

PASTOR GENERAL'S REPORT

TO THE MINISTRY OF THE
WORLDWIDE CHURCH OF GOD



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REPORT FROM THE TREASURER'S OFFICE

July 8, 1982

The first half of the year ended with a 9.0% increase in income over the same period last year. The second quarter (April-June) figure is only a 5.8% increase, so the trend is downward as I have been indicating in these monthly reports. We hope the third and fourth quarters will improve significantly.

There is one positive note. We received about a million dollars more than we spent during June. The only other month where that was true this year was April. In both cases the holy day offerings and spending restraints apparently made the difference.

I thought it might be of interest to comment about the various categories of income. General Contributions, better known as tithes and offerings, which represents about 72% of the total, was 10.3% more than last year. This is encouraging. The Festival Fund ("tithe of the tithe" and excess "second tithe") is only 3% more than last year, and Church Assistance (or "third tithe") is 3.8% more. The Building Fund is 8.2% less and Holy Day Offerings is 9.2% more. Several have asked me about these other donations, and so now they, and you, know.

Mr. Armstrong has not commented to the Church about the building fund for some time. It was established many years ago to finance the major buildings on campus. God has added many people to the Church since this was last mentioned, so many probably do not know about it. These buildings are not all paid for yet, and payments will continue for several more years. At present levels, the building fund is paying only 56% of the total; the remainder must be paid from general contributions.

I hope you are continuing to encourage and exhort your congregations in regard to the financial needs of God's Work. If we do our part individually and collectively in spiritual things as well as in our contributions, God will add the **increase** from new donors and co-workers at the right time. In the meantime, ~~I~~ hope everyone is preparing for the fall festival season and the holy day offerings given on those days.

--Leroy Neff, Treasurer

FROM MINISTERIAL SERVICES

Comments From Monthly Church Reports

SIOUX FALLS, SD--GEORGE AFFELDT: I feel that the members here in the South Dakota Churches have become more Headquarters oriented. More questions about the Work and what Mr. Armstrong is doing, his trips, etc. The newsstand program has helped to make the members feel like part of the Work.

SALEM/ALBANY, OR--DAVID MILLS: Overall the Church is stable and strong. It seems the Church here has grown a lot in the last year in a much deeper knowledge and understanding of the two trees and real life as opposed to a chemical existence. I heard many, many comments yesterday after the Pentecost service that it really was a high day. That the sermons were very inspiring and full of deeper knowledge and understanding. There seems to be greater love and unity within the Church.

SANTA BARBARA, CA--LES McCOLM: PM's do come from everywhere it seems. Friends of those members who work side by side, letters from relatives, phone calls from teen-agers of members who are beginning to see how rotten the world is, and even next door neighbors!

FRESNO, CA--ALTON BILLINGSLEY: Attitude in the Church is great--positive and stable. We are beginning to see a bit of growth with new people. This is very encouraging. Unemployment problems have not hurt us yet, for which we are very thankful.

VANCOUVER, WA--RICHARD DUNCAN: Recent upswing in violent crimes in the Vancouver area have made our people much more aware of the evils of this world. Some are concerned for their own personal safety. Church is praying more fervently for Christ's return.

--Joe Tkach, Ministerial Services

PUBLISHING SERVICES UPDATE

Publishing Services has just been informed by the Direct Mail Marketing Association that they have selected five of the Church's promotional pieces as semi-finalists in the 1982 International Echo Awards competition for "the year's most successful direct mail marketing campaigns."

Boyd Leeson, Circulation Manager of The PLAIN TRUTH, received notification from DMMA that The PLAIN TRUTH Newsstand Brochure, The PLAIN TRUTH Reply Card for new subscribers, lighted Newsstand Display in New York City's railroad station, and Countertop Newsstand Display have been selected as semi-finalists on the basis of "results/evaluation, creativity/originality, execution and production."

The 1981 Ambassador Foundation's brochure, written by Sam Lurie and designed by Mike Miles, was also selected as a semi-finalist.

Contestants in the 1982 Echo Awards included the top advertising agencies and direct mail firms throughout the world.

Their selection of The PLAIN TRUTH Newsstand Countertop Display is especially interesting because it was entered in the "State of the Art Advancement" category. Entries are evaluated on the basis of the utilization of the latest industry techniques in design and production. The unique feature of this Newsstand Countertop design is that the English version is designed to be compatible with foreign language printing. In other words, the foreign language versions of the display are identical except for language changes to the English. Compatibility enables the Work to present an identical message and public image in all five languages. This also

saves considerable cost to the Work by being able to print several languages at the same time.

The promotional pieces selected for the semi-finals were written and designed by Publishing Services' Design Graphics group, under the supervision of Terry Warren, and individually directed and approved by Mr. Armstrong.

Once again, it proves that the time-tested methods used by Mr. Armstrong over the years are not only helping to fulfill the Great Commission, but are recognized as top marketing promotional material by the advertising world.

--Ray Wright, Publishing Services

UPDATE FROM MAIL PROCESSING

The Work's Most Requested Piece of Literature

THE UNITED STATES AND BRITAIN IN PROPHECY has been requested more times than any other piece of literature. 2,480,000 copies of this vital book have been distributed in just the United States since 1954. (We do not have worldwide figures.)

Thousands of requests flood in every time Mr. Armstrong advertises the book on the telecast or in the semiannual letters. Newsstand issues of The PLAIN TRUTH carrying the ad have resulted in over 94,000 requests so far this year. A total of 343,850 copies have been requested already during the first six months of 1982. Below is a sampling of the many letters we receive from listeners and subscribers commenting on this inspiring and fascinating book:

I never thought I'd be writing this letter, but I found Herbert W. Armstrong's book, THE UNITED STATES AND BRITAIN IN PROPHECY, to be utterly fascinating reading. I went through it in one sitting. The book supported its central thesis with about as solid scholarship as one could expect to be mustered in dealing with hazy, long ago events. I want to thank you for sending me this book, and for The PLAIN TRUTH, wherein I saw it advertised.

S.B. (Exton, PA)

About two months ago I received your book, THE UNITED STATES AND BRITAIN IN PROPHECY, and was fascinated and delighted with its detailed account of the ten lost tribes. I have carefully perused the book four times and am now on my fifth journey through it. Surely, no human mind could have come to an understanding of all those points without Divine guidance.

R.H. (Grand Rapids, MN)

Thank you very much for the book, THE UNITED STATES AND BRITAIN IN PROPHECY. There is much I am learning from it. I began reading the book yesterday evening and was so engrossed in it that I could hardly put it aside at 2:00 a.m.! I will be sure to read it through at least two times, if not more, so that I get everything down pat. Very edifying indeed!

C.J. (Sault Ste. Marie, MI)

At present I am in prison. I happened to come across your book THE UNITED STATES AND BRITAIN IN PROPHECY and was astounded at what I read. My mind still reels when I think about your book....I would like to learn more about your Church. My interest is really piqued, to say the least. K.T. (Soledad, CA)

I just completed reading THE UNITED STATES AND BRITAIN IN PROPHECY. It was a real eye-opener. Very good reading and a little scary--but undoubtedly true. D.B. (Franklin, LA)

Both my wife and I have read your book, THE UNITED STATES AND BRITAIN IN PROPHECY. I read it in one sitting and when I finished, I felt like crying. I had such a feeling of helplessness and a need for repentance. It really scared me. I can deny the truth of God no longer. I have to learn more. D.G. (Manteca, CA)

--Richard Rice, Mail Processing Center

ON THE WORLD SCENE

AMERICA'S NEW "COLD WAR"--NOT WITH THE SOVIETS, BUT WITH THE EUROPEANS
While fighting continues this week in Lebanon, punctuated by occasional ceasefires, a war of a different nature--an economic and political one--is heating up inside the Western Alliance. The row between Western Europe and the United States over the Soviet-Western Europe gas pipeline, now under construction, has already developed into the most serious trans-Atlantic dispute since World War II. We touched on this briefly last week, but this very important story is still building. First of all, here is an overview of the crisis as reported over our UPI wire service, July 7, 1982:

Bonn, Germany (UPI)--In the afterglow of the sweet reason that prevailed at the Versailles Economic Summit, European-American relations are in tatters over an issue that threatens to become even more divisive than nuclear weapons.

A plan to pipe Soviet natural gas to Europe contributed to the resignation of Secretary of State Alexander Haig...and soured American-European relations to a new height of bitterness.... Tough issues of international principle are involved. The situation in Poland is involved. Billions of dollars and tens of thousands of jobs are involved. [At issue]...is a gigantic project to build a pipeline to carry gas from Western Siberia's huge Urengoy gas field to Italy, West Germany, France, Switzerland and Austria by 1984.

Since the multi-billion-dollar project was first mooted years ago, Washington fretted that the pipeline would make West European nations too dependent on the Soviet Union for energy supplies. Washington had nightmares in which the Kremlin dictated a European nation's policy by threatening to turn off the tap on up to 30 percent of its energy supply. Europeans called the notion ridiculous, [claiming that the Soviets have proven to be reliable trade partners, that Moscow needs the money and that the project

would reduce Europe's total energy imports from the unstable Middle East].

Sixteen days after tanks rumbled through Warsaw last December 13, Washington imposed economic sanctions against Russia, which it regarded then as now as directly responsible for Polish martial law. Some of those sanctions were aimed at the projected gas pipeline. General Electric was banned from supplying \$175 million worth of parts for turbines to propel the gas along the pipeline. A license for Caterpillar Tractor Company to export \$90 million worth of pipe-laying equipment to the Soviet Union was canceled.

West European firms, and politicians, were appalled. Several European firms had signed pipeline contracts, but since they used parts built under license from GE and Caterpillar, their contracts were thrown into question. The firms involved included John Brown, a British engineering firm, with a \$184 million contract for 21 turbines; the West German concern AEG-Kanis, with a \$261 million contract for 47 turbines; the Italian firm Nuovo Pignone, with a contract for 19 turbines.

As the Versailles summit approached, Western European leaders... seemed to salvage the situation... [At Versailles itself, they] went along with the Haig line of stepping up credit restrictions on East-bloc deals in return for a softer U.S. line on the pipeline deal. There was talk of dropping the GE ban. There were rumors of behind-the-scenes deals between Reagan and European heads-of-state to allow firms access to missing American equipment.

Then, 10 days later, the Reagan Administration dropped its bombshell on the entire project. It extended its sanctions embargo to European subsidiaries of U.S. companies and said no company abroad could use licenses from U.S. companies to build vital pipeline equipment.

Europeans reacted with outrage. Not only are billions of dollars involved. Not only are thousands of jobs at risk in economies staggering under unemployment far higher than in the United States. Matters of principle are at stake. Europeans say Washington is dictating to them. They say pipeline sanctions are another attempt--as in antitrust actions--to impose U.S. laws and policies on other governments. Reagan, they say, is hypocritical in blocking European deals with the Soviets while eagerly selling American grain to Moscow.

A week after the extension of sanctions, Haig resigned. A day after Reagan's action, West German Chancellor Helmut Schmidt told a U.S.-West German seminar on security: "You had better be careful how you choose your words and not be emotional about what is really important in East-West relations if you want to keep your armies here and want to preserve stability."

Belgian Prime Minister Wilfried Martens drafted a Common Market communique bluntly blaming Washington for putting trans-Atlantic

relations at risk and making the Versailles Economic Summit a pointless farce. Mrs. Thatcher managed to water down those terms. But Britain drafted a new law preventing British firms from obeying the Reagan order. The West German government is considering challenging the U.S. sanctions before an international court. Senior West German officials suggest the European backlash could spill over into defense, making it difficult for Bonn to maintain support for U.S. arms policies.

Reagan has almost no chance of keeping Soviet gas out of Western Europe. At most his new sanctions will merely delay the 1984 target date. [Most estimates place the delay at about two years in order to accommodate redesign of the compressor turbines.] The Soviet Union could simply supply its own turbines. As one West German industrialist put it: "If the Russians can put men into space, they certainly won't balk at building a few rotor blades." The Soviet Union has built gas compressor stations for 30 years.

The DAILY TELEGRAPH in Britain reports that the Common Market Commission is planning to coordinate lawsuits from member states challenging the U.S. decision. The NEW YORK TIMES, in a report in its June 26 issue, highlights some hypocrisy in the American position adding that

Most trade experts say the new policy extends American control beyond what is allowed by international law. The new policy basically treats foreign subsidiaries of American corporations as if they were American companies themselves, in asserting the right to forbid them to sell goods to the Soviet pipeline builders. This is bound to infuriate the countries in which the subsidiaries are situated, particularly since the United States Supreme Court took exactly the opposite position earlier this month, ruling that American subsidiaries of Japanese corporations are American companies, not Japanese ones. The ruling came in a case involving hiring practices.

What many trade experts find the most troubling of all is that the sanctions are being applied retroactively in the case of the foreign holders of U.S. licenses. The French company holding the license to build General Electric-designed rotor blades had been told years ago that it only had to be "cognizant of United States regulations." The question is: Cognizant of regulations at the time of acquiring the license?--or of subsequent rules changes, after multi-million dollar contracts have been signed?

West German political and economic leaders have vociferously denounced the Reagan Administration pipeline decision. Manfred Lahnstein, Bonn's Finance Minister, accused the U.S. of failing to observe the sovereignty of other states. Eugen Loderer, head of the big metalworkers' union, I.G. Metall, accused the U.S. of seeking to carry through its policies towards the East "on the backs of European workers." He urged Bonn to do all in its power to counter Washington's "insolent" embargo strategy. Herr Otto Wolf von Amerongen, president of the West German Industry and Trade Congress, said in an interview that German and other foreign firms would now have to think twice before taking out licenses in the future.

West German politicians, from Chancellor Helmut Schmidt on down, believe that President Reagan's credibility has been undermined--tragically

so soon after the stirring and reassuring message he delivered to the German people from the Bundestag in early June. "It is only too sad," said the Chancellor, "that credibility and confidence as a whole can be endangered over this little issue."

It must be stressed again, however, that this widening dispute, coming on the heels of other trans-Atlantic trade squabbles, most notably Washington's "anti-dumping" decision over European steel imports, is no small matter (not a "little issue" as the Chancellor says diplomatically). Another NEW YORK TIMES article, on June 28, analyzed its importance in this manner:

The damage done to allied relations...appears to...enter the area where the reputations of European leaders are damaged, new evaluations are made and policies possibly changed. In short, as seen by Europeans wishing the Administration well, the pipeline decision...appears self-defeating. After six months in which the United States had some success in convincing its allies it was dealing more circumspectly with basic issues of security, arms control and East-West confrontation, it has tried to block or slow a project that no European believes can be sidetracked.

"There's something wrong here," a member of a European government said at a European-American seminar on security issues in Bonn over the weekend..."the strangest thing is how the Americans don't see they'll lose twice: On the most crass level, they won't stop the pipeline, and they look very incompetent in sacrificing the capital they built up recently."

The same TIMES dispatch revealed how the pipeline decision spills over into security issues of the NATO Alliance. It will now be harder to deal with the growing mood, especially among the young, of anti-Americanism and neutralism. The decision, continued this report,

...undercut [West German Chancellor Helmut Schmidt's] basic line in trying to deal with currents of neutralism in his country. Objectively, it will be harder for Mr. Schmidt to convince many West Germans that the United States will protect their interests at the talks on reducing intermediate-range nuclear missiles in Geneva.

The Administration's action tends to break down the de-demonization process of the Reagan Administration that was under way in West Germany. With the momentum stopped, any West German government will find it more problematical to sell a compromise worked out by the United States in Geneva that will result in the deployment of new missiles here at the end of 1983.

In summary, a definite breach of trans-Atlantic relations has developed, not the least because of the gas equipment embargo, but because the sanctions demand coincides with other purely economic tensions over steel and interest rates, all of which together translate into strained political relations. Little reported is a similar impact the embargo has placed upon a joint Japanese-Soviet petroleum project off the coast of Sakhalin Island. Tokyo is protesting loudly, too.

It is not known for certain whether the Soviets foresaw, and indeed hoped, that their initial offer of a gas pipeline would lead to a rupture between Western Europe and the U.S.--a long sought Kremlin objective. But they cannot be but satisfied with the political fallout accruing from the project.

--Gene H. Hogberg, News Bureau