

Minutes
Church of the Brethren General Board
March 14 - 17, 1972

Present: Ira B. Peters, Chairman; Ina Ruth Addington; Charles M. Bieber; A. G. Breidenstine; Robert A. Byerly; Stanley L. Davis, Jr.; Paul H. Fike; Donald L. Fike; Dean M. Frantz; Robert M. Keim; Everett Mishler; Floyd H. Mitchell; Anna B. Mow; Leon C. Neher; David B. Rittenhouse; Robert L. Strickler; Gladys C. Weaver; Mary Anna White;
* Jesse M. Ziegler; Wayne B. Zook; C. Wayne Zunkel; Raymond R. Peters
Dale Brown, Moderator; Dean Miller, Moderator-Elect
* Donald E. Willoughby

Absent: Samuel H. Flora, Jr., Rosa Page Welch

Opening Worship consisted of group singing, led by Wil Nolen and Prayer by Ina Ruth Addington.

Wednesday morning worship: Paul H. Fike

Thursday morning worship: David B. Rittenhouse

The General Secretary outlined briefly for the Board the items and exhibits listed in the agenda booklet and called attention to other exhibits which had been prepared since the distribution of the agenda booklets.

I. Approval of Minutes

VOTED to approve the following minutes:

General Board - November 1971
Executive Committee - November 1971, January 1972
Goals & Budget Committee - November 1971, January 1972
General Services Commission - November 1971
Parish Ministries Commission - November 1971
World Ministries Commission - November 1971

II. Financial Reports

Heard the report of the Treasurer for the five months ending February 29, 1972. Total expenses for this period, \$1,616,558; income, \$1,395,948 with the excess of Expense over Income being \$220,610.

Budget Recommendations:

Reported the action of the Executive Committee to extend the current budget year through December 31, 1972. The budget which was prepared for the period October 1 through September 30 will be extended on the same ratio for another three months -- making a 15-month year.

Fiscal Year 1973

It was reported that the Goals and Budget Committee recommended to the Board a general guideline for the building of budgets between now and June. That guideline is based on the current budget total figure of \$3,834,600; that this dollar figure be the base line plus increase in salaries and wages, not to exceed 5.5% of salaries and wages as of September 30, 1972.

VOTED to accept the Goals and Budget Committee recommendation.

IV. Personnel

Staff Review -- Due to lack of time, this item was postponed until the June meeting.

Personnel Relations Committee Revisions -- Postponed until June meeting.

V. Action Items: Unfinished Business/Proposals

1. Guidelines for Undesignated Reserves

Proposed Guidelines for Undesignated Reserves were submitted by the Administrative Council to the Goals and Budget Committee at its November 1971 meeting. After review and discussion the committee asked the Council to bring a revised paper on Undesignated Reserves back to the Executive Committee in January.

In the January meeting, the Executive Committee VOTED to recommend the paper as presented to the General Board for action in the March meeting. This is Exhibit A in the March 1972 General Board agenda booklet.

General Board VOTED to approve the recommended Guidelines for Undesignated Reserves. These guidelines to become effective January 1, 1973 or the end of the current year.

2. U. S. Bonds and Cash Flow Needs - (Exhibit B in General Board agenda booklet)

Loren Bowman reviewed this exhibit and called attention to the November Board action asking the Administrative Council to make some amendments to the paper and bring it back to the General Board with the options for discussion at the March meeting.

Jesse Ziegler offered a counter-proposal to this exhibit. After some discussion, it was decided to table the item until the Investment Guidelines proposal was discussed at a later session.

In light of the actions of the Board in relation to the Investment Guidelines, Jesse Ziegler asked to withdraw his substitute motion.

In November, the Board was considering three guidelines (see November minutes, Item 4, Page 2) when the issue was tabled and the Administrative Council was requested to bring other options to the Board in March.

The Executive Committee reviewed the proposals of the Administrative Council and recommended to the Board the following guidelines regarding U. S. Treasury Bonds:

1. The General Board reaffirms its opposition to war.
2. The General Board shall sell the U. S. Government Bonds pledged for the Bethany Theological Seminary loan as these are released from escrow.
3. The General Board shall sell its remaining U. S. Government Bonds and negotiate a savings account with the Continental Bank of Chicago to provide for its cash flow needs.

A motion was made by Wayne Zunkel to delete No. 2 and to amend No. 3 to read -- "The General Board shall sell its remaining government bonds in keeping with the Investment Guidelines." (See minute on Investment Guidelines on following pages:6 and 7. Final action on Bonds came after Guidelines were approved.) This motion did not pass.

No. 3 was amended to read: "The General Board shall sell its remaining U. S. Government Bonds.

A substitute amendment was offered by Floyd Mitchell and APPROVED by a roll call vote to change item 3 to read: "The General Board shall sell its remaining U. S. Government Bonds and reinvest in other securities in keeping with our Investment Guidelines."

VOTED to approve the three guidelines above as amended.

The following members voted "no" on the substitute amendment No. 3 and on the passage of the motion as amended: Everett Mishler, Jesse Ziegler, A. G. Breidenstine, Gladys Weaver.

Ina Ruth Addington "abstained."

Absent: Samuel Flora, Jr., Robert M. Keim, and Rosa Page Welch

The following motion was made by Jesse Ziegler:

1. That in the news release prepared regarding divestiture of and investment in U. S. Treasury obligations, full disclosure be made regarding the vote including a statement setting out the reasons for the votes, both positive and negative.
2. That the statements regarding the U. S. government being demonic, being heavily evil even in the non-military parts be credited to the individuals holding such views and disassociated from the action or the personnel of this Board.

An amendment was moved to include point 3:

3. We emphasize that Brethren continue to love Christ and one another in the midst of their differences and continuing soul searching.

VOTED to approve this motion as amended.

MOTION was made and PASSED that the Board estimate any loss of principal or income that may accrue from divestiture at this time and issue an appeal for interested members to make special contributions so that the on-going ministry of the church or the equity of the Pension Fund may not be curtailed.

3. Investments

A three-part exhibit was presented to the General Board by the Executive Committee:

- Process/Outcomes -- which stated recent General Board and Executive Committee actions and the procedure by which the Philosophy Statement and Investment Guidelines were prepared. This was informational only.
- The Philosophy of Investment -- being recommended by the Executive Committee

- Report of the Investment Committee of the Church of the Brethren General Board with its proposed investment guidelines as amended by the Executive Committee.

The Board AGREED to amend the second paragraph on page 2 of the Statement on Philosophy of Investment to read: "But there is also counsel that the world is evil. The material values are viewed as temporal and as leading those who seek them to idolatry. To be faithful to God is not to love the world. The Gospel often had clear and dramatic effects upon the economic institutions of the time, even when there were various ways of interpreting how to respond to the Gospel. For example, discipleship had a clear and dramatic effect upon the silver industry in Ephesus."

VOTED to accept the Statement on the Philosophy of Investment as amended. (Exhibit B)

Robert Greiner reviewed with the Board the Report of the Investment Committee and the Investment Guidelines as proposed. (Exhibit with official minutes.)

Dean Miller and Stanley Davis offered a substitute for the section on Investment Guidelines. It was VOTED not to accept this substitute but to consider each of the 8 guidelines on the original proposal for acceptance or amendment. Listed below is the action on each item:

1. VOTED to amend Guideline No. 1 to read as follows:

"As a 'long-term' investor, investments will be made in quality securities yielding a better than average return, including stocks which will increase in price during the years that they are held. The Board shall not invest in a company that makes excessive profit."

2. VOTED to amend Guideline No. 2 to read as follows:

"In line with Annual Conference and General Board diversification goals, investments will be made in companies and governments or governmental agencies which provide goods or services for the general public good. This includes such agencies as Federal National Mortgage Association and industries such as food, housing, clothing, medical supplies, education, transportation, public utilities, retailing, etc."

3. VOTED to amend Guideline No. 3 to read as follows:

"When we have investments in companies that are not consistent with the policy statements of the Annual Conference or the General Board, we shall endeavor to influence the company through attending stockholder meetings, etc. We might do this ourselves, invite others to join us, or we might join with other agencies when their views coincide with ours on a specific subject. If the company does not make a response which ultimately qualifies it under the other guidelines, the Investment Committee shall sell our investment."

4. VOTED to approve Guideline No. 4 as proposed.

5. VOTED to amend Guideline No. 5 to read as follows:

"Investments will not knowingly be made in companies which are known as direct producers of defense or weapons-related products. The Investment Committee shall sell such investments unless the Committee decides to pursue Guideline No. 3.

The Board shall invest in no governmental securities that directly support military expenditures (e.g. U. S. Treasury Bonds). The Board may invest in securities of those governmental agencies that are clearly non-military (e.g. F.N.M.A.)

Roll call vote was requested.

"No" votes recorded were: Ina Ruth Addington
A. G. Breidenstine
Gladys Weaver
Wayne Zook
Jesse Ziegler

"Abstained": Anna Mow and Mary Anna White

"Yes" votes -- Balance of Board members who were present.
(Samuel Flora, Jr., and Rosa Page Welch were absent)
Robert M. Keim

6. VOTED to amend Guideline No. 6 to read as follows:

"Investments will not knowingly be made in companies which do not have fair and equal opportunity employment practices. Except as indicated under guideline No. 3, the Board shall invest in no company or bank that carries out business transactions with governments which practice apartheid."

7. VOTED to approve Guideline No. 7 as proposed.

8. VOTED to approve Guideline No. 8 as proposed.

VOTED to approve the Investment Guidelines No. 1 through 8 as amended.

Other Investment Actions

The General Board VOTED to confirm the following paragraph from the Investment Committee's Report:

"In 1966 the General Board segregated \$200,000 of its investment funds for investment in sound organizations which are working specifically at furthering racial and social goals. The Investment Committee is assuming the present continuation of this fund for these high-risk special purpose investments."

The General Board VOTED to accept the recommendation of the Executive Committee that we commend these guidelines to the other agencies of the church and individuals.