

PRESIDENT J. REUBEN CLARK, JR.*First Counselor in the First Presidency*

My brethren and sisters: Here are more statistics. I hope you get more pleasure out of hearing them than I get out of reading them. There is one situation, however, and a very important one, that I should like to call to your attention, and that is that the figures are all in the black. There are none in the red.

Before reading the annual financial statement, we may note a few preliminary matters, some by way of repetition of what has been said on like occasions heretofore.

REVELATION AT FISHING RIVER

At Fishing River, Missouri, June 22, 1834, the Lord declared that 'the commandments which he had given concerning Zion and her law should be executed and fulfilled after Zion's redemption.' (D. & C. 105:34.) This suspended the operation of the United Order in Zion—i.e., Missouri. The Order continued for a time thereafter in Kirtland, but was later discontinued there.

In the years immediately following there was no organized plan for meeting the money needs of the Church, and the financial situation became increasingly serious.

THE LAW OF TITHING

In July of 1838 (four years after the Fishing River revelation) the Prophet was again in Missouri, at Far West. On the eighth of the month, the Prophet, urged by the serious financial needs of the Church, went to the Lord, enquiring:

O Lord! Show unto thy servant how much thou requirest of the properties of thy people for a tithing. (D.H.C. 3:44.)

The Lord answered with two revelations—the first giving the law of tithing (D. & C. 119), and the other fixing the order of its distribution. (D. & C. 120.)

COUNCIL ON THE DISTRIBUTION OF TITHES

Pursuant to these revelations, and as explained at recent conferences, the Church has a Council on the Distribution of Tithes, made up of the First Presidency, the Council of the Twelve, and the Presiding Bishopric. This Council considers the proposed budget of the Church, which is itemized under general headings, and then approves and authorizes such expenditures as it deems proper.

A subcommittee of this Council on the Distribution of Tithes then makes the detailed appropriations from the sums approved and authorized by the Council. This subcommittee is known as the Committee on Expenditures, and is made up of the First Presidency, three members of the Council of the Twelve, and the Presiding

Bishopric. A Church Building Committee acts under the direction of the Committee on Expenditures. The Financial Secretary to the First Presidency acts as the secretary of the Committee on Expenditures.

The budget authorized by the Council on the Distribution of Tithes is made up of two parts:

1. The regular approved authorizations for the various items covered by the budget, in the amounts estimated as necessary to carry on the work of the Church for each item of expenditure; and

2. A contingent reserve out of which can be met any unusual expenditures not provided for in the budget, either as to budget items or as to special or unforeseen expenditures. This contingent reserve is likewise spent under the authorization of the Committee on Expenditures. In 1947 the reserve set up was a little over eight percent of the total budget appropriations from the general funds of the Church; this year (1948 budget) this reserve equals about five percent of the itemized budget. Last year the reserve was more than ample to cover the supplementary appropriations. It is believed the reserve for this year will be likewise sufficient.

All unexpended appropriations lapse with the end of the fiscal year and are returned to and are absorbed into the general funds of the Church, subject to appropriation therefrom as are other like Church funds.

EXPENDITURES OF THE CHURCH

The expenditures of the Church are increasing at what seems to me to be a disquieting rate. For the ten years 1936 to 1945, both inclusive, the average expenditure from our general Church funds was just under \$5,000,000 annually. As we reported to you at the last April conference, the expenditures for 1946 equaled \$6,890,000 from general Church funds, and, including all other cash expenditures made by the people on various accounts, the expenditures amounted in total to \$12,310,000. As we shall see, expenditures for 1947 were \$11,263,000 out of general Church funds (or \$4,373,000 more than in 1946,) while the total cash expenditures, general funds, plus non-budget funds contributed by the people, were \$18,919,000 (or \$6,609,000 more than 1946). The total cash expenditures, including budget and nonbudget items for 1948 are put at over \$20,000,000.

I may observe that we owe no money. We shall not have to borrow any money to meet our budget. But in my own view, we must all watch more carefully our spending.

As individuals our standard has become, not our need, nor our comfort only, but our luxury. Many of us are not yet willing to bring ourselves under control and to quit spending not only all of our savings, but also all we are making, and in addition, running in debt on instalment buying. Our young people, particularly our boys returned from the service, are being inveigled into running debts that, in most cases, will take all their surplus (if they have any) for the next ten to twenty years, and under circumstances and conditions that will cause them to lose everything they have put into

their ventures, if there should come to them any incapacitating illness, or accident, or if death came, or if the hard times should come that so many predict and that some fear are even now beginning.

DANGER OF INFLATION

Unemployment is increasing, and if it continues it could become serious. In that event, if we shall follow the pattern other countries have followed, we must not be too surprised if the people, accustomed over the last few years to a certain standard of living and not having money enough to buy the things that will enable them to continue that standard of living, raise the cry that there is not enough money. In other countries when this cry has become sufficiently insistent and from sufficiently large numbers, they have started the printing presses going to print money, always under the delusion that the presumed restrictions and safeguards which are then provided, would enable the stopping of the money flood before it becomes dangerous. But again, if the pattern of other countries worked out here, it would not be possible to stop this flood of paper money once it was well started, and then would follow the inflation that ruins not the very wealthy, but those of moderate means and those with means that are less than moderate. In other words, the poor people are the ones who always suffer most in such financial debacles. Our people should remember the lessons of history, even very recent history, and do all they can to avoid this catastrophe, for such it has always proved to be in the past.

MODERATION IN EXPENDITURES

As to Church spending, for my own part, I should like to urge the people to cease building cathedrals for ward meetinghouses, and to stop furnishing them as if they were palaces. I think I should say to you that the First Presidency is not urging the building of these expensive, luxurious buildings; indeed, they consider that often the load placed upon the people thereby is both unfair and unwise; they feel we could well be much more moderate in many of our expenditures.

The Lord still does not look at the magnificence of our meetinghouses, nor at the luxury of the pews, nor at our expensive carpeting, nor at our overstuffed furniture and the mahogany chairs of the foyer and of the high council and other rooms. The Lord still looks at the humble heart and the contrite spirit of his children, and as he said when he walked with his apostles in the Holy Land:

. . . where two or three are gathered together in my name, there am I in the midst of them. (Matthew 18:20.)

It is not the place in which we meet, but the spirit in which we gather together that concerns the Lord. Not pride but humility brings him into our midst.

I will now read the financial statement: