sums of tithe money were being used for purposes other than that for which tithe is intended and that mission offerings are not entirely used for the purpose for which they are given. This group agreed to refer the matter to a meeting of the Officers and union and local presidents. (Officers Minutes, Oct. 6, 1942.)

The small committee reported to the Officers a few days later. Its

report was then referred to another committee of three: W. H. Branson, W. E. Nelson, and T. J. Michael. (Officers Minutes, Oct. 11, 1942.)

On October 12 the Officers adopted the subcommittee's report in principle and forwarded it to the Finance Committee. (Officers Minutes, Oct. 12, 1942.)

(Tithe exchange is not mentioned in the several actions, but it appears that these recommendations were an attempt to avoid the need for further requests for tithe exchange as it had been carried out in the preceding years.)

Meanwhile, the auditors in convention were discussing some of these same questions. One of their actions reads: "It was agreed that non-tithe funds segregation was an advantage as this brought into one account the total of funds available for non-tithe enterprises such as church buildings and school building projects. Some of the types of income considered as non-tithe was interest earned, worker donations, Bible House rent, and Book and Bible House returns.

"It was the consenses of opinion that non-tithe funds should be set up as a surplus reserve and that the transfer should be through the Non-Operating Section of the Operating Statement." (Auditor's Convention, Oct. 19, 1942.)

The above discussions by the Officers and other officials lead the Council to establish a committee of thirty-eight persons "to give careful study to our present financial policies relating to percentage of tithe, mission offerings and comeback, and that said committee report to the 1943 Autumn Council." (GC Committee Minutes, Oct. 27, 1942.)

An example of tithe exchange by appropriation is recorded in that Council's minutes. It was voted that conferences receiving in 1942 a tithe of \$130,000 or more should pay to the General Conference an additional 3/4 of one percent on their tithe income and that the General Conference would make provision for the subsidy for the Medical College for 1943. (GC Committee Minutes, Oct. 27, 1942.)

Officers minutes and GCC minutes are silent on tithe exchange until the following Autumn Council. Even then, tithe itself is not mentioned specifically in the action. "We recommend, That where union conference committees in connection with local conferences, desire an exchange of funds by appropriation with the General Conference, this not be considered contrary to any existing policies of the General Conference." (GC Committee Minutes, Nov. 4, 1943.)

Shortly thereafter, the Central and North Pacific Unions requested the exchange of tithe funds for non-tithe funds. On January 3, 1944, the General Conference Committee took up this question. The minutes indicate that the Central Union's request was for the benefit of the Boulder Sanitarium and the North Pacific Union's request was for the benefit of the Upper Columbia, Washington and Oregon Conferences. The action reads:

"Consideration of these requests resulted in renewed discussion of the question of the exchange of funds, and of the basic need of a settled policy that would obviate the necessity of such exchanges. Reference was made to the

fact that a large committee had been appointed at the 1942 Autumn Council to study Financial Policies, and the suggestion was made that when this committee reports a plan may be adopted that will bring relief to the conferences in the matter of non-tithe funds for use in ways that tithe funds may not be used.

"VOTED, That the Committee on Financial Policies be called together in March or April, if that should be necessary, in order that they may have their report ready to submit to the Spring Meeting.

"VOTED, To make an appropriation to the Central Union Conf. and to the North Pacific Union for the Upper Columbia, Washington and Oregon Conferences, in exchange for funds donated by these organizations to the General Conference; it being understood that this present action shall not be regarded as a precedent beyond the time when the whole question can be definitely settled and a policy covering the need adopted." (GC Committee, Jan. 3, 1944.)

A similar action was taken at the General Conference Committee in February involving a request from the Pacific Union for the exchange of \$100,000 tithe for non-tithe funds. The same words, the same qualifications were used. We note that these actions permit the exchanges they authorize to be precedents until "the whole question. . . can be definitely settled." (GC Committee Minutes, Feb. 7, 1944.)

At the Spring Meeting of 1944 the Committee of Financial Policies and Stabilization of Church Schools reported. The Spring Meeting accepted its recommendation regarding the exchange of funds with unions, which appears in the General Conference Committee minutes as follows:

"We recommend, That where union conference committees desire an exchange of union conference tithe funds for non-tithe funds with the General Conference,

the Treasurer be authorized to make such exchange up to 10 percent of their annual tithe." (GC Committee Minutes, April 12, 1944.)

At the same time the appropriation technique was applied to other tithe funds. In connection with the North American Division policy regarding the percentage basis for sharing conference tithe with the General Conference for GC mission work, the Finance Committee recommended and the General Conference Committee approved the following recommendations (alluded to earlier) regarding the tithe percentage schedule:

"That the General Conference appropriate to the local conferences through the unions from funds other than tithe an amount in each case equivalent to the increase in percent of tithe resulting from the application of this revised schedule." (Ibid.)

At the Autumn Council of 1944 the percentage limit for tithe exchange was increased from 10% to 25%. (GC Committee Minutes, Nov. 1, 1944.)

The 1949 edition of the Working Policy shows an upward revision in the "Alternative Tithe Percentage Schedule" from a spread of 11-30% to a spread of 26-45%. This meant, for example, that a local conference with tithe income of \$100,000 could now exchange \$25,000 instead of \$10,000 under the alternative schedule. The union tithe-exchange percentage limit remained at 25%. (GC Working Policy, 1949 ed., pp. 134-35.)

These procedures remained in effect for more than ten years. Then an extension of the tithe-exchange plan was provided: "If any local conference in a given union has not availed itself fully of its right to exchange tithe for nontithe funds, as set forth in the foregoing section, then the union may, in addition to the 25 per cent exchange privilege referred to herein, exchange additional tithe income for nontithe funds up to the amount not so exchanged by its local conferences." (GC Working Policy, 1962 ed., p. 259.)

In the 1970 edition of the Working Policy the "Alternative Tithe Percentage Schedule" has been deleted and the "Exchange of Funds With Unions" paragraph broadened to include conferences and missions under the 25% rule. This revision effectively separated tithe sharing from tithe exchanging for the first time. (GC Working Policy, 1970 ed., p. 264.)

The 1975 Working Policy carries the same tithe-sharing schedule but shows two significant changes in the tithe-exchange section of the policy: (1) the term "appropriation" has been reinstated. After describing the appropriate tithe-exchange situation, the policy states: "Therefore, in order to strengthen the work in both areas, it seems prudent for some fields to pass on such additional tithe to the General Conference within certain limits, and with the understanding that an equal amount of nontithe funds will be appropriated to such a field."

(2) Overseas divisions are authorized to engage in tithe exchange. The word "appropriate" is also used. (GC Working Policy, 1975 ed., pp. 342-43.)

Concern Over Propriety of Tithe Exchanging

The present tithe-exchange policy was born in controversy and has matured in debate. One might say that it is an illegitimate child that has never been fully accepted by all the relatives. An example of the concern it has caused occurs in the records of 1952. W. H. Branson, GC president (1950-1954), wrote to the GC Officers and the Officers of North American unions and overseas divisions:

"At the time of the last Autumn Council we presented to a group of our leaders excerpts from a compilation of Testimonies on the matter of the

proper use of the tithe. A serious question was raised as to whether or not the present policy of exchanging tithe funds for nontithe funds with certain unions and local conferences is strictly in harmony with the restrictions placed upon the use of the tithe by the Bible and the Spirit of prophecy.

"After some discussion of this matter at that time, it was decided that the material which was read there should be circulated among a group such as is listed above, and that it be given further study at a later time, possibly at the time of the coming Autumn Council in 1952."

Attached to this letter are 20 pages of material prepared by the White Estate. (Letter, W. H. Branson to GC Officers, et al., Jan. 22, 1952.)

A large committee was established in April to study the financing of our work and report at Autumn Council, but this question was not brought before the 1952 Autumn Council, the reason being given in the Officers minutes: "Agreed, Not to bring into the Autumn Council for 1952 the question of exchange of tithe in the light of W. H. Branson's explanation that we are not yet ready to consider a question which might alter the fundamental financial structure of the denomination." (GC Committee, April 24, 1952; Officers Minutes, Aug. 31, 1952.)

A scanning of the Officers minutes for the periods preceding the Autumn Councils of 1953 and 1954 reveals no reference to tithe or tithe use.

Again in 1952 we have found one paragraph in the auditor's report of the Northern Union's 1951 audited financial statement relating to the use of tithe: "As regards the question of using tithe income for the purpose of building operations or other capital improvements, this union has very little non-tithe income and, as the union itself has exchanged no tithe funds with the General Conference for non-tithe funds, a large part of any

capital appropriations to institutions or conferences are really made from tithe funds." (Letter, H. W. Barrows to Five GC Officers, March 30, 1952.)

A further inspection of auditors' reports would doubtless contribute some additional incidents concerning tithe use. Such procedures and practices are doubtless well known to the members of the tithe study committee.

Observations

We might ask ourselves what values the historical record has for a people who have divine revelation as their guide. What can we learn from that period of the church's history that antedates the full light of divine counsel concerning the use of the tithe? The events of the past--the outworking of practice and policy--show us what worked and what did not work. (In the 1870's one writer was particularly excited about the unfolding principles concerning tithing because he found that they worked.) However, we cannot expect God's blessing upon us if we copy or adopt the policies or procedures of that period when the servant of the Lord was silent or indefinite, for now we have more explicit guidance. In other words, we can learn more from the historical records after explicit guidance has been given than from before. The principal value in surveying the noninspired historical records is to profit from past successes and to avoid tactical and procedural blunders. We may also benefit from attempting to understand how our predecessors applied the principles revealed to them.

Our research has revealed that problems concerning the use of tithe always arose in the setting of institutional development. The erection of the Boulder Sanitarium led church officials to draw money from a General Conference fund that was itself borrowed. A stinging rebuke came from Ellen White: "It was not right to build this Sanitarium upon funds supplied by the General Conference. The money used for this purpose was not the property of the General Conference to be used for such a purpose. The conference was carrying on its business with borrowed capital. It had no moral right to use means which was not its own. (Letter, Ellen G. White to Brethren in America, "Boulder Sanitarium," June 19, 1899.)

When requests began to appear in the 1930's for nontithe moneys in exchange for tithe, the needs behind those requests often pertained to the establishment, capital improvement, or operation of an institution. And the auditors' reports we have referred to in the 1950's portray the same situation.

Although we have not made a study of the matter, we have conjectured that some changes in tithe use have been proposed or have occurred at times of social or political upheaval. If economic conditions within and outside the church have had a significant bearing upon tithe-use practice and policy, it may mean that church leaders have been more influenced in their decisions by conditions than by principles.

May it not be possible to separate the tithe use question into two distinct parts: (1) the clear-cut applications of divine principles and (2) the area of administrative decision where divine principles do not extend. Part of our problem in the past may have been in trying to associate a stated stewardship principle with every aspect of tithe use, when both leaders and laymembers could see that there was little association. Past leadership has also been placed in awkward positions because they did not foresee where the changing character of the church would lead insofar as tithe and nontithe funds are concerned, and they did not devise policies to satisfy the need for nontithe funds before the need arose.

Today a good procedure would be to (1) explore all the possible ways tithe might be rightly and wisely used and use it in those ways and (2) move aggressively into the promotion of nontithe giving. In the nineteenth century and early twentieth century, church leadership moved outward not knowing how their extensions of the work would be funded. Then they made urgent appeals for funds to fill the vacuum. Budgeting is no doubt safer

and surer, but it largely prevents opportune thrusts into new territory and also the challenge of unexpected and urgent needs. As a result of more enlightened management we do not hear the same kinds of calls for funds today as the church did a few decades ago.

The difficulty in our day may not be wholly limited to the possible misuse of tithe through the tithe-exchange policies, for no doubt much of the tithe sent to the General Conference for exchange goes on to be used as tithe should be used. But what about the nontithe funds that have been sent on back or "appropriated" to the field? Are they funds that can indeed be used in any way local administrators may decide or are some of those funds the donations of members or nonmembers who in good conscience thought they were giving to a specific project or set of projects.

At present there are few opportunities for our church members to donate to the work in general. Almost all offerings that move upward beyond the conference level are either World Mission Fund, Ingathering, or tithe. In the minds of the donors, all these funds have specific ultimate uses. That leaves almost no room for administrative discretion.

Today we may not wish to emulate the financial policies of the 1890's. Yet we might be inspired by President Olsen's expressions of confidence at one meeting of the General Conference Committee. He was responding to a question about the income of the General Conference, and as a part of his reply he quoted Ellen White. Although we have not been able to authenticate this quotation prior to the presentation of our report, we believe it at least reveals the attitude of the church's leadership at that time and the way in which those men related fiscal matters to faith in God's power and willingness to provide.

Elder Olsen said, "If we move forward with discretion, the Lord will bless us. It has not been the policy of the General Conference to wait until funds were in sight for supporting a work before entering upon it. Sister White has the following instruction upon this point:--

"Seek God; believe in him who has infinite resources. If we move wisely, putting our ability into the work, the good hand of God will be upon us. We must push forward the work, not waiting to see the funds in the treasury before we undertake it. God forbid that when his providence *summons* us to enter the fields white already to harvest, our steps should be retarded by the cry, "Our treasury is exhausted. We have no means to sustain the workers that are already in the field, and it is impossible for us to enlarge our operations."" (GC Committee Minutes, July 19, 1895.)

CHRONOLGY RELATING TO TITHE USE

<u>Organizations</u>	<u>People</u>	<u>Tithe Events</u>
1860 - SDA Publishing Assn. org.		1859 - Systematic Benevolence begun
1863 - General Conference org.		
1866 - Health Reform Institute founded (forerunner of Battle Creek Sanitarium)		
1874 - General Tract & Missionary Soc. org. Battle Creek College est.	1874 - James White, GC pres. (1874-1880)	
1875 - Pacific Press est.		
1878 - General Sabbath School Assn. est.	1880 - G. I. Butler, GC pres. (1880-1888) 1881 - James White died 1882 - A. R. Henry, R&H treas. (1882-1897) 1883 - A. R. Henry, GC treas. (1883-1888)	c. 1876 - Tithe plan: 10% of income Tithe for ministry 1884 - Conferences to remit a tithe of tithe receipts c. 1884 - Butler pamphlet on tithe
1889 - National Rel. Lib. Assn. org. Foreign Mission Board org.	1888 - O. A. Olsen, GC pres. (1888-1897) Harmon Lindsay, GC treas. (1888-1893) 1889 - Clement Eldridge, R&H mgr. 1889 - A. R. Henry, GC Assn. affairs (1889-1893)	
1893 - Medical Missionary and Benevolent Assn. est.	1893 - W. H. Edwards, GC treas. (1893-1897) A. R. Henry, R&H treas. & mgr. (1893-1895)	1893 - Economic depression
	1897 - G. A. Irwin, GC pres. (1897-1901) A. G. Adams, GC treas. (1897-1900)	1897 - EGW letter to Daniells
1901 - Major GC reorganization	1901 - A. G. Daniells, GC pres. (1901-1922)	1901 - Conference tithe remittance to be 19%

<u>Organizations</u>	<u>People</u>	<u>Tithe Events</u>
1903 - Foreign Mission Board merged into Gen. Conf. Headquarters moved to Wash.		
	1915 - Ellen G. White died	Percentage plan for tithe sharing in effect
	1922 - W. A. Spicer, GC pres. (1922-1930) J. L. Shaw, GC treas. (1922-1936)	
	1926 - J. L. McElhany, VP for NA (1926-1932)	
	1930 - C. H. Watson, GC pres. (1930-1936)	
	1932 - J. L. McElhany, Pac. U. pres. (1932-1933)	
	1933 - Glenn Calkins, Pac. U. pres. (1933-1941) J. L. McElhany, GC Gen. VP (1933-1936)	1933 - First tithe exchange-- Pacific Union
	1936 - J. L. McElhany, GC pres. (1936-1950) W. E. Nelson, GC treas. (1936-1950)	
		1943 - First tithe-exchange policy
	1950 - W. H. Branson, GC pres. (1950-1954) C. L. Torrey, GC treas. (1950-1966)	