

September 8, 1954

127 Ninth Avenue, North — Nashville, Tennessee

SBC EXECUTIVE COMMITTEE GIVES
OK TO HOME MISSION BOARD LOAN

NASHVILLE, Tenn.--(BP)--The Home Mission Board has been granted permission to borrow three million dollars from Atlanta banks for the purpose of relending to churches under its Church Extension Loan Fund. Approval of the loan was given by the Executive Committee of the Southern Baptist Convention in a special called meeting here September 8. The money will be repaid over an eight year period, the first note of \$300,000 becoming due December 31, 1956. The money will be loaned to churches at an interest rate of not less than five per cent.

A special committee of five was appointed in June to consider the plan. Following the reading of a majority report calling for adoption, Carl E. Bates, Texas, made a motion that the report be adopted. He pointed out that the action was demanded by the new day Southern Baptists face. He was followed by J. D. Grey, Louisiana, who said that because of the nature of the collateral the loan would not set dangerous precedents. Carr P. Collins, Texas insurance executive, also spoke for the motion pointing out that "the loan was only a stop-gap measure and that future plans should call for a fifty million dollar loan fund." He also suggested that a committee be appointed to study ways and means of creating a larger loan fund plan.

W. Douglas Hudgins, Mississippi, the fourth speaker, spoke in opposition. "We have never done mission work on borrowed money. To plunge into debt is breaking faith with people to whom we promised a few years ago that Southern Baptists would not again go into debt." He also said that the debts of local churches were not analogous to the plunging of the Convention into debt. He then cited the solicited opinions of some twenty-five pastors in his state, not one of whom he said was in favor of the project.

Then T. P. Pruitt, attorney from North Carolina spoke strongly in favor of the motion. "We are living in a new day. 1940 is out the window. In 1940 we had 250 million dollars worth of buildings. In 1951-1953 Southern Baptists added 267 million dollars worth of buildings. If any agency of the denomination wants to present any proposal for borrowing money on a self-liquidating basis such as this then this Executive Committee ought to consider it."

September 8, 1954
Nashville, Tennessee

Baptist Press

Dr. Louie D. Newton, Georgia, dissenting member of the sub-committee offered a substitute motion asking that the Executive Committee decline approval of the loan because (1) It would approve and establish a new policy and patten for which we find no authority in Scripture. (2) It would appear to weaken the structure of the Convention's business and financial plan. (3) It would not meet the avowed minimum needs outlined by the Home Mission Board, thus implying subsequent appeals for further borrowing. (4) It would open the door for other agencies of the Convention to ask for similar authority to borrow funds.(5) It would, in our opinion, tend to dull the edge of all appeals to our people to adopt New Testament methods of stewardship, by which, we believe, all denominational interests should be supported and extended.

A vote was taken on Newton's substitute motion. It failed twenty-four to ten. Two of the thirty-six members present did not vote. Following the vote John A. Jones, Georgia advertising executive, spoke briefly stating that "borrowed money is hard to pay back." He also said that in the long run debt would discourage the people from giving.

The question was called for, a voice vote was taken with numerous strong "ayes," and a sprinkling of "no's." C. C. Warren, North Carolina, president of the Executive Committee, declared the report adopted and approval granted.