

## **Debt in Adventist History Learning From the Past**

by G. Edward Reid

The work of the Seventh-day Adventist Church was established with great personal effort and sacrifice on the part of its pioneers. The trials and self-denial of the leaders is a well-known fact. The following incidents are given as examples.

“We did not wish to be dependent, and were careful to live within our means. We were resolved to suffer rather than get into debt. I allowed myself and child one pint of milk each day. One morning before my husband went to his work, he left me nine cents to buy milk for three mornings. It was a study with me whether to buy milk for myself and babe or get an apron for him. I gave up the milk, and purchased the cloth for an apron to cover the bare arms of my child” (*Testimonies*, vol. 1, p. 83).

“Did we not know what it meant to work hard and press all our necessities into as small a compass as possible, while we advanced step by step on a sure basis, dreading debt as we dreaded some terrible contagious disease? We went over the same ground in California, selling all our goods to start a printing press on the Pacific Coast. We knew that every foot of ground over which we traveled to establish the work would be a great sacrifice to our own financial interests”(*The Publishing Ministry*, p. 28).

But somehow as the work progressed and the church became more established the leaders began spending beyond the income generated. This became most evident while Ellen White was in Australia. The work was opening up in dramatic ways. It seemed that a sanitarium should be started in Sydney. Appeals were made to the oldest and strongest institutions in America to assist financially in the establishment of sister institutions in Australia. But the appeals were turned down flat because the American institutions were so heavily in debt they could not help.

### **A Financial Crisis**

“During the decade that Ellen White was in Australia (1891 to 1900), the expansion of Seventh-day Adventist denominational institutions was phenomenal but financially irresponsible. Little restraint was exercised on the interlocking boards at Battle Creek headquarters. As college debts increased, money was borrowed from the Review and Herald. The Review itself was heavily in debt but much trusted, and many Adventists chose to use it as their investment institution. Savings passbooks, very similar to those used by banks, were printed by the Review and Herald and were furnished to Seventh-day Adventist investors.

“Dr. Kellogg pushed ahead in opening new sanitariums across the land, mostly on borrowed money. This created debts that he and his associates persuaded the General Conference Association, also a trusted investment institution among Seventh-day Adventists,

to assume. The presidents of the General Conference (Elder O. A. Olsen from 1888 to 1897, and Elder G. A. Irwin from 1897 to 1901) seemed powerless to stem the tide. Each was surrounded by shrewd and much-trusted businessmen who were in sympathy with liberal financial policies that allowed seemingly unrestrained plunging into debt.

“The load of debt was staggering. The wage of ordained ministers and of skilled workmen in the publishing house was only \$12 to \$15 per week. Yet debts on educational institutions amounted to \$350,000. The General Conference Association owed \$288,000. By the end of 1902 the debts of the association exceeded the assets by \$7,400. The General Conference itself was overdrawn in its account by \$41,500 (GCB 1903, p. 19). The Battle Creek Sanitarium was carrying a debt of \$250,000.”

(*Ellen G. White: The Early Elmshaven Years*, vol 5, 1900-1905, pp.198,199)

Writing concerning the Battle Creek College debt in 1899, Ellen White had stated:

“Methods must be devised to stop this continual accumulation of debt. The whole cause must not be made to suffer because of these debts, which will never be lifted unless there is an entire change and the work is carried forward on some different basis”(Ibid).

That change came in 1901 when Elder A. G. Daniels was elected president of the General Conference. He stated, “I am pledged to my committee and to our people not to go on any longer with this borrowing policy”(Ibid, p. 202). He later wrote N. P. Nelson,

“I took the position that the time had come to stop the work of debt making...In the next place, I claimed the right to think for myself and to express my convictions in any board meeting or publicly without being held up to ridicule, and charged with being an obstructionist, and unwilling to cooperate with those with whom I differed”(Ibid., p.207).

By the time of the 1903 General Conference Session Elder Daniels was able to report that the General Conference was operating on a cash basis and had reduced the debts of the denomination by \$250,000.

### **School Debt and Student Loans**

“My heart is deeply stirred in regard to the debt upon our schools all over the world. This state of things should not exist. Will you unite with me in creating something that will change the order of things? In the name of the Lord, do something, and do it now.”

(PH 135, *God’s Plan for the Relief of Avondale School*, p. 5)

Ellen White stated that it was God’s plan that students work their way through school by selling our books. She even told the students what to say to their potential customers.

“Ask the people to purchase these books, telling them they need the truth, and you

need the money. They might as well know what you are trying to do. Tell them of the effort that is being made to free our school from debt”(Ibid. p. 8).

“The reasons that have led us in a few places to turn away from cities and locate our schools in the country, hold good with the schools in other places. To expend money in additional buildings when a school is already deeply in debt is not in accordance with God's plan. Had the money which our larger schools have used in expensive buildings been invested in procuring land where students could receive a proper education, so large a number of students would not now be struggling under the weight of increasing debt, and the work of these institutions would be in a more prosperous condition. Had this course been followed, there would have been some grumbling from students, and many objections would have been raised by parents; but the students would have secured an all-round education, which would have prepared them, not only for practical work in various trades, but for a place on the Lord's farm in the earth made new”(*Testimonies*, vol. 6, p. 177).

“If the light God has given were cherished, students would leave our schools free from the burden of debt”(*Sermons and Talks*, vol. 1, p. 280).

“In acquiring an education, many students would gain a most valuable training if they would become self-sustaining. Instead of incurring debts, or depending on the self-denial of their parents, let young men and young women depend on themselves. They will thus learn the value of money, the value of time, strength, and opportunities, and will be under far less temptation to indulge idle and spendthrift habits. The lessons of economy, industry, self-denial, practical business management, and steadfastness of purpose, thus mastered, would prove a most important part of their equipment for the battle of life”(*Education*, p. 221).

### **Unconcern Regarding Debt**

“Many of our youth who desire to obtain an education feel too unconcerned in regard to becoming involved in debt. They look upon a study of books as the principal means of an education. They do not realize the value of a practical business education and are content to be carried through years of study on the means of others rather than to work their own way. They do not look critically at the outcome of this. They do not study from cause to effect”(*Testimonies*, vol. 6, p. 217).

### **The Teacher's Role in Student Debt**

“Had teachers been learning the lessons the Lord would have them learn, there would not be a class of students whose bills must be settled by someone or else they leave the college with a heavy debt hanging over them. Educators are not doing half their work when they know a young man to be devoting years of close application to the study of books, not seeking to earn means to pay his own way, and yet do nothing in the matter. Every case should be investigated, every youth kindly and interestedly inquired after, and his financial

situation ascertained”( *Mind, Character, and Personality*, vol. 1, p. 196).

### **Why Schools were in debt**

Poor management

Tuition too low

Too many rich foods and desserts

Economy not practiced

Infidel books used instead of the Bible as the foundation of study.

No regular audits

Interest on prior loans a big part of the budget

Spending more than taken in

Traveling staff staying at expensive hotels

Debts were piling up which should never have been incurred.

Schools over built and over decorated

Schools did not heed the messages that the Lord has sent.

### **The “Christ’s Object Lessons” Project**

Because the debt at Battle Creek College was at one point almost out of control Ellen White offered to donate the royalties on the book *Christ’s Object Lessons* to help defray the debt. She actually worked out quite a plan which was accepted by the church and carried forward successfully.

“The Lord put it into my mind to give this book (COL) to our schools, to be used in freeing them from debt. I asked our publishing houses to unite with me in this gift by donating the expense of the publication. (Labor costs) This they willingly agreed to do. A fund was raised to pay for the materials used in printing the book, and canvassers and people have sold the book without commission.

“I will require no royalty if our printing office in Battle Creek will find the material and do the work of printing and binding the book. Others can give illustrations, and those

who canvass for the work can act their part by taking a smaller commission. The conference has pledged the interest on the debt, and this will help in the proposition I have made.”

(*Manuscript Releases*, vol. 16, pp. 24,84).

The various church entities involved and the church families got behind this plan and more that \$300,000 was raised thus paying off the debt at Battle Creek.

### Church Buildings and Debt

“It is a poor wretched policy to go into debt. If the money that is needed to build could first be accumulated, by strenuous efforts, and the church dedicated free from debt, how much better it would be. O, shall we not make it a rule when building a house for the Lord, to put forth earnest, persevering efforts, that it may be dedicated to Him free from debt”(Counsels on Stewardship, p. 259).

“It is of some consequence that a building prepared expressly for God to meet with His people, should be arranged with care--made comfortable, neat, and convenient; for it is to be dedicated to God, and presented to Him, and He is to be entreated to abide in that house, and make it sacred by His presence. Enough should be willingly given to the Lord, to liberally accomplish the work, and then the workmen be able to say, Bring no more offerings. A house built for God never should be left in debt, for God would be dishonored. He is acquainted with every heart, and He will reward every one who freely gives back to Him, when He requires, that which He has given them. If they withhold that which belongs to God, He will afflict them in their families, and cause decrease in their possessions, just according to their disposition to rob Him”(Spirit of Prophecy, vol. 1, p. 271).

“There are portions of the Lord’s vineyard untilled because no means have been supplied. There are meetinghouses burdened with debt which should never have had a debt upon them if proper efforts had been performed. **To find means to put up a house of worship entirely free from debt is one of the greatest acts of benevolence that can be performed.** The interest goes out yearly for an old debt, and no one feels the disgrace, but the hardest part is to redeem the blunder made at the first, to clear off the old debt, and stop the interest that is difficult to raise”(Manuscript Releases, vol 16, p. 52).

“When you place the Lord first, and realize that the Lord’s house is dishonored by debt, God will bless you. Every debt upon every house of worship might now have been paid if the members had not been in such a state of torpor, unable to devise and plan with the most earnest, zealous efforts to cancel the debt. When this is done, rededicate the church, without a debt upon it, to God as His house”(Manuscript Releases, vol. 10, p. 125).

“I rejoice with you in the prospect of clearing the church buildings from debt. How much might have been saved if extra efforts had been made every year to do this. There is no necessity for our meeting houses to continue year after year in debt. If every member of

the church will do his duty, practicing self-denial and self-sacrifice, for the Lord Jesus, whose purchased possession he is, that His church may be free from debt, he will do honor to God”(Counsels on Stewardship, p. 259).

“It is dishonoring to God for our churches to be burdened with debt. This state of things need not exist. It shows wrong management from beginning to end, and it is a dishonor to the God of heaven. Read and study prayerfully the fourth chapter of Zechariah. Then read the first chapter of Haggai, and see if this representation does not apply to you. While you have thought much of your own selves, of your own selfish interests, you have either neglected to arise and build, or have built on hired money, and have not made donations to free the church buildings from debt. Will you consider what it is your duty to do? Year after year passes by, and very little sacrifice is made to lessen the debt. The interest swallows up the means that should be used to pay off the principal”(Ibid., p. 261).

**“I have a message from the Lord.** The churches must awaken from their torpor, and think of these things. ‘The silver is Mine, and the gold is Mine, saith the Lord of hosts.’ Are we as families appropriating the Lord’s silver and gold to selfish purposes, and doing nothing to lighten the debt on His house? The churches are burdened with debt, not because it is impossible for them to be freed, but because of the selfish indulgence on the part of the members. By this neglect God is dishonored, and if He binds about your resources, be not blind as to the cause. When you place the Lord first, and realize that the Lord’s house is dishonored by debt, God will bless you”(Ibid., p. 262).

### Every Member Involved

“The lax way which some churches have of incurring debts and keeping debt, was presented before me. In some cases a continual debt is upon the house of God. These things should not and need not be. If there is that wisdom and tact and zeal manifested for the Master which God requires, there will be a change in these things. The debts will be lifted. God calls for offerings from those who can give, and even the poorer members can do their little. Self-denial will enable all to do something. Both old and young, parents and children, are to show their faith by their works. Let the necessity that each act a part be most strenuously impressed upon the members of the church. Let every one do his best. When there is a will to do, God will open the way. He does not design that His cause shall be trammelled with debt”(Gospel Workers, p. 433).

“The house where God meets with His people will be dear and sacred to every one of His loyal children. It will not be left crippled with debt. To allow such a thing would appear almost like a denial of your faith. You will be ready to make a great personal sacrifice if only you may have a house free from debt, where God can meet with and bless His people”(Ibid., p. 434).

### The Bottom Line

“The test question for every Christian to ask himself is, ‘Have I, in my inmost soul, supreme love for Christ? Do I love His tabernacle? Will not the Lord be honored by my making His sacred institution my first consideration? Is my love for God and my Redeemer strong enough to lead me to deny self? When tempted to indulge in pleasure and selfish enjoyment, shall I not say, No, I will spend nothing for my own gratification while the house of God is burdened with debt’”(Ibid., p. 433).

“The interest paid on a debt left on any house of worship is a great loss.”  
(*Manuscript Releases*, vol. 16, p. 46)

“Puritan plainness and simplicity should mark the dwellings and apparel of all who believe the solemn truths for this time. All means needlessly expended in dress or in the adorning of our houses is a waste of our Lord’s money. It is defrauding the cause of God for the gratification of pride. Our institutions are burdened with debt, and how can we expect the Lord to answer our prayers for their prosperity when we are not doing what we can do to relieve them from embarrassment?”(*Testimonies*, vol. 5, p. 189).

“The Lord has shown me that debts need not be left on our meetinghouses...A debt in every case means a neglect of God’s special, sacred things; for selfish, common things are made first and all-absorbing...The very highest honor is to be shown to God’s tabernacle. Every other consideration should be second to this”(*Counsels on Stewardship*, p. 259).

### **Old Testament Tabernacle Still the Model**

“Their (the Israelites) devotion, their zeal and liberality, are an example worthy of imitation. All who love the worship of God and prize the blessing of His sacred presence will manifest the same spirit of sacrifice in preparing a house where He may meet with them. They will desire to bring to the Lord an offering of the very best that they possess. A house built for God should not be left in debt, for He is thereby dishonored. An amount sufficient to accomplish the work should be freely given, that the workmen may be able to say, as did the builders of the tabernacle, ‘Bring no more offerings.’”(*Patriarchs and Prophets*, p. 344).

### **Knowing When to Borrow**

It is obvious when considering the preponderance of the evidence from Scripture and the Spirit of Prophecy that when undertaking a building project it is always best to have the money in hand to begin with. However, there are exceptional circumstances. The primary exceptions to the no-debt rule involve young churches and when opportunities present themselves that must be responded to quickly. In each case, however, when a debt is incurred a plan should be put into effect to pay it off as quickly as possible. Note the following counsel:

“Whenever it is possible, let our church buildings be dedicated to God free of debt. When a church is raised up, let the members arise and build. Under the direction of a

minister who is guided by the advice of his fellow ministers, let the newly converted ones work with their own hands, saying: 'We need a meetinghouse, and we must have it.' God calls upon His people to make cheerful, united efforts in His cause. Let this be done, and soon will be heard the voice of thanksgiving: 'See what the Lord hath wrought.'

“There are some cases, however, in which a young church may not be able at once to bear the whole burden of erecting a house of worship. In these cases let the brethren in other churches help them. In some cases it may be better to hire some money than not to build. If a man has money, and, after giving what he can, will make a loan, either without interest or at a low rate, it would be right to use the money until the indebtedness can be lifted. But I repeat: If possible, church buildings should be dedicated free of debt”(Testimonies, vol. 6, p. 101).

### **Larger Churches Helping Smaller**

“Let the larger churches which are free from debt, come to the help of their sister churches, and give of their intrusted means toward these smaller places of worship, that the small churches may not be oppressed and discouraged under a load of debt. Let us not like the priest and the Levite, pass by on the other side. What blessings would be meted out to the churches that help in this way, and what love on the part of the poorer churches, as they realized that they were watched over for good. And with this help freely and cheerfully rendered, would come enlarged views of Christian helpfulness and duty. A bond of brotherhood, and love strong and tender, would be created between the members of the churches, large and small; and all petty jealousies and envies would be burned out by the love so substantially expressed”(*Review and Herald*, July 21, 1891).

### **Proportionate Giving and Self-denial Box**

“Let those that have work bringing the highest wages come forward and act a part proportionate to the wages they receive. Let the men who have limited wages have an interest in this matter also. Do what you can, and lay aside something besides your tithing money. Have you a box for this purpose? Explain to your children that it is the self-denial box, in which you lay aside every penny, every shilling, that you can obtain and do not need to spend for actual necessities. It is for the Lord's house. It is sacred self-denial money. It is a gift to the Lord, to lift the God-dishonoring debt from the meeting house. Doing this, every member of the family will be blessed”(*Manuscript Releases*, vol. 10, p. 126).

### **Borrowing - the Exception**

The fund raising strategy that is given by inspiration is as follows: Local members give sacrificially and provide labor with their hands, sister churches give assistance, and then as a last resort, funds can be borrowed at the best terms possible and paid off as quickly as possible.

“In laying plans for building, we need the wisdom of God. We should not needlessly incur debt, but I would say that in every case all the money required to complete a building need not be in hand before the work is begun. We must often move forward by faith, working as expeditiously as possible”(*Counsels on Stewardship*, p. 280).

### **Learning From the Past**

“God designs that we shall learn lessons from the failures of the past. It is not pleasing to Him to have debts rest upon His institutions. We have reached the time when we must give character to the work by refusing to erect large and costly buildings. We are not to copy the mistakes of the past and become more and more involved in debt. We are rather to endeavor to clear off the indebtedness that still remains on our institutions. Our churches can help in this matter if they will”(*The Publishing Work*, p. 331).

### **A Debt to Settle With the Master**

“We shall have a debt to settle with the Master by and by, when He shall say: ‘Give an account of thy stewardship.’ If men prefer to set aside the claims of God and to grasp and selfishly retain all that He gives them, He will hold His peace at present and continue frequently to test them by increasing His bounties by letting His blessings flow on, and these men may pass on receiving honor of men and without censure in the church; but by and by He will say: ‘Give an account of thy stewardship.’...He asks a return of the gifts He has entrusted to us, to aid in the salvation of souls. He has given His blood; He asks our silver. It is through His poverty that we are made rich; and will we refuse to give back to Him His own gifts?”(*Testimonies*, vol. 3, p. 390).

### **A View of the Future**

“The work must not stop for want of means. More money must be invested. ‘Sell that ye have and give alms.’ There is a time coming when commandment-keepers can neither buy nor sell. In the last extremity, before this work shall close, thousands of dollars will be cheerfully laid upon the altar. Men and women will feel it a blessed privilege to share in the great work of preparing souls to stand in the great day of God, and they will give hundreds as readily as five dollars are given now. But let us not dishonor God by thinking that the church has not the means to do all the work that devolves upon her just now” (*Review and Herald*, 10-12-86).