PASTOR'S REPORT

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FROM PASTORAL ADMINISTRATION

Greetings Fellow Ministers!

Mr. Meredith was in Big Sandy, Texas this past Sabbath, March 10, and spoke to all the churches in that area including those as far away as Texarkana and Dallas. I spoke to him on the phone today (Monday) and he said there were 2,000 brethren gathered together for this special service there. He mentioned that his visit was very successful. I am sure he will be writing to you about it in the next Pastor's Report.

Mr. Meredith asked me to go ahead and write something for the Pastor's Report. I would like to take this opportunity to express my sincere appreciation for the cooperation and loyalty of the vast majority of you men in the field. This has been deeply appreciated! Those of us here on the Pastoral Administration team have a sincere and deep desire to do our very best in the jobs that Christ has given us. We really do want to humbly serve you men and help you in any way we can.

I believe that Mr. Meredith has mentioned to you that all of us here on the P.A.D. team meet together almost every day at 3:00 p.m. in his office. This is a daily planning and coordination meeting in which we discuss your reports, phone calls, ideas and all the input from the area coordinators and all you men in the field. We are currently discussing and planning a series of campaigns for the U.S. churches and hope we can get them under way soon. We will have to wait until the weather is better in some areas. There are many things that we can do to strengthen the brethren and to stimulate the growth of God's Church, both spiritually and physically. We might as well take advantage of the publicity we have been getting and turn "lemons into lemonade," as Mr. Herbert Armstrong continues to say.

As all of you know, the Passover is now less than one month away. The Passover service is Tuesday evening, April 10. I hope all of you are making proper physical arrangements for the Passover; but even more, I hope that you will take the few remaining weeks to prepare spiritually for the Passover. As you well know, we are commanded to examine ourselves before we "eat of that bread and drink of that cup." Paul wrote in I Corinthians 11:31, "For if we would judge ourselves, we should not be judged." The next verse shows that if we do not judge and correct ourselves, we will be judged and chastened by Christ.

Being a true minister of Jesus Christ is an awesome responsibility. I think most of you realize that. You have the power in your hands to teach people God's way and to inspire and motivate them toward God's Kingdom and eternal life. Or, you could become careless, and misuse your office and influence people in a wrong direction. Your life can be a positive example of strong faith in God the Father and the leadership of his son Jesus Christ, or you can reflect doubt, negativism and disloyalty.

I would like to mention what I feel is one of the most important teachings I have ever learned in God's Church. It is the lesson of God's government and authority from the top down. I feel this is the crux of everything we are going through now. I believe with all my heart that God is checking all of our attitudes in the ministry to see if we understand His government and recognize His authority in our lives.

Do you have absolute faith that Jesus Christ is the head of this Church and this Work and that he is fully in charge? Most of you would say, "Yes, I believe that." Well then, do you trust Jesus Christ to guide and inpire Mr. Herbert Armstrong as our human leader? This is where I feel the problem lies with some of you. You doubt that Jesus Christ is really able to guide and direct Mr. Herbert Armstrong in the accomplishing and finishing of this great Work. I know that some of you wouldn't put it that way. But there are some who really do lack faith in Jesus Christ and his ability to guide and direct Mr. Armstrong. Because some of you hesitate to really back up Mr. Armstrong 100% and do not speak loyally in support of him as our human, spiritual leader, some members of your congregations doubt that you are totally loyal to this Church and Work.

The conference in Tucson should have convinced all of you that Mr. Armstrong is very much alive and in good health. Mr. Meredith, Raymond and Burk McNair and I are striving to stay in close communication with Mr. Armstrong so that we can have his guidance in everything that we are doing. We call him regularly and seek his advice and instructions concerning the churches and ministers worldwide. Mr. Armstrong has given us a job to do, and to the best of our ability we are going to accomplish that job! Those of us here on the Pastoral Administration team are 100% loyal to Mr. Armstrong, and we believe this is the way Christ wants us all to be in the ministry. Without loyalty to Mr. Herbert Armstrong under Jesus Christ, we cannot have the unity that we must have to go on and finish this great Work.

So please take this time before the Passover, fellows, to examine yourselves. Are you truly loyal to God the Father and Jesus Christ? If you are, you will be loyal to the man that God called and chose 52 years ago, our "father in the faith," through whom He has called you and me into His Church and into His ministry. Thanks again for the loyalty of the vast majority of you. As I said earlier, we deeply appreciate the tremendous attitude of faith and loyalty that most of you have demonstrated during these present traumatic times.

Sincerely, in Christ's service,

Dennis Luker

Dennis Luker

NEW RECEIVERSHIP IMPOSED ON GOD'S CHURCH

On Monday, March 12th, Judge Julius Title of Los Angeles Superior Court reimposed the receivership on the Church. He accused the Church of acting in bad faith when it refused to cooperate with a court order in place of

a receiver. When the order was written and then signed on March 2 by the judge and then made available for review, our attorneys were convinced that it was unconstitutional and could not be complied with without forfeiting our constitutional rights. Our attorneys filed a Notice of Appeal to the District Court of Appeals on the same day. Once appealed, the order was automatically stayed, but the judge viewed this as an obstructionist tactic. He was obviously irked at our having taken rightful and legal steps to seek remedy.

The new receiver was appointed at the end of a hearing in which the former receiver, Mr. Weisman, was to be cross-examined by our attorneys concerning excessive fees, as well as his competence and credibility in the role of a receiver. Judge Title refused to proceed with an evidentiary hearing in which not only Weisman, but also others claiming fees in the receiver's final accounting were to be called to the stand.

Our attorneys believe that it was the desire of Judge Title, based on his own remarks in court, to retaliate for our blocking his constitutionally invalid court order. It may have infuriated him that we made a better move than he by our perceiving that due to the nature of the order it was automatically stayed while on appeal. Mr. Rader believes Judge Title also wanted to protect his good friend, Mr. Weisman, from a most embarrassing cross-examination by our attorneys in regards to the accounting of the receivership. (Judge Title already announced to the court on January 10th that they were very good friends.)

Our attorneys insisted that the new receivership was unjust and uncalled for since we had indeed shown good faith regarding "a reasonable examination." However, we were unwilling to surrender First Amendment guarantees in the process.

In order to clear the air and remove the cloud over the Church and other defendants, our lawyers told the court that after the injunctive order was stayed we had engaged an outstanding accounting firm, Arthur Anderson and Company, to do a certified audit which would then be made available to the Attorney General and to the public press.

The Church has always maintained that the audit should not exceed the scope of the accusations of the lawsuit. But the court gave the Attorney General unprecedented run of our records -- even non-financial and privileged private records that had nothing to do with the allegations of the suit! After seven weeks of auditing with the help of the accounting firm of Peat, Marwick and Mitchell, and a receiver's total expense of over a quarter of a million dollars, instead of admitting his error, the Deputy Attorney General wants to keep digging in our records. Apparently the presumption is that if they dig deep enough and long enough they may eventually find something amiss which will vindicate their extraordinary abuse of power.

So-long Chodos!

After pleading with the court for the $102,000 he says his time is worth over these past eight weeks, Hillel Chodos, special deputy attorney general and counsel for the state, is resigning from the case. The judge denied his request for payment of fees but left the door open for him to request them again if the Attorney General is successful in prosecuting th

defendants in the lawsuit. The Church's position is, of course, that he should never receive one dime of the Church's money since we never hired him and he certainly was not serving the interests of the Worldwide Church of God!

The brethren in the Southland who have heard his repeated slander, outright lies and misrepresentations in the media, as well as seen his arrogant and pretentious conduct in the courtroom, are glad to see him head for "greener" pastures.

More Evidence of Conspiracy

At a press conference in Mr. Rader's office on March 8, he announced that "We have received evidence of an incontrovertible nature which proves to us that prior to January 2 there was a very active conspiracy between Mr. Chodos, the Attorney General's office and some of the people employed in very high places within this organization -- but who are now no longer employed. These are in addition to the efforts of the six named former members (so-called 'relators') in the lawsuit.

"We also have incontrovertible evidence" he said, "that prior to January 2, prior to the filing of the lawsuit, that the Attorney General and Mr. Chodos knew beyond any shadow of a doubt, that all the allegations in their complaint were false. They were told by persons in a position to tell them all that there never had been any siphoning or pilfering of millions of dollars by Mr. Herbert Armstrong, me or anyone."

In this travesty of justice, the sorry story begins in Superior Court with the judge who first admitted this lawsuit was based solely on allegations. Mr. Rader says none of this would have happened without Judge Jerry Pacht. He is the person who had a relationship with Mr. Chodos prior to the time this complaint (lawsuit) was ever filed. And Mr. Tapper had a relationship with both of them somehow. Further, Mr. Weisman had a relationship with all three of them!

All these factors put together have convinced all our attorneys that never has there been a plainer case of abuse of judicial process and malicious prosecution. Mr. Rader said we will prove this at the proper time and proper place.

Nationwide Advertising Campaign Begins

After delays in getting started we have finally managed to secure full-page advertising space in the Los Angeles Times. (See reproduction of this ad on page 5.) This large circulation newspaper is rated one of the top ten in the nation and goes to a broad spectrum of readers, including a large proportion of "influencers" in many fields. Looking now at the timing of the reimposed receivership and the advertisement coming out the very next day, we can't help but wonder if God isn't using this present "setback" to catapult God's Church yet further and faster forward in fulfilling its commission.

We have no way of knowing just how or when God will totally lift this present trial, but we can be sure that all things work together for good and that God will bring good out of difficulty. Already much good has resulted in cleansing the Church and unifying the ministry and the

ADVERTISEMENT

ATTORNEY GENERAL DECLARES: ALL CHURCH ASSETS AND RECORDS ARE PUBLIC PROPERTY

THIS STARTLING proclamation of the State of California was recently made in court by Deputy Attorney General Lawrence Tapper.

The declaration was made in order to induce a judge to appoint a receiver to enforce the State's claim of ownership to all of the Worldwide Church of God's churches, administration buildings, and contributions.

This intention of the State to claim public ownership of all Church property, was, prior to that date, kept a secret from the public.

The Church has dedicated all of its resources to oppose the State's intended takeover. It is doing this to preserve its own freedom to proclaim the gospel and on behalf of all churches and individuals believing in the principle of the freedom of religion and separation of church and state.

The circumstances giving rise to what the Church attorneys denounce as a confiscatory proclamation are as follows:

DICTATORIAL THREATS

Shocked church personnel were told January 3rd that I, Herbert Armstrong, leader of the Church, and Stanley R. Rader, my personal advisor, were fired and that the Church was in receivership. The State, they said, was now in control of the Church, its finances, property and personnel. Any resistance by any church employee would be met with immediate dismissal.

This terrifying raid of church offices was described by horrified employees as a "gestapo-type nightmare."

The deputies took possession of innumerable cartons of Church documents, records and confidential material, which have not been returned or accounted for.

CHURCH RIGHTS NON-EXISTENT

Constitutional attorneys and church members alike were shocked to hear the State officials proclaim that the Worldwide Church of God has "no interest to protect." That "in effect there are no private interests." That a church is nothing more than a "ward of the court." That the church's funds are "public money." And that the church is a trust, and the people of the State of California "are the beneficiaries."

These statements punctuated the attempt in court by the California Attorney General's office to seize control of the Worldwide Church of God. Historically, this incident marks the most blatant attack on individual and collective religious constitutional rights since the institution of the Bill of Rights.

In effect, the State claims that the tithes and offerings sent to the Church from all over the world by some 100,000 members and 300,000 co-workers, to be used in spreading the Gospel of the soon-coming Kingdom of God, belong to the State of California.

This strikes at the very heart of the rights guaranteed by the Constitution of this great country!

STATE INVASION

On that fateful day, without notice (as required by law), government attorneys, investigators and law enforcement officers *stormed* Church headquarters, disregarding the character of the institution, the religious and sacred nature of its responsibilities both in the United States and internationally, and its many other cultural and charitable activities.

Exploding into the executive offices in an emotionally violent takeover of Church property, the court-appointed receiver stated that I was *"fired and out!"*

The State insisted that the Church's spiritual leader for more than forty years, was *no longer responsible* for the Church and demanded access to and control of all aspects of the organization's financial assets, bank records, physical facilities, computer files and addresses of the Church's confidential 100,000-person membership.

This unprecedented invasion was taken *outside the bounds of the law;* yet, employees of the Church were threatened with jail if they did not submit to the demands.

ILLEGAL HEARING

The basis for this takeover by the State is a suit filed by six former members of the Church. Supported only by the unproved and factually untrue allegations concerning financial misconduct, these dissidents filed their complaint with the Deputy Attorney General only after they had received assurances from a judge that their action would result in the paralyzing receivership.

The action was blatantly illegal; for at the meeting when the judge agreed to sign the receivership order, the case against the church and its officials had not even been filed.

Even after the filing of the so-called "charges," due process of law was denied the Church, as the plaintiffs sought and were granted moves to place the Church in receivership without a representative of the Church present at the proceedings; the takeover of Church property was enacted without even the four-hour notice to be given in cases of severe emergency.

The State joined the dissidents in their effort to take over the control of the Church, its financial resources, its physical plant and its activities worldwide—thereby *negating its rights guaranteed by the Constitution of the United States of America!*

IRREPARABLE DAMAGE

During the two months' term of the receivership the Church has lost $5.3 million in working capital. In addition, normal bank credit lines were destroyed and $1.3 million in demand notes were called.

The first six weeks saw almost daily press, radio and TV coverage emphasizing the allegations rather than the facts. This resulted in irreparable damage to the Church's moral reputation and its civic and legal credibility.

In the same period of time, neither the receiver nor any of his staff have been able to prove, through audit or investigation, any wrongdoing on the part of either Stanley Rader or myself.

To add insult to injury, the receiver (who had been admonished by the judge to stay out of ecclesiastical affairs) prevented the mailing of a letter from me to the members of the Church.

He then sent his own letter to the ministry of the Church around the world saying anyone sending contributions directly to me would be in contempt of court in California, even if the giver lived outside state boundaries.

LOWER COURTS INSENSITIVE

Historically, lower courts (local and state) have been insensitive to the constitutional rights of people.

One need only recall the monumental effort required by the black people of this country in their attempt to gain equality to understand the situation facing the Worldwide Church of God today. The civil rights movement fought battle after battle in local and state courts—basically to no avail.

It was not until the federal Supreme Court heard their plea for civil rights that the American Black had the opportunity to become free and equal to his white brothers.

As the Supreme Court was necessary in establishing the civil rights of the American Black provided in the constitution, so, no doubt, will the federal *courts of this land be required to preserve* the freedom of religion and the freedom of speech provided in the First Amendment.

HOW THIS CONCERNS YOU

The unlawful seisure of the Worldwide Church of God by the State of California could sound the death knell of religious freedom!

This action cannot be allowed, otherwise no church, synagogue or religious institution will be safe from the whims of political powers. This heinous and illegal action cuts to the heart the basic freedoms for which our country's founders fought and died to preserve.

Such action affects you and your family, the future of your religion and your other precious freedoms!

The State can no longer hide behind the chicanery of alleged financial misconduct within a charitable organization. This action has been an ugly, vile attempt on the part of the State Attorney General of California to assume proprietorship of the Church in direct contravention of the Constitution.

The attempt to reclassify the Worldwide Church of God as a "public trust" and its property as "in a sense, public" is a flagrant attack on the freedom of religion in this country. The effect of this state action is to place all churches ultimately under state control!

All Americans must be committed to the preservation of the integrity of our religious institutions and the freedom to exercise our religious rights.

How can you help—what can you as *an individual do?*

Let everyone know that you as an American will not stand by and allow our freedoms to be so callously subverted. Contact your church pastor, write your congressman, write your senator, contact the media and *let your views be known!*

For more information on how you can be more involved in your own community complete the coupon below and return to: Worldwide Church of God, Box 111, Pasadena, CA 91123.

Herbert W. Armstrong

Pastor General
Worldwide Church of God

Clip this coupon and mail to: Worldwide Church of God, Box 111, Pasadena, CA 91123

Please send me more information on how I can let my views on religious freedom be known in my community.

Name _____

Address _____

City/State/Zip _____

brethren. In the weeks and months ahead, attention will be focused even more sharply on the Church and the College and each of you as we all stand behind God's apostle in warning this world.

--Pastor's Report Staff

SPECIAL CHURCH SERVICES; EMPLOYEE MEETING; NEWS CONFERENCE

Monday evening, March 12, a call went out to the brethren in the Southern California area stating that any who could come to special services on Tuesday morning without jeopardizing their job or classes would be welcome. Approximately 750 brethren gathered for special services in the lobby of the Hall of Administration as they did during the week of the Ministerial Conference in January. Messrs. Roderick Meredith, Raymond McNair, Joe Tkach and Wilbur Berg spoke at the morning and afternoon services. Although no one really expected a confrontation with the new receiver, our brethren showed their support of God's Church by a peaceful assembly during the first day after the receiver was installed by Judge Title.

At 11:00 a.m. the same day of the special Church service, Messrs. LaRavia, Rader and Helge updated all employees on current events during a previously scheduled employee meeting in the Auditorium, which was also piped into the Hall of Administration for the members already assembled there.

Immediately after Mr. Rader spoke to the employees, he held a news conference in the Auditorium lobby where he told nearly two dozen members of the News Media, plus dozens more employees gathered around them, that the Worldwide Church of God had released documentation showing the state Attorney General's Office had falsely accused the Church of making no accountings or financial disclosures. Mr. Rader read the following press release:

"One of the more absurd, false allegations made by the Deputy Attorney General Lawrence Tapper and Special Deputy Attorney General Hillel Chodos in the instant action has been the alleged failure of each of the three defendants' corporations to render an adequate accounting.

"This accusation is particularly surprising, and gives further evidence of the bad faith of the Deputy Attorney General Lawrence Tapper and Special Deputy Attorney General Hillel Chodos' harassment in that each corporation has filed with the State of California an annual accounting on forms prescribed by the State and in the detail required by those forms.

"Specifically, Ambassador International Cultural Foundation files with the Attorney General's office an annual, detailed report (Form CT-2) listing, among other things: the total compensation of each officer, director, and key employees; every transaction with each officer or director including any extensions of credit or sales of properties; each transaction involving the purchase or sale of a security or investment including the cost, fair market value, and any gain or loss on the transaction; all distributions to other charities or other recipients; and a balance sheet, income statement, as well as other financial disclosures. This report, although not required to be audited, is audited by independent certified public accountants and their report, together with the Foundation's report, are public documents available for public inspection.

Moreover, the Foundation also files an annual statement with the State of California Department of Justice showing each California financial institution (and account number) with which it does business and authorizes disclosure to the Attorney General of any and all financial records pertaining to the Foundation held by such financial institution.

"Ambassador College files a similarly detailed accounting each year with the State of California Franchise Tax Board. Their latest audited report was a 52-page document that required over 250 hours to prepare and which listed each transaction with each officer and director, as well as other pertinent information such as descriptions of each piece of real or personal property sold during the year along with the buyer's name and relationship, the historical cost, fair market value, expenses of sale, and gross sales price.

"Both the Foundation and the College file identical disclosures with the federal government and all of these documents are available for public inspection.

"Worldwide Church of God also files an annual information return with the Franchise Tax Board, although the State has chosen to require fewer disclosures of religious institutions.

"In each case, the level of detail required to be presented in these accountings is dictated by the State and in every instance each of the defendant corporations has fully complied with such requests for accountings. These accountings are available to all contributors and potential contributors. They are available to the news media. They are most certainly available to the Deputy Attorney General Lawrence Tapper and Special Deputy Attorney General Hillel Chodos.

"Therefore, it is clearly a malicious abuse of the legal process for a Deputy Attorney General Lawrence Tapper and Special Deputy Attorney General Hillel Chodos to falsely state that no accounting has ever been made and that financial disclosures have been sporadic or incomplete. Because the Deputy Attorney General Lawrence Tapper and Special Deputy Attorney General Hillel Chodos knew these allegations were false, both before a complaint was filed as well as throughout the court proceedings, we can only conclude that such false charges are further evidence of the criminal conspiracy to deprive us of our rights."

More about the meetings and press conference on Monday will be reported in the next issue of The Worldwide News.

ROMANS 13 EXPOUNDED BY MR. MEREDITH

During Tuesday's all-day service in the Hall of Administration, Mr. Rod Meredith explained the intent and meaning of Romans 13 regarding our being "subject unto the higher powers," and how Paul's instruction specifically applies to our present confrontation with the state of California. Here are some excerpted thoughts from the portion of Mr. Meredith's sermon dealing with Romans 13:

We have been in a genuine crisis. The state was influenced by dissident former members and former ministers -- many of whom have left God's

church in hate and have been fighting us for months directly and indirectly.

God's Church was under attack by the Attorney General of California with threats of a change in the government of the Church and the removal of God's apostle whom He called and has worked through these many, many years. Even God's way of life and His laws, as well as His Work, were ultimately at stake. It actually comes down to your and my commitment to the continuance of what we stand for.

Faith without works is dead and works without faith is dead too. We need both. We just want to do it the right way. As Christians we are to conduct ourselves in an orderly manner. We are not to boo, harrass, shout or otherwise allow our human nature to cause us to react in a wrong manner. This, of course, is not to imply that we should never have emotional content in what we say, do or experience.

Our current crisis began when a court of the state granted a receiver extensive control over the Church, empowering him to even hire, fire and interfere in ecclesiastical matters, then later dissolved the original, unconstitutional receivership -- stating that it was serving no valid purpose and that the exorbitant expense of maintaining it was wrongfully making the Church a victim rather than a beneficiary. Then when the same court reimposed the receivership with a new receiver but with the same extraordinary powers over the Church, it should not surprise anyone that brethren in the Church would want to do whatever they could to help. Coming in for a special church service is something we can do in a free country, on our own property and not in violation of the United States Constitution. We can stand up for our rights and put pressure on them to live by their own laws. They have been going against their own laws by denying our Constitutional rights!

There are many guidelines in Romans 12 and 13: We are to "recompense to no man evil for evil," "If it be possible...live peaceably with all men" and "avenge not yourselves..."

God is our protector and it is in Him that our victory ultimately lies, as Mr. Herbert Armstrong has said many times. But when there is something we can do within God's law we should do it. In this matter all we are doing is sitting on our own property and showing support for the Church and God's appointed leadership.

Romans 13:1 says "Let every soul be subject unto the higher powers." But notice carefully that it doesn't say "obey" every detail of what the higher powers may tell you to do. Be subject to those higher powers, nevertheless. During Nazi Germany there were laws and programs of the state that you as a Christian would have had to refuse to do. Perhaps you in many cases would have quietly, non-violently disobeyed by omission, being subject to the powers that be and any penalties they might impose.

We are using the law of the land in the present Church/state battle. The law and the provisions of the law can be used legally to thwart what an individual officer of the law wants to have us do when it conflicts with our Constitutional rights. We are now going through the established legal processes -- which is our right by law.

We are going to be subject to the law, but if within the provisions of the law we can stall them, or we can quietly not do something that would infringe on our rights or the rights of another, we may have to do so. This principle goes beyond the bounds of the United States. In other countries our brethren sometimes have to disobey technical rulings to be able to meet on the Sabbath or own a Bible (as in East Germany) -- in order to do the most fundamental things to carry out our religious faith.

But some out of ignorance -- or willful guile influenced by the devil -- are trying to twist and pervert Romans 13 to say something which they themselves did not believe in times past.

The Bible shows we are to be subject to the penalty of the law and always honor the men in the office. "For rulers are not a terror to good works, but to the evil." As a general principle this is true, but what about those in Nazi Germany? Were they producing overriding good? What about the Soviet Union? Living God's way can be difficult or hindered under certain governments. Of course it is true that rulers -- even bad ones -- keep a certain order and prevent anarchy, but sometimes they pervert their office and become depraved and despotic, outweighing the good.

"Wherefore ye must needs be subject, not only for wrath, but also for conscience sake." We must do this because they are generally carrying out the will of God who is really over all. But under a totalitarian regime your conscience might tell you to do something otherwise -- keep the Sabbath, etc. Remember Daniel's example where he refused to stop praying inspite of having to go against a direct law of the king. Also the three young men who were thrown into the furnace because they refused to bow down before the golden image.

We are to obey God rather than man, but we will submit to man and try to honor the nation. If the current confrontation with the state goes the way we think it will and the way we hope it will, we will have actually done many others (outside our church) a service by causing the local or state government to see that they should not violate the obvious intent and purpose of the federal government and the Constitution of the United States of America. We are in a battle for religious freedom which we did not start.

COPING WITH THE FINANCIAL IMPACT OF THE PRESENT CRISIS

An employees' meeting was held in the Auditorium on Tuesday morning, March 13th, during which Messrs. LaRavia, Rader and Helge spoke. The first part of the meeting was conducted by Ellis LaRavia who updated everyone on our financial situation and possible ways we all can help.

Even though the current income is about equal to last year's at this time, we have experienced a serious cash flow problem due to the receivership and complete loss of lines of credit with our banks (all of which has been discussed in the Pastor's Report, the Worldwide News and Mr. Armstrong's letters). So we've been forced to operate on a cash-on-hand basis -- on income coming in -- and all this at a traditionally low income period when we normally borrow money to smooth out the valleys between the peaks of normal cash flow.

Mr. LaRavia mentioned that we are still hoping to sell the Big Sandy campus. We are also looking into refinancing some of our assets, but that takes time. In the meantime we need immediate relief for our financial situation. He explained that although we have just undergone budget adjustments (cuts), the realization of many of these economies are still downstream due to previous financial commitments which experience a natural lag time in finally being paid. (Mr. Armstrong is writing a letter to the membership regarding the current income/outgo situation and the reimposition of the receivership.)

Since the legal battle we have been thrust into as a result of the original court appointed receiver has created financial repercussions within the Work, Mr. LaRavia said that Mr. Armstrong had authorized an appeal to the employees for their help. It concerns an interim program to be conducted on a voluntary basis among the employees. Although it is only in the initial thinking stage (additional information in the form of a letter will be given to each employee soon), he was asked to introduce the idea at the meeting.

The payroll, of course, is the single largest portion of the Work's budget. The idea is that perhaps a number of the employees may be able to forego a paycheck or a portion of it, or perhaps withhold receiving a check during a pay period in the next couple of months. Of course, he hastened to say that some may not be able to experience any kind of cut in their pay at all. This will be a voluntary and individual decision in any event, but any sacrifices under the present distress would be helpful at this time.

Mr. LaRavia stressed that Mr. Armstrong is only asking that each person ask themselves if there is a way that they could help. That is all he is asking and that is certainly all that God would ask of us. The goal is reduced expenses, especially in the area of payroll, as much as we are able during this rather rough period.

REIMBURSEMENT OF MINISTERIAL EXPENSES

As many of you know, you have not received a reimbursement for overages for December, January, or Conference expenses due to the Accounting Department being extremely behind because of the receivershp situation that started the third of January.

Accounting had hoped to be caught up by the end of February and felt at the time they could get your reimbursements to you faster than they have been able to thus far. However, a large number of expense reports haven't been processed due to a necessary employee termination. It took a period of time to find a replacement and begin smooth functioning again.

To compound this problem, the bank in January withdrew the line of credit for the loan we normally draw upon at this time of year to get us through a high expense-low income period. Thus we're feeling the effects of the peaks and valleys of normal cash flow. We have to make sure our expenses are as level as possible.

The Accounting Department obviously would appreciate your patience in waiting for these reimbursements. They aren't sure of when they will be able to get everything caught up. It may be a month or more. They are

short-handed from having to let people go, and behind because of the large amount of time and energies that have had to be expended in responding to this receivership crisis.

If you are unable to carry these unreimbursed expenses any longer, Accounting has assured us that they will pull yours to the top of the pile and get your check to you as soon as possible. If your need is urgent, please let us know and we'll contact Accounting immediately.

Thank you very much for the patience you've shown in this matter.

--Ted Herlofson, Ministerial Services

PUBLISHING SERVICES UPDATE

Production of our new 16-page promotional PT designed for newsstand reader response is well under way. Plans call for distribution to start with the May issue.

It may be of interest to know that Les McCullough is restarting the PT newsstand program in Canada. David Hulme will manage the program from Vancouver, and we in Pasadena will give them as much help as we can in the way of production backup, newsstand racks, and other promotional materials. Canada will distribute 50,000 PTs both in English and French starting with the May issue.

--Roger Lippross, Production Director

PLAIN TRUTH UPDATE

The present financial situation in the Work is necessitating certain economies in the publishing area. We are planning combined issues of the PT (US edition) for June/July and for October/November again this year. In addition, we have been given the go-ahead to produce a 16-page newsstand edition instead of the usual 32-page edition. This will be more of an advertising piece than a magazine. We hope it will be highly successful in producing new subscribers for the regular edition of the PT in the United States.

This is now the fourth or fifth year running that we have had to have combined issues of the PT (i.e. 10 issues instead of 12 per year). We hope that some day the financial picture will improve sufficiently that we will be able to return to 12 full issues per annum.

--Brian Knowles, Editorial Services

ON THE WORLD SCENE

EMS UNDERWAY: After a delay of approximately 2-1/2 months, the European Monetary System (EMS) has finally begun. Approval for the EMS launch was given at the Common Market Summit conference early this week in Paris.

The EMS was delayed because of a French-German dispute over the Common Market's agricultural pricing structure. This was resolved last week when France accepted a compromise. Significantly, the British, whose food prices have been pushed up because of the subsidies granted continental farmers, did not accept the compromise arrangement. Since Britain will not join the EMS either (although the pound will be kept in

line with the eight other EMS currencies) London's reputation as Europe's "odd man out" is growing.

It is too soon to predict the short-term impact of the EMS, and its clearing-house Euorpean currency unit (ECU), on the U.S. dollar. Some sources actually think the initial effect may be good, since the goal of the EMS is to create more order in monetary markets by creating a "zone of monetary stability" in Europe.

On the other hand, the EMS set-up shows signs of attracting to its member states massive shifts out of the dollar, simply becuse the powerful West German mark will be the king-pin currency behind the ECU, and the EMS countries will have to adopt more conservative economic and monetary practices to keep in line with the mark. In this light, Business Week for February 26, 1979 reports that "in what may be a foretaste of things to come, investors have already jumped the gun to pour hundreds of millions of dollars into the Danish bond market."

The impact of the EMS, of course, extends beyond mere money reform. "The EMS was hatched as much as a political initiative as an economic one," reports the March 21 Wall Street Journal, adding: "German Chancellor Helmut Schmidt and French President Valery Giscard d'Estaing were its prime backers, supported by Roy Jenkins, the president of the European Commission, the Common Market's executive body. Mr. Jenkins hopes the EMS will eventually lead to full economic and monetary unity for Euorpe, featuring a common European currency and joint economic planning."

In a recent interview, Mr. Jenkins said: "This is a major step along the road to economic and monetary union, from which one could make a choice to go on. It arose from a reawakening of the idea that Europe will make itself by its money. In that sense it's a strongly integrating force."

--Gene H. Hogberg, News Bureau