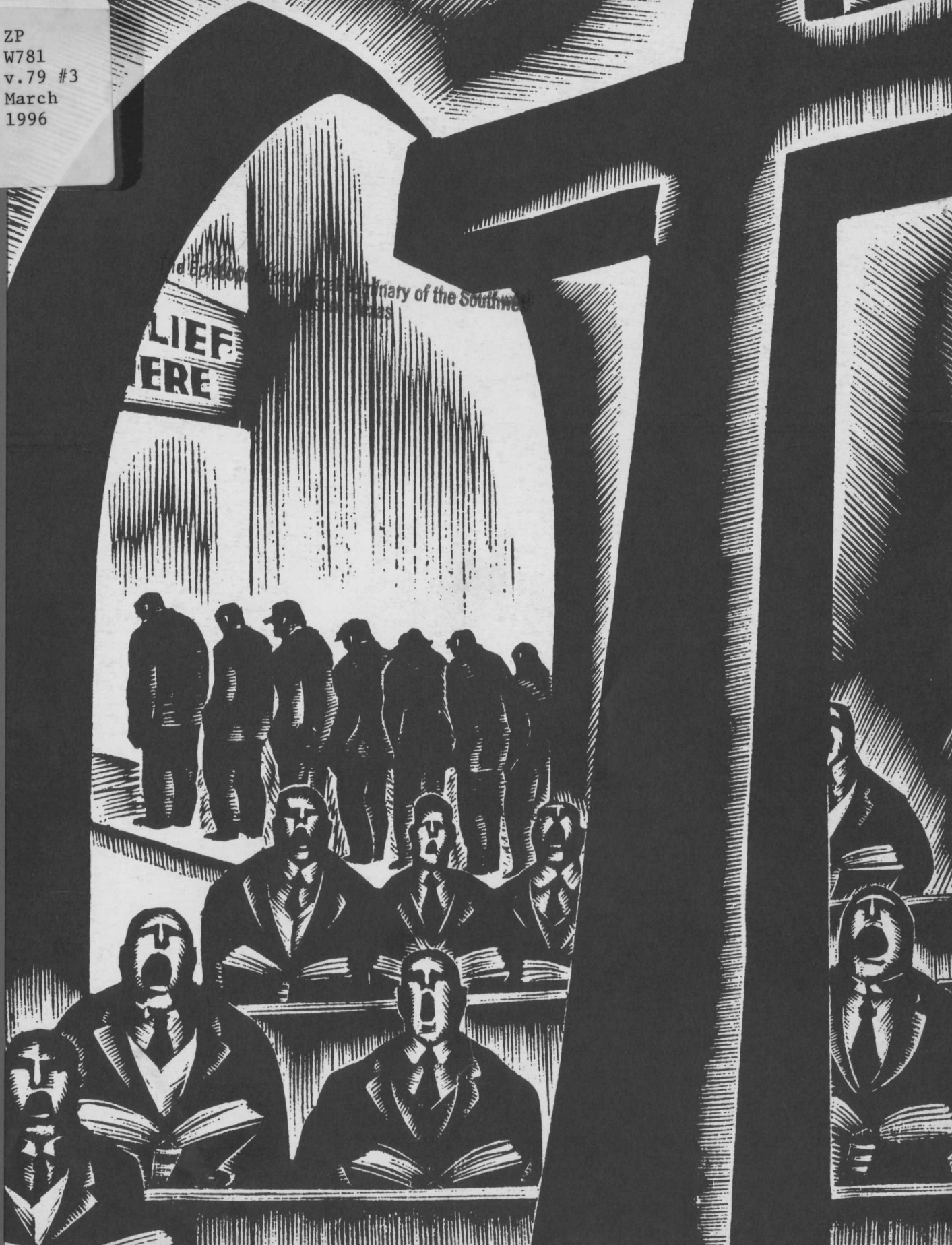


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March
1996

What's in the church's interest?



Holy Matrimony

THANK YOU, THANK you for the December *Witness*. It is a major gift and the timing is as superb as the contents.

What I experienced as I read, I think, was a ministry of hospitality; the homes in which my sisters and brothers dwell were opened for me to enter and share for a time. The journey is easier because of their courage — it is very risky to share this much so openly.

Mary Miller
Episcopal Peace Fellowship
Washington DC

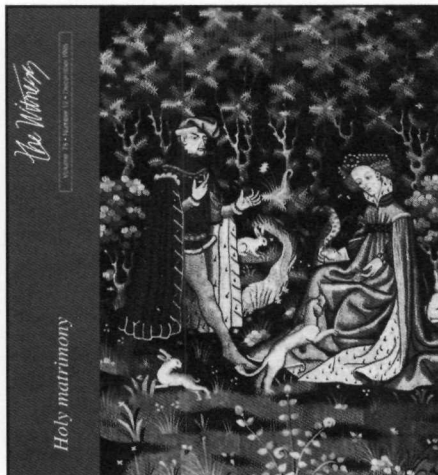
AS A MARRIED GREGORIAN FRIAR, and as president of the Catholic Fellowship of the Episcopal Church, I want to tell you how much I am enjoying our new subscription to *The Witness*. As you well know, much of what passes for orthodoxy is not orthodox, and if anything, gives orthodoxy a bad name. Your most recent issue on Holy Matrimony was especially revealing. My wife and I, as Catholics in the liberationist tradition within Anglican catholicism, are looking forward to many future issues.

John Michael Haney, n/BSG
Sunapee, NY

THANK YOU FOR THE CURRENT ISSUE on Holy Matrimony. It has been a concern of ours that the Church has not had the courage to address sexuality in its teaching or doctrine, except to intimate that it is somehow wicked and something to fear.

So many articles in this issue have talked frankly and clearly about so many aspects of sexuality. It is refreshing, instructive and just a ray of hope in a murky area.

We are anticipating our 50th wedding anniversary this spring, but even at our advanced ages we learned a lot, especially from Harvey Guthrie's article which was so theo-



logically helpful.

Albert and Nancy Jenkins
Whittier, CA

I'D LIKE TO THANK YOU for the December issue, especially for Julie Wortman's "On not making it official." After reading "Tending a sacred flame," I had myself all prepared to read this issue "holding heterosexual relationships to a standard as stringent as that applied to gay and lesbian relationships." I plowed through Julie's article impressed that a couple had so thoroughly evaluated the institution of marriage, noted the privileges extended to married people and decided (while maintaining a deep personal commitment) not to take part in them. As I am sure I was meant to do, I read almost the entire article with the assumption that this unnamed partner was a man ... to the extent that I had to re-read (three times) the paragraph proclaiming it a lesbian relationship. That was somewhat embarrassing because I am a lesbian! What that much needed slap in the face did for me was make me aware of how defensive, presumptive, and self-righteous I evidently have been becoming. (YUCK!) Thank you for waking me up to see a part of me that needed recognition and changing.

Name withheld

IN THE INTERVIEW with Bishop Steve Charleston reference is made in passing to the financial strain some clergy families face. This is especially true in mission situations

because the Episcopal Church apparently has a less-organized support system for those in full-time "mission" assignments than does the Roman Catholic Church. I served 16 years in a R.C. three-county mission in an East Kentucky coal-mining community. My salary was heavily subsidized, but that of the local Episcopal priest was not, even though his mission was smaller and poorer than mine.

I then pastored a predominantly black parish for 12 years, which received grants annually. But the pastor of the black Episcopal church two blocks away was a full-time university staff person.

Then I returned to the mountain mission portion of Kentucky to a two-county parish. Two-thirds of my salary comes from our diocese. The tiny Episcopal mission here lost its resident priest four years ago because of financial constraints. He was a former R.C. priest and co-worker of mine. He and his wife were not able to survive here though they were a perfect match for the place.

Even though there is an oversupply of Episcopal priests, these locations find it difficult to obtain pastors because of very low salaries (often with no job opportunities for spouses). Incidentally, the R.C. priest in the poorest U.S. mission is guaranteed the same salary as the priest in the richest parish in the same diocese (but not the same perks).

However, the financial problems seem destined to increase for everybody with "creeping secularism."

Bill Poole
St. Elizabeth's R.C. Church
Ravenna, KY

I ENJOYED YOUR ISSUE regarding matrimony. I would very much like a sequel in which you address some of the following:

- The biological conflict with theological doctrine. Specifically what is the role of the Anaphylactic Pheromone Response function to sexuality. More plainly, if your parents didn't mate, you probably won't either. The current research tends to indicate that sexuality is more genetic than moral choice. In addition, the original species of humanoid had a life expectation of about 18 years; therefore teenage sex is the biological norm, not the social norm. Legislation or morals to the contrary, saying that sex is for adults over

Letters

21 is like trying to legislate gravity — the written wish is superseded by the scientific events.

• The various societal norms for choosing a monogamous significant other. Does the Episcopal Church or the Catholic Church forbid, disavow or renounce arranged marriages? Further, what should the church be teaching its youth regarding selecting a significant, monogamous other? We require sex education in school, but where or what should be taught about mate selection?

• Regarding divorce — what should we be teaching our congregations and youth? At what point in time do the ethics say the marriage is not salvageable? How do we deal with divorce? How does one avoid the “it was XXX fault” and “I have failed because my marriage has failed” syndromes?

I married my current wife of 25 years primarily because she made me feel good about myself. I hope that I have, over the years, been able to repay her in kind, at least to a fraction of what she has given to me.

I hope that YHWH has the following attitude:

“I have given you sexual pleasure as a gift to be enjoyed. Therefore, when you choose to enjoy the gift, be loving, spontaneous and relaxed — I won’t intrude on your intimate privacy or judge your performance.”

James A. Babb
Friendswood, TX

READING YOUR LATEST NUMBER on Holy Matrimony, I can see that it is a journal

Honoring Hugh White

The Witness is joining with others to celebrate the life and work of Hugh White on April 26. Between 1974 and 1984, White worked for the Episcopal Church Publishing Company (owner of *The Witness*) organizing with the Urban Bishops’ Coalition, helping to draft a series of ECPC books on the economy, and hosting hearings regarding the Puerto Rican independence movement and in defense of Episcopalians jailed for not complying with Grand Jury investigations into the movement. Cards or queries about the dinner can be sent to John Hooper, Episcopal Diocese of Michigan, 4800 Woodward Ave., Detroit, MI 48201.

where I need my own personal copy.

Lloyd Moyer
Montpelier VT

The Righter trial

LET ME SHED SOME CLARITY ON SIN. Sin is when a former 815 employee who lost his job is reduced to borrowing money from friends to avoid a shelter, supplements meals by appearances at church functions and pot-lucks, and worries how he will survive while 10 well-fed bishops of the Church create a heresy trial costing another brother bishop possibly \$200,000 in legal fees and the rest of the National Church up to \$500,000 in legal bills. Sin is when these same bishops elect to use their power to punish, exhaust finances to make a point and determine that their theology is superior, all in the name of the gospel.

Frankly I believe a bit of simple Nancy Reagan advice is needed. “Just Say No” to this heresy trail. If dioceses refused to be part of this blatant act of sin and waste, perhaps the trial would not proceed. This trial should be delayed until a resolution at General convention determines if this is the will of the Church or a flagrant act of poor stewardship buoyed by overt hostility. Why let 10 bishops create a situation that costs the rest of the church almost a million dollars? If this ecclesiastical charade must go on, let the dioceses of the 10 bishops hurling the accusations pick up the tab for their folly and reckless character assault. Meanwhile, while these shepherds debate the necessity of a trial, my jobless friend faces an uncertain future. Sin is when the city of God neglects the people of God.

Patti O’Kane
Brooklyn, NY

Clergy promotion

[Ed. note: We mailed copies of the March, 1995 issue to all the clergy in the U.S.]

THE WORST “RELIGIST” MAGAZINE I’ve ever seen.

John M. Wallace
Stanfield, OR

THANKS FOR THE INTRODUCTORY COPY. Terrific approach to LIFE.

Thomas Schmidt
Bristol, ME

Classifieds

Witness classifieds cost 75 cents a word or \$30 an inch, whichever is less. Payments must accompany submissions. Deadline is the 15th of the month, two months prior to publication.

Nonviolence and the media

I am writing a book to be used by activists who are trying to promote nonviolence. What have you done to publicize an action, a speech, a demonstration, the very philosophy of nonviolence? Please send your stories. A share of all book sales will go to nonviolent resistance groups. Write: *If I had a pen* project, 12833E STH13, Maple, WI 54854 715-364-8533.

Russian ministry

Teleios is NT Greek for “whole, complete, lacking nothing,” although often translated by the more rigidly defined word “perfect.” *Teleios* in its original sense is what we at the *Teleios* Foundation are interested in nurturing in those we serve: our donors and travel program participants as well as elderly widows, orphans, children and seminarians. Funds received from our spiritually focused travel programs (to Russia, England, Ireland, Greece & Turkey, and the Holy Land) and from our donors provide food, clothing and medical care for “babushkas” without families and children from single-parent and very poor families, assistance to the 110 children of Orphanage #51, and support for Russian Orthodox seminarians, all in St. Petersburg, Russia. If you would like more information about the *Teleios* Foundation’s work or travel programs, please call us at 1-800-835-3467.

Vocations

Contemplating religious life? Members of the Brotherhood and the Companion Sisterhood of Saint Gregory are Episcopalians, clergy and lay, married and single. To explore a contemporary Rule of Life, contact: The Director of Vocations, Brotherhood of St. Gregory, Saint Bartholomew’s Church, 82 Prospect Street, White Plains, NY 10606-3499.

THE WITNESS

Since 1917

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This month Vital Signs reports on Bishop Jane Dixon's recent visitations to Washington parishes which oppose women's ordination.

Cover: Wood engraving by Lynd Ward.

Back cover: *Market rest* by Edda Maria Bird. Card available through the Nicaraguan Cultural Alliance, P.O.Box 5051, Hyattsville, MD 20782.

On being wisely invested

by Julie A. Wortman

More and more financially-minded people of faith are pronouncing that there is very little for low- or no-income people in the North American church's current interest.

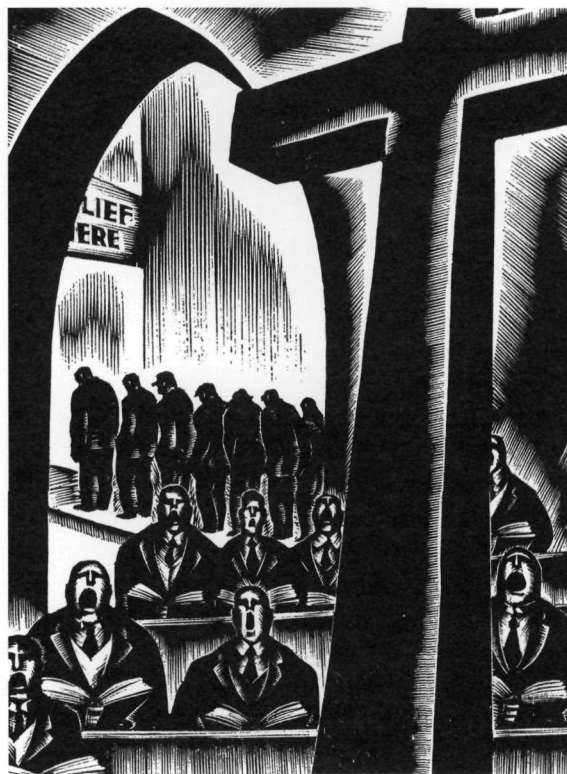
Instead of focussing primarily on capital appreciation and maximizing interest income to fund programmatic handouts, they say, the trustees of church funds could take the vast corpus of church money tied up in conventional stocks and bonds — representing billions of dollars — and actively and responsibly use it to liberate assets for people only too eager to liberate themselves through sustainable economic alternatives.

At the very least, they add, and without losing a dollar, they could insure that every conventional church investment portfolio is screened to promote good corporate citizenship and assume a higher profile in corporate democracy.

The problem, it would seem, is that the institutional church has become convinced that its investments can make it self-sufficient — and in the face of its riches has lost touch with its mission.

I've tuned into this only lately, after noticing that every time I see an empty refrigerator box in good condition by the side of the road I have an urge to stop, toss it into the back of my aging Ford Ranger pickup truck and haul it home. If I could save enough of these things, I would find myself thinking, I could fashion a well-insulated shelter that might eventually come in handy — a sort

of hedge against an uncertain future in which, given the precarious state of my household's current finances and today's social Darwinist political climate, I nevertheless have no doubt I will be working hard to keep body and soul together.



Lynd Ward

Then I realized I had a number of friends who were feeling the same way. Most have (or are acquiring) the education, expertise and gifts to be getting by nicely right now, but how to secure an adequate retirement income, educate the children or pay off the mortgage still remains very much unresolved.

Despite the fact that we are for the most part people of racial and economic privilege, we seem to be taking to heart the question perennially on the lips of

those who live at or over the economic and social edge — in what or in whom can we put our trust?

Over time we have formulated an answer which we have taken to rehearsing as we peer into the dark: Our trust is that death is not ultimate. Our trust is in our individual, God-given strengths and gifts. Our trust lies in the power that arises when we join together in community.

In effect, we are rediscovering what it means to be church.

We are attempting to realize this life in countless ways, but whether clustered together in a collection of households on two blocks in west Detroit, meeting regularly in circles for silent meditation or choosing to live in community under a single roof, we are committing ourselves not only to a life grounded in Spirit, but also to a shared fate and mutual accountability as to the Spirit's call.

No one, we assure one another, will end up living in a refrigerator box — our efforts to find economic alternatives should come to fruition before it comes to that. But even if, in the end, refrigerator-box life is all any of us can manage — the selling of souls will be out of the question — we will still have each other for warmth, both spiritual and physical.

Through such promises we are also learning, I suppose, what it means to be wisely invested — our resources committed to people and projects in which we are convinced there is something good and life-giving, something of which it is worth being a part.

editor's note

Julie A. Wortman is managing editor of *The Witness*.

'We do not believe in money-lending at interest'

The Catholic Worker

39 Spring Street

New York 12, N.Y.

July, 1960

Treasurer

City of New York

Dear Sir:

We are returning to you a check for \$3,579.39 which represents interest on the \$68,700 which we were awarded by the city as payment for the property at 223 Chrystie Street which we owned and lived in for almost 10 years, and used as a community for the poor. We did not voluntarily give up the property — it was taken from us by right of eminent domain for the extension of the subway which the city deemed necessary. We had to wait almost a year and a half for the money owed us, although the city permitted us to receive two-thirds of the assessed valuation of the property in advance so that we could relocate. Property owning having been made impossible for us by city regulations, we are now renting and continuing our work.

We are returning the interest on the money we have recently received be-



Dorothy Day

Robert Lentz

cause we do not believe in "money lending" at interest. As Catholics we are acquainted with the early teaching of the Church. All the early councils forbade it, declaring it reprehensible to make money by lending it out at interest. Canon law of the middle ages forbade it and in various decrees ordered that profit so obtained was to be restored. In the Christian emphasis on the duty of charity, we are commanded to lend gratuitously, to give freely, even in the case of confiscation, as in our own case — not to resist but to accept cheerfully.

We do not believe in the profit system, and so we cannot take profit or interest on our money. People who take a materialistic view of human service wish to make a profit but we are trying to do our duty by our service without wages to our brothers

as Jesus commanded in the Gospel (Matt. 25). Loaning money at interest is deemed by one Franciscan as the principal scourge of civilization. Eric Gill, the English artist and writer, calls usury and war the two great problems of our time.

Since we have dealt with these problems in every issue of *The Catholic Worker* since 1933 — man's freedom, war and peace, man and the state, man and his work — and since Scripture says that the love of money is the root of all evil, we are taking this opportunity to live in practice of this belief, and make a gesture of overcoming that love of money by returning to you the interest.

Insofar as our money paid for services for the common good, and aid to the poor, we should be very happy to allow you to use not only our money without interest, but also our work, the works of mercy which we all perform here at the headquarters of *The Catholic Worker* without other salary or recompense than our daily food and lodging, clothes, and

incidental expenses.

Insofar as the use of our money paid for the time being for salaries for judges who have condemned us and others to jail, and for the politicians who appointed them, and for prisons, and the execution chamber at Sing Sing, and for the executioner's salary we can only protest the use of our money and turn with utter horror from taking interest on it.

Please be assured that we are not judging individuals, but are trying to make a judgment on *the system* under which we live and with which we admit that we ourselves compromise daily in many small ways, but which we try and wish to withdraw from as much as possible.

Sincerely yours,
Dorothy Day, Editor

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CHEESE

Joyce Killer-Diller

I think that we should never freeze
Such lively assets as our cheese:

The sucker's hungry mouth is pressed
Against the cheese's caraway breast

A cheese, whose scent like sweet perfume
Pervades the house through every room.

A cheese that may at Christmas wear
A suit of cellophane underwear.

Upon whose bosom is a label,
Whose habitat: — The Tower of Babel.

Poems are nought but warmed-up breeze,
Dollars are made by Trappist Cheese.

— *The Collected Poems of Thomas Merton*
© 1980 New Directions Books



Liberating church investments:

an interview with Chuck Matthei

by Jeanie Wylie-Kellermann

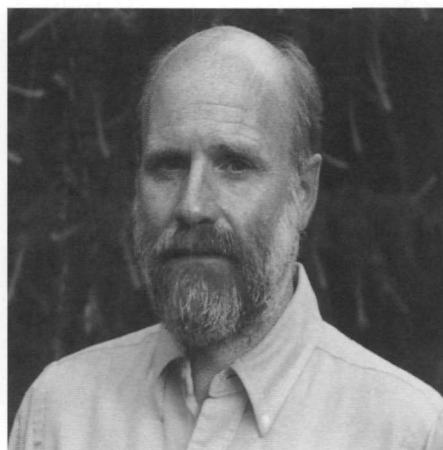
Chuck Matthei has worked in alternative economics all his life. He was a founding member of the Institute for Community Economics, which is a resource for land trusts. He has directed the Community Loan Fund and now serves as president of Equity Trust, Inc., a non-profit organization with an innovative program of land reform and community development finance. Matthei advised those who set up the Economic Justice Program adopted by the Episcopal Church in 1988. His passion is for moving investors beyond socially responsible investing toward community development loans.

Jeanie Wylie-Kellermann: What is your position on interest?

Chuck Matthei: Well, I come from an old Catholic Worker tradition. Dorothy [Day] was fond of reminding us all that moneylending at interest was a sin in the early church and strictly forbidden.

John Kenneth Galbraith in *Economics in Perspective*, which is a quick economic review over the ages, acknowledges that tradition, but says that the economy in biblical times was so simple that it almost can't be called an economy by modern standards. It was a traditional economy in which people labored to produce the basic commodities that they needed to survive. They had no occasion for borrowing, unless they were unable through the vagaries of weather or disability or other reasons to produce what they needed to keep them alive. In that

Jeanie Wylie-Kellermann is editor/publisher of *The Witness*.



Chuck Matthei

case, they would turn to a neighbor for help. Galbraith says that in that context it seems quite inconsistent with the spirit of Christian community to exact an interest charge. You're taking advantage of your neighbor or brother or sister just at their moment of greatest need.

But then, he says, we went from that very simple economy to market capitalism. People began to borrow in order to make money. In that context, thinking about interest began to change. If it seemed inappropriate to take advantage of someone at a time of personal need, it seemed only fair to expect a share of the profit that they would make when they took your money to do business in the marketplace. Galbraith says that the prohibition against moneylending at interest — against usury — was no longer required as the economy evolved into modern merchant capitalism.

J.W.-K.: Do you share Galbraith's view?

C.M.: No. It may be true that the economy as a whole has evolved and changed dra-

matically since biblical times, but the realities of life for millions of our brothers and sisters in our neighborhoods and around the world have not changed significantly. They're standing in front of us asking if we will make available to them the capital that they need to secure access to land and basic productive resources with which to meet the most basic needs of themselves and their families. We are confronted as investors with that appeal. In that context, the early principles are not any less relevant today than they were 2,000 years ago.

J.W.-K.: When you approach church trustees, asking to liberate their investments for community development investments, what kind of response do you get?

C.M.: If I say to church trustees that I want to propose that they take a portion of the funds in their care and invest them in community development projects, the committee will almost invariably respond, "We certainly appreciate the intention of your proposal, but our responsibility as trustees is to maximize the return on our investments. We use the earnings to fund a variety of charitable programs. We're not only paying to maintain this edifice, we're also providing services to the community and to the needy and funding all those initiatives with the earnings on our investments, so we have to maximize those earnings."

J.W.-K.: And that's a response that you aren't satisfied with?

C.M.: No, I'm not satisfied with it. It violates the most fundamental relationship between ends and means. My friend Wally Nelson likes to say: Of course it is necessary that the means be consistent with the ends, because there is no end. Life is about the means.

Multiplying economic outreach

We like to say to people, "Look, there are certain legitimate charitable purposes which can only be served through chari-

table gifts. But there are any number of other equally important charitable purposes that can be accomplished through loans which not only meet peoples' needs today, but give them the ability to meet their own needs tomorrow. A combination of traditional charity and community investment can be a much more effective use of the church's resources to further gospel purposes."

For example, using simple interest for a simple discussion, if you had \$100,000 invested in a conventional bond at eight percent, you would have \$8,000 of earnings this year which you could then distribute as charity.

If instead you took that \$100,000 and made it available through a community development loan fund for affordable housing, cooperative businesses or financing construction of facilities in which to carry on social services, you might have only \$4,000 of earnings this year off that \$100,000 investment. Which means your capacity to *give away* money has dropped from \$8,000 to \$4,000. You've lost \$4,000 of traditional philanthropic capacity. But for every dollar you gave up in charitable giving, you have made \$25 available for social development. Twenty-five-to-one is a very effective leverage.

And in some cases there won't even be a four percent difference between what you could get in a CD, bond or money market account and what you would get from a community development loan fund.

If the difference is three percent, then you've leveraged it 33-to-one. If it's a two percent difference, then you've leveraged it 50-to-one!

To suggest that somehow if we accept any reduction in earnings on church investments, we have given up or significantly diminished our capacity to serve gospel purposes is faulty reasoning, not only from a moral perspective, but from a business perspective.

Liberating the assets of low-income neighborhoods

J.W-K.: Can you put a human face on your commitment to putting investments at the disposal of people in low-income neighborhoods?

C.M.: Think about credit. All across this country, if you go into low-income communities and do a cash flow analysis, you find that they have more on deposit in financial institutions than those institutions are making available in credit for the development of those communities.

It's legitimate to say that people have to take responsibility for themselves and their families, but you have to make sure that they have full access to their assets.

A study was done in Brooklyn a few years back. They found that the discrepancy between deposits into the institutions and lending back into the commu-

The underlying assumption, despite all the movement that has occurred in recent years in the churches, is that community-development investments are inherently high-risk, low-return, difficult to analyze, place and manage.

—Chuck Matthei

nity was something like \$2 billion.

My friend Chuck Jacobs, who is a Lakota Sioux, lives on the Pine Ridge Reservation in South Dakota. When he did a study of the reservation he found that there was no financial institution on the reservation and that it was very difficult for tribal members to obtain credit in bordertown banks. But at any given mo-

ment the tribe and its members had \$25 million in deposits in those bordertown banks that wouldn't lend to Indians!

Politics within church groups

J.W-K.: What is the best way for social justice advocates to approach trustees?

C.M.: In so many congregations there is a very substantial division between the social justice committee in the church and the trustees. They may be friendly, they may meet over coffee and cookies after services, but they've lost the ability to work together.

We recommend to social justice advocates that they learn the vocabulary so that they come in not simply speaking the language of social justice, but talking about risk, return, liquidity. They must be able to talk about the different kinds of investments that make up a church portfolio. They must know the difference between debt and equity, the difference between stocks, bonds and certificates of deposit. They must be able to do analysis of the effective and efficient use of church resources. They also need to utilize people outside their congregation who can talk with the combined group — the social justice people and the trustees — about community investment, economic performance and the development of the field as a financial discipline as well as talking with them about the tremendous impact that community investment has had in many low-income communities.

What you find is that in most cases people will very quickly concede or genuinely appreciate your motivation in proposing community investment, but they're skeptical about it as a business practice.

The underlying assumption, despite all the movement that has occurred in recent years in the churches, is that community-development investments are inherently high-risk, low-return, difficult to analyze, place and manage.

J.W-K.: And that's not true?

C.M.: No, there are now established community investment intermediaries with strong track records that can provide secure, effective and simple vehicles through which the church can put these resources to work in serving gospel purposes. And the church should, in almost every instance, utilize those intermediaries as opposed to becoming a direct lender itself. The early community investment experience of the church was very mixed.

Fiascoes with church funds

In 1980 when I developed the Community Loan Fund which I directed for a number of years, church leaders would often say “Thank you for coming and for explaining your plans and your efforts to us. God’s blessings be with you. It’s a noble cause. But we’ve been down this path before, and frankly we’ve lost a lot of money.”

The church made loans early on without first putting in place the kind of capabilities, structures and practices that a sound community lending program requires. You *do* need to do careful analysis. Not only asking, is there a social need for this project, but is the project well-designed? Does it project the right combination of debt and equity? Is the financing structured appropriately? Will this project succeed? Ultimately, if the project doesn’t succeed financially, it won’t succeed socially.

Current criteria for church loans

J.W-K.: What are the criteria when your loan officers consider a plan?

C.M.: We say during training, “What you must understand is that in our business as community investment practitioners, the conventional burden of proof is reversed. Listen to the applicants and look at their community. Is this project responsive to a need in the community? Are these people of integrity? If the answers are yes, then the burden of proof is on you, the loan officer, to explain why

this loan cannot be made.

You may say the project responds to the need, but the plan for the project is not feasible. Fine. Help them prepare a feasible plan. That may mean a different combination of debt and equity. It may mean different loan terms. Help them prepare a feasible plan.

J.W-K.: Do you ever refuse loans saying, “You’re not a person of integrity?”

C.M.: I don’t know if I’ve ever said those words. I don’t think we’ve rejected a loan for that reason alone. But one of the reasons why low-income people, ethnic minorities, women have traditionally had a hard time getting loans has to do with the character decision. The lender would look across the desk and say “But who *is* she? I don’t know her. I don’t know anybody who *does* know her. We don’t mix in the same circles.” That’s where the class divisions have taken effect — it’s not always conscious prejudice or malicious intent.

The church made loans early on without first putting in place the kind of capabilities, structures and practices that a sound community lending program requires. Ultimately, if the project doesn’t succeed financially, it won’t succeed socially.

J.W-K.: That’s why I think churches probably run scared of dealing with borrowers directly.

C.M.: Sure, you need is to be able to make those character decisions, right? Not naively by just assuming that everyone is of good character. But not fearfully

by assuming that you can’t afford to do business with anyone who doesn’t live in your neighborhood, look like you look, speak the language you speak.

One of our jobs as community development lenders is to make sure we have the range of experiences, familiarity with places and circumstances and a network of contacts at the grass roots that enables us to make those character decisions.

We don’t have to divorce compassion from common sense. We don’t have to divorce faith from finance. There’s room to put these things together.

Beyond circled wagons

J.W-K.: What other implications are there if you hold faith and finance together?

C.M.: The church has to continue to look at *other* aspects of its financial life as well. Are the operating costs too high? Is the church overhoused? Are we spending more money than makes sense to meet our own institutional needs or to provide our own institutional comforts? That’s an ongoing process.

There is the parable of the person who has a bit and gives it away — more comes, and you give that away and still more comes. We need to think about this not as a decision made from inside the circled wagons, but as a much more expansive and dynamic process by which the church becomes a part of the community and the community increasingly becomes a part of the church. It can have a lot to do with the vitality, and perhaps even with the economic survival, of the church as an institution. We don’t always survive by adopting the most fearful and defensive positions.

A case in point

J.W-K.: Tell me one story that you would tell trustees about a church investment that made a difference.

C.M.: Several years ago, my colleagues at the Institute for Community Economics and I received a desperate appeal from a

group of 95 households in a mobile home park in Massachusetts. Who lives in mobile home parks? Elderly people and poor people by and large, right? And of course the term "mobile" is something of a euphemism. The average length of stay was 15 or 20 years. People had built porches, garages and tool sheds. These homes were not mobile. If you ripped them off their sites and had nowhere else to put them, the value is reduced almost to scrap metal.

But these 95 households in an established, stable mobile park received notice that the corporation which owned the land was going to sell it to a condominium developer, who would order all of them, at their own expense, to remove their mobile homes.

Single lots in that town were \$40,000 each. No one could afford one, and there was no other site available, large enough, to accommodate all of these households.

They were faced with losing everything. They wanted to make a counter-proposal to the corporation that owned the mobile home park land that the residents buy it and turn it into a limited equity cooperative that would always be available and affordable to low and moderate income mobile home owners. But the only bank offer they *were* able to obtain was for a loan which would cost four points on closing, two and one half percent over prime variable monthly, no upper limit, three-year balloon. The most punitive of commercial loans.

They were desperate. The problem from our perspective was that they needed a very large amount of money. And not only was it not financially appropriate for us to keep such a large amount in a single placement for an extended period, but it also would affect our ability to meet the needs of many other organizations and individuals who would come along.

So we said to them, "We will make this loan, the largest we've ever made, and



He that putteth not out his money to usury, The Stuttgart Psalter, c. 830

help you save your homes. But we don't have long-term funds available, so we will make this loan if together we can work to open up other sources."

We made the loan. They saved their homes and created this mobile home park cooperative. Within a year and a half, being able to document that they were making their payments on time and that the project was socially beneficial, we were able to persuade several banks to make loans. We were able to persuade the Massachusetts Housing Finance Agency to open its home mortgage loan program to mobile home park cooperatives and ultimately the Massachusetts legislature passed a bill giving mobile home owners the statutory right of refusal before their parks could be sold to any other party.

Taking it personally

J.W-K.: In your own life, do you take interest on any savings that you may have from time to time?

C.M.: What savings? From time to time I've had a few hundred dollars, sometimes in a drawer and sometimes in a no-

interest loan fund.

J.W-K.: How have you dealt with pension funds for people who work for you?

C.M.: Who work here? We don't have one. We live hand to mouth.

With a savings or pension, just as with insurance, you're always weighing your possible future need against the real present need of your neighbors.

I'm not saying that we should ignore our future needs altogether, although the gospel might talk about the birds of the air, but we it seems to me that your possible needs have to be addressed in relation to the real needs of your neighbors. If one had to take precedence over the other, it's awfully hard, from a philosophical perspective, to avoid saying that the immediate need ought to have precedence over the possible need.

But at a minimum, if we're going to try to provide for the possible needs, we ought to do it in such a way that we're also providing for the real needs. I think perhaps the most fundamental economic issue is: How much is enough?

TW

Socially responsible investing:

Concluding the search for profitable responsibility

by Julie A. Wortman

Let's say you are someone who cares deeply about preserving the natural environment and protecting wildlife. Imagine discovering that one of the environmental organizations you support, say your state's Audubon Society, invests its money in corporations that have a terrible track record when it comes to polluting wildlife habitat. You'd be outraged, right? You'd wonder, "How in heaven's name can these people put so much energy into fighting pollution while at the same time supporting companies that are among the worse offenders?"

But that is exactly what is happening, according to Chitra Staley, a senior vice president at Boston's Franklin Research and Development Corporation, one of a handful out of the more than 7000 registered investment managers in this country that exclusively do socially responsible investing (SRI).

"It's a scandal," Staley says. "The Audubon Societies and other environmental groups have not been the prime movers in SRI. They have boards of trustees who just don't see their responsibility as avoiding investing in companies that harm the environment. It is absolutely inconsistent."

Religious investors, Staley says, have done better.

"Church groups have been accepting [of SRI]," she says. "The Quakers have been most receptive and they have been the most congenial to work with. Roman Catholic and Episcopal Church investors

have also been accepting." The Lutherans and the Presbyterians also do some screening, she added.

The call for anti-apartheid divestment in the 1970s renewed many church investors' awareness that their fiduciary role could — even should — include squaring their means of securing financial stability and growth with their institutional *raison d'être*. As attorney William McKeown noted in a legal memorandum prepared for the Episcopal Church, "a charity's governing board must manage assets of an ongoing enterprise in order to carry out its purposes, not merely to conserve and generate income."

By 1971 denominational and religious entities were coordinating shareholder divestment campaigns through the newly formed New York-based Interfaith Center for Corporate Responsibility. The success of these efforts, according to Staley, "broadened people's vision of what could be accomplished through shareholder activism," so that while some institutional investors divested from South Africa and then went back to investing as usual, many others began to question corporate citizenship from other perspectives.

Victories through consultation

Sophistication in the area of social screen-

ing, in fact, has grown enormously in the last 25 years. Catholic Health Care West (CHCW), for example, a coalition of health-care organizations run by the Sisters of Mercy, the Adrian Dominicans and the western province of the Daughters of Charity, has scored impressive shareholder victories in the areas of tobacco advertising, equal credit opportunity policies and patient assistance — all issues related to an overall investment policy goal of "promoting health and healing," according to Susan Vickers, CHCW's director of advocacy.

She cites CHCW's efforts to insure that low-income patients can get access to needed, but expensive, prescriptions. "We bring together representatives of the

pharmaceutical companies, other shareholders, health care providers and community clinics to look at the ethics of what is going on in the marketplace," Vickers says. This sort of consultation focuses on problem-solving rather than on adversarial sparring.

But CHCW doesn't shy from

climbing into the ring, either. Recently it has invested in a California oil company, UNOCAL, specifically so that it could use its shareholder status to both protest the company's pollution of San Francisco Bay — an action that Vickers says is affecting the ability of low-income immigrants to catch fish to feed their families — and marshal shareholder opposition to the company's operations in Burma, permission for which it pays that country's repressive military regime.

"Our first emphasis was negative screens, but we have now refined our screens to be less arbitrary — we do more balancing of pros and cons. We see our portfolio as a vehicle for advocacy."

— Susan Vickers,

Catholic Health Care West

Julie A. Wortman is managing editor of *The Witness*.



Casting out the money changers

Robert McGovern

The evolution of CHCW's SRI activism — what Franklin's Staley characterizes as a move from "negative" to "positive" screening — typifies that of other socially-concerned investors.

"Our first emphasis was negative screens, but we have now refined our screens to be less arbitrary — we do more balancing of pros and cons," Vickers explains. "We see our portfolio as a vehicle for advocacy."

'Appeal' process

CHCW even utilizes an "appeal" process that allows it to reconsider investing in companies that fail its basic screens — for example, its requirement that a company make no more than 10 percent in profits from tobacco-related sales — if they show good performance in other respects, such as in workplace safety, supplier standards or in environmental and hiring policies. If CHCW decided to invest in such a firm, it would then begin to work at the tobacco issue through shareholder resolutions or consultation.

But although CHCW places a pre-

mium on its SRI focus, financial concerns have in no way taken a backseat. In fact, CHCW has routinely exceeded its financial goals for its investments.

"We've never seen any evidence that SRI conflicts with our fiduciary responsibility," Vickers stresses.

CHCW's experience in this respect seems to be typical. According to Episcopal Church SRI consultant Harry Van Buren, SRI has increasingly become the province of experienced financial planners or money managers who share their peers' competitive desire to achieve the strongest possible financial performance for the portfolios in their care.

"The industry has matured considerably," Van Buren says. "In the past SRI money managers tended not to use effective market-timing strategies — they tended to be more conservative than was profitable."

According to the 1,500-member Social Investment Forum, an organization which promotes socially and environmentally responsible investing, an estimated \$639 billion, or \$1 out of every \$10

under professional management in the U.S. today, is held in SRI portfolios (more than \$142 billion is managed with three or more sets of screens).

"We don't want screened and unscreened investments to perform differently," stresses Geeta Bhidé, president and principal portfolio manager of Walden Capital Management, a firm exclusively devoted to the social screening of international stocks, a cutting-edge endeavor in the SRI field. Walden Capital is teamed with the highly respected equity manager, Brandywine Asset Management of Wilmington, Del. If Walden turns up research that makes a financially desirable stock unacceptable for social-justice reasons, Bhidé says, she and her counterpart at Brandywine, Paul Ehrlichman, work to find other stocks for investment that are equally valued and subject to the same beneficial trends of the rejected stock — a practice that responds to investors' desires for both risk-reducing diversification and portfolio growth.

Franklin's Staley acknowledges that performing the sort of complex social

screening that SRI firms like Franklin and Walden perform comes at a cost that most conventional investment managers believe is too high. But Franklin's employees are willing to accept a lower profit margin, she says, because they are individually committed to creating positive social change.

"We are non-capitalists working in a capitalist world," she quips ruefully, though she quickly points out that the research Franklin does for its clients also pays off for them financially.

"We do a greater amount of research on qualitative as well as quantitative issues. We get to know how a company runs. We feel we get to know each company better than our non-SRI competitors do and so have a better idea of how they will perform."

Doing "the right thing," Staley and other SRI activists also believe, will produce "a larger bottom line" because good corporate citizens tend to operate more efficiently, with less waste and better employee commitment to quality.

"We believe the term 'social responsibility' is another way to say 'common sense,'" Steven J. Schueth, president of Calvert Distributors, Inc., a "family" of socially responsible mutual funds, told those attending ICCR's 25th Anniversary Dinner in New York last November. "We believe that socially responsible business is simply 'good business.' We believe that over time, the more enlightened, responsible companies will do better — better for us as investors and better for us all as members of a growing vibrant, healthy society."

Post-apartheid malaise

The public-relations tone of Schueth's remarks is unmistakable, however. While the field of SRI has emerged from the anti-apartheid divestment era as a real force in the investment arena — in good measure with the help of committed religious investors — the religious commu-

nity has by no means yet put its full financial power to work on behalf of that "vibrant, healthy society" for which Schueth is hoping. The Episcopal Church's Harry Van Buren, for example, believes that most Episcopal Church dioceses ended any strong involvement with screening their investments or participating in shareholder activism once they

"We do a greater amount of research on qualitative as well as quantitative issues. We get to know how a company runs. We feel we get to know each company better than our non-SRI competitors do and so have a better idea of how they will perform."

— Chitra Staley,
Franklin Research

divested from holdings that supported apartheid in South Africa.

"I'm not aware of very many dioceses having carefully considered SRI investment policies," he says, "except, perhaps, with respect to tobacco, since the national church has a definite policy on not investing in the tobacco industry. And I have no sense of any broadly coordinated SRI activity among the dioceses."

Other denominations, Van Buren says, appear to be similarly passive at the regional and local levels even if, like the Episcopal Church, they are active in SRI nationally. About 70 religious entities, from Catholic religious orders to national denominations, maintain active membership in ICCR. If every Episcopal diocese joined, ICCR's membership roll would

more than double. And if local bodies of other denominations joined there would be an even greater impact, giving ICCR considerably more clout in shareholder reform efforts.

Unfortunately, Van Buren says, there is still a perception among many who sit on church boards of trustees "that SRI means a lower rate of return on your money," despite considerable evidence to the contrary.

"Local church interest in SRI tends to be issue-driven and news-driven," Van Buren says, citing a call he received from a diocese following the Nigerian government's execution of nine Ogoni activists last November. The caller wanted to know how the diocese could become involved in efforts to pressure oil companies operating in Nigeria to take a proactive role in supporting democracy there.

Issuing a challenge?

Van Buren hopes local Episcopal Church entities can be challenged to be more consistently concerned about the social impact of their investments, but he acknowledges that most feel they lack the time and expertise to follow through. Using money managers that are entirely socially responsible — like Franklin, Walden, or the Calvert Group — could make a big difference, he said, "but the decision to use this type of manager would have to be justified in terms of financial performance as well as on social grounds" to satisfy most church trustees.

But, 25 years into the SRI movement, maybe it is time for socially concerned church people, like members of Audubon societies, to demand that the burden of proof be shifted. Can those entrusted with the church's investment wealth show that the financial performance of the portfolios they safeguard can be justified on social grounds?

It's just a matter of trying to make sure that the oil-coated bird we're hoping to save isn't one we're helping to kill. **TW**

Jubilee 2000: a vision for debt relief

by Titus Presler

In 1994 the General Convention of the Episcopal Church passed a resolution "that the year 2000, which will commemorate two millennia since the birth of Jesus, the herald of God's Jubilee, be a Jubilee Year, to be known as Jubilee 2000."

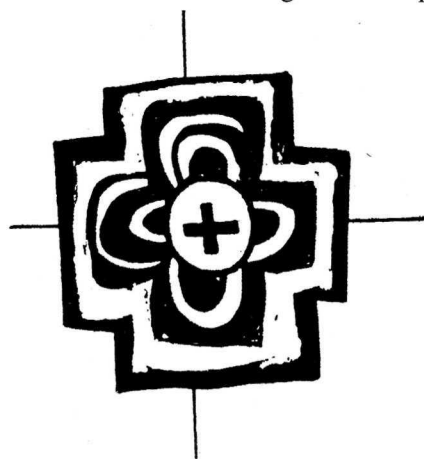
In light of the global debt crisis that deepens poverty throughout the Two-Thirds World, the convention charged the church to "prepare for this Jubilee Year by seeking to implement the biblical Jubilee imperative of debt forgiveness by: affirming current initiatives to reduce and cancel [Third World debts] in the industrialized world and offering this church's voice and vision to the strengthening of such efforts."

The convention also committed the church to "participating in the development of sound financial plans for the reduction and cancellation of debts owed by the poor in our own society to financial institutions."

But the Executive Council has yet to respond to the convention's request that it develop plans to implement Jubilee 2000, which also emphasizes environmental renewal and human liberation.

Jubilee is a vision of liberation rooted in God's revelation to ancient Israel, a vision presented most fully in Leviticus 25, where the Israelites are instructed to

celebrate a Jubilee every 50 years by forgiving debts, allowing the land to remain fallow and releasing economic slaves. Although there is little evidence that the Jubilee was implemented extensively in Israel, the vision offered a challenge. According to Luke's gospel, Jesus opened his ministry with a Jubilee announcement. Proclaiming "the accept-



Mignon

able year of the Lord," Jesus said the Spirit of the Lord had anointed him "to preach good news to the poor... release to the captives and recovering of sight to the blind, to set at liberty those who are oppressed." Jesus' ministry incarnated the Jubilee and the earliest Christians sought to live out Jubilee patterns of justice and sharing in community life (see Acts 2:43-47).

The oppressive debts of the poor are the economic focus of Jubilee 2000. What is oppressive debt? It is debt that binds the poor ever more deeply over time rather than empowering them for financial self-reliance and freedom.

"We are a Jubilee people, and Jubilee in the Bible is giving people another chance," South Africa's archbishop,

Desmond Tutu, declared at a General Convention forum in 1994. Obviously, judgments about "Jubilee eligibility" are not easy, but neither were they easy in Jesus' day, and we do have some tools with which to work. The United Nations uses a category of Severely Indebted Low-Income Countries (SILICs), 80 percent of which are in sub-Saharan Africa. At the end of 1993 only 42 percent of the SILIC's met contractual obligations; they accumulated arrears of \$56 billion.

Offering three criteria that could guide Jubilee 2000, Tutu says debts should be cancelled for countries that demonstrate that they are moving toward democracy, improving their human rights record and will use the saved installments to benefit ordinary people rather than wealthy elites.

Debt buy-backs and debt-for-nature swaps are among the many methods that have been proposed for debt relief on an international scale, but with limited success.

A more recent proposal by the U.S.-Africa Business Council in Cambridge, Mass., is Direct Expatriate Nationals Investments (DENI). Under this plan, Africans living abroad (1.4 million in North America alone) would be invited to buy African government-to-government debts with hard currency at a 90-percent discount, for which they would receive full-value stakes in privatized utilities and industries in their home countries. Benefits for African SILICs would include debt reduction or elimination, investment in important enterprises, and the possible return of skilled managers and technicians who might follow their financial investments at home.

The year 2000 will be celebrated with hoopla throughout the world. Should not the church of Jesus Christ mark that occasion with the most striking, the most challenging, the most prophetic signs of discipleship to which Jesus calls us—the signs of the Reign of God? **TW**

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Investing in alternatives: the right place for church money

by Amata Miller, IHM

The money in your vaults belongs to the destitute. All you might help and do not — to all these — you are doing wrong.” Words like these of the early Christian writer, Basil the Elder, have over the past two decades inspired increasing numbers of people of faith as individuals and communities to direct a portion of their investments to those without access to capital from conventional sources.

In complex monetized societies, access to capital is key to being able to provide for oneself and one’s family. Thus, the call of justice is to go beyond almsgiving to opening new avenues for participation in the marketplace. In addition, Christians are called to give witness to the coming of the Reign of God by creating new economic and social structures which embody the transformational principles of the Gospel.

So why are religious investors slow to respond to these calls as they make their investment decisions?

John Haughey, S.J. writes in a profound little book, *The Holy Use of Money: Personal Finances in Light of Christian Faith* (Doubleday, 1986), of the “mam-

mon illness” which afflicts modern society. One of the symptoms of this sickness of the spirit is the split consciousness by which we situate God above this pedestrian world (especially that of money) and then get on with our lives in the other cordoned off segment of our daily lives in the real world.

What hinders financial decision-makers in religious bodies? There is lack of knowledge of the realities of alternative investors. These developments do not make it to the pages of The Wall Street Journal and Business Week.

Haughey summarizes the effects: We read the Gospel as if we had no money, and we spend our money as if we know nothing of the Gospel. Individual conversion to a unitary consciousness and church development of a theology and spirituality of secularity are required to cure this illness.

The activity of religious investors in the arena of alternative investing over the past 20 years exhibits a movement toward that unitary consciousness. Investing relatively small portions of their total investment portfolios, central church bodies, local parishes and congregations, and orders of men and women religious as

well as individual investors have committed between \$300 and \$350 million in loans on favorable terms to enable low-income individuals and communities to move toward self-reliance. This has complemented similar kinds of investments by foundations such as Ford and Mott, and Program Related Investments (PRIs) of corporations.

Religious investors have provided major capital resources for an array of alternative economic institutions:

- community development banks such as Chicago’s South Shore Bank, pioneer of reinvestment in decaying urban neighborhoods;
- community development credit unions such as Self-Help Credit Union making capital available for grass roots development efforts in rural North Carolina;
- worker-owned businesses like the Worker-Owned Sewing Company, preserver of the jobs of a group of textile workers in rural North Carolina;
- non-profit developers of service-enriched affordable housing like Denver’s Mercy Housing, Incorporated;
- microenterprise lenders such as ACCION, implementer of the successful Grameen Bank model of lending small amounts to workers in the informal sector in Latin America and inner cities of the U.S.; and
- worker-owned cooperatives such as Equal Exchange, marketing agent for Third World farmers and cooperative coffee producers.

In addition to direct lending, religious investors have served as guarantors of loans, have authorized lines of credit and provided key bridge loans that have leveraged access to other funds for these alternative economic institutions. Increasingly sophisticated arrangements and linkages now increase the security of alterna-

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tive investments, improve the prospects of borrower success, increase the array of investment options for both lenders and borrowers and make possible international alternative investments in ways that minimize risks.

The religious pioneers in the alternative investment movement report repayment rates that conventional bankers would envy. For example, the Partners for the Common Good Loan Fund, a five-year \$3.5 million partnership of religious investors for alternative investments, had a repayment record of 99.7 percent of the money loaned out. ACCION International, the microenterprise lender to the poorest of informal sector workers, reports a repayment rate of 98 percent.

Now is the time for churches and individual religious investors to build on the experience of the pioneers and commit much larger shares of their investments to alternative investments — to make their money speak their language about what is necessary for a just society.

The current political rhetoric emphasizes self-help, lifting oneself up by one's bootstraps. Alternative investors provide bootstraps for those currently without shoes. And they do it in ways that do not increase dependency, but move people toward self-reliance and sustained participation in the marketplace.

Reduced public support for systemic change in poor neighborhoods and poor nations challenges religious investors to do more.

As economic alternatives aimed at providing access to the currently excluded expand in scope and market sophistication, new needs appear. Today, successful community development banks like South Shore still need more equity capital in order to meet requests for replication of their model in other cities and nations. The initial investors of "patient money" put up the first equity capital and religious investors made deposits which

initially paid below-market rates. Now, more equity investors are needed.

Earth Trade, an Oakland, California based company works with cooperatives and small farmers in El Salvador, Guatemala, Nicaragua, Mexico and North America to market organic food products and foster sustainable development. Religious investors have been important sources of loans for Earth Trade's activities. But increased equity investment is



THE DEVIL SHOWED HIM
ALL THE KINGDOMS
OF THE WORLD LK4:5

Helen Siegl

now essential in order to meet the demands for expansion of work with small farmers — to enable them to finance their crops and to purchase processing equipment. Earth Trade has just completed a first stock offering, but found many religious investors reluctant to take the next step into this form of alternative investment.

What hinders financial decision-makers in religious bodies?

In addition to the split consciousness to which we are all conditioned in our society, there is lack of knowledge of the realities and achievements of alternative investors. These developments do not

make it to the pages of the *Wall Street Journal* and *Business Week*. So, the definition of "fiduciary responsibility" is narrowly focused on conventional measures of financial return.

But "fiduciary responsibility" in any organization is related to the purpose of the monies being stewarded. In the case of religious bodies the mission (and indeed the legally specified purpose) embodies social responsibility. Trustees of church funds, to be faithful fiduciaries, have to take into account *both* the financial and the social return on the investments. A legitimate portfolio for a religious body should be structured so as to maximize both. Given the array of alternative investments with different rates of return, degrees of risk and terms of commitment, it is possible to "ladder" alternative investments as well as conventional ones.

Trustees of church bodies now have an experienced body of successful pioneers of alternative investments on whom they can rely for advice. To name but a few: Carol Coston of the Partners for the Common Good 2000; Mary Houghton and Ron Grzywinski of Shorebank; Peter Camejo of Progressive Asset Management; Patricia O'Roark of the Mercy Loan Fund. All of these people have years of experience and have developed impressive linkages and credibility within financial circles as well.

A whole world of exciting success stories about alternative investment is waiting to be shared with church bodies and individual church members. In a time of widespread pessimism, these signs of hope need to be shared — both to energize religious investors to move more aggressively into alternative investments and to give beneficiaries of church pension funds the comfort of knowing that their pensions are being earned in ways that correspond with their values.

What are the churches waiting for? **TW**

L.A. pioneers diocesan credit union

by Marianne Arbogast

An unemployed AIDS patient just released from the hospital wanted \$300 to repair his car.

A low-income mother asked for money to replace her broken refrigerator.

These requests, typical of the loan applications which cross Urla Price's desk, would have been rejected instantly by most financial institutions. But the Episcopal Community Federal Credit Union in Los Angeles, where Price is CEO, is not typical.

The car repair loan was approved, enabling the borrower to find and keep a new job. And when Price discovered that the latter applicant needed not only a refrigerator, but a stove and beds for her children, she offered her a loan large enough to purchase all of these.

"We lend to people on unemployment and welfare, as long as they have a source of income we can verify," Price said. "Members borrow for education, medical emergencies, bill consolidation, furniture and auto purchases."

Founded as part of the national church's economic justice program, the Los Angeles credit union is the first — and only — Episcopal diocesan credit union in the country. As a community development credit union, it is "designed specifically to work with poor people, providing economic services to a poor community," says Gloria Brown, former Economic Justice Officer for the national church.

Brown was loaned to the diocese to coordinate the founding of the credit union after the 1992 uprising in Los Angeles.

"The national church gave a grant of \$300,000 to help the diocese deal with



Helen Siegl

the unrest," she says. "The diocese decided to use the major amount of this money for the development of a credit union."

With Brown's full-time leadership, the groundwork was swiftly completed, and the credit union received its charter in just two years. Approved in May of 1994, the charter offers membership to any individual, institution, or affiliate of the Episcopal Diocese of Los Angeles. This includes participants in food distribution programs, after-school tutoring, AIDS ministry, and any other Episcopal church venture.

"We serve very poor people," Brown says. "Because credit unions are coop-

erative, non-profit agencies, they provide us a way to be in partnership, not just Lady Bountiful. A community development credit union is a federal financial institution owned and operated by poor people."

Currently staffed by Price and one part-time employee, the credit union offers share (savings) accounts, unsecured loans of up to \$5,000, secured loans and new and used auto loans.

Poor people often fall prey to unscrupulous moneylenders, Price says, telling of a woman who had borrowed \$6,000 from a financial company which charged her more than 20-percent interest, and required both her house and car as security. When she was offered a 12-percent credit union loan to pay off the debt, the company told her she would have to pay a \$3,000 penalty over two years. Price intervened, and the penalty was reduced to \$441.

"They always take advantage, especially in the Hispanic community," Price says. "When people don't have any credit, they charge 20 to 25 percent interest. People mean well, and want to pay off their loans, but it's eating up their money, and they don't have money for meals for their children."

Since the credit union — housed in a small office at the Diocese — is not yet equipped to cash checks, they have arranged for the checks they issue to be processed through the nearby Department of Water and Power Credit Union.

With over 2,000 members and \$1.4 million in assets — of which \$850,000 is currently loaned out — the credit union is already making a significant impact on the community it serves.

"Because credit unions are cooperative non-profit agencies, they provide us a way to be in partnership, not just Lady Bountiful."

— Gloria Brown

Marianne Arbogast is assistant editor of *The Witness*.

But Price and the board have bigger plans. They would like to be able to offer "microenterprise" loans to small businesses, in conjunction with training programs for entrepreneurs. And they intend to develop a full-service financial institution — complete with share-draft (checking) accounts, debit/credit cards and ATM services — which can supply day-to-day banking services for all of the institutions and individuals of the Diocese.

"Banks are gouging people with checking fees," Price says. "A lot of poor people go out and buy money orders. They go to check cashing companies which charge them \$10 or \$12 per check."

For services to expand, the credit union must increase its retained earnings on loans and investments. They are appealing to endowed parishes throughout the U.S. to support the credit union from a mission standpoint by making long-term investments at a low rate of return.

Brown reports that the Los Angeles credit union has generated "a great deal of interest" in other dioceses.

She believes that it is one of the easiest and most effective initiatives the church can take for economic justice.

"It does not require a lot of money — it's mostly a people investment," she says. "It requires some person or persons willing to provide organizing time to put it together."

Credit unions range from small-scale operations staffed by volunteers to large establishments offering a full spectrum of financial services, says Diana Shaw, church credit union officer for the National Federation of Community Development Credit Unions (NFCDCU). While agreeing that "minimal investment dollars" are required, she points out that strong funding enables a credit union to grow and to offer a wide range of services. Often banks and corporations are willing to contribute support to demonstrate their civic commitment, she says.

Shaw stresses the need for serious, long-term commitment.

Getting started requires "a lot of leg-work," she says. "You need a strong marketing campaign, to notify those you wish to include in your field of membership. You need to go to financial institutions and large capital organizations to ask them to invest in the community. It's very important to have committed volunteers."

Organizers must obtain pledges from prospective members, develop a business plan, and create a charter that meets the approval of the National Credit Union Association.

But help is readily available. The NFCDCU (which received a grant several years ago from the national church to work with dioceses interested in developing credit unions) can "provide members with the tools they need to service the members they want to service," Shaw says.

Price is also willing to offer assistance. "There are a lot of experienced individuals who have set this credit union up," she says. "If others are thinking about this kind of project, we can help."

Shaw says that the need for credit unions is growing.

"The church is the only stable institution in a lot of communities, especially in large cities," she says. "Banks and businesses have moved out. The credit union is a vehicle for financial ministry."

Brown is proud that the board of the Episcopal Community Credit Union includes a diverse group of members from varying walks of life.

"The decision-makers are not just professional bankers," she says. "The people making the decisions are drawn from the community that we are as a church. It really does provide a way for us to do the work we say we are about — a practical way to live out our baptismal vows, the responsibility of kin for kin." **TW**

ECPC investments

Two years ago, the Episcopal Church Publishing Company (ECPC) board, which owns *The Witness*, learned they were owners of stock in top corporations engaged in weapons productions and nuclear power.

Board members quickly regrouped and moved the ECPC endowment from Brown Brothers Harriman & Co., a conventional money-managing firm, to one of the oldest SRI firms: Franklin Research & Development in Boston. Franklin shapes its screens according to the concerns of each client, generally avoiding corporations engaged in military research and production, nuclear power, or which fail to provide safe or non-discriminatory working conditions.

"The shocking thing was that we thought we were being socially responsible by giving Brown Brothers the don't-buy list from the Episcopal Church, but when we transferred, Franklin found that we had stock in 41 companies that did not fit the criteria," noted ECPC controller Roger Dage.

Franklin's and Brown Brothers' annualized rates of return for balanced accounts in a five-year period are 12.63 and 13.1 respectively.

The next challenge for ECPC may be to move more of its endowment into community development investments. In 1995, ECPC voted to invest \$50,000 the McGehee Fund, an economic justice program run by the Diocese of Michigan.

"We're in competent hands at Franklin," Dage said. "We're more aware of where we're putting the money and we have more control over it."

The 'social' and 'fiduciary' debate at the Church Pension Fund

by Mike Casey

The Episcopal Church's role in investing to reflect its social mission is once again becoming an issue — this time as part of the controversy over the church's \$2.6 billion pension fund. The fund provides benefits for the church's 7,000 retired clergy, their dependents and some lay employees.

Questions about the pension fund came up at last September's House of Bishops' meeting. While most of the concerns dealt with management of the fund, the topic of socially responsible investing arose, too. Another issue concerned the disparity in pensions between pastors from wealthy parishes and those from poor ones.

These questions over the pension fund led to two meetings between a five-member committee of the national Executive Council and the pension fund's management and trustees. The council and pension fund are separate organizations; the church's national General Convention elects members of both groups.

At those meetings over the last six months, the special committee and pension official discussed a wide array of issues about rising costs of administering the fund and communication problems between the fund's management and the Executive Council. Although the committee has wrapped up its report to the council about the fund, concerns about it almost certainly will arise at next year's General Convention.

"I've not seen such a fuss over an (internal) issue," said special committee

member Timothy Wittlinger about questions surrounding the pension plan.

Along with the concerns about the management of the fund, Wittlinger said he expects socially responsible investing to again become an issue. "Socially responsible investing by the fund is not an issue in this dialogue between the committee and the pension fund," he said. "But it is an issue that is somewhat ongoing with the pension fund. It's an issue that will come up again."

Long-standing questions

Indeed, questions about how to invest church funds have arisen for years. The biggest issue for the church in recent years had been over investments in South Africa. In that area the church and pension fund took steps to avoid investments in companies with ties to South Africa.

Now that apartheid rule has fallen, the issue of socially responsible investing remains, but it's more complicated without a clearly identifiable bad guy.

Over the years, the church's pension fund has examined socially responsible investing through its Social and Fiduciary Responsibility in Investments Committee. The two words "social" and "fiduciary" underline the debate over the proper role for pension fund investments.

The word "social" points to the church's mission of addressing economic and political injustices, and the word "fiduciary" points to the fund's mission to ensure incomes for retirees and their dependents.

Some people on the board and in the investment community believe the two goals are not mutually exclusive.

Trustee Amy Domini started as a stockbroker with the idea of maximizing clients' returns. She was schooled in the maxim that "anything that limits your universe for picking investments is bad." Eventually, she became interested in ethical investing and wrote a book on it in the mid-1980s. She also developed an index of 400 companies deemed to have good social records, and the Domini Social Index has been around for nearly five years. It has posted returns better than that of Standard & Poor's 500, a traditional index for large companies.

Domini said she sees a role for socially responsible investing for the pension fund.

"My argument is that the people who benefit from the pension funds have spent their entire lives addressing injustices," she said. Nevertheless, Domini said she'd be unwilling to apply her index to the pension fund's holdings because the index has not gone through a down market. Investment advisers often caution clients to watch a fund's return in up as well as down markets before placing their money with the fund.

A manager of one fund said the principles of picking the right investment can go hand in hand with choosing a socially responsible company. Farha-Joyce Haboucha co-manages the Nueberger & Berman Socially Responsive Fund.

The recently started fund, with \$113 million in assets, recorded a return of 38.9 percent in 1995 compared with the Church Pension Fund's return of 22.5 percent. The Nueberger & Berman fund excludes companies with significant interest in alcohol, tobacco, weapons, gambling and nuclear power.

"First off I don't buy a stock that won't make money, and then I won't buy a stock that fails to meet our screen," she said. She said the same restrictions could be placed on a fund as large as the church's pension fund, though she noted it takes extra time to pick the right stock.

Mike Casey is a striking *Detroit News* business writer.

Resisting SRI

That is one of the reasons why the pension fund has not screened its investments — outside of its South African policy. “It would create another layer of management,” said Donald E. Bitsberger, vice chair of the pension board. That would detract from the fund’s purpose “to meet the needs of its beneficiaries,” he said.

Some board members have suggested that the fund cease buying securities in tobacco companies, but the move has fallen short of majority support, he said. Domini supports the idea, saying it makes good fiduciary sense. Eventually, a lawsuit will be decided against the tobacco companies for health problems associated with smoking, which “will ricochet through the stock market,” she said.

Pension fund President Alan F. Blanchard said he believes there’s another reason for not limiting the fund’s investment possibilities. He said the fund could be sued by pensioners who would allege that the return on their money was not being maximized.

He pointed to a lawsuit filed in Minnesota. There, clergy members and a church sued the Evangelical Lutheran Church of America and its Pension Board over its decision to avoid investments in companies with ties to South Africa while maintaining the fund’s investment performance.

A state appeals court has dismissed the lawsuit, but the plaintiffs are appealing to the state supreme court to have the case reinstated, said Bonnie Fleming, a lawyer for the Pension Board.

Fears of lawsuits also have prevented the pension fund from exploring investments such as mortgages for low-income housing that would earn the fund a lower return than other investments, Blanchard said. Furthermore, Blanchard said he’s not sure there’s much support among retirees for such investments. “I don’t

think it’s clear how many of our constituents want to do it,” he said.

A Methodist witness

Despite the kinds of concerns raised by Blanchard and Bitsberger, Tim Smith at the Interfaith Center for Corporate Responsibility (ICCR) says the trustees of



Helen Siegl

the United Methodist Pension Fund have placed \$150 million in community development investments and the Lutherans have invested more than \$10 million.

Pension fund trustees *are* held to a high standard, Smith added, since they manage money in trust for their beneficiaries. The standard must be traditional and conservative — the rule of prudence. But, within that restriction, Smith says all portfolios are diverse and include some lower-yield, reliable investments.

“The thing to do is to keep one eye on the lawsuit in Minnesota and another on the leadership of the United Methodists,” Smith said.

Wittlinger said he believes that investments in low-income housing could be argued effectively simply because the Episcopal Church Pension Fund is \$400 million over-funded. “To think [this would] affect the pension of the pastor on the street is ridiculous,” he said. Bitsberger and Blanchard are both agreed that the Pension Fund could take a more

active role in the area of shareholder resolutions and proxies.

Bitsberger said his committee routinely studies shareholder proposals and makes recommendations to the board. For example, in 1995, the committee supported resolutions to review wages and benefits of U.S.-owned plants in Mexico, to report the companies’ Equal Employment Opportunity programs and to disclose companies’ foreign military sales.

Bitsberger said he would like the fund to be proactive in encouraging corporate boards to promote diversity, while Blanchard would like an increased focus on the environment.

Internal inequity

Critics note that pensions in the Episcopal Church are calculated on the basis of 1.5 percent of a salary for each year of service and then an average of the retiree’s best seven years of salary. That means a person with 30 years of service would receive 45 percent (30 x 1.5) of the average of his or her best seven years of earnings.

Blanchard said the average pension is \$20,000 a year, but acknowledged there is a great disparity. “This is because there is a wide range in salaries. Some make \$15,000 while others make \$100,000.”

Other pension funds such as the United Auto Workers’, take a different tack. For example, under the UAW contract, workers receive the same benefit based on years of service, without taking into account differences in salaries, which may be as much as 20-30 percent.

Blanchard said there is a move to raise the minimum pension — a point that the bishops said needed to be addressed. The pension fund routinely raises pensions to mitigate the effects of inflation.

Blanchard and Wittlinger have called the meetings between the Executive Council and Pension Board helpful. Both agree that further questions will arise at the 1997 General Convention. **TW**

Endowments: a two-edged case study

by Michael Barwell

“Endowments are a two-sided sword: they enable creativity, but inhibit stewardship.”

Succinct, prudent, and conservative advice is a hallmark of Chester Cavaliere, retired certified public accountant with KPMG Peat Marwick in Cincinnati, Ohio, and president of the Trustees of the Episcopal Diocese of Southern Ohio for a quarter of a century. As a trustee, he has advised four bishops how to make — and spend — millions of dollars for the “glory of God.” Southern Ohio has a reputation in the Episcopal Church for being one of those “wealthy dioceses,” never having to worry about money.

“We do have the reputation of being a wealthy diocese, and I suspect that we are, compared to other dioceses,” said Herbert Thompson, Jr., who as diocesan bishop has more than \$2 million a year at his disposal for “creative” projects.

Cincinnati was booming in the late 19th and early 20th century, producing strong lay church leaders among the industrial barons of the day. Churchmen such as Thomas and John Emery, William Howard Taft and Charles P. Taft, and William Alexander Procter and his son, William Cooper Procter, led their companies — and their parishes — to financial prosperity.

Belonging to a number of Cincinnati-area parishes, the Procter family left behind gifts in buildings and endowments from their successful consumer-products company. Ivory soap supposedly received its name during a service at the Church of Our Saviour, Cincinnati, when, legend

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says, William A. Procter, then president of the company, jumped up in the middle of the psalm and proclaimed, “That’s it! Ivory!” and then departed in haste back to the company offices.



William Cooper Procter

courtesy Episcopal Diocese of Southern Ohio

William Cooper Procter

William A. Procter committed suicide in 1907, leaving his son William Cooper Procter the bulk of the family fortune. Procter and Gamble thrived under his forceful personality. The church also witnessed his leadership — he served as chairman of the General Convention in Cincinnati in 1910, and as deputy to six others. He also served on the National Council from 1931-1934, and in a variety of positions in the diocese. Along the way he endowed the Episcopal chaplaincy at Princeton University. Henry Wise Hobson, diocesan bishop from 1930 to 1959, reflected later, “William Cooper Procter was a crackerjack on efficiency.”

Procter’s involvement with Hobson is the stuff of legend. In 1929, the diocese

had elected Howard Chandler Robbins as bishop. But Robbins, former dean of the Cathedral of St. John the Divine in New York, refused the election because he had recently taken a new academic post.

In his memoirs, Hobson recalled that Procter was “outraged by the fact they had spent all the time and money and effort to elect a man who wouldn’t serve. He got 20 laymen together from all different parts of the diocese for lunch in Cincinnati. He said to them, ‘These clergy are the most inefficient people in the world, as a rule. Let’s make sure at this next election that we at least have a man that can accept if he is elected.’ ... So Mr. Procter wrote to some bishops, seminary deans and other people and divided up a list and then went to see them.”

Procter found the 39-year-old Hobson in Worcester, Mass., and essentially offered him the job on the spot. To sweeten the deal, Procter agreed to further endow the bishop’s salary so that it would be “commensurate with that of a senior vice president in my company.”

The salary, endowed with an “unbreakable trust” of P&G stock, would pay more than \$12,000 in the 1930s — when the average household income in 1936 was about \$1,700. The endowment now produces more than \$160,000 per year — far less than what a contemporary senior vice president of P&G makes, but more than most bishops and clergy in the Anglican Communion.

The Procter endowment

Procter died childless in 1934. His wife, Jane Matthews Procter, met with Bishop Hobson and worked out the terms of Procter’s will — which Procter had discussed with Hobson before he died. Initially, Procter wanted to leave a sizeable amount of his fortune as a bishop’s discretionary fund, controlled solely by the bishop. Hobson dissuaded him, saying it was too much responsibility for one man,

suggesting that the trustees of the diocese assume responsibility and that funds be spent only after concurring with the diocesan bishop's recommendations. Notes made by Hobson in conversations with the Procters now serve as the criteria for making grants.

Jane Procter died in 1954, leaving a sizeable gift — 30,000 shares of P&G Common Stock worth more than \$1 million — to the bishop and trustees. Today the fund principal totals more than \$34 million — small in comparison with some foundations, but generous in church circles — generating more than \$2 million annually. It is now one of 42 endowments held by the Diocese of Southern Ohio. Together, these others provide an additional \$350,000 annually for special ministries or for diocesan operations.

Hobson, who retired in 1959 after 29 years, used the income generated by the Procter fund to bolster diocesan programs, develop the new conference center, and build new congregations. Hobson's successor, Roger W. Blanchard, used the endowment in part to help build new congregations near the campuses of the state's universities from 1959-1979. He also allowed the diocesan convention to vote on the Procter budget prepared by the trustees. The endowment funds also began to be commingled with the diocesan operating budget for desired programs, especially in the area of race relations after the 1968 riots.

John Krumm, bishop from 1971-1980, also focused the income into specific program areas, such as minority empowerment and race relations, vowing to "eradicate institutional racism" in Southern Ohio and dedicating \$100,000 per year for "minority empowerment."

A 'welfare' mindset

The income from the fund had approached \$1 million per year when Krumm's successor, William Black, assumed office. By this time, Black said, it was clear that

"there was a certain dependency, expectation, and entitlement" that Procter funds would be used to "bail out parishes which were marginal and who hadn't exercised good stewardship. You had a [diocesan] convention voting on a budget to which [parishes] had contributed no money.

"Here we were, the Episcopal Church: middle- to upper-middle class, predominantly Republican, and yet we acted within a welfare context and were perfectly happy to do it! 'Let the diocese do it, let someone else pay for it!'"

In 1984, Black hired consultants to examine the original charter and trust documents filed away in 1934 by the Procters. They rediscovered Hobson's notes on Procter's spending guidelines, and Black began extricating the funds from the diocesan operating budget — an unpopular move for which he received significant criticism.

"As I worked on that charter, it was apparent that if we were going to get any healing of the malaise of low mission giving" dependency on the Procter endowment would have to be reduced.

"Here we were, the Episcopal Church: and yet we acted within a welfare context. 'Let the diocese do it, let someone else pay for it!'"

— William Black

Resurrecting a mission focus

Procter's own guidelines, as written down by Hobson, put the focus on mission rather than institutional maintenance.

Emergency aid could be given to parishes, Procter had said, "in return for an agreement pledging those churches to an adequate support of the church's programs." He also had indicated that grants should be used "to take advantage of

unusual opportunities for advance work in the church's program as distinct from the regular running expenses covered by the budget." In addition, "part of the annual income from the Fund shall be used for the work of the church outside of the Diocese of Southern Ohio."

As difficult as it was to withdraw the Procter Fund from the voting processes of convention, Black said, "there were a lot of people who said 'Right on!' because it is the mission of the diocese which should be the focus. The genius of that endowment was that it kept us focused on the mission of the church."

Black embarked on a series of ventures with the fund, traveling around the diocese with consultants. Together, they visited most of the programs and projects funded by the Procter Fund, which by 1987 was generating \$1.3 million. They established grant applications, a timetable for making grants, set limits on the amount of grants and the number of years a program could receive funding, and published annual reports delineating grants made and guidelines for future grants.

Supplying venture capital

While congregations continued to receive direct support, Black stipulated that the programs had to be parish-based, focused on outreach, and dedicated to the mission of the church through one of Procter's spending criteria. Funds could no longer be used as "pass-through" accounts into other community organizations. They also tried "venture grants" — similar to venture capital in business — where the bishop and trustees could say, "'We won't ask you to risk putting venture capital in, we'll do it,'" Black said. "That was Procter's vision, do it beyond the limits of the parish or the diocese."

Among the high-risk projects attempted during the 1980s were establishing a cooperative bank in a slum area of Cincinnati in which all of the major banks

had pulled out and the savings and loan banks had failed. The Over-the-Rhine Cooperative Bank today is a thriving institution able to make loans and allow savings in one of the state's lowest-income neighborhoods. Other projects included starting literacy centers, food pantries, and other enabling ministries in low-income and rural areas.

Another advantage to the endowment income, according to Black, was the ability to "leverage" other funds from churches, community organizations and other non-profits, in essence saying, "This is important, we're willing to take a risk on this project, and we'll put up the first funds if you'll match it."

"The advantages of being an endowed diocese are just tremendous," Black said. "We had resources to do things we couldn't do without the endowment. There

were a thousand and one things we could do! It did a lot in raising the consciousness in individual parishes to outreach maybe not even related to their parish. It galvanized a lot of people. That's an important piece — getting people in the pews galvanized for Christian mission."

Cavaliere agrees.

"I think the major benefit of having an endowment like this is that the bishop and thereby the diocese is permitted to respond to needs of the church, of society, as they are identified by or for the bishop without necessarily being concerned about whether or not the parishes of the diocese will support them," Cavaliere said.

"From my history of the diocese, it would be almost impossible for the Diocese of Southern Ohio to do any of these kinds of things on the support that comes"

from the diocesan budget. "My experience at diocesan convention, as well as being involved in the budgets, is that, unfortunately, people will support their church and thereby the diocese depending on how they feel about whoever happens to be in power or whatever issues happen to be in front of them that they don't agree with. If they don't like what is going on, if they don't like a sermon, if they don't like a priest, if they don't like a bishop, then they don't support the church. That's unfortunate."

Never-ending battle

But boosting stewardship and fighting dependency are never-ending battles, according to Cavaliere.

"The diocese has looked on the Procter Fund — no matter how much I have tried to dissuade them at conventions — as a bottomless pit of money that should be available to them at all times, whenever the need arises," Cavaliere said. "I think it's a terrible deterrent towards stewardship on the part of parishes. It will always be a detriment to the stewardship of the individual — at least to the diocese."

A part of the challenge," said Bishop Thompson, "is to call people to give in the face of a gift the size of Procter's."

Trustee president Chester Cavaliere agrees — and offers a suggestion.

"Something comes to mind almost immediately, because I think it would overcome the inhibition towards stewardship presented by a large gift," Cavaliere said. "Let's assume my gift is a million dollars, and let's assume that the income from that gift is \$60,000 a year. The recipient of that gift can only spend that portion of the income from my gift which is matched by the increased giving of the existing parishioners. Match it or you can't have it."

But in the end, Thompson notes, "we need to get unhooked from the notion that money is the key to successful ministry. Our faith is not in dollars." **TW**

Social concerns about P&G

Departing from a solid history of voting with corporate management, the trustees of the Diocese of Southern Ohio supported a 1992 shareholders' resolution asking Procter and Gamble to purchase coffee from small cooperative farmers in El Salvador, rather than large producers who were violently repressing workers' efforts to unionize. Pressure from shareholders, along with a consumer boycott of Folgers coffee, pushed the company to scrutinize its sources and to support the U.N.-sponsored peace process.

Although trustees examine all shareholder resolutions connected with social concerns, there has been no broad effort in the diocese to impact the company's policies on specific issues, said Nancy Sullivan, a member of the National and Worldwide Mission Commission of the diocese who has been active with Central American concerns.

"This is a very strong Procter &

Gamble community," Sullivan said, adding that news of the coffee resolution vote was kept out of a major local paper leery of offending the company.

While Procter & Gamble scores well on most social issues, several areas of controversy remain.

The company's continued use of animals in household and consumer product testing has spurred a consumer boycott led by a California animal welfare organization, In Defense of Animals (IDA). While the company boasts of leading the effort to develop alternatives, Lauren Sullivan of IDA points out that "companies like Dial and Revlon — their competitors — are able to produce similar products without animal testing."

Procter & Gamble has also been criticized for "an almost obsessive concern for secrecy" (*Franklin's Insight*, 5/92) and heavy internal surveillance of employees.

— Marianne Arbogast

Former *Contra* units continue in Nicaragua

Dorothy Granada, an Episcopal woman from Oregon who founded and now runs a medical clinic in the Nicaraguan countryside, was recently roughed up and threatened with death by members of *Contra* forces. Her assailants asked her for \$230 a day to protect her from death. Her answer was simply: "You can kill me right now. I do not have \$230 U.S. a day and if I had I wouldn't give it to you."

Granada, who continues her work under the protection of the local military, said that former *Contras* continue to come from bases in Honduras to persecute and kill those suspected of Sandinista beliefs.

"The condition of Nicaragua under this government is the worst I have seen," she said. "The Chamorro government is deeply in debt to international banking and cannot fulfill its promises to return lands to the ex-*Contras*. Therefore, they roam the countryside in paramilitary units, causing all kinds of crimes against defenseless people."

Granada, a registered nurse, sees up to 100 people a day, many of them mothers of children who have died of starvation. Some have walked for days, risking their husbands' opposition to their desire for birth control.

A medical doctor from Managua recently offered to work at the clinic for three days each month. As medicines are hard to get, the clinic is teaching people to raise herbs and roots for medicinal purposes.

"Many people have come to the countryside without any means of sustenance, and we are unable to help all of them," Granada said. "Amidst all this tragedy I have yet to hear one of these peasants curse or doubt God. On the contrary, their faith is astonishing to me. 'We have only God,' is their favorite phrase when relating their situation. '*Solo Dios*.'"

— Nina Olmedo Jaquenod

'Suitable helpers'

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Colo., has formed a group called "Suitable helpers in prayerful support of Godly men." Here's her credo:

"A Suitable Helper:

- Has a personal relationship with Jesus Christ, realizing her identity is in Christ and found worthy of her calling.
- Is committed to reading the Bible, God's Word, daily taking the time to develop a more intimate relationship with God.
- Is willing to make the changes God is telling her to make in herself and her life and is willing to be the first to forgive, reconcile and confess her sins.
- Is willing to submit to her husband out of reverence for Christ.
- Is committed to praying daily for the specific needs of her family.
- Lets go of control over family members. This doesn't mean failing to discipline her children, but offer first herself, then

every family member back to God, backing off from trying to change them or the situation.

- Is willing to let God parent through her. Learn to see and hear her family through God's eyes and ears. She must raise her children to be men and women of God."

— Placed on-line in Feminist Perspectives by Sam Owen, pastor, Herington and Burdick (Kansas) United Methodist Churches. Owen adds, "Personally, I see much in the list that perpetrates patriarchal stereotypes and is fundamentally unhealthy. It has, in the patriarchal chain of thought, always been the woman's duty to be the first to 'forgive, reconcile, and confess' — whether it has been because of the man's infidelity (which is, of course, the woman's fault), or the man's physical, emotional, or sexual abuse (which is, of course, the woman's fault). For some odd reason, the man is never expected to be the first to forgive, reconcile and confess. In other words, it is never the man's duty to submit, but always the woman's."

'A slow-motion Hiroshima'

Egyptian activist Abdel Azim El Naghrabi calls the U.S. economic embargo against Iraq "a slow-motion Hiroshima." During the last five years, over half a million Iraqi children have died from deprivation of basic foods, medicine and health care.

"Voices in the Wilderness" is a campaign to break the sanctions by openly and publicly sending medical supplies to Iraq while campaigning for removal of the embargo. More information is available by writing to Voices in the Wilderness, 1460 West Carmen Ave., Chicago IL 60640 or (e-mail) kkelly@igc.apc.org.

short takes

Dixon visits hostile parishes

by Jeanie Wylie-Kellermann

Never a fan of soft, white bread, Jane Dixon, suffragan bishop of Washington, has a new feeling for Wonder Bread.

At her visitation to St. Luke's, Bladensburg, Maryland on January 14, Dixon stood in a darkened sanctuary. Even the sanctuary lamp was extinguished. The congregation was notably absent.

Then an elderly woman came forward. She gave Dixon a loaf of Wonder Bread, a bottle of wine and a ceramic coffee mug — her gift so that the eucharist could take place.

"Are you," Dixon asked, "by any chance a member of this congregation?"

Speaking of it later, Dixon demonstrated how the woman had looked up boldly, responding "Indeed I am!"

"It means a lot to me," Dixon said. "I even think about the name, *Wonder Bread*."

Dixon has been sent by Ronald Haines, diocesan, to make visitations to the parishes in the diocese that still resist the ministry of ordained women.

At this point only two of the original handful of churches have refused Dixon's presence. One rector welcomed her reluctantly at Haines' insistence. Another parish received Dixon warmly after their rector retired. A third has consented to her visitation in April.

St. Luke's, on the other hand, sent a letter to Haines, saying: "The wardens and vestry of St. Luke's Parish unanimously and unequivocally consider such an action to be a gross violation of our rights as a parish."

"What you intend to do is not only illegal, but completely unnecessary and

very mean-spirited. The straw vote of the House of Bishops in September serves only to indicate that you will be able in the near future to legally extinguish traditionalist ministries within this diocese of the Episcopal Church. In no way does it give you the right to do that now."



Jane Dixon

Some commentators on the Internet have expressed the same concern, wondering why Haines did not wait until after the 1997 General Convention.

But Dixon says, "It wouldn't have done any good to wait any longer. Waiting doesn't bring the healing that you hope for."

In fact, during the last three years, Dixon and Haines have attempted to arrange informal visits for Dixon to St. Luke's and Ascension and Saint Agnes in D.C.

"We have tried to arrange a visit for an evening program, a meal, a forum, something to begin to form a relationship," Dixon said. But their overtures were rejected.

Haines, in a January 2 letter to clergy, explained: "At one time I believed that time would resolve our disagreements regarding the ordination of women. Now, I've come to the conclusion that time will not solve but exacerbate our division.

Currently, we have six women who had been elected bishop. ... Each of those bishops will regularly ordain both men and women into the sacred priesthood. Those so ordained, in turn, carry out the sacramental acts for the people of God on a regular basis. For those who deny the validity of the orders of ordained women, it means an ever growing body of fellow Episcopalians whose ministry they are not recognizing. It is building an ever widening gap rather than closing it."

The diocese has a history of radical action for inclusion, Dixon says.

"We just celebrated our centennial in 1995," Dixon added. "Bishop [Henry] Satterlee [1896-1908] came here intentionally to begin to work with African Americans and persons who were white, because this city is on the border of north and south and racially divided. Bishop [Angus] Dun [1944-1962] closed a church for a brief period of time because it would not prepare an African American child for baptism. The diocese continued to confront issues of inclusion with the election of John Walker [1971-1976], Bishop [William] Creighton's [1962-1977] ordination of women and Bishop Haines' and my support for the ordination of homosexuals."

"There has been marvelous support for the work that has been done in this diocese. It has been painful. It has been a struggle. It has not been accomplished with ease. But members of the diocese have been consistently asking for relationship."

In both visitations that Dixon has made this year, she officiated at only one service.

"We were not saying, 'This is the only mass of the day; you worship in your parish with me or not at all,'" Dixon explained. "That would be draconian. But for those who wish to experience my ministry in relationship with them, they now have the opportunity. In each of these churches, there have been people who wished me to come."

Dixon's next visitation to St. Luke's and the Church of the Ascension and St. Agnes, given the rotation schedule, will occur in three years.

Vital Signs

Craig Anderson to head NCC

Bishop Craig Anderson, President and Dean of The General Theological Seminary, has been elected President of the National Council of Churches for the 1998-99 term. Shortly after his election, Anderson joined other NCC officers for a meeting with President Bill Clinton, to advocate for continued funding of government programs which benefit the disadvantaged.

Ellen Cooke pleads guilty

Former Episcopal Church treasurer Ellen Cooke pleaded guilty January 24 to charges of embezzlement and income tax evasion, but told Judge Maryanne Trump Barry that she does not recall committing the crimes. Plato Cacheris, Cooke's attorney, said that a psychiatrist has diagnosed Cooke as suffering from a bipolar mental disorder that causes memory blackout. Cooke said that, after reviewing evidence of her embezzlement, she accepts responsibility, and "can only assume" that she "knew at the time it was wrong." Presiding Bishop Edmond Browning expressed relief "that we have reached this almost final stage in the process," while noting that a civil suit is still pending. "I personally have faced the difficult fact that this was ultimately my responsibility," Browning said. "We have looked carefully at how it happened and took steps such that it can never happen again." Cooke, who will be sentenced April 29, faces a maximum penalty of 10 years in prison and a \$250,000 fine for the embezzlement, and five years in prison and a \$100,000 fine for the tax evasion.

— based on an *ENS* report

Women and power

Wilma Jakobsen, chaplain to Archbishop Desmond Tutu, says she is returning to Capetown recommitted to her work as an ordained woman attempting to make inroads in a hierarchical church after attending the Consultation of Women's Leadership in

the Anglican Communion held at the College of Preachers in early February.

"The conference was stunning!" Jakobsen said. "There was a wealth of experience and of role models. In South Africa, we are the role models — There is no one to ask, 'What do you wear? How do you feel?' Moving into ministry, one wants to go informed, equipped."

During the five days, spent in worship, skills exchange and conversation, women shared stories of rejection but also discussed theories of power and leadership, according to organizers Penelope Jamieson, Bishop of New Zealand; Janice Robinson, director of education at the College of Preachers; Erica Wood, president of the College of Preachers; and Fredrica Harris Thompson, professor of church history at the Episcopal Divinity School.

"Women bring an authenticity to the church," Robinson said during an interview after the conference (which had excluded media). "This gathering affirmed things that women have been doing by intuition, like practicing inclusive decision-making which involves the people affected by the decision. Practicing power-with instead of power-over."

And these values are succeeding elsewhere.

"New management theory endorses working with integrity and encouraging the leadership of others," Jamieson said. "It was supportive to find that a lot of what we were doing is found to be successful by business leaders."

Women from England, New Zealand, the U.S., Canada and Northern Ireland were able to apply cross-cultural considerations to common problems. One small group addressed, "What can the experiences of giving up white privilege in New Zealand and South Africa teach us about helping men give up male privilege in the Church?" Their conversation is still in progress (now in e-mail), but Jamieson added a cautionary note, saying that while people need to move beyond scarcity fears, they also need to recognize that a lot of resources *are* finite. "There is a very

real cost to sharing power," Jamieson said. "That's certainly something the New Zealand church (which has adopted Maori language and prayers into its liturgy and altered its governing structure to adequately represent Maori interests) is understanding."

Women left with a sense that they can change the environment.

"Women are opening the doors and windows and inviting people in," said Erica Wood, canon warden of the College of Preachers. "Frequently women are committed to truth-telling, to making that which has been previously private, public. We had a sense that the gifts of God and the ground of the church are truly equally ours." — *Jeanie Wylie-Kellermann*

Oasis/California established

Oasis/California, a new gay and lesbian ministry of the Diocese of California, was inaugurated Jan. 13 at Grace Cathedral, San Francisco, with Bishop Walter Righter as guest speaker.

Founded by a task force led by David Norgard, former executive director of the Oasis ministry in the Diocese of Newark, the program represents "the continuation of the gay and lesbian ministry that began 15 years ago with the Parsonage," said Bishop Otis Charles, executive director of Oasis/California.

The Oasis model includes a focus on congregations, inviting them "to be open and out about their welcome and support of gay and lesbian people," Charles said.

Meanwhile, eight openly gay and lesbian clergy couples gathered Dec. 15-16 at the College of Preachers in Washington, D.C. for a consultation convened and facilitated by Episcopal Divinity School's Congregational Studies program. Recommendations ranged from asking that members of the church resist the tendency to characterize a congregation as a "gay parish" simply because its priest is gay, open and in a committed relationship, to urging that the church authorize rites for the blessing of same-sex unions.

Mourning the loss of a thinking patriot

by Katie Sherrod

My first thought, upon hearing of Barbara Jordan's death, was, "She was too young."

She was only 59 when she died. Yet she has long since become one of our society's elders, a wise woman for our national village, a deeply rooted moral touchstone for an increasingly rootless nation. She had always been wise beyond her years. She was only 29 when she became the first black woman elected to the Texas Senate, elevating the collective IQ of that chamber by several hundred points simply by showing up.

She was only 37 when, on the House Judiciary Committee, her eloquence lifted the squalid mess of Watergate up out of the shadows of petty partisan politics and into the sunlight cast by our Constitution. As the measured tones of this stolid young black woman pealed out across this nation, the oh-so-powerful white men of Watergate began to shrink into a foul-mouthed smallness totally unworthy of the offices they held. As she said then, Barbara Jordan was not willing to be an idle spectator of our nation's government. She knew to her bones that she WAS the government, she and the rest of us — We, The People. She was that truly rare thing, a thinking patriot.

Why did she touch us so? I think it was because she always connected her prose to this passion, and thereby exalted both. Her words always wore boots, treading powerfully into our hearts and minds.

While blacks and women especially

Katie Sherrod, vice-president of the Episcopal Women's Caucus, lives in Fort Worth, Tex., where she works for public radio. This commentary aired on January 18, 1996, on KERA 90.1 FM, Pubic Radio for North Texas.



Anne E. Cox/M.O.R. Stamps

were enlarged and empowered by her words and example, her wisdom and humor transcended race and gender. No one ever mistook Barbara Jordan for some mere token. She was wholly and completely herself. Moreover, she did not suffer fools gladly. I often saw her silence buffoons with a look — a skill that came in handy in the Texas Senate.

When her illness struck in the late 1970s, we were bereft, mourning what might have been — perhaps even the first woman and first African-American president.

But to mourn then was to underestimate Barbara Jordan. She had just come home, she hadn't given up. As she assumed the mantle of elder stateswoman and scholar, her influence continued to be felt, both in Texas and in Washington. Powerful men and women flew into Austin to sit at her feet. And she gave them all the same thing — unsparing honesty.

Her vast intellect was matched by her courage and integrity and, often, tempered by her wit. Even as her illness attacked her body, that magnificent voice went on. When he was about 4, my nephew Nicholas heard her on the radio and asked me, "Is that God?" I replied, "No, but it should be."

I think the idea of God as a black woman would have tickled Barbara Jordan. Now, I find myself imagining all the great conversations going on up there on heaven's front porch — Barbara and God, voices rolling like thunder, laughter sparkling like rain.

We're gonna miss her for a long long time. **TW**

The Witness co-sponsors Stringfellow conference

The Frances Lewis Law Center, the Department of Religion at Washington and Lee University, *The Witness* and *Sojourners* are sponsoring three conversations based on the legacy of William Stringfellow on April 18-20, 1996 at Washington and Lee University School of Law in Lexington, VA. The discussions will focus on:

1. *How one lives a life in the law*, featuring: Doug Ammar, director of the Georgia Justice Project; Milbre Ball, Caldwell Professor of Constitutional Law at the Univ. of Ga.; Jeff Powell,

law and theology professor at Duke; and Russell Pearce of Fordham.

2. *How to carry on faith-based politics*, featuring Jim Wallis, editor of *Sojourners*; Michael Lerner, editor of *Tikkun*; Pat Williams, law professor at Columbia University; and Murphy Davis, a partner in the Open Door Community in Atlanta.

3. *Resistance*, featuring Elizabeth McAlister, Nane Alejandrez, Kim Williams and Eugene Rivers, all of whom are committed to living in communities at the margin.

Invested in the common good

by Michael H. Crosby, OFMCap.

Invested in the Common Good by Susan Meeker-Lowry, New Society Publishers, 1995, 258p., including annotated bibliography and index.

I would be less than candid if I said I was excited about reading a book promoting ways of challenging the existing economic system (“been there, done that, didn’t work”) and offering alternatives (“nice try, try again”). However, because of Susan Meeker-Lowry’s experience-based approach as well as her wide range of clearly articulated step-by-step suggestions, I found myself saying, “If anyone is looking for a primer critiquing our political economy and offering sustainable alternatives, this is it.” Whenever I found myself saying, “Yeah, but, she didn’t even mention ‘whatever it might be,’” invariably, ‘whatever it might be’ would show up in a few pages. This book is thorough!

Each of 10 chapters has several pages written by Meeker-Lowry. These set the theme or context for “case studies” or concrete examples of her theory which follow. Thus, one chapter addressing environmental issues highlights the CERES Principles. These offer institutions an objective, independent format with which they can be accountable as “environmentally friendly.”

While I found myself disagreeing here

Michael Crosby is a Capuchin Franciscan living in Milwaukee. In addition to writing on contemporary spirituality, he coordinates the Tobacco Issue Group of the Interfaith Center on Corporate Responsibility. His latest book is *Celibacy: Means of Control or Mandate of the Heart* (1996).

and there (I think the Quakers preceded the Methodists as pioneers in socially responsible investing), this book offers readers step-by-step procedures for everything from developing responsible portfolios, to creating alternative investments, to executing a boycott, to community organizing tactics.

Meeker-Lowry does seem to presume her audience has the time, education, connections, resources, and commitment to implement her suggestions. I can’t help wondering how well-minded people living in ghettos would approach her ideas when so many see themselves as powerless victims of the system, especially if they are African American. Hers is a white-middle-class approach. Still, in community organizations and in groups committed to social change these often constitute the main actors, so a book apropos to them (I really mean “us”) is useful.

Investing in the Common Good does offer extended examples of what some Native groups are doing in the area of economic and human development (such as artisan crafts and community development projects like the Lakota Fund). However, living in an urban area with other people of color, I would have been pleased to read creative ways other non-white peoples in our cities contend with the “system.”

More than 15 years ago, I asked a co-worker to critique a book I’d written. She strongly challenged my anthropocentric bias. No such criticism can be leveled at this work. On the contrary. Meeker-Lowry’s aim has been to promote the importance of working in conscious partnership with Earth rather than in (un)conscious exploitation of it. She ac-

complishes this through the use of biographical examples and in the process she helps slower readers like me keep moving in our own effort to de-center our lives in this universe, to become part of its life rather than make it subservient to our own. She writes:

“If there is one ‘message’ I want to share with you by writing this book, it is this: We are not separate from Earth — we are part of Earth. We belong here. Earth is our home. The place we live on the Earth shapes and nourishes us, and this relationship needs to be reciprocal. When we become grounded in place, we know who we are, and we can take a stand for what we believe, for what we love. Becoming whole, then, means deepening our connection with the place we live and allowing ourselves to experience the implications this brings to our lives willingly and without reservation.”

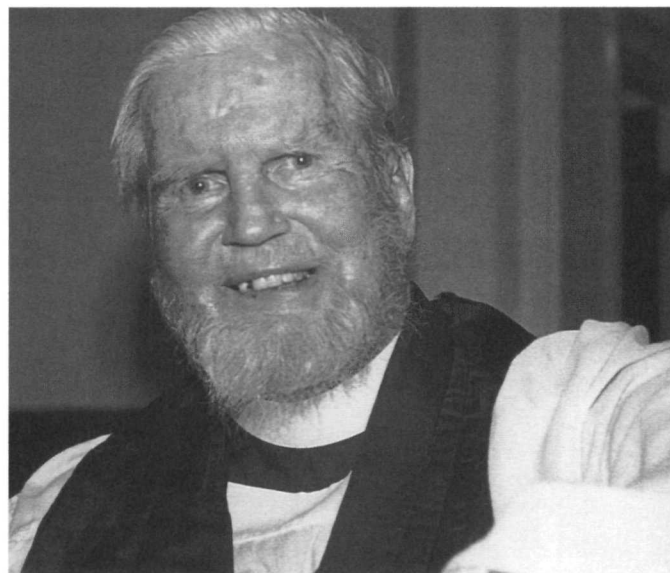
If I found myself looking for something that isn’t that evident in this book, it’s the need for support communities to sustain the reasoned, yet counter-cultural, strategies and goals Meeker-Lowry promotes. I live with others who are nourishing my efforts (and challenging me when I slack). To faithfully keep attempting the kind of things that Susan Meeker-Lowry has done and suggests in this valuable book necessitates “mediating institutions.” Such alternative communities will bridge the gap between the exaggerated individualism and oppressive corporatism that is the driving ethos of our culture and political economy at this time. Outside of this disappointing omission, I wholeheartedly endorse this book **TW**

book review

When people weep and gnash their teeth about the ferment in today's church, they would do well to remember that it was ever thus, and often even worse. In recalling such times we may find insight and courage for today's struggles. It is encouraging to see the recent resurgence of interest in the life and ministry of John Elbridge Hines, 22nd Presiding Bishop of the Episcopal Church. The 71st General Convention of the Episcopal Church in 1994 began with a Martin Luther King, Jr. Legacy Fund Banquet in honor of John Hines, and Ken Kesselus has just published a biography entitled: *John E. Hines — Granite on Fire* (Episcopal Theological Seminary of the Southwest, Austin: 1995).

Hines presided over the Episcopal Church during a remarkable period of ferment and change in both church and society, and he was determined that the church should share in the struggles of the culture and be an agent for constructive change within it. Remembered primarily for his commitment to racial justice, most dramatically manifested in the radical and courageous General Convention Special Program initiated at the Seattle General Convention of 1967, Hines was also committed to ecumenism, especially in support of the Consultation on Church Union, as well as to liturgical renewal and the reality of women's involvement in life and the church. But it was perhaps in the area of social responsibility in corporate life that Hines was at

Realizing that the Episcopal Church had long been a player in the corporate world, he took his passion for justice directly into the board room.



John Hines

Bob Kinney, Seminary of the Southwest

Exercising love in corporate society

by Douglas Theuner

his most prophetic and creative. Realizing that the Episcopal Church, by virtue of the considerable investments of the denomination — its agencies, parishes and individual members, had long been a player — no matter how passively — in the corporate world, he took his passion for justice directly into the board room.

On May 21, 1971 Hines, dressed in his clerical garb, stood at one end of the podium before the assembled board of directors of the General Motors Corporation. Board chairman James Roche stood at the other end in front of the annual stockholders meeting of the giant corporation while Hines spoke to a resolution on behalf of the Executive Council of the Episcopal Church, which owned over 12,000 shares of GM stock. He urged the corporation to disengage itself from doing business in South Africa because such operations in effect supported apartheid. Hines told the assembly that, as Kesselus notes in his biography, General Motors

had, by maintaining operations in South Africa, "assisted in strengthening the control of the racist dictatorship. Solutions to the great and complex problem of South Africa can only be reached by South Africans themselves."

Tim Smith, Executive Director of the Interfaith Center for Corporate Responsibility, was present at that dramatic meeting which, he says, "made business and church history." In the days before the concepts of disinvestment and divestment became widely understood and accepted by people of liberality, the call for a corporation's withdrawal from a segment of the marketplace for moral reasons was a new and revolutionary concept, according to Smith. He gives credit to Hines for "plowing the ground" which helped launch the ecumenical corporate responsibility movement. At the height of opposition to corporate investment in South Africa, this movement generated more than \$600 billion worth of invest-

*Witnesses,
the quick and the dead*

Doug Theuner is Episcopal Bishop of New Hampshire and president of the Episcopal Church Publishing Company.

ments involved in divestment actions and the filing of shareholder resolutions around the issue.

Kesselus notes that offended members of the Executive Council labeled Hines' actions in this matter "judgmental, self-righteous, a stunt, ludicrous." In a television interview 10 years later, Hines remarked that "the church can only exercise its authority if it bears in its body the marks of the Lord Jesus ... if it has been crucified in the marketplace." He also said that "justice is the corporate face of love" and that "to seek justice in corporate society is about

as close as the Christian can get to love in corporate society." The Episcopal Church worked side by side with other denominations, notably the United Church of Christ, the United Presbyterian Church and the United Methodist Church, in these early efforts at socially responsible investment but, as Smith points out, the Episcopalians were both better positioned and more at risk in making a witness because of the high percentage

of Episcopalians in board rooms of corporate America. In walking into the General Motors Annual Meeting, Hines was literally bearding the lion in his (it was only "his," then) den. The resolution to which Hines spoke in his characteristically clear and powerful way carried less than two percent of the votes at that meeting, but a new and potent strategy had been birthed in a dramatic way by the

courage and determination of John Hines.

Today, more than two years after the end of apartheid in South Africa, nearly \$640 billion, or \$1 out of every \$10 in investment management in the U.S., is invested in a socially responsible portfolio of some sort, according to the Social Investment Forum. This translates into over 180 investing institutions which utilize shareholder activism, socially screened investment portfolios or community investments such as development banks and loan funds, program-related investments and economically focussed

investments. This number does not include the investments of thousands of smaller investors such as socially responsible businesses, judicatories, congregations and other not-for-profit corporations.

Although socially responsible investment has from the beginning been an ecumenical venture, there can be no doubt how singular and significant John Hines' leadership was for the Episcopal Church and the wider community.

In Tim Smith's

words: "Without the Episcopal Church's initial leadership there would be no socially responsible investment movement." In this area, as in so many others, Hines was clear about the imperative and cost of pursuing the Gospel of Jesus Christ in the world.

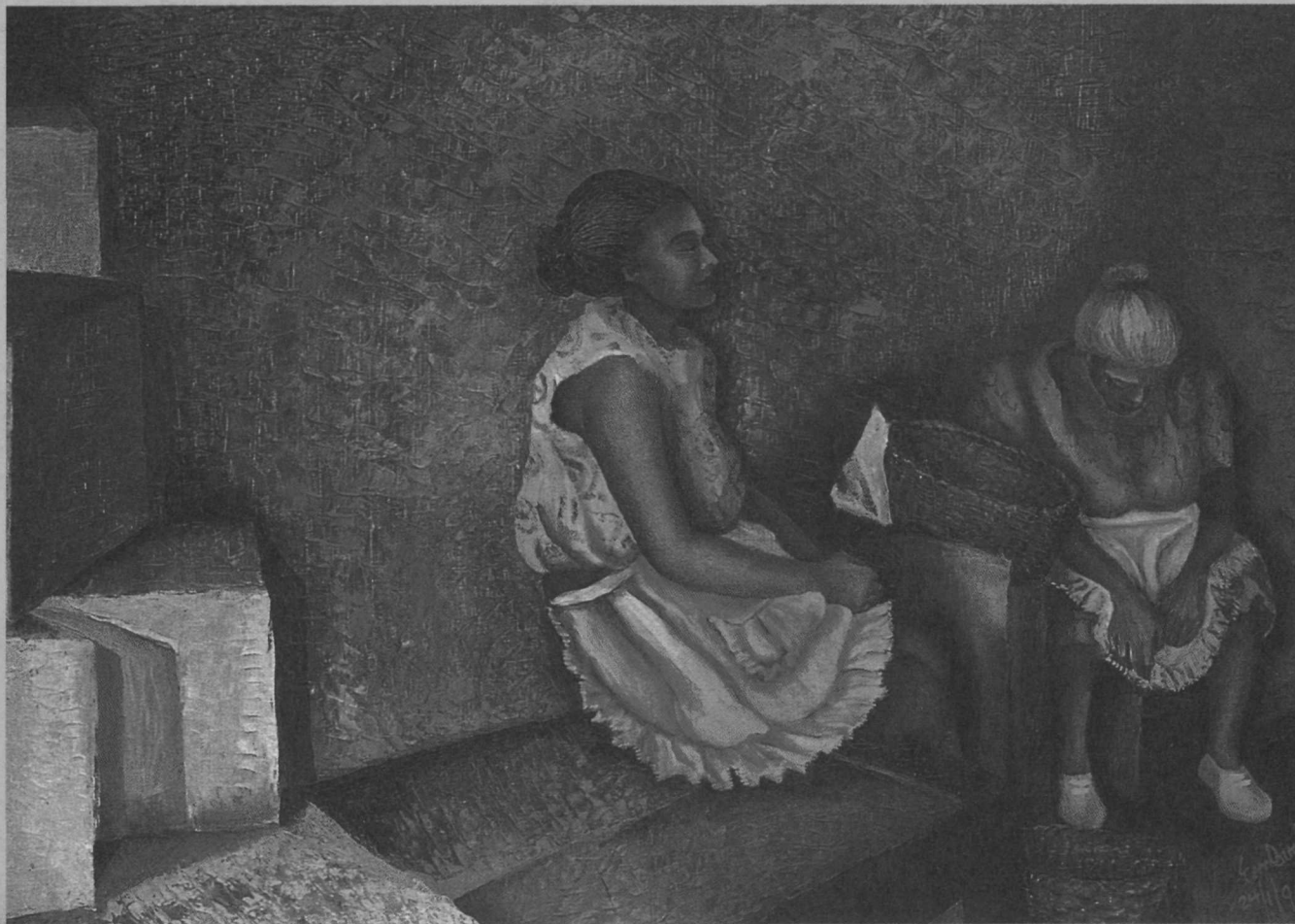
Indeed, "to be engaged with the world," he steadfastly held, always "costs somebody something." **TW**

Offended members of the Executive Council labeled Hines' actions in this matter "judgmental, self-righteous, a stunt, ludicrous." In a television interview 10 years later, Hines remarked that "the church can only exercise its authority if it bears in its body the marks of the Lord Jesus ... if it has been crucified in the marketplace." He also said, "justice is the corporate face of love."



"To me, The Witness is one of the gems of the Episcopal Church! I value your individual struggles to make sense of the hard issues. Some months I think I'm not interested in the subject chosen, yet before long there I am engrossed, challenged, stretched — and often squirming with discomfort. Clearly The Witness is fueled more by commitment to the gospel than by staff salaries or corporate profits!"

*— Sally Mitchell Bucklee,
Executive Council of the
Episcopal Church*



*Our brothers and sisters are asking if we will make
available to them the capital that they need to secure
access to land and basic productive resources. We are
confronted as investors with that appeal.*

— Chuck Matthei

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