

MRS. WHITE'S INDEBTEDNESS

Part I

The Debt And How It Was Contracted

The question has been asked, "Is it true that when Mrs. White died, she left a large debt? If she incurred a large debt, how can we maintain that she lived in accordance with her teachings on this subject?"

It is true that when Mrs. White died, she was owing a considerable sum of money. Her books of account show this amount to be \$86,923.70. This represented money she had borrowed, and for most of which she had given notes. But this debt was not uncovered by assets. She owned her home and several buildings occupied by her helpers, also an office building which provided a place for her helpers to work. All of these buildings together with the land on which they were located were appraised at \$14,000.00 at the time of her death. The assets which were chiefly responsible for the debt were in the form of book copyrights, book plates, manuscripts and indexes, also a valuable library. These at the time of Mrs. White's death were valued on her books at \$74,797.32. For probate purposes this figure was cut by the appraisers to \$40,300.00.

It was expected by Mrs. White that through the sale of her real estate and through the income which would be received from the royalty on her books, this debt within a reasonable time would be fully paid. The expectation has been realized, and today there is no debt against the E.G. White Estate. This royalty income has been drawn upon to a considerable degree for the carrying forward of several lines of important work such as the preparation of copy for several books, including the Comprehensive Index which alone cost not less than \$8,000.00.

Some critics have asserted that the large debt left at Mrs. White's death, had been incurred as the result of reckless spending, that she had made no provision for its liquidation, and that the General Conference was

obliged to come forward and assume responsibility for its payment. What are the facts?

We have already pointed out that Mrs. White did owe, mostly in the form of notes, nearly \$90,000.00. We have also shown that the assets from which this debt was to be liquidated were mostly in the form of copyrights and book plates and manuscripts. The real estate could be sold and the proceeds applied on the debt, but it would be impossible for the book properties immediately to furnish means to liquidate the balance of the obligations. Therefore, to enable those who had lent their means to Mrs. White to receive their money at once, the General Conference stepped in and advanced money to pay these loans.

The whole transaction has been held in separate account in the General Conference books, and against the sum advanced the earnings of the Estate have been credited. Interest has been paid by the Estate on this money advanced by the General Conference and no one has been the loser by the transaction. And as stated above, the whole of the money advanced has now been returned to the General Conference by the Trustees of the Estate. This has been done entirely from the sale and earnings of assets which Mrs. White left.

We believe it will be interesting to our people to learn how Ellen G. White used her means, and how the debt was incurred. There were three main sources of revenue from which Mrs. White received her income. From the General Conference she received a salary as a minister of the Gospel. From the publishing houses, she received a modest royalty on her books. And in some instances, for a period of a few years, she received an allowance for certain articles prepared for our periodicals. The amount received for periodical articles was less than the actual cost of preparation.

It would be absurd to look at the income which Mrs. White received in the form of royalty without taking into consideration the fact that it was not all net profit. There were heavy expenses connected with the preparation

of her books.

For many of her books, Mrs. White not only furnished the manuscript but also met the expenses of type-setting, plate making, and providing illustrations. She also spent many thousands of dollars in the translation of her books into other languages.

Up to the time of her death, she continued the work of preparing manuscripts for publication. The salaries paid to her secretaries came chiefly from the royalties that she received.

Those who knew her, and especially those who were often at her home, know that she indulged in no extravagance, and that Mrs. White's interests were not directed toward her own aggrandizement.

Up to the time of her husband's death in 1881, Elder and Mrs. White had not borrowed large sums of money. Five years after her husband's death, she stated that between them they had invested in the cause \$30,000.00. The Pacific Press, the Healdsburg College, the St. Helena Sanitarium and the Oakland and San Francisco meeting House projects, had shared largely in this beneficence. In 1885, reference is made in her letters to pledges for missions amounting to \$3,000.00.

Her large borrowing commenced with the publication of Great Controversy and Patriarchs and Prophets, as she met the expense of several sets of electro-type plates.

While in Europe she gave freely to help the struggling work. Letters written during those years make mention of hundreds and fifties given to many enterprises.

In 1890 she assisted the Chicago Mission with a gift of \$1,000.00.

In Australia, Sister White found herself in a field with wide open doors for advancement, but at a time of great depression and poverty in the country. She labored untiringly, almost beyond belief for one of her age and condition of health, lifting burdens and encouraging the workers and the work.

In many ways her overflowing generosity and benevolence found expression-- in the helping of poor families to the extent of many hundreds of dollars, in paying expenses of interested ones to camp meeting, and in lifting in the expenses of city efforts. At one time we find her paying \$20.00 per week to insure a bare living to three workers in Sydney, whom the Conference could not support.

In practically every church building erected during the time of her stay in Australia, she invested from five to forty pounds.

In the first three years of the School for Bible Workers in Australia, when the work was attended with insuperable difficulties, she gave to it from time to time, not less than three thousand dollars. She also helped in the enlargement of the Echo Office, and the starting of the Sydney Sanitarium.

Writing in 1894, to a brother in California from whom, in response to her solicitation, she had received \$1,000.00 for the work in Australia, she said,

"My brother, I have not called for means from others, and failed to import myself to the cause. I have invested my means with a free, willing mind, in order that I might help the cause in every department. When I have seen young men and women of ability whom I thought God could trust to work in some part of His vineyard, I have sent them to school and have paid all their indebtedness for board and instruction. Several of these have been fitting up for the work, and I hear most excellent reports of their faithfulness. We see other youth who would be promising subjects to the educated to engage in the work of the Lord. Our hearts take them in, but our means is not sufficient to accomplish all that we would like to for them."--H-31-1894.

After several years in Australia, she wrote:

"We are economizing every way possible. I have borrowed money to meet the needs of the work, until I am thousands of dollars in debt. But it is not this debt that troubles me now, it is the knowledge that the work is hindered because of the lack of means.--MS-173-1898.

To a brother of whom she was requesting a loan, Mrs. White wrote in 1904:

"I invest in the work of God all the means that I can possibly spare. I sent one thousand dollars to Elder Haskell to help in beginning the work in New York City. . . .

"I wish that I had money to invest in other places like Greater New York. Many cities in the South should be worked. We who know the

truth should do what we can to proclaim the truth in new places, to carry the light to those who are in darkness of error. . . .

"Can you influence any of those whom you know to be entrusted by the Lord with the talent of means, to lend me money, with or without interest, to be used in the work of the Lord? I will give my note for whatever sums I may receive. In the past some have lent me money without interest. And no one has ever asked me for the return of their money without receiving it.

"If our brethren will now lend me money, with or without interest, I will invest it in various parts of the field to help carry forward the work that needs to be done.

"It was thus that I helped in the advancement of the work in Australia. . . . I borrowed money for the erection of meeting houses, and to provide facilities for tent meetings, . . . I used the royalties on my books to help in starting a school in Melbourne, and then I borrowed money from those who were interested in the work. . . .

"We realize that the truths of the word of God must be carried to all the world, and we are doing the best we can. I have helped the work in Europe as much as possible. It cost me over three thousand dollars to have my books translated into the foreign languages. All the royalty on my books sold in Europe, I have given to the work in the field. This has amounted to several thousand dollars. . . .

"Besides what I have invested in Australia and in Europe, I have also made donations to the Southern field. I have borrowed money to send to them when they were in strait places. I shall continue to do all I can to help the needy fields. Time is short, and I wish to see the money of our people that is tied up in banks put into circulation where it can help the work of God.

"When I receive what I have invested in my books, I hope to have money sufficient to repay what I have borrowed, and to have more of my own money to use."--C-103-1904.

From the foregoing, it will be seen that instead of borrowing money for reckless or extravagant personal investment, Mrs. White used her credit as an asset, and at various times borrowed many thousands of dollars, turning the money into some enterprise of God's cause which she knew needed help. And for this money she gave her own personal note, and in most cases paid interest on it.

Notwithstanding, Mrs. White's heavy personal obligations, she made a donation of the manuscript of one of her most popular books, without deducting the expense of its preparation. Christ's Object Lessons, by the cooperative sacrifice of the publishing houses and many earnest laymen, has brought in

hundreds of thousands of dollars for the relief of the indebtedness on our schools. This was always a source of great pleasure to the one who had furnished the manuscript.

It was in view of this gift to the cause, as well as her generous donations through the years, that some of her brethren felt that it would be nothing more than her due if the book Education were handled as a relief book in a similar way and the proceeds be used to pay off Mrs. White's indebtedness.

Her modest, large-hearted spirit is discernible in the following letter written November 1, 1903, regarding this proposed plan for her relief. In it mention is also made of other large gifts that she had made from time to time which have not been spoken of in this article.

"I do not wish anything done that will call attention to myself. All I desire is that a disinterested effort be made to sell my books. They are needed by the people, and their sale should bring me financial relief.

"I do not wish any plan adopted that will bring in confusion, I do not wish anything done that will draw the attention of our people from the sale of Object Lessons. I regard the plan for the sale of Object Lessons as of God's devising,--a precious, sacred plan of His, to teach His people important lessons in regard to how to do missionary work.

"I would not have Education handled as Object Lessons, was handled. This would spoil the pattern. And more than this, I do not want any effort made to raise money for me. I do not want one penny as a gift. I am opposed to receiving money as a gift for the settlement of my debt. I can carry this debt.

"Ten thousand dollars of this debt was incurred before I went to Australia. I went to large expense in bringing out the illustrated editions of Great Controversy and Patriarchs and Prophets, and in making four sets of plates of each. This was done with the expectation of large sales. But these books were allowed to fall almost dead from the press, and for nearly three years little was done with them.

"I pledged a thousand dollars to the Chicago Mission, with no thought but that I could pay this from the royalties on my books. But in order to pay this pledge, I had to hire money from a brother in the West, and on this I paid seven (per cent) interest. . . .

"While I was in Australia, I went to large expense in bringing out Desire of Ages. And I used my money freely for the advancement of the work. As a result of these things, my debt has grown.

"For the past few years my books have not been selling very

rapidly in this country. And the cost of publishing my recent books has been large.* But I am not at all worried. I hope to settle all my debts. I am in debt, it is true, but I will not consent to be helped by any fund. When my books are handled disinterestedly, I think that I shall be able to settle my debts."--D-237-1903.

Realizing that she had not long to live, Mrs. White, in her later years, connected with her office force a number of competent and efficient secretaries, in order to hasten the work of preparing manuscripts for as many books as possible. This increased her expense, but rather than leave a work undone that could not be done after her death, she borrowed more money, that she might leave as a legacy to the cause that she loved more of her Christ-filled books. Many more details might be given as to enterprises that have been generously supported by Mrs. White.

Sister White believed that in time, a just royalty on the books would repay the indebtedness she was creating, and spared no effort to accomplish all that was possible in giving to the world, and to our people in particular, the light she had received from heaven. She felt the urgency of the "King's business," and continued to borrow that her books might be hastened. Her urge and her confidence in the final outcome is fittingly expressed in a letter written when making the appeal for one thousand pounds as a loan that she might hasten the opening of the school in Australia:

"This is the Lord's work, and when we know that we are doing the very work He has specified, we must have faith to believe that He will open the way. I am nearly ready to publish the Life of Christ, and I have several other books to be printed, but we cannot wait for this. The King's business requires haste."--W-107-1896.

*Referring chiefly to the cost of illustrations and plates.

MRS. WHITE'S INDEBTEDNESS

Part II

Was It Consistent With Her Teaching?

Having given evidence that Mrs. White's benevolence far exceeded the amount of her indebtedness at the time of her death, and having shown that she left assets which have met the full amount of this indebtedness, we should also consider the question some have raised as to her teaching regarding the incurring of debt. Was her teaching contrary to her own example?

This question can be answered only by considering her entire line of instruction on this subject. It would be manifestly unfair to judge from one or two or a very few of her statements. Here are some of them.

"We should shun debt as we should shun the leprosy." "The very highest kind of education that could be given is to shun the incurring of debt as you would shun disease." "Let them guard themselves as with a fence of barbed wire against the inclination to go into debt."--
Testimonies for the Church, Volume 6, pp. 217, 211; Volume 7, p. 236.

These statements, isolated from their context and given a general application, might plausibly give an impression that Mrs. White taught that any debt, under any circumstance, should be shunned as the leprosy. A study of the context shows that the first two quotations relate to school management, and the third was addressed to our brethren who were seeking to establish the publishing work at Nashville, and had gone ahead faster than the prospect for earnings and donations would warrant.

In all these instances, a warning is given against incurring debts that can be paid only by calling upon the people for gifts, and where there is no prospect for an income from the enterprise itself, sufficient to meet the debts incurred.

Mrs. White borrowed money, and incurred debt, but she never made nor did she ever expect to make an appeal to individuals for gifts to pay her indebtedness. Indeed, at one time she refused to accept of a plan by which

others would help her to pay her debts. She had an assured income, and there were assets which were sufficient to form a sound basis for credit exceeding the amounts of money which were borrowed by her. That this is so, is evidenced by the fact that the income from the estate has completely liquidated the debt which Mrs. White left.

She recognized that there is a vital difference between debts contracted by institutions or persons not having an earning power to pay these debts, and the incurring of debts as in her own case.

Mrs. White did give cautions against the incurring of debt through extravagance or lack of economy, or unwise management. She greatly helped by her own generosity as well as by her counsels the efforts that were made to relieve the denominational institutions from debt. She urged the payment of debts as fast as possible. She decried dishonest debts and debts caused by reckless and inconsidered moves. Yet she did not teach that under no circumstances is it right to borrow money. A few of her utterances regarding conditions under which money should be borrowed follows:

In 1904, she wrote to certain brethren who hesitated because the purchase price was not in sight to secure property that had been plainly indicated should be purchased, and upon which quick action was necessary.

"The idea that a sanitarium should not be established unless it could be started free from debt, has put the brake upon the wheels of progress. In building meeting-houses we have had to borrow money, in order that something might be done at once. We have been obliged to do this, in order to fulfil the directions of God.

"Persons deeply interested in the progress of the work have borrowed money and paid interest on it to help establish schools and sanitariums and to build meeting-houses. The institutions thus established and the churches built have been the means of winning many to the truth. Thus the tithe has been increased, and workers have been added to the Lord's forces."--B-211-1904.

Some of the conditions that mark the difference between faith and presumption in the incurring of debt, are set forth in the following communication, written by Mrs. White, January 27, 1910.

"In the providence of God there comes to this people in time of need favorable opportunities to secure valuable facilities that can be

utilized wisely for the rapid advancement of the cause. At times the Lord has specified that we should come into possession of property in certain localities where we needed to gain entrance for the proclamation of the third angel's message.

"The idea that we are not to purchase any such properties unless first the money is in hand, is not in accordance with the mind of God. Again and again in years past the Lord has tested our faith by opening the way for us to secure places possessing advantages, at a cost far below their real value, and at a time when we had no money.

"We have at such times met the situation by borrowing money on interest, and advancing in harmony with the command of our divine leader, who bade us advance in faith.

"These experiences have been attended with many perplexing problems, but the Lord has helped us through them all, and His name has been glorified. Had we hesitated the precious cause would have been retarded rather than advanced, and in many cases opportunities would have been given our enemies to triumph over our failure to secure these advantages placed within our reach. In such matters as these, we are to learn to walk by faith when necessary, as some have walked in the past!"--B-12¹/₂-9100.

In 1905, our brethren in Nashville were offered a valuable and suitable church property, and money was borrowed to meet the first payment of one thousand dollars. In this connection, Mrs. White wrote:

"God would have the standard lifted higher and still higher. The church can not abridge her task without denying her Master. Meeting-houses must be built in many places. Is it economy to fail to provide in our cities places of worship where the Redeemer may meet with His people? Let us not give the impression that we find it too great an expense to provide properly for the reception of the heavenly Guest.

"In laying plans for building, we need the wisdom of God. We should not needlessly incur debts, but I would say that in every case all the money required to complete a building need not be in hand before the work is begun. We must often move forward by faith, working as expeditiously as possible. It is through a lack of faith that we fail of receiving the fulfilment of God's promises. We must work and pray and believe. We are to move forward steadily and earnestly, trusting in the Lord, and saying, 'We will not fail nor become discouraged.'

"Let our brethren in Nashville and in all parts of the South lay aside their doubts, and come over to the side of faith. Let them say, 'We will do our best. No longer will we question the work and ways of the Lord. From this time we will believe the word of the Lord, and obey His command to "arise and build," whether all the money required is in sight or not.'"--Review and Herald, Sept. 7, 1905.

Similar instruction may be found in Testimonies for the Church, Volume 9, pages 271, 272.

In the Review and Herald, of April 11, 1899, there appeared an article entitled "Denominational Debts." In this article, a good brother who deplored the heavy indebtedness of many of our institutions, took the position that it was wrong to borrow money. Quoting from Deuteronomy the instruction to Isreal regarding their prosperity if they remained true and faithful to God, "Thou shalt lend unto many nations, and thou shalt not borrow," the writer commented:

"In the verses just cited, He distinctly told His people not to borrow; and to the spiritual one the command takes the form of a promise, and says in thunder tones, 'Thou shalt not borrow.' . . .

"All our institutions have been in the borrowing business. It is now time for them all to quit. . . .Forever then, let loaning to our institutions have an end."

This copy of the Review reached Australia just at a time when efforts were being made to raise money for a Sanitarium near Sydney. In a meeting in Cooranbong, Sister White made calls for as many gifts as possible, and then for loans by those who felt that they could not give all that was asked for, but, having given some, could lend more. She herself pledged a gift of one hundred pounds, (\$500.00). In her appeal, she said:

"We want God to take hold of this work. But to say we will not receive any loans, with or without interest, would not be wise. There may be those who could loan us money, while they would not feel able to make a gift. Newly come to the faith, they might hardly feel that they could give the money. We need a sanitarium, and we must have it. I have not had much to do with this institution, but I feel that it is my Sanitarium as much as it is yours, because my prayers and interest are in it. It is a necessity that we have a Sanitarium, but I cannot go so far as to say that there will be no debt upon it. For years I have been hiring money from America. Nevertheless, from those who can make donations we shall be very thankful to receive donations. There are many who can give. But to say to our brethren, 'You must make a donation, because we will not take a loan, with or without interest, would be unwise.

"One brother said to me not long ago, 'You are in a heavy pressure for means. I will loan you sixty pounds for one year without interest.' We were under heavy pressure in order to put up the Health Retreat, and I knew this means would help us. I felt as though it was a God send, and I was very grateful for it.

I believe the Lord stirred up our brother's mind to loan this money, and I felt very thankful. I help as long as I have any means to help with. As for laying up money, I do not do it; and I do not expect to do it."--Aus. Union Conference Recorder, July 28, 1899.

Much more might be quoted to show that Mrs. White deplored debts. unwisely made; but that in an emergency, rather than to allow an opportunity to pass for making a forward move that was in God's providence, she counseled that the necessary money be borrowed, and then that appeals be made for its payment as soon as possible. One more brief, well-balanced statement must suffice. Writing to the brother who was author of the Review article, above referred to, she said:

"It is right to borrow money to carry forward a work that we know God desires to have accomplished. We should not wait in inconvenience, and make the work much harder, because we do not wish to borrow money. Mistakes have been made in incurring debt to do that which could well have waited till a future time. But there is danger of going to the other extreme. We are not to place ourselves in a position that will endanger health and make our work wearing. We are to act sensibly. We must do the work that needs to be done, even if we have to borrow money and pay interest."--
--M-11-1903.

This statement was prepared
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