

December 2, 1965

\$8 Million Budgeted  
By Home Mission Board

ATLANTA (BP)--The Southern Baptist Home Mission Board in its annual session here adopted a record budget, an even \$8 million.

The funds, an increase of more than \$3/4 million, support more than 2,500 missionaries in the United States, Cuba, Panama, and Puerto Rico.

"Southern Baptists' concern for missions has been reflected in their giving," said Arthur B. Rutledge of Atlanta, executive secretary of the mission agency.

"We received record amounts this year from the Southern Baptist Cooperative Program, and the special Annie Armstrong Offering for home missions, and we anticipate more than \$3 1/2 million from each source next year," he said. Other funds come from church loans, designations, and miscellaneous income.

Rutledge said the budget reflected a trend toward placing personnel and resources in those states where Southern Baptists have started missions work in the last 20 years.

"Most of the increases go to these areas--...as we decrease financial assistance in some places where Baptists are strong," he added.

Biggest share of the new budget--\$5,930,000--is allocated to the board's missions division.

Departments within the missions division are pioneer, rural-urban, metropolitan, work with National Baptists, language, special mission ministries, and the new departments of Christian social ministries and work related to non-evangelical religions.

The language missions department receives more than a third of the division's budget--\$2.2 million for its work with more than 40 language groups.

This department also directs Southern Baptist efforts in Panama, Puerto Rico, and Cuba. Although two of its missionaries and a number of Baptist pastors are still in prison in Cuba, the board continues its work there.

Five other divisions and the administration were budgeted the other \$2 million. They are chaplaincy--\$135,000; evangelism--\$220,000; administrative services--\$680,000; education and promotion--\$250,000; and church loans--\$444,000.

General administration, which includes the departments of personnel and survey and special studies, budgets \$290,000.

This is the first time that all funds of the board have been included in one budget, including capital needs and church loans as well as a conservative estimate of the advance section of the SBC Cooperative Program.

-30-

Baptists Give \$50,000  
For Hurricane Damage

12-2-65

ATLANTA (BP)--The Southern Baptist Home Mission Board voted \$50,000 of expected missions funds for use in Louisiana to meet needs of churches and individuals following damage by Hurricane Betsy in September.

The \$50,000 will supplement another \$125,000 raised by Baptists in Louisiana.

Fred B. Moseley of Atlanta, assistant to the executive secretary of the mission agency, said all the money would be used to restore church buildings and to meet personal needs of pastors hard hit by the hurricane. The money was appropriated at the board's annual meeting here.

-more-

DARGAN-OWNER LITMAN  
S. B. C. NATIONAL BOARD  
NASHVILLE, TENNESSEE

"Louisiana Baptists are still raising funds, but they do not presently have enough to cover the minimum needs," Moseley said.

He indicated \$25,000 of the funds will be earmarked to cover personal needs of pastors who lost property and income not covered by insurance.

The funds, according to Moseley, will be administered entirely in Louisiana by the hurricane relief committee of the state's Baptist convention.

The missions official said the \$50,000 is not presently in hand but is definitely assured from an over-and-above offering now being received through the denomination's Cooperative Program, its method of raising funds.

This section of the Southern Baptist Convention budget, called the advance section, starts after the first \$20 million is received.

"The Home Mission Board may get in excess of \$750,000 from the advance section," Moseley predicted. "We have set the first \$450,000 for operating needs, and the next \$50,000 goes to Louisiana."

He added that in the future the mission agency would coordinate the administration of such disaster funds through their department of social missions ministries.

However, since Louisiana had their committee and this department was not functioning, no administration from Atlanta was felt necessary at this time.

-30-

#### Imprisoned Missionaries Remembered By Baptists

12-2-65

ATLANTA (BP)--The names of two Southern Baptist missionaries, Herbert Caudill and David Fite, prisoners of the Cuban government since April 8, appeared often here in reports and sessions of the annual meeting of the denomination's Home Mission Board.

"We are taking all possible constructive steps on behalf of these prisoners and the continuing Baptist work in Western Cuba," Executive Secretary Arthur B. Rutledge of Atlanta told the board of directors of the agency.

He expressed gratitude for the continued efforts of the U. S. State Department and the Swiss Embassy in Havana on behalf of the missionaries.

Caudill, 62, is under a 10-year sentence and David Fite, 31, is under a six-year sentence. Both were charged with espionage, subversive activities, and illegal currency transactions.

They were arrested with 51 other Baptist nationals in Cuba, 43 of whom are still in prison.

Rutledge released a recent letter from Mrs. Caudill, who with Mrs. Fite continues to live and do mission work in Havana.

The women are allowed to visit the Havana prison once a month. "We found our husbands well at the last visit," Mrs. Caudill wrote.

"They are taking exercises, raising up on their hands, and have a much better 'figure.' Of course, there are two reasons for this.

"Their faces were full and they have had a good color. Hebert apparently has had no further trouble with his eyes. They were in good spirits.

"As I talk with other wives I learn that the others have a fine attitude also. They are happy to be able to help others in a place to which they would not have had access otherwise. The wives and older children are carrying on nobly, also the laymen."

The board's language missions department, which directs work in Cuba, said in its report that churches on the island have carried on their work despite the arrest and imprisonment of so many of the pastors and leaders.

-30-

December 2, 1965

3

Baptist Press

Seminar For Associational  
Missions Leaders Planned

NEW ORLEANS (BP)--A seminar for superintendents of associational missions will be held at New Orleans Baptist Theological Seminary, Feb. 24-March 4, sponsored jointly by the seminary and the Home Mission Board of the Southern Baptist Convention.

Superintendents attending the eight-day seminar may elect to take the course for two hours of seminary credit. They will receive 32 hours of classroom work and 64 hours of outside assignments. Part of the studies will be in specific areas of leadership training.

Campus housing and meals are available for participants. Motels are also within walking distance of the campus.

(Reservations should be sent to Leonard L. Holloway, Office of Development-Public Relations, New Orleans Baptist Theological Seminary, 3939 Gentilly Boulevard, New Orleans.)

-30-

12-2-65

EDITORS: Forthcoming tomorrow will be a wrapup story on all actions of the SBC Home Mission Board meeting in Atlanta. You may take your choice of the separate stories, or the wrapup, or a selection of each.

--Baptist Press



460 JAMES ROBERTSON PARKWAY  
NASHVILLE, TENNESSEE

DR DAVIS C WOOLLEY    HO  
HISTORICAL COMM  
127 NINTH AVE N  
NASHVILLE TENN 37203

NEWS SERVICE OF THE SOUTHERN BAPTIST CONVENTION  
WATCH FOR THE (BP) CREDIT LINE

# BAPTIST FEATURES

PRODUCED BY BAPTIST PRESS  
NEWS SERVICE OF THE SOUTHERN BAPTIST CONVENTION  
460 JAMES ROBERTSON PARKWAY, NASHVILLE, TENNESSEE 244-2355  
W. C. Fields, *Director*  
Theo Sommerkamp, *Assistant Director*

December 2, 1965

Changed Interest Rates  
Reopen 'Subsidy' Debate

**EDITOR'S NOTE:** Does a federal loan to a church-related institution for building construction involve a "subsidy," and thus violate the principal of church-state separation? Several Baptist state conventions are currently grappling with this question, including Georgia where a loan request from Mercer University was recently denied by the Georgia Baptist Convention. After a thorough study of changes recently adopted by Congress, the director of research for the Baptist Joint Committee on Public Affairs in Washington, gives these views:

By Walfred H. Peterson  
For the Baptist Press

For many years some people have thought that the level of interest rates on federal loans to colleges has been crucial in debates on church-state relations. Whether they are right or wrong, changes in two laws affecting federal loan rates have reopened the discussion.

When the 1950 College Housing Loan Program was implemented, private colleges could obtain loans for dormitory and related construction from the federal government. Since the 1963 Higher Education Facilities Act was recently implemented, there has been some loan money available for construction of certain types of academic facilities.

Under both acts the interest rate paid by the colleges fluctuated. The formula determining the rate included two elements: (1) a rate which represented the average cost of money borrowed by the federal government by floating bonds, and (2) a one-fourth of one per cent charge for administrative expense.

The former element has ranged over the fifteen years of the dormitory program from 2 1/2 per cent to 3 1/2 per cent. Since 1955 the trend has been upward. As a result of this increase, 1965 loans under the two programs have required a 3 3/4 per cent and 3 7/8 per cent rate respectively.

Now the Congress in two separate acts (the Housing and Urban Development Act of 1965 and the Higher Education Act of 1965) reduced the loan rates of both programs to a maximum of three per cent. This action took place as interest rates on federal bonds continued to climb toward four per cent or more.

Up to this time, some church-related colleges took the federal loans believing that they were not receiving a subsidy from taxes. There was some argument about whether the cost of bonds to the federal government should include only long-term bonds or all bonds. Treasury officials argued that even at the lower figure achieved by averaging the rates of interest on all federal loans, the college dormitory program was paying its way.

For the College Housing Loan Program this view appears correct. Recent figures indicate that the account shows an overall surplus of around six million dollars. The newer program of academic facilities construction is too recent to indicate a meaningful balance.

What will be the situation now that the rate of interest is cut to a flat three per cent? The off-hand assessment is that now there will be a partial subsidy. This may well be true for the loans made under the 1963 act, but for loans made under the 1950 act the answer is ambiguous.

In the dormitory program the total amount already loaned is approaching \$2.9 billion. Since there has been no instance of default and since administrative costs year by year have not grown proportionately to the total loaned, this program will probably show surpluses for years to come.

For several years into the future as the colleges acquire new loans at the lower interest rate, the "profit" from the old loans will offset any loss on the newer loans. Presently about \$300 million a year can be loaned.

DANIEL B. SMITH LIBRARY  
S. B. J. NATIONAL COMMISSION  
NASHVILLE, TENNESSEE

-more-

Officials refuse to estimate how long this capacity of the old loans' profit to offset new loans' losses will last. The estimate would be very uncertain at best since such an estimate would have to assume the future rates of government bonds and future use of the program by the colleges.

What can be said is this: For the next several years, the old loans' profits probably will offset new loan losses. Here the government is presiding over a program that benefits those making new loans at the expense of those who have old loans. Presently, this cannot be called a "subsidy" from tax monies.

The issue is different for loans for academic facilities under the 1963 act. Here no massive backlog of "profitable" loans and no surplus from administrative funds have been built up to absorb losses on new loans. Since the costs of borrowing by the Department of Health, Education, and Welfare at present bond prices will not cover all expenses, the program will have to be supported by some tax money. This will be a "subsidy" from general tax revenues, though administrative officials are loath to use the word.

The existence of this "subsidy" raises an issue of church-state relations: Should church-related institutions receive financial support in this way from the government?

It is doubtful if the issue could be raised in a law suit on the basis of the First Amendment, because in the nature of the situation it would be exceedingly difficult for anyone to establish "standing to sue." Also, since the federal government already gives grants to church-related colleges, there would be little point in challenging this "little subsidy" before the courts until the grant program was challenged.

Thus, the issue is one for congressional or administrative action if any governmental action can be obtained. Until or unless the government acts, it is, of course, an issue for the church-related colleges to settle with their own consciences.

-30-

(NOTE: In this discussion, the word "subsidy" has been used to refer to a payment from general tax monies to support a financial transaction between government and a private agency that does not raise as much income as it expends. Some argue that a "subsidy" by government is created when a governmental program costs less than a comparable private program to the users, regardless of the cost of the program to the government, but this use of the word has not been adopted here.)

# BAPTIST FEATURES

PRODUCED BY BAPTIST PRESS  
NEWS SERVICE OF THE SOUTHERN BAPTIST CONVENTION  
460 JAMES ROBERTSON PARKWAY, NASHVILLE, TENNESSEE 244-2355  
W. C. Fields, *Director*  
Theo Sommerkamp, *Assistant Director*

## A TALE OF TWO LETTERS

By Ralph A. Herring, Director  
Seminary Extension Department

Among my most treasured possessions are two letters from a prisoner.

The first one arrived in 1962. It was stamped "Censored."

The first item of information on it was the inmate's identification: No. 143153.

Addressed to the Seminary Extension Department of the Southern Baptist Convention, it read as follows:

Dear Sirs:

As you can see I am an inmate of \_\_\_\_\_. I have taken several Bible courses and am very much interested in being a minister when I get out of this place. All my life I have been interested in this study but somewhere along the way I got lost. I have no money with which to pay for a course but will greatly appreciate taking one if it's possible. Please let me know how I go about it.

Sincerely yours,  
A. J.

That letter set off a dramatic chain-reaction involving a mother's prayers, a relative who paid for tuition and texts, friends who assisted and encouraged, instructors who graded his papers, office personnel who kept his records and posted his grades, and seminary professors who selected texts and prepared guides for studying them.

It all adds up!

Now, three years later, A. J. has successfully completed 28 courses of study with the Extension Department.

At three hours per lesson, that adds up to 1,512 hours of work!

He is among the 321 who have been awarded one of our basic certificates. He is also numbered among the 16 who have received one of the more recent Advanced Certificates.

During the 14 years the Department has been in existence nearly fifty thousand students have been enrolled in the various courses we offer. Thousands of letters have come from students. In this tide of correspondence, recently we received another letter from Prisoner No. 143153, our friend A. J. It is one which we cherish very much. It says:

"The certificate is nice and I am very glad to have two, but what they stand for is what is important to me. . . . I have learned so much (I needed to and still do). I understand God's Word better. I have learned compassion, tolerance, to love others, to forgive, to understand myself better. To know I am nothing without Christ and everything as long as I do His will. . . . I have learned to wait upon the Lord. Thank you, Dr. Ralph and the staff, for all the help you have given me. Thank you, Lord for the Seminary Extension Department and for showing me the way. The letter I wrote you in 1962 was the most important of my life."

Maybe it was!