

BEING SECRETARY OF THE GENERAL CONFERENCE

Dr. Lud Estes was elected Secretary of the Uniting Conference in 1939 and continued as Secretary of each General Conference through 1956 without any opposition. He was an extremely capable organizer and had a large staff of assistants. To serve as one of his assistants was in itself an educational experience. I had that experience in 1952 at San Francisco. In 1956 I was Chairman of the Commission on Entertainment and Program and could not be on the Secretarial staff.

When Dr. Estes decided to retire from the office he chose Dr. Leon T. Moore of Philadelphia to take his place. Dr. Estes was elected Secretary for the session and was to edit and publish the Journal of 1956. Dr. Moore was elected Secretary-Designate to assume the office January 1, 1957. Dr. Moore served through the 1960 and 1964 sessions.

Dr. Moore was the Treasurer of the Philadelphia Conference which was a full time position. Fortunately for him his wife, Myrtle, was an excellent secretary and she did most of the work of the Secretary in preparation for the 1964 General Conference at Pittsburgh.

The Secretary of the General Conference was the only officer or executive on the General Conference level who had no Board or Committee to work with. He was completely a law unto himself. Mr. Frank Baker, a prominent Philadelphia layman, served as Chairman of the Commission on Entertainment and Program from 1960 to 1964. In this position he had considerable work to do with the Secretary of the General Conference. He became quite concerned about the fact that Dr. Moore was not having any help in preparation for the 1964 Conference other than his wife. I was Secretary of the Commission on Entertainment and Program and shared Frank Baker's concern. In addition to the lack of assistance, Dr. Moore was rapidly developing Parkinson's disease. Frank and I finally approached Leon and made two requests: (1) That he appoint someone to assist him through the 1964 session; and (2) that he consent to having either the Council on World Service and Finance, the Council of Bishops, or the Commission on Entertainment and Program designated as the body under which he would work. He had difficulty in seeing the reason for either proposal. He finally agreed to use an assistant provided I would become his assistant and would accept the nomination as his successor but he would not agree to any supervision.

Dr. J. Otis Young, Associate Publisher for the Methodist Publishing House, was also a member of the Commission on Entertainment and Program. I respected his judgment and talked the proposal over with him. After all, I had never been a Conference Secretary and no layman had ever been Secretary of the General Conference. He thought the Conference would respond favorably to having a layman as its Secretary and Otis agreed to nominate me.

Dr. Moore named me his first assistant. I went to Pittsburgh two days early and worked like a Trojan helping Mrs. Moore get through several thousand memorials, as they were called. We got the work done and the Conference was to open on Sunday night. After a brief (?) organizational session Bishop Kennedy was to bring the Episcopal Address. We had not anticipated another nomination. However, word was out that Dr. Moore was unable to continue. The men in the South never miss an opportunity to get one of their men into an election and this was too good a chance to miss.

Arrangements had been made before the session began for Bishop Garber to recognize Otis for a nomination. He pulled out all the stops and really made a great speech. The nomination was seconded by E. D. McDonald of Texas, Harold Bosley of New York, and Ed Reeves of our delegation. Then Dr. William Cannon nominated Dr. Charles White of North Carolina. Charlie was an old pro at being a Secretary. Not only had he served several years as Secretary of his own Conference, but he was also Secretary of the Southeastern Jurisdictional Conference. The nomination was seconded by three speeches-one by Dr. Albert Outler, one of the most influential men in the Conference.

After six speeches a ballot had to be taken. By this time Bishop Kennedy was about beside himself. Time was really a-wasting! Finally he was presented and made one of the greatest Episcopal Addresses the General Conference had ever heard. The session finally adjourned and I went to my room to spend a sleepless night wondering how the ballot had come out. At the Monday morning session the results of the ballot were announced - J. Wesley Hole 575, Charles D. White 242. Needless to say, I was highly elated. My election was as Secretary-Designate to take office January 1, 1965. Dr. Moore was to get the 1964 Journal out.

In June, a month after the Conference, it became evident that Mrs. Moore was seriously afflicted with something. It turned out to be a brain tumor and she died in August. Nothing had been done on the Journal and it was obvious Dr. Moore was not able to do anything about it. I went back to Philadelphia in September and arranged to have all the records pertaining to the Conference shipped to Los Angeles. I hired Mrs. Virginia Walker, who had been a secretary at Headquarters several years before she and Dan had married, to do the typing and other clerical work. She, with considerable assistance from my regular secretaries, was able to get the copy for the Journal by the last week in October. On October 29th I flew to Nashville with a valise full of copy for the printers.

Almost immediately we had to begin preparation for a Special or Adjourned Session, as it was ruled to be, which was to be held in Chicago in April of 1966. The purpose was to consider and hopefully adopt the Plan of Union with the Evangelical United Brethren Church. Their General Conference was to meet at the same time and in the same place (Conrad Hilton Hotel) but in a different room. Each of the two Churches was represented by nine Commissioners on a Commission on

Union. I was named one of the nine representing the Methodist Church. There were numerous meetings to be attended, a Delegate's Handbook to be produced, Petitions to be received and processed, and a hundred other details to look after. As is usually the case, I never could have done the job alone. My ever dependable staff in Los Angeles and a superb secretarial staff were alert and on the job to take care of every detail. I had asked Charles White, who had run against me in 1964, to be my first assistant. He was responsible for running the office which we set up in Chicago and everything ran smoothly. The 1966 Adjourned Session approved the Plan of Union as did the Evangelical United Brethren General Conference.

Almost immediately upon adjournment of the 1966 Adjourned Session we began work on the 1968 Uniting Conference which was to be in Dallas. There were to be 1300 delegates to the Uniting Conference - 900 Methodists and 400 EUBs. In addition to the Uniting Conference, the final sessions of the General Conferences of the two denominations were to be held. In other words, we were planning for three different Conferences for Dallas.

It was agreed that neither of the two General Conference Secretaries of the merging denominations should be Secretary of the new United Methodist General Conference. While Dr. Emerson Bragg, Secretary of the Evangelical United Brethren General Conference, and I would function at the final sessions of our respective General Conferences, Dr. Charles White was nominated by the Bishops to be Secretary of the new General Conference. He appointed Dr. Bragg and me as his assistants. Even though Charlie was to be the new Secretary, all of the pre-Conference preparations-certification of delegates, production of the Handbook, and many other things-fell on my shoulders. It was a busy two years, believe me! Everything went off without a visible hitch, although there were some behind-the-scene problems that had to be worked out.

The Uniting Conference voted to have a Special Session in 1970 to finish up some work that was not completed at Dallas. Charlie, of course, would be the Secretary for the 1970 Special Session. He asked me to be his assistant. I agreed at first to do it, but as the time for the Conference neared I asked to be released because of some physical problems I was having. I did go to St. Louis for the Conference in 1970 and was there several days before the Conference was to start. I attended the first day of the sessions and then returned home. The Conference adjourned because of lack of a quorum with 162 Legislative Committee reports ready for consideration. Some things were accomplished, but much of what should have been done went down the drain.

Shortly after the 1970 Special Session had adjourned Charlie White became ill and was hospitalized. He was serving in the Western North Carolina Conference as a District Superintendent. His work load was heavy and he came reluctantly to the conclusion that he could not continue as Secretary of the General Conference. He submitted his resignation to the Council of Bishops. The Executive Committee of the Council was to meet in July. In view of the fact that another regular General Conference

was to be held in twenty months, it seemed imperative to get someone in the job as Secretary who had had some experience. Bishop Kennedy attended the meeting of the Executive Committee and backed the proposal that I be named Secretary for the 1972 session. The proposal prevailed and I was named. Again I was most fortunate to be able to get most of the men who had served with me in 1966 and 1968 to serve again in 1972. I was greatly pleased that Charlie White's health improved and he served again as my first assistant.

No one can discount the honor that comes by being the Secretary of the General Conference. To be the only layman in the history of the Church to have held the position, and to have had a second term was a source of great joy to me.

One incident in the 1972 General Conference was particularly historic. The 1970 Special Session had, at the proposal of the Commission on Ecumenical Affairs, sent a Resolution of Intent to the Vatican in Rome. A reply came to me as Secretary of the General Conference dated July 14, 1971 from Cardinal Villot, Secretary of State of the Vatican. Obviously, the letter should be read to the General Conference since it was the only official communication ever to be received by the United Methodist Church or any of its predecessors from the Vatican. Several persons were sure they should be the one to read the letter to the Conference. It was finally agreed that the Secretary of the Conference should read it - and it was a great honor and privilege to do it. Then there was pressure from representatives of several of the Theological Schools to get the letter for their historical records. I decided that the School of Theology at Claremont had just as much right to have it as anyone else, and that is where the letter is today.

Someone remarked to me that he couldn't understand why anyone would ever want the responsibility of being the Secretary of the General Conference. Unless a person really enjoys detail work the job would be intolerable. I happen to enjoy the kind of work that is involved and must say that having the opportunity to hold the position through three sessions of the General Conference and to have helped in three others are experiences that I thoroughly enjoyed.

Chapter 9

THE JUDICIAL COUNCIL

When I was a freshman in High School, I had to write a term paper on the profession I expected to follow. I chose law. I had an uncle in Fort Worth, Texas who was a lawyer. I wrote to him for information for my paper. He sent it to me with a letter saying that if I were serious about studying law and would attend the Law School at the University of Michigan, which was his alma mater, he would finance my education provided I would come to Fort Worth and practice in his office. I went through high school with that intention. I never carried it out for two reasons. He was killed in an auto accident three weeks before I graduated. The second reason was that I was in love with the girl I later married and I couldn't see seven more years of school. But I never lost my interest in law. Many times when I was on a trip and had a couple of hours to spend I would look up the Court House and listen to a trial in preference to going to a show.

One of the features of the Plan of Union in 1939 was the establishing of the Judicial Council which soon became known as the Supreme Court. Dr. Walter Buckner of our Conference was elected a member of the Council and served until his death in 1955. He was succeeded on the Council by Judge Donald A. Odell who served until 1964.

The practice of the Council was to send each member a statement concerning the cases scheduled on the agenda of the next meeting. Both Dr. Buckner and Judge Odell knew of my interest and would call me when these statements were received and make an appointment for me to spend some time discussing the cases with them. Judge Odell would invariably take the opposite side to my position and would do his best to talk me out of it. It was better training for me in understanding the law of the Church than anything he could have done.

On nine different occasions I have had more than a passing interest in a case before the Council. In several of these I was really responsible for referring the matters to the Council in the first place. In eight of the nine I appeared before the Council to speak to my position on the matter involved. In the other case I prepared a brief and furnished each member of the Council a copy. Only one decision in the first eight cases went against my position. In the final case in which I was interested and which was heard in November of 1974 the Council reversed that decision. As far as I know it is the only time the Council ever reversed a decision it had made.

For the sake of the record, I would like to briefly discuss these cases.

Decision No. 14 upheld the law of Divided Annuity Responsibility in cases of missionaries who had served the Board of Foreign Missions overseas. Such years were being charged against the Annual Conferences in which the

missionary's membership was held. It was in 1943. We had three Conference members who were missionaries and had retired. Our Board of Conference Claimants passed a resolution asking that the years of service involved be charged to the Board of Foreign Missions instead of to our Conference. The Board appealed the question to the Judicial Council. The Council met in the Muehlback Hotel in Kansas City, Missouri. I appeared and argued against Dr. Ralph Diffendorfer. It was almost like David against Goliath. Dr. Buckner disqualified himself since he was a member of our Conference. The other eight votes sustained our position.

Decision No. 140 also related to Divided Annuity Responsibility. It had to do with service of members of our Conference prior to 1940 who served churches in the San Joaquin Valley. The Valley was a part of our Conference until 1940 and then became a part of California-Nevada Conference. Their pension rate was much lower than ours and we were willing to pay our rate for the years of service involved simply because the men who were caught in the change of boundaries would suffer financially if we didn't. The question of the legality of what we were doing was raised not by us but by the Board of Conference Claimants of California-Nevada Conference who were hoping to get a large block of years of service which originated in the German, Swedish and Norwegian Conferences and were served in the San Joaquin Valley prior to 1940 charged to us as well. The question came up at a session of the California-Nevada Conference. Bishop Tippett was required to make a ruling on the question. His ruling was against his own Conference. The ruling had to be reviewed by the Judicial Council. The case came before the Council at a meeting in Santa Monica in October, 1957. Ironically, I appeared to defend Bishop Tippett's ruling. Three members of California-Nevada Conference appeared to contest the ruling. Judge Donald Odell disqualified himself. The other eight upheld the Bishop's ruling.

Decision No. 221 was rendered upon request of the Commission on Entertainment and Program of which I was Secretary and had to do with delegates to the 1966 Special Session. It affected only those delegates who were elected to the 1964 General Conference by Annual Conferences which had been merged before 1966 with other Conferences. The ruling said that the 1966 session was an adjourned session of the 1964 General Conference and that such delegates were to be seated in 1966. It was not a matter that was contested. I appeared to explain why the question was raised and I answered questions that were raised by members of the Council.

Decision No. 227 had to do with the limitations of the business that could be transacted at an Adjourned Session of the General Conference. Again, it was not a matter that was contested and I again appeared on behalf of the Commission to explain and answer questions.

Decision No. 228 was the result of a request for clarification of Decision No. 221. Actually the Commission on Entertainment and Program requested the Judicial Council to review its previous Decision because some powerful interests had criticized the Decision and the Judicial Council wanted to be asked officially for a review in order that it could reaffirm the previous Decision.

Decision No. 235 answered a question raised by the Commission on Entertainment and Program as to whether representatives from the affiliated Autonomous Churches in Burma and Sumatra could be seated in the 1966 Adjourned Session. These two groups were Annual Conferences in 1964 but became Autonomous Churches in 1965. The Council ruled that they could not be represented by voting delegates at the 1966 session as they were in 1964.

Decision No. 333 covered seven different questions which resulted from ambiguous legislation in 1968 having to do with representation of the former Evangelical United Brethren Church in future General Conferences. The Council met at Carmel, California. Two other members of the Commission appeared with me. The legislation had delegated certain responsibilities to the Secretary of the General Conference which could not be carried out without clarification from the Council. It was really a complex matter and I was grateful for the time the Council gave to the matter and for their understanding of my problem.

Decision No. 356 had to do with the constitutionality of Par. 21 of the Constitution and whether several paragraphs in the Discipline relative to the representation of the former E.U.B Church in the General and Jurisdictional Conferences of 1976 were consistent with Par. 21.

This really was a problem of Dr. J. B. Holt who had been elected Secretary of the General Conference to succeed me. However, since I had wrestled with the problem in connection with the 1972 session, I agreed to appear before the Council on this matter. The Decision recognized the problem that we had raised and then injected some provisions that really constituted new legislation and which were completely unworkable. The result was a request from the Commission on the General Conference for the Judicial Council to reconsider Decision No. 356.

Decision No. 388 was rendered pursuant to the request for a reconsideration of Decision No. 356. The Council met in New Orleans. I was requested by the Commission on the General Conference to appear with Dr. Holt on its behalf. He was to arrange for our appearance. In preparation for the appearance I prepared an extensive brief and mailed copies for all nine members to the Secretary of the Council. It proved to be fortunate that I had written the brief. There was a foul up somewhere in communications and I was advised by Dr. Holt we would not appear before the Council as we had planned. Consequently, we did not go to New Orleans. Dr. Houston, President of the Council, called me by phone when he found out I would not appear and I was able to give him answers to several questions. The Council understood the dilemma which its previous decision had created. The new decision reversed the position it had previously taken and it ruled that the paragraphs in the Discipline which we had questioned were inconsistent with Par. 21. This enabled Dr. Holt to proceed in his pre-Conference work for the 1976 General Conference.

I am certain that few men in the Church have had the opportunity to work with the Judicial Council that I have had. It has been a rare

privilege and one which I have greatly appreciated. Many people have questioned the value of a Judicial Council. Some have derisively referred to the Council as "The Nine Old Men." From my experience I am certain that were it not for the Judicial Council we would have many instances of differences of opinion on legislation which would remain unresolved. The fact that almost four hundred cases have been heard and decided by the Council in twenty-five years is evidence of the need for such an organization in the Church.



Dr. Walter C. Buckner, Member of the Judicial Council of the Methodist Church and advisor of J. Wesley Hole.

Chapter 10

CONFERENCE MERGERS - HAWAII DISTRICT

I doubt anyone in the Conference at the present time is aware of the fact that the present Annual Conference is the outgrowth of ten different Annual Conferences that have been merged from time to time. Probably no other Conference in Methodism has had so many predecessor Conferences in its background. These are the Conferences:

1. Southern California Annual Conference of The Methodist Episcopal Church.
2. California German Annual Conference of The Methodist Episcopal Church
3. Pacific Swedish Annual Conference of The Methodist Episcopal Church
4. Western Norwegian Danish Annual Conference of The Methodist Episcopal Church
5. Pacific Annual Conference of The Methodist Episcopal Church, South
6. Arizona Annual Conference of The Methodist Episcopal Church, South
7. Latin American Provisional Annual Conference of The Methodist Church
8. Pacific Japanese Provisional Annual Conference of The Methodist Church
9. California Oriental Provisional Annual Conference of The Methodist Church
10. California Annual Conference of The Evangelical United Brethren Church

Add to this list Hawaii Mission of The Methodist Church and there are eleven units instead of ten although Hawaii was not a Conference. I was not in the office when the first three mergers actually took place. I did spend a great deal of time after I came with the Conference on problems which were the result of the mergers.

For instance, after I came we still had seven or eight former German Churches to dispose of. The German merger agreement of 1928 pledged all former German Churches to the Conference Endowment Fund in view of the fact that our Conference was accepting the pension responsibility for all former German pastors. As these churches were phased out we had to get the titles into the name of the Conference Corporation, find a buyer and transfer title to the purchaser. The list of assets pledged to the Endowment Fund included what is now Kingsley Manor of Pacific Homes and First German Church in Los Angeles which has never been phased out. Because of the 1928 agreement, Pacific Homes still pays annually to the Endowment Fund the sum of \$2000. In the late 1930's an agreement was reached with First German Church whereby the Conference Corporation has a 2/7th equity in the real property and receives annually 2/7th of the net income from a parking lot that is leased commercially. This agreement brings about

\$6000 annually to the Endowment Fund. The agreement is recorded as a lien against the property.

We had an interesting experience with the Stockton German Church property when it was transferred to us. We did not get a Policy of Title Insurance when title was transferred to the Conference. We sold the property to a Four Square congregation on a purchase contract that provided clear title would be given when 25% of the purchase price had been paid. The day came when they qualified for the deed and title. The Preliminary Report from the Title Company was a shock to us. The Title Company said the German Church did not have clear title to the property. It developed that a member and his wife had agreed to give the property to the church. Before they did it, he died. She kept faith with the promise and gave the church a deed to the property. The Title Company said she didn't have title because his estate was never probated to give her clear title. In order to clear up the problem we had to find a man who would cooperate with us. He applied for appointment as executor of the deceased man's estate although the man had been dead many years. As soon as the executor was appointed we brought suit against him for the title. It was all a friendly procedure that cost us \$1000 before we got through.

Another sad development was to find that in almost all the cases the Board of Home Missions and Church Extension in Philadelphia held Trust Agreements against the properties for donations made years before. These liens were not revealed in the listing of assets in the 1928 agreement. The liens of course had to be released before title could be transferred to buyers. The payment of the liens greatly reduced what had been contemplated to be generous additions to the Endowment Fund.

Although we did not experience any unsurmountable problems in the process of mergers, we did have to spend a great deal of time on them. In most cases the Conferences to be merged covered more than just one Annual Conference into which the churches were to be merged. In the case of the Pacific Japanese Provisional Annual Conference at least six Annual Conferences in the West were affected. One difficult question was the assignment of pension responsibility of retired members and widows to the successor Conferences. The Board of Pensions in Chicago helped greatly on this matter. In each case three members from each Annual Conference were appointed to a "Distributing Committee." This total committee had power to assign the portion of the pension responsibility each successor conference was to assume. Sometimes this was done mathematically on a percentage basis. In other instances it was done by assigning men and widows together with their service years.

In almost every case of a merger the Conference coming in has had a lower pension rate than ours. This has created an inequity which has had to be corrected by our Conference. In every case now the men who have served churches within the bounds of our present Conference receive the same pension rate for those years as former members of our Conference received. There is no disparity whatsoever in the pension rate paid to

members of the former merged Conferences. While it has cost many dollars to do this, it has seemed the only fair way to handle the matter.

Another difficult problem of these mergers has been to assimilate the new men coming into the Conference into the life and leadership of the Conference. I don't have the exact percentages in each case of the number of churches and Conference members coming to us in a merger, but I am sure that none would exceed 15% of the successor Conference compared with 85% from our Conference. Obviously, the men coming in, particularly from ethnic groups, feel that they are such a minority they should be seen but not heard. Many times they have not even been seen. In spite of efforts to encourage them and even urge them to participate, they are reluctant to do so. Not only has this been true on the Conference level, but it is even more noticeable in District youth and women's activities. Generally speaking, these language group mergers have benefited the ministers as far as the minimum salary and pension plans are concerned, but it is doubtful that the lay members have been benefited very much.

The one merger in which I had a major part was when Hawaii Mission became a District of our Conference. When I retired the Hawaii District presented me with a Calabash on which there is an inscription reading: "Mahalo Nui Loa - Dr. J. Wesley Hole - Friend of Hawaii - Architect of District Status." I will have to plead guilty to those statements.

My love affair with Hawaii began in 1950. Dr. Leonard Oechsli had been appointed Superintendent of Hawaii Mission in 1948. Jim McGiffin was sent over in 1949 to head up the Christian Education work in the Mission. One thing that was sorely needed was a bookkeeping system for the office. Dr. Oechsli arranged with the Philadelphia office of the Board of Missions to have me sent over to set up a bookkeeping system. At about the same time the Board arranged for ministers and laymen from other Jurisdictions to make a visit to evaluate the work in the Islands. The Annual Meeting of the Mission was scheduled for February 1950. About a dozen people from the mainland went over and not only attended the Annual Meeting but toured all of the islands and visited the churches. In between jumps I set up the books in the Headquarters offices which were located at First Church, Honolulu. It was a thrilling experience for both Velma and me. We met many wonderful people who are still our friends.

One thing that bothered me about our work in Hawaii was the almost feudal system used in the administration of the work. The Board in Philadelphia held title to all the properties. No work could be commenced unless the Board had approved it. Most of the money for salaries and maintenance of the properties came from the Board. It was certainly a patronizing process that depended very little on local decisions or leadership. On the other hand, there were many men and women in the churches whose leadership ability could not be surpassed. Ministers were enlisted from Conferences on the mainland and were sent over on a five-year basis. Many times it turned out that a minister had reasons

other than a missionary zeal to go into such service. A minister who went over maintained his Conference relationship during his five years and then returned to his Conference. This resulted in a great deal of turn-over and instability.

In 1954 Velma and I had another opportunity to represent the Board of Missions at the Annual Meeting. Bishop Kennedy had come to Los Angeles and we went over on the Lurline with them. After the Annual Meeting on our way home I had a long conversation with the Bishop about the administration of our work in Hawaii. Actually, by this time there were two channels of authority involved. In addition to the financial domination of the Board, there was a new voice in relation to Episcopal appointments. There were also signs of a sleeping giant awakening as far as grass roots participation in local policy decisions were concerned. The next step up in organization in our Methodist system would be for a Mission to become a Provisional Annual Conference. In such a Conference ministers would have their membership transferred as they were appointed but the financial responsibility would still be vested in the Philadelphia Board. With financial responsibility would inevitably be perpetuation of the patronizing system of appropriations. This in reality would offer little improvement over Mission status.

Hawaii Mission was in the Western Jurisdiction. The Episcopal supervision was assigned to the Los Angeles Area. It seemed to me to be a logical move to make Hawaii a District of our Conference. So I proposed it. It was a radical departure from anything that had ever been done before with a Mission - except in Utah which was a Mission and became a District of the Rocky Mountain Conference. Bishop Kennedy reacted favorably and encouraged me to explore the idea.

The major questions were financial. Obviously, the Philadelphia Board would have considerably less responsibility to a District of an Annual Conference than it had to a Mission. There would be the cost of ministers and laymen attending our Annual Conferences. It would be necessary to provide funds for Hawaii District to have participation along with other Districts on Conference Boards and Committees. The Minimum Salary Plan and the Moving Expense Plan would have to apply in Hawaii as they did in other Districts. At first the mathematical calculations were discouraging. I discussed the idea with several Conference leaders and got some support. Others thought I was out of my mind to propose such a thing.

I was making frequent trips to Hawaii by that time representing the Board at Annual Meetings and in the development of Pohai Nani - the home for senior citizens. I discussed the idea with Dr. Harry Komuro who was then Superintendent of the Mission and with other leaders in Hawaii. Most of them were in favor of the idea. We finally decided the first step would be to get an Enabling Act through the General Conference. I knew it would be difficult if not impossible to get support from Philadelphia. Such a move would remove the best appeal the Board had for Advance designations from churches across the nation. What the Board had been

doing was to use regular budget funds to finance a project in Hawaii. Then it would use the appeal for support of the project in approaching possible donors-churches or individuals-for Advance designations. When such designations were received, the money instead of going to the project would be used to relieve the financial commitment from the regular budget of the Board. I was certain the Board would not want to lose its "Exhibit A" for appeal for Advance funds.

We finally worked out a Memorial to the 1960 General Conference which authorized Hawaii to become a District of our Conference upon request of the Mission and upon approval of the National Division of the Board of Missions and approval of our Conference. The National Division did not want to oppose the Memorial at General Conference and it was adopted.

However, Dr. Allen Rice, Executive Secretary of the National Division, let it be known in Hawaii in no uncertain terms that he would block the approval by the National Division if Hawaii should request it. Consequently, the matter was laid on the table for about five years. The Memorial of 1960 was reviewed by the General Conference for another quadrennium in 1964.

When Dr. Ed. Caruthers became Executive Secretary of the National Division he soon found that there were not enough funds to finance projects that he wanted to develop in the country. He began to examine the budget of the Division to see where some cuts could be made. Quite a large sum was going to support projects in Hawaii. When he read about the Enabling Act of the General Conference the wheels began to turn in his head. He had a daughter living in Southern California and he came out to spend Christmas with her in 1964. While he was here he made an appointment for me to have lunch with him. He wanted to determine whether or not we would still be interested in Hawaii becoming a District of our Conference. I know he was afraid we would say we were no longer interested, but we assured him that if Hawaii wanted to do it and if the Division would approve it we would do our best to get the Conference to approve.

Dr. Frank Butterworth was by then the Superintendent of the Mission. Dr. Komuro had gone to Philadelphia as a staff member of the Division. Both of these men were favorable to the proposal. By the fall of 1965 we had made careful estimates of the cost and were ready to present to the churches in Hawaii a fairly definite plan. A meeting was called of the ministers and lay personnel in Hawaii and the proposal was presented. There were many sincere questions some of which I could not answer except on the basis of what we were confident the Conference would do. There was some strong opposition on the part of certain ministers who were members of Conferences other than Southern California. There would be the option given to such cases of either transferring to our Conference or returning to their own Conferences. The vote in this meeting was quite heavy in favor of the plan. The procedure would be for the Mission to vote on the plan at its 1966 Annual Meeting. If the vote

turned out to be a formal request to our Conference we would consider it at the 1966 session. If it were approved a committee composed of five from the Conference and five from the Mission would perfect a plan of transition to be presented in 1967 to both groups.

The Annual Meeting of the Hawaii Mission approved the proposal in February of 1966. When it was presented at our Conference I frankly told the Conference the plan would cost us \$100,000 per year for a few years and said that unless the Conference was willing to invest that much money in the idea it should be voted down. It was approved with only a few dissenting votes. The Committee to work out the details of transition was appointed and got to work immediately. There were no serious points of difference.

The 1967 Annual Conference was the greatest display of pageantry we ever saw. Each church in Hawaii had a lay member elected. They and the ministers came in Hawaiian garb with all their beautiful flowers and leis. It was some celebration!

My estimates of cost proved to be too high. The highest annual cost did not exceed \$60,000. The churches in Hawaii readily accepted their apportionments which were a great deal higher than they had been as a Mission. For several consecutive years the Hawaii District was the only District in the Conference which overpaid its Benevolence apportionment. Almost every church in Hawaii soon became self-supporting. The District proved beyond any doubt that it was far more of an asset to the Conference than a liability.

I have alternately been praised and criticized for proposing District status for Hawaii. Regardless of which side of the discussion a person may be, no one can deny that the move developed some of the most capable leadership in our Conference. To me the investment of whatever the cost may have been has been more than justified in the self development of the churches, and in the contributions of lay leadership that was made possible when local participation in policies and programs replaced the patronizing style of administration that existed.



Representatives in Integration, left to right: Nicolas Davila (Latin American), Young Yong Choi (Korean), Harry Komuro (Hawaiian Japanese), Wun Hew Wong (Chinese) and J. Wesley Hole.

Chapter 11

THE PENSION PROBLEMS

Up until I went to work for the Conference I really had never had a responsibility that involved the welfare of other people. Suddenly I found myself in a situation where many people were dependent for their bread and butter on what was happening in the office of which I was a part. I probably could have shrugged it off without much concern but it weighed heavily on my mind. I read in campaign literature about retired ministers and their wives having only tea and toast to sustain them and, while I am sure there weren't any cases of dire need which weren't being met somehow, I was likewise sure that the level of pensions for these retired men, their widows and dependent children was completely inadequate. I made up my mind to do something about it if I could.

The pension situation in the Church today is much improved over what it was forty years ago. If I have contributed anything toward the improvement I am happy. I have said on more than one occasion that if I had to choose only one interest from all that I have had a part in during my career it would be the pension program. I did have the privilege of serving for thirty years as Executive Secretary of the Board of Pensions of the Conference. I also served a total of twenty years as a member of the General Board of Pensions. There is still room for improvement in the Conference pension program, but at least it is not on the near starvation level it once was.

The old system of pensions in the Methodist Church was a "pay as you go" plan. Officially it is known as the "Current Income Plan." The Board of Conference Claimants (now known as the Board of Pensions) of the Conference would estimate what amount would be needed approximately two years ahead which together with other available income would be on hand to pay the pensions for the retired men, widows and dependent children for one year. The amount estimated by the Board would be included in the apportionments to the churches for the following year. At the end of the year the total amount received from the churches on apportionment would be turned over by the Conference Treasurer to the Board. In addition, the income from the Endowment Fund, the Chartered Fund and other miscellaneous receipts would be paid over to the Board. This total would constitute the distributable income for the ensuing year.

The Board then would make a careful calculation of the total years of service on which the pensions would be paid. This would be the aggregate total of the service records of all the claimants. Widows were entitled to seventy percent of their husbands' years during which she was married to him, and each dependent child was entitled to twenty-five percent of the father's years. This grand total of all years would be divided into the total of cash on hand and the result would be the rate per year of service to be paid. This rate multiplied by the years of service in each case determined the pension to be paid during the next Conference year. Pensions then were paid quarterly in advance.

The Conference received considerable relief in the pension load in 1940 when the General Conference adopted the legislation known as Divided Annuity Responsibility. Prior to this the Conference in which a man retired was responsible for his entire pension no matter where he had served. In order to provide ministers for new churches as they were established it was necessary to transfer ministers in from other Conferences. Consequently, nearly every man who retired had service in some other Conference. The new legislation charged the Conference in which service was rendered with the pension for that service regardless of where a man retired. The result of this legislation relieved our Conference of about one-third of the pension load the year after it was adopted.

In cases where there were forty years of service or more the pension for the year was quite adequate, but there were many cases where only ten or fifteen years were covered. In these cases there was the necessity of funding supplemental help. The Hough Fund was a great help. The income from that fund was designated for "necessitous cases." The Board was allowed by legislation to set aside a small percentage of income from other sources for "emergency cases." It was necessary for the Board to set up a procedure whereby needy cases could be determined and supplemental funds provided. It was out of this kind of a situation that the Board finally established a position known as "Pastor to the Retired Ministers and Families." This was a part time position and was usually filled by a minister who was not quite ready to retire but who did not want to carry a full time responsibility. His job in a very real sense was a "case worker." After he had investigated a needy case he would recommend the amount of aid which the Board should grant from special funds.

Every application for a special grant of funds had to be carefully checked. Sometimes a request for "emergency" funds was not justified. One claimant requested \$200 for taxes which were coming due on his property. He had a son who was gainfully employed and who would probably inherit the property some day. It was suggested that the son be asked to provide the \$200 for the taxes. The father said he did not want to ask his son for help. Then he added that if we wouldn't help him by making the grant he would have to draw the money out of his savings account.

Later in the 1960's the son of a former member of the Conference, Mr. D. H. Crowell, set up a fund known as the "Mrs. D. A. Crowell Memorial Fund" in memory of his mother. She was a widow and received a pension for the longest period of time of any claimant in the history of the Conference. The son appreciated what the Conference had done for his mother so much that he contributed \$50,000 to establish a fund the income from which is designated for relief cases among widows only. This fund has been a tremendous help to many needy widows.

One Pastor to the Retired Ministers felt strongly that the regular rate payable for years of service should be kept as low as possible and

that a much larger sum than we were paying out in emergency grants should be made available on a case basis. While there was some merit to his position, it was really contrary to the philosophy of Methodist pensions-namely, that pensions were earned and should be administered on the basis of equality taking into account the years of service.

When the position of Pastor to the Retired Ministers was established, there was no Social Security program for ministers. The annual pension rate then was only about \$30 per year of service. As the rate went up and Social Security began to be available for ministers, the need for supplemental funds on an emergency basis decreased. The Pastor to Retired Ministers also edited a monthly paper known as "Pastor's Patter" which kept the claimants informed about their fellow claimants. The value of this paper was probably not fully appreciated until it was discontinued. The retired people really missed the "Patter." Just recently Rev. Kenneth Danskin, who served as Pastor to the Retired Families for four years before he retired, decided to attempt to revive a regular paper. The office in Los Angeles agreed to mimeograph and mail it if he would prepare it. It is called "Parsonage Postlude." The first issue was a great success. It is planned to get the "Postlude" out at least quarterly.

Several men served as Pastor to Retired Ministers. The first to fill the position was Dr. George Cliff. Dr. Alfred Hughes, Dr. James Lyons and Dr. S. Douglas Walters served for short periods of time. Rev. Edgar (Ted) Evans held the position for nine years. Rev. E. Alexander Gray followed Rev. Kenneth Danskin and served until 1971. During all the years that we had a Pastor to Retired Ministers I was serving as Executive Secretary of the Board. When I retired in 1971 the decision was made to employ a full time Executive Secretary. In order to finance this position, the position of Pastor to Retired Ministers was discontinued. Rev. Harold Johnson was chosen to be the Executive Secretary to succeed me.

In 1945 the Partial Reserve Pension Plan was adopted by the Conference for enrolling new members as they were received into Conference membership. This was a start toward replacing the Current Income Plan with an actuarially computed Reserve Plan. In 1956 the Conference adopted the Ministers Reserve Pension Plan for all its pension obligations, for active as well as retired men. The rate funded by this plan was \$42 per year of service. As the annual rate increased, the amount above \$42 had to come from Supplemental Funds, the Conference Endowment dividend and the Lynch Funds. In 1968 the funded rate was increased to \$50 and in 1973 it was increased to \$75. Each time the funded rate is increased, negotiations with the General Board of Pension in Evanston are necessary to recalculate the unfunded liability and to adjust the annual rate of amortization. It has been a long and complicated experience, but the Conference is well on its way to a complete conversion from a very hazardous method of handling its pension obligations to a stable and completely funded Reserve Pension Plan.

The genius of the Reserve Plan is that the funds are accumulated each year as the service is rendered so that when a man retires the

total amount needed for his pension for his lifetime is on hand. Once all past years are funded the annual cost to the Conference will be less than the former plan because as annual amounts are set aside to cover each year of service, interest will be earned until he retires and the money is actually used.

When I came into the office in 1934 the total amount involved in the pension program for the first year was \$82,858. The budget now is over \$1,500,000 per year.

I must admit that when I began planning to retire the one responsibility I worried about was the pension program. I "hand picked" Harold Johnson as my successor because he had the qualities I felt were needed for the administration of the Conference pension program. He has proven his competence and I am completely at ease about the future.

Retired Methodist ministers and widows are an appreciative group of people. I have been thanked more times than I could possibly deserve for having saved the pension program from disaster. Certainly I did not do anything alone. While I happened to be in a strategic spot at the right time, what was accomplished was the result of efforts on the part of many different people. It has been one of the most satisfying experiences of my career to have had a small part in one of the great programs of the Church.

THE CONFERENCE ENDOWMENT FUND

Much of what I know about the Conference Endowment Fund prior to 1934 I learned from the records and from what little information I could get from some of the Trustees who had served during the period of 1928 to 1934. The purpose of the Fund was to provide income for pensions of the retired ministers, widows and dependent children of the Conference. The theory was that at least one-third of the amount needed annually for pensions should come from income earned on Endowment Funds. This would, of course, lessen the financial burden on the churches for without Endowment income the apportionments to the churches would necessarily have to be greater.

Many interested people would leave bequests in their wills for this purpose. Unless such bequests were specified otherwise, the money received would go into the General Endowment Fund. There had been some rather large bequests which benefited the Conference pension program. One of the Charter Members of the Conference was Dr. A. M. Hough. His wife was a sister of Mr. Jay Gould who was a very wealthy man. The Houghs gave the securities which established The Hough Fund. The original value of the fund is not recorded. It must have been near \$100,000 and today because of the favorable market conditions the assets are worth over \$200,000. The income was designated to be used for "necessitous" cases. While this fund is administered by the Trustees of the Conference it has always been kept separate from any other permanent funds.

In 1926 Dr. A. Ray Moore was appointed Treasurer of the Corporation and Executive Secretary of the Conference Claimants Endowment Fund. Under the direction of the Conference Trustees who were also Trustees of the Conference Corporation, Dr. Moore vigorously promoted interest in the Endowment Fund.

There were other ways developed of aiding the Endowment Fund than outright cash contributions and bequests in wills. One of the popular methods of appealing for financial assistance was by the process of Annuity Contracts. This process required a license from the State and certain regulations regarding reserves, etc. had to be observed although the supervision by the State was quite lax. Our Annuity Contract was written on the basis of a gift of cash or securities or the agreed upon value of some other assets such as real property. The usual return to a donor was fixed on the basis of a percentage equivalent to his age. For instance, a donor 60 years of age would be paid 6% annually on the value of his gift. A donor 80 years of age would receive 8%. Many contracts were "Joint and Survivor" contracts in which case the rate of return would be somewhat reduced. In any event, the obligation to pay did not cease until the death of the annuitant or in case of a joint contract, the death of the survivor. In the late 20's a return of 6% to 8% on money was a great attraction. If a person had no obligation to heirs it was a real opportunity to benefit the Endowment Fund and at the same time be assured of a generous income for life. The big fallacy as far as the Endowment Fund was concerned was that the experience of insurance companies

which have long written annuity contracts has been that on the average less than 20% of an annuity gift eventually becomes an addition to capital. The rest is used up during the life of the donor to provide the difference between what can be earned on the money received and the amount which is paid out during the time before death terminates the obligation.

Altogether between 1926 and 1933 about 150 annuity contracts were written by the Conference Corporation. In the report to the Conference in 1933 the assets of the Endowment Fund were stated to be \$1,651,855. Although there were certainly economic warnings earlier, the policy of writing annuities continued even into 1934. Eventually in 1935 the lowest point in the value of the fund was reached. If the facts had been known which later developed the fund had a minus net worth August 31, 1935 of over \$30,000. The net worth of the Corporation on that date was \$34,000. Later excess valuation was written out of the assets of the Corporation in the amount of \$71,000. In other words, the liabilities then actually exceeded the true value of the assets by that amount. Ordinarily in such a situation the company or corporation involved would be declared bankrupt.

Several factors were responsible. Without assessing the blame on anyone, let me suggest what some of the factors were.

1. Not enough care was exercised in setting the value of assets which were accepted as the basis for annuities. Granted that during the period real estate values were declining. That trend should have been warning itself to be more conservative in appraisals before setting a value upon which a contract was based.
2. Too many "cats and dogs" or badly run-down apartments, homes, commercial buildings, etc. were accepted. This meant heavy maintenance costs.
3. When available money from income on properties proved to be insufficient to meet the annuity obligations, other unencumbered assets of the Corporation were liquidated in order to meet the annuity obligations. This in effect was sending good money after bad.
4. Many decisions were made by the Executive Secretary before the Board was consulted. Although all such decisions were later ratified, the Board really never knew what was going on.
5. The real seriousness of the situation was kept under cover so long that by the time it came to light little could be done but to try to salvage what could be from the remains.

Some of the creditors began to be nervous in 1933 about what was happening. This was particularly true of the bank which had made a sizable unsecured loan. This loan had been reviewed at various times rather than paid off. The creditors finally insisted upon a layman as the business manager instead of a minister. That is when I was offered the

job and came into the office July 1, 1934. In an earlier chapter I related how I discovered the real financial predicament of the fund in August of 1934. No need to repeat that part of the story.

We worried through the Conference year of 1934-35 by hook or by crook. At Conference 1935 Dr. Oren B. Waite was appointed to replace Dr. Moore who took a church. Dr. Waite had salvaged one mess for the Conference - the Pacific Palisades fiasco. He was a small man physically but he had great courage and unusual ability. One of the first things that was done was to bring on to the Board some laymen. Prior to that all Conference Trustees were ministers. The first three laymen were Franklin Robinson, a real estate operator in Long Beach, Donald A. Odell Conference attorney, and Walter Armacost, a large nurseryman from Santa Monica. Under Dr. Waite's skillful direction and with the full support of the Board we set about to do two things: (1) Get out of the real estate business; (We owned 17 apartment houses in Long Beach alone.) and (2) Get out of the annuity business. We surrendered our license to write annuities to the State. We did have two or three opportunities later to write annuities. When such an opportunity came we would purchase an insured annuity from an insurance company for a single payment and take the profit for the Endowment Fund immediately. Usually the profit or difference between the cash gift and the cost of the insured annuity was about 16% or \$1600 on a \$10,000 gift.

Liquidating the real estate holdings was an absolute necessity if we were to survive. We were forced to put a moratorium on the payment of annuity obligations which was distasteful for us and unacceptable for the annuitants. We then worked out a proposal to buy back the contracts at 25% of the original consideration. The options were clear. Either the annuitants had to accept what was offered or we would go into insolvency. The process of having to meet personally with the annuitants and explain the predicament was a long and difficult one, but Dr. Waite was equal to it. In one or two cases we were threatened by law suits. In one case a man had invested \$25,000 in cash after it was a well-known fact that the fund was in financial trouble. He had reason to be upset and I am sure if he had sued he would have won. He was paid off in full in order to get his contract back. Aside from a few small contracts where the annuitants were quite advanced in years, all contracts were finally bought back and the Endowment Fund was saved from bankruptcy.

Dr. Waite retired in 1941. By that time nearly all the real estate was gone and what assets were salvaged were invested in securities or Trust Deed loans. If I had the power to erase from my memory an unpleasant experience it would be what we went through during those years. The one great benefit to me was association with a truly great man - Oren B. Waite. I said when he retired that my six years with him were more than equivalent to a college education which I didn't have.

In 1941 I became Executive Secretary and Treasurer of the Conference Corporation. I held this post until July 1, 1966 when I resigned because of the pressure of the work as Secretary of the General Conference.

When I resigned the assets of the Corporation totaled \$1,845,000 and the only liabilities were such current items as taxes not due, etc. Such a record was not mine alone. Much of the credit must go to the Trustees who served faithfully with me. They met almost every month, sometimes oftener. I owe much to them.

When I retired from the Corporation the Trustees presented me with a plaque beautifully lettered and reciting a resolution of appreciation which had been adopted. By this time there were six ministers and six laymen on the Board. The plaque is signed by eleven members. An appointment had been made with the other Trustee to get his signature in the hospital but before he could sign Dr. S. Douglas Walters had received his summons from the Man Upstairs and was gone. His name is typed on the plaque which has a prominent spot on my "ego" wall in my study.

My resignation from the Corporation resulted in breaking up the Central Treasury office we had had since 1928. One of the younger men I had brought into the office five years earlier was Mr. A. A. Wright (Al). He was business manager for First Methodist Church, Long Beach. He was serving on the Commission on World Service and Finance and I was impressed with his knowledge and ability. I had assigned to him the responsibilities in the office related to the Endowment Fund and he had done an excellent job. It was a natural solution and a good one when the Trustees chose him to take my place as Executive Secretary and Treasurer of the Corporation.

Al had had experience with Trusts with an Insurance Company. He is an excellent churchman and an able administrator. An office was set up separate from the Conference Treasurer's office. Al and one of my best secretaries, Mary Lou Vargas, who had done most of the secretarial work on Corporation matters, together with all the files pertaining to the Corporation and all Trust Funds moved into the new offices.

I had served twenty-five years as Executive Secretary and Treasurer of the Corporation. Prior to that I had served seven years as Business Manager of the Corporation. There is a lot of me invested in that part of the Conference history. I am thankful that Al didn't have to go through what I did as he came into the leadership of the permanent funds of the Conference.

THE LYNCH FUNDS

Probably the largest single gifts to benefit the Conference Claimants in the history of the Conference have been the Frank Lynch and Georgia A. Lynch Residuary Trust Funds. Mr. and Mrs. Frank Lynch came to San Diego from North Dakota in the 1920's. They were ardent Methodists and were members of First Methodist Church in San Diego. In addition to several rich farms in the Red River Valley of North Dakota, they owned and operated the Benson Lumber Company and the Lynch Shipbuilding Company in San Diego. They also had large real estate holdings in the Mt. Helix area near La Mesa.

It is evident from the wording used in their wills that they had used literature from the Conference Treasurer's office in promoting "The Conference Claimants Endowment Fund." Both Mr. and Mrs. Lynch provided for many specific charitable gifts as well as bequests to several relatives and friends. They had no children of their own. Each one made the provision that after specific bequests had been paid the residue of the estate should be used to establish a Trust Fund. In the case of Frank Lynch there were only two beneficiaries - The Conference Claimants Fund of our Conference and of the North Dakota Conference. Income from the Trusts were to be divided equally between the two. Mrs. Lynch named three beneficiaries - the two Annual Conferences as in Mr. Lynch's will and the Women's Home Missionary Society of the Methodist Episcopal Church. The income from the Trust was to be divided equally among the three. The wills were written in 1936. Both provided that upon termination of the Trusts the assets are to go to the beneficiaries in the same proportions as the income is divided. Four nephews were named in each will during whose life-time the Trusts are to be continued. Upon the death of the final remaining nephew the Trusts are to be terminated. Both Mr. and Mrs. Lynch died in the late 1940's. The first Trustee in each case was Frank C. Lynch, a nephew. When he resigned, First National Bank of San Diego was named as Trustee for the Frank Lynch Trust. In the case of the Georgia A. Lynch Trust, Mr. Harry Woodward of San Diego, who had been General Manager of Lynch businesses in San Diego was named Trustee. He continued as Trustee until the fall of 1968 when he nominated me to succeed him. Shortly after I was named as his successor he died at the age of 82.

The value of the Frank Lynch Trust when it was established was \$1,024,827. The value reported by the Trustee as of November 30, 1974 was \$2,745,000. During the years the Trust has been in existence a total of \$2,626,070 has been paid to the Conferences in dividends. Eventually one-half of the assets of the Trust will come to the Conference and no doubt will become a part of the Conference Endowment Fund.

The value of the Georgia Lynch Trust when it was established was \$582,590. The value reported by the Trustee as of January 31, 1975 was \$1,400,000. During the years the Trust has been in existence a total

of \$483,246.55 has been paid to the Conference in dividends. Eventually one-third of the assets of the Trust will come to the Conference and no doubt will become a part of the Conference Endowment Fund.

It has been a great thrill to have worked with the predecessor Trustee, Mr. Woodward, and to serve as the Trustee since 1968.