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LIGHT

Christian Life Commission of the Southern Baptist Convention
August-September 1980

Energy and Inflation: Culprits in the Economic Crisis

The Christian Life Commission sponsored a consultation entitled "Energy, Inflation, and the Economic Crisis," May 22-23, 1980 at the Southern Baptist Convention building in Nashville.

This issue of *LIGHT* is given entirely to the presentations made at that consultation by Dewey Presley and Philip Wogaman.

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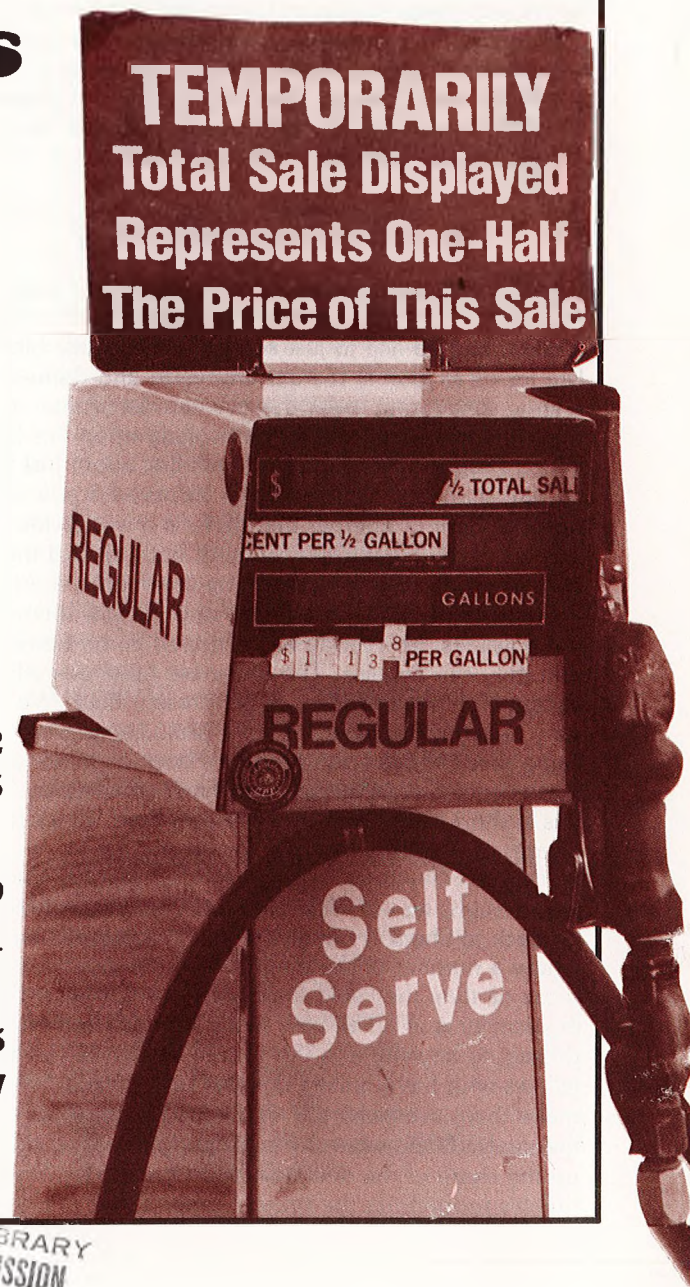
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Energy Forecast

Can our Economy Recover?

by Dewey Presley

I want to disqualify myself first as an expert in this particular subject. I think I need to give you a little bit of background though and try to support Foy Valentine's decision in asking me before I make the presentation. Our bank has the reputation of being the first bank in the world to loan money on oil in the ground. We started this process in the early 1930's. We did it primarily on engineering, geological, and geophysical studies, and we were willing to make substantial loans and have continued to be an energy bank very active not only just in the Southwest but active worldwide today and have had substantial business in the North Sea. Unfortunately, some in Iran, but also other places throughout the world. So we have that exposure. I've also spent about fifteen months on a project thinking in terms of what the solution to our domestic energy problem should be.

Energy: The Economic Crisis

We're talking about energy. The economic crisis. The short-term and the long-term forecast. We are in a crisis, and I'd like to just set the scene a little bit. I'd like for us to look at the current world and domestic energy situation in order that we can determine, if we may, the economic impact particularly upon this land. When I say short-term, let me talk first about just the current situation. You would be surprised if you are not a student of energy, that there is a worldwide surplus of the inventories today of both oil and the refined products of gasoline. The inventories are high. Primarily anticipating the future and the disruption of the flowlines, everybody has acquired all of the oil that they can acquire. The Japanese have everything except bathtubs full of oil at the present time. We're very heavy on stocks of refined products and in some areas of the country there's been as much as a three-cents decline at the pump in recent weeks. Now this is short-lived because we're in a time, as we're all aware, of declining reserves for oil and gas worldwide. Nineteen seventy nine domestically speaking, though, was the first year in many years, I didn't go back to check it but as long as I can remember, where a number of the major oil corporations found more oil than they sold during the current year. Drilling activity is at an all-time high. You just can't find a drilling rig anywhere in the United States. In fact the fellows who have drilling rigs tied up, in order to make them available, are sharing them as we say in the deals. The owner of the property is willing to give up the share of the deal just to get the drilling rig to drill his property at the present time. There are none

available. But we've got a cost problem, a tremendous cost problem, in finding and in drilling and in producing oil at the present time. Let me give you just an example of how it's escalated. Nine months ago, for a big off-shore drilling rig, the rate for that rig ran twenty to thirty thousand dollars per day for drilling purposes. Today that's up to sixty to seventy thousand dollars per day.

Horrendous Cost Problem

I'm saying to you that we don't have any so-called current short-term reserve problems. We do have this horrendous cost problem and we do have a very serious location problem for these reserves. I'm not telling you anything when I say that the great mass of them are in the OPEC nations in the Mid East. That's our problem in so far as these particular reserves. What would happen if we lost oil coming out of the Persian Gulf? We would have I think economic disaster for a number of months maybe longer. We would have a military disaster. We couldn't service ships, planes, tanks, trucks without this crude flowing into our refinery process to make fuel available. How would the people react? I think early in the stages we would have some very, very violent reactions from the people until they could really understand the factual situation.

A good example of what I'm talking about is consumer credit buying. Well, the interest rate factor didn't really stop the people from buying products, but in March when the Federal Reserve and when our government really appealed to the people out of loyalty to stop you saw one of the most instantaneous reactions on the part of the people out of a feeling of loyalty. And instead of just making big down payments you go to your Sears stores and your other big stores and you will find that the sales are not for credit but for cash. And the volume of consumer credit has gone down. And the profits have gone down fifty and sixty percent. They stopped almost overnight. And not only did they not stop but they paid up the delinquencies, and the consumer credit situation now is in the finest current situation that has been known in twenty-five years for historical buying purposes. It became such a situation that the Secretary of Treasury Miller had to go on TV two or three days ago and said, "We didn't really mean for you to quit completely. Go back. It would help our economy to start buying some on credit." But our people once they get the message I think will respond.

We've overcome the short fall from Iran, and it is a

great short fall. They were producing six million barrels a day, authoritative sources will tell you, but it's not the two million they say they're producing at the present time; it's closer to one million barrels of oil per day and a very limited number of tankers are loading at Kharg Island and coming out of the Persian Gulf and going to sources outside. They're probably using six to seven hundred thousand barrels a day of oil in Iran for domestic purposes.

No Immediate Solution

What I'm trying to say is that we have a real problem because of the location of these reserves and getting them to the point where we could make them available for refinery and for use purposes. There's just no immediate solution for our energy problem, our energy situation. We've done a good job conservationwise. Gasoline usage is down eight percent over last year just from conservation alone. I don't think a whole lot of it is attributable to price. I think people have recognized that they can ride the bus, they can limit their shopping trips, they can plan their movements and effectively save some money and gasoline.

At our banking institution, for instance, sixty percent of our people now ride by bus to work and we have encouraged it because we go and buy monthly passes from the public transportation system at a discount. We subsidize them and we sell them to our people. We've had to open one teller's window in our bank just to handle transportation passes on our public transportation system for our people. People have responded and I think the people will continue to respond.

Let's look if we may at the long range. I think we can say very candidly that to solve our problem on a long-range basis, we must reduce substantially our reliance on imported oil. Fifty percent of every barrel of oil that we use in this country today comes from overseas. It's almost beyond our control and I say this because of the mistakes of the past and the failures of our political leaders to do anything about it when the opportunity was available.

All of us recall the oil embargo of the early seventies. That was a golden opportunity to institute programs that could solve our energy problem on a longer-range, longer-term basis. But we did very little. All we did was start over and annually increased our imports until they have reached the high point of eight and one-half to nine million barrels a day.

Now what's the effect that we have come to in 1980? In 1980, we will import approximately eight million barrels of oil a day. The minimum cost is going to be \$30.00 a barrel. If you've read your papers the last day or two the Mid East nations are moving up around two dollars a barrel. I've used \$30.00 in a calculation that's been made. I've had it checked and repeated. I've used it primarily for rounding purposes, but posted prices are higher. The spot market prices

are substantially higher and have been as high as \$42.00 although they've slacked off a little bit with this surplus in the market at the present time. But at \$30.00 a barrel we will spend in 1980 87.6 billion dollars for imported oil. And it'll probably be more than that, particularly if the spot price begins to move up again as it's expected. Now you can see what this approximately ninety billion dollars does to our balance of payments. That's directly attributable to this huge sum for oil imports. We'd have a substantial plus. We could solve this problem. Separate and apart from our fiscal and monetary policy we just cannot continue to rely economically on such volumes of imports because of the high inflationary effect that we get from it. It brings on the declining value of the dollar and that in turn is just a continuous circle. All of the exporting nations, the OPEC nations, are paid in dollars for their oil and as the value of the dollar goes down they are going to continue to increase the price of the oil. They want value. They'll tell you very candidly, the Saudis particularly will, "We know that we have a depleting reserve. It's going down and we know that this is our opportunity to get compensation for this natural resource." In fact, I've had the finance minister of Saudi tell me, "I'll trade you every barrel of oil we have in the ground for just one of your rivers, just one of your rivers." They're going to be paid.

What's the Long-Term Outlook?

What's the long-term outlook? Well, I'm convinced that the will of the people in the United States is going to determine that outlook. I'm encouraged because the answer is available. Of our known recoverable domestic energy reserve, crude oil in the ground that can be extracted and refined represents only slightly over three percent of our total energy reserves. Natural gas is about three and one-half percent. There are many other miscellaneous ones I won't go into. But we are the envy of the world. Eighty-five percent of our net recoverable energy reserves are the tremendous coal deposits that we have in the United States. Only the long-term future can be looked at when we talk in terms of coal. But we have the reserves.

You go to Gillette, Wyoming in Campbell County, for instance. That one county in one state in the United States has a reserve of coal that is approximately one hundred miles long, about five miles

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Office buildings peer over coal storage yard near downtown Nashville.

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wide. It has an overburden of soil of about twenty-five feet deep. The vein is about seventy-five feet thick and when you convert this one coal reserve in one county to the BTU energy equivalent it is greater than all of the oil reserves in the United States both on shore and off shore including Alaska.

Five Hundred Years of Coal Reserves

I said we are the envy of the world. We're looked upon as the OPEC nations are looked upon because it's estimated that we have about 500 years reserve of coal in the United States. Now, what are we using it for? Seventy percent of the coal now used is for electric generation. But large industrial boilers and electric generating boilers still use approximately six million barrels of oil and gas-oil equivalent each day. What we need to do then—fortunately we are moving in that direction now—is rearrange our energy system. We're going to have to rely on coal. We're going to have to rely on nuclear for the electric generation and coal for the large industrial needs. We're going to have to rely on the gas reserves that we have for the small industrial and residential. We're going to have to rely, then, upon the oil reserves not only that we have now but those that all of this massive drilling program that's under way will find for oil for transportation and the related refinery processes. Coal will be used in all of our new electric generating plants except those that are nuclear. The process has begun of converting all of the coal capable burning electric utility plants now burning oil or gas. Mandatory legislation is moving through the Senate and the House right now, whereby those now burning oil will go back to coal. Selected oil burning plants not now capable of burning coal depending upon their age will be phased

out. Economically the only reason they went to burning oil was because oil was five and six dollars a barrel, and now it's reversed; and economically it's feasible for the benefit of the consumer I might say to move back.

If you read your Wall Street Journal this morning you saw that bills are ready to come out of conference committee for a massive synthetic fuels program—liquids and gases from both coal and shale. This bill takes twenty billion dollars of the Windfall Profits Tax. The government will not own the plants but with this money they'll create the markets that will permit private enterprise to build the plants. But you don't build these overnight. In fact, we don't have the engineering capability to design that many in a short period of time. We don't have the contractors with the knowledge and the capability to build them.

So we're not talking about the decade of the 80s, we're talking about the early 90s for the results of this kind of program. It's costly. The estimates have run from a billion and a half to two billion dollars per plant. So you're talking about a hundred billion dollars in the long range for this type of program. You say, "Well that's enormous. We can't think of it." But we're going to spend 90 billion dollars this year to buy imported oil when we have the reserves here that are fully capable. Some of you say, "Can they do that? Is that process available? Can they convert from coal to liquid or to gas?" The process is well known.

Some of you are too young to remember it but in the last two years of World War II Germany did not have oil. Our airplanes destroyed their oil fields. The German military machine for two years was operated on synthetic fuels derived from coal reserves in Germany. In South Africa today great coal reserves provide fifty percent of their fuel.

We feel that this program of rearrangement conversion, and a mobilized synthetic fuel program can reduce our imports by fifty percent in the early 1990s.

Energy Forecast

Are Our Economics Immoral?

by Philip Wogaman

I'd like to make a few comments about the moral questions here before turning to the energy question as a particular thing. One of the things I have observed is that many people have a tendency, even if they're very deeply committed to Christian faith and to the church, to compartmentalize their thinking. This is more observable in relationship to economics than it is anything else. Partly, I suspect, it's because we tend to be mystified by economics as though this were a highly specialized sphere which tends to run on its own as if it's well understood, and it doesn't need and probably ought not to be tied up too much with sentimental value considerations.

I like to cite the fact that the bicentennial of the American independence was also the bicentennial of Adam Smith's *Wealth of Nations* published in 1776. The hallmark of that great economic work was the idea that if economic life is let alone and if each person will seek his or her own best interests through the market system that will also turn out to be best for society as a whole. That is to say, "You can get the best moral outcome by being selfish in this area" which makes it a rather remarkable way to be selfish and public-spirited at the same time! But I think the main tendency in at least very much economic thinking for the past 200 years has been to emphasize the divorce of hard-nosed moral thinking from hard-nosed economic thinking. I find economists are reaching out now for serious conversation with people in ethics and theologians and others, just as those who are concerned with value questions are trying to come to terms with economics.

What is morality? I'll offer a thumbnail definition that morality is making our decisions and living our lives in conformity to our basic values. The key question for morality is the question of values. What matters? And the key question behind morality, behind values, is, "What is the center of value on the basis of which we value everything else?" Or to put this in more religious terms, "What is it that we worship, finally, that gives point to our values?" For Christians, the answer to that is God as revealed in Jesus Christ. And any of us here, I suppose, could have a great deal to say about what that means to Christians; how our valuing of God can become the basis for our relating to all other human values. Christians are known by their love, as Saint Augustine put it—their love of God and their love of all that God loves, including especially their brothers and sisters of the whole human family. Many of us are coming to a deeper perception of how the whole creation has its being from God and is to be loved and not simply to

be used. We, as Christians find our valuing in relationship to what God fundamentally loves.

Economics and Stewardship

Traditionally Christians have been concerned about a number of things relating to economics. I suppose quite a number of our fellow Christians would say, if asked, "What is the Christian doctrine that touches most deeply upon economics?" They might well say, "The doctrine of stewardship, variously understood, our stewardship for the world that God has created and given to us and with the various New Testament parables and various churchly doctrines about what stewardship means." But I think the understanding of stewardship gains its point from three major things that Christians have been concerned about in economics, almost from the beginning.

First of all, the question: whether all of our sisters and brothers—and we ourselves, too—have enough of the economic necessities to sustain life and health and well-being—that is, economics in the most rudimentary sense of meeting human needs, survival needs, and needs for physical health and physical well-being. Some people might say, "That is the only question." And it certainly is a very important question.

Secondly, is whether economic relationships themselves contribute to loving relationships within the community, or whether economics creates barriers separating people from one another. Now, note the difference between question one and question two. Question one has to do with bare physical survival and well-being and question two has to do with the effect of our dealing with economics upon our relationships. One could similarly talk about the effect of politics upon our relationships, or human ecology, human architecture, human engineering upon our relationships. But, what effect does economic life have upon our relationships as people? That is very significant for Christians because Christians take relationships very seriously.

Thirdly is whether our economic pursuits and our possessions contribute to personal self-discipline and spiritual integrity, or whether they distract us from the love of God and corrupt our personalities. Especially among the Church Fathers, that's a big question. In fact, one searches through the writings of the Church Fathers with some frustration to find handles on some of the social justice questions of our time; but they are very strong on the issue of whether wealth distracts us

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from our proper love of God and our own self-discipline.

Incidentally, there is some very interesting literature on whether too much poverty can also distract us; my favorite being the writings of the desert hermit, Simeon Stylites, and some of his ilk. They thought they would get closer to God by going out into the desert of Egypt and wearing sackcloth and eating only the few scraps of food that would be brought to them by pilgrims hoping to bless themselves by basking in the presence of these spiritual giants. But, in the writings of some of these hermits even after years of this, they still had dreams and wild visions of physical orgies of one sort or another. It wouldn't take much of a Freudian psychologist to understand why. Utter deprivation also has its effect upon our relationship to God, so one isn't simply talking about the effect of too much wealth, but nevertheless, this point is an important one. What is the effect of economic life and economic patterns upon our personal spiritual life and commitments?

Now, if these are the basic key concerns, we then need to remind ourselves that our first obligation is to do our thinking about economic questions as Christians. You will remember the words of the Baptist theologian Walter Rauschenbusch in the preface to his great book. I would like to share it again with you, because they are strangely pertinent to the world of the 1980's just as they were nearly eighty years ago:

In a few years all our restless and angry hearts will be quiet in death, but those who come after us will live in the world which our sins have blighted or which our love of right has redeemed. Let us do our thinking on these great questions, not with our eyes fixed on our bank account, but with a wise outlook on the fields of the future and with the consciousness that the spirit of the Eternal is seeking to distil from our lives some essence of righteousness before they pass away.

One Person's Problem Another's Solution

Indeed, I ask all of us to remember that we do not even know that we face an economic crisis until we have clarified the basic value questions; even the definition of a problem depends upon a value frame of reference. What is one person's crisis, may be another person's routine event. What is one person's problem, may be another's solution. I'm not sure the Saudi Arabians feel that the world is confronting an economic crisis or that they have that much empathy for what they're doing to others. From their standpoint, comparing the world of 1980 to the world of, say 1965 when oil was \$3.00 or \$4.00 a barrel, the Saudis have increased the value of oil about ten

times in that period of years. Well, that has helped to precipitate crisis, of course, for most of the rest of the world. That has been a big problem, but for them it has been a solution, not a problem! And, though I'm not privy to the management of Exxon or Mobile or Shell, I would be skeptical that in the board rooms of Exxon and Mobile and Shell it would be felt that their companies are confronting imminent fiscal crises. Now they are aware of problems and so on, but the recent profitability statements of those corporations have been to show very, very great increases, and what may be a problem for Chrysler trying to sell gas-guzzling cars to a public that is very skeptical about their product, would not necessarily be the same problem to the people who are running the companies selling the oil.

I'm speaking in very human self-interest terms now, but everything depends upon your attitude toward the values that are at stake. And we, as Christians, presumably have something to say on the value questions or we have nothing to say about any questions. This is where we plug in if we're Christians, speaking as Christians. I don't think we have anything particularly to say as Christians about how you conduct an exploration in the Gulf of Mexico for offshore oil. We may have some things to say about the value questions that center around that sort of an operation and some of the tough trade-offs that the industry has to face. Surely we should have as Christians some clarifying points to offer. We don't have much to say about the technical engineering aspects of it beyond maybe encouraging many of our young people to go into engineering and to supply some of the need that Dewey Presley has already referred to as a vocational pursuit.

Churches and the Energy Crisis

So what is the impact of the energy crisis on the churches in general? I will postpone for a moment the immediate institutional effects that we confront as those who meet the bills of churches have to think of them. But I think that we need to be aware that there are some rather important factual questions that we have to ask in order to plug in the value point of view. First, what really is the situation about the long-run and the short-run supply of energy? Are we biting deeply into nonrenewable energy capital or is this to be understood in the long run only as a period of transition to new technologies of energy that are renewable? Now, whether one thinks of oil as being exhausted in the next ten years or, say, we have another hundred years of oil, or whether one thinks of coal as being a hundred year or five hundred year or thousand year proposition—I don't know anybody who is willing to argue that the oil and natural gas and coal supplies of the world are infinite. So, we are dealing with a finite question. The only real issue is *how long* is the finite period. And, I would argue on that question, Christian stewardship compels us to be very conservative in our estimates about the future.

I respond very warmly to what Mr. Presley had to

say about our failure of nerve six or eight years ago and the question is, are we going to have another failure of nerve now? And that may be a very fateful question that our grandchildren will ask searching questions about as they think back to what we did in the 1980s. It is far better confronting such a massive issue, particularly since we know that the energy sources are finite. It is important for us to play it conservatively; and, of course, that will point toward certain life-style questions that we'll want to raise later on.

To what extent is the present oil crisis politically contrived? Say what one will about the U.S. government, it obviously is not trying to create the crisis, but to what extent is this an artificial political thing from abroad? to what extent is it contrived by business? I keep hearing these rumors about tankers parked off the East Coast waiting for the prices to go up and I am just enough cynical to suppose that at the margins, at least, oil companies have played for their little short-term gains by at least small manipulations of the market. How much of that, I don't know, but I think that's a rather important question for us to ask.

Possibilities for Renewable Energy

Another kind of question, what about the renewable energy possibilities? We've had a lot of discussion, a lot of acrimonious debate over nuclear energy. It is interesting to see the National Council of Churches and the World Council of Churches sponsored research programs at loggerheads on that question, and there are some rather interesting reasons for it. The World Council reflects, after all, the developing countries disproportionately, and they are anxious to proceed rapidly in the nuclear direction; the National Council of Churches reflects the sentiment of many people in this country who are opposed to the use of nuclear energy. But, a key question technically here is, what about the possibilities of nuclear fusion that would not cause the waste disposal problems that we currently are facing? Is it really possible to unlock such vast energy sources without some of the ecological costs that we've had to face in the past? I, for one, would be very anxious not to shut that door and, in fact, I would want to encourage a lot of research in that direction that could be crucial in the long run. But in the short run, I would certainly be very conservative about the use of nuclear energy, given what we do know about the waste disposal problems and dangers.

What about solar energy? There's a whole school of thought supporting this now, as you know. Barry Commoner, who spoke to the Commission's seminar in New York and who has written a number of books and articles about this, is very high on solar energy. And I must say, he convinces me that wherever we can tap the power of the sun, by all means, we ought to. For example, at least at the margins of our energy consumption, where solar energy can be used to heat

homes and water heaters and things of that sort we ought, by all means, to be going right ahead with that, and not relying upon use of petroleum and natural gas in an area where it is not necessary to do so. I'd like to see more use of the windmills, even. Maybe we can find a way to tap Mount St. Helens. But, there are existing technologies that could be exploited more fully in the renewable energy field, and it seems to me Christian stewardship would give a very green light to movement in that kind of direction.

Competing with the Poor for Oil

Yet another question is how is the crisis impacting those who are worse off in the human community, and I am emphasizing the words "human community" in the broad sense and not just in the American sense. We have to be asking serious questions about what does it mean to people in India and Bangladesh who must bid for oil resources for basic fertilizer needs, bid against Americans who are using energy for power boats and Winnebago campers and pleasure flying and that sort of thing. Christian faith requires us to have a special concern for the poorest members of the community and to judge our policies as people and as a nation, by what effect they have upon the poorest.

Now, a few comments about the direct impact on the churches and then the indirect impact. The direct impact, of course, we face through high energy bills.

It seems to me that churches in their direct institutional life are challenged to set high standards for the avoidance of waste-fulness. We need to set the standards for willingness to change life-style. Church architecture should be affected by what we do. Church programs should be affected, and one, of course, can document that in all areas, particularly those of us who are involved in leadership roles in church bureaucracies and who have an opportunity to set standards of responsible consumption and encourage churches in that direction.

But, the indirect impacts upon the church are the most important. We should do anything we can to influence our own members, first of all, because most Americans are related to churches and a very substantial number of Americans are active members of churches. Anything we can do to influence our members to be responsible in respect to energy consumption is bound to be on the plus side of the current crisis. And maybe this isn't just a matter of exhorting people to adopt lower life-styles, though we ought to do that; it's also partly a matter of encouraging people to accept lower life-styles that are imposed upon them gracefully.

Reacting to the Crisis with 'Class'

The question that was raised earlier, whether there would be major periods of political turmoil if we suddenly confronted a cutoff of Middle Eastern oil—I

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don't think there would *have* to be, and I think whether there would be would depend very much upon us. I was impressed, frankly, in 1973 when there were dire predictions of how the oil embargo would create rioting in this country. There wasn't. There were occasional sporadic episodes at this or that gas station, usually when some selfish person jumped into line ahead of others. But in the main, people reacted to this as a crisis and with a certain amount of class. And I think our people are capable to reacting to crisis with class; they've done it on many occasions historically. But there is one condition that must be present: there must be the perception of fairness. People who feel that they are being required to sacrifice when others are not, when there are some who are living ostentatiously while others are forced to bear the brunt of it, that is where the seeds of social disorder occur. We, as Christians and Christian leaders, can affect that both by the way in which we encourage people to accept and by the way in which we encourage policies that guarantee fairness. I must say, that in the event of a real crisis, for that reason I would strongly support out and out rationing, knowing all of the standard arguments against it and respecting those arguments. When rationing is done solely through ability to pay, questions of fairness are going to emerge massively in this country. But where rich people as well as poor people have to bear the sacrifice, poor people are not going to be so likely to react disruptively.

Churches Should be 'Voice of Concern'

Secondly, the churches need to be a voice of concern for those who will lose out if America uses its awesome power to assure continuation of a wasteful life-style while others sink deeper into poverty. What I mean by that is there will be many voices of support for military policies that will simply go and take the oil. I think we felt some of that in relationship to Iran. We need to be asking the searching questions—just how important is it in our ultimate value scheme for

America to maintain the life-style that it has maintained? Are we willing to sacrifice a generation of young people militarily? Are we willing to violate our highest national traditions of noninterference in other countries? Indeed, are we willing to abandon our free-market attitude toward the property of others? I think there are a lot of people who are willing to say "yes" to all of that! But, Christians ought to be those who say "no" to all of that and encourage people to take it on the chin.

We have a good example in many respects from our British cousins at that point. After all, they lost a whole empire, and with it, a whole way of life and I admire the courage and the vision and the Christian good-spiritedness with which most of that was accomplished. I lived in Britain for a while several years ago and I know the price that the British have had to pay. But they are a very civilized people and I think we may at some point have to face the same question.

Thirdly, we need to encourage research not bound by existing interest. One of the things that strikes me about the solar energy field is that, of course, the more development and exploitation of solar energy, the tougher that's going to be on some existing utility firms, for instance. Solar energy for heating homes, heating one's water heater, and all that doesn't go through the gas and electric company. Well, that shouldn't ultimately matter.

And finally, we're challenged to avoid a heightening of nationalism in our response to these things. In the long run, it seems to me, the real message of the energy crisis is just how interrelated the world is. I don't think there is an American salvation available to us, allowing the rest of the world to go to the devil. Well, I don't think there is a Saudi salvation that allows the rest of the world to go to the devil while the Saudis endure their new prosperity, either. And we're not in a very good position to preach because we have exploited some of the rest of the world over the last few decades. But America has also been a voice of idealism and leadership in the world and maybe now is the time when we should encourage our own people to a new vision of international concern and global awareness of how the world is tied together in energy and economics in general.

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Can We Stop Runaway Inflation?

by Dewey Presley

Let's look at the world if we can on the inflationary situation and then come back to the United States. There have been very few countries that have escaped it. Some of the European countries, Western Germany, particularly, had severe inflation, brought it under control, effectively controlled it for a period of time, and it appears now to be moving away from them again. To some extent, their lack of ability to produce energy internally is one of the major causes. I'd like to say that there are probably three major areas or causes of inflation—the results that affect every one of us personally. We see it every day when we go to buy lunch or buy groceries or buy suits or buy a pair of shoes. If you haven't bought a pair lately, go in and buy them; you'll get the shock of your life.

High Debt, Low Budget

There are two causes that have received considerable publicity and probably need a little discussion. One of the two, we can do something about as Christian citizens, and that, of course is the fiscal policy of this government. The budgetary process of our administration and our Congress, and you can take your choice as to which one to lay the blame upon first or secondly, but it is debt verses budget. It's a very, very simple thing, of any one of us individually spending more money than we make, covering the spending by borrowing and being in the position of having no ability to repay. When we take into consideration not only direct debt, but the indirect debt of the federal government—and I'm referring there to the many government debt guaranty programs where it's not the direct debt of the government—but debt guaranteed by the government, there has probably been only one year in many years that we have had a truly balanced budget. I said we could do something about it. The only way we can do something about it is the privilege that's ours to determine who represents us. And until we have that kind of representation, or until our present representation really recognizes the feeling and the desire of the people to balance our spending against our income, then we've got an inflationary problem continuing on.

Federal Monetary Policy

The second one is the federal monetary policy. We made some reference to it. In essence it's determined, you might say, by an independent board of seven—I refer specifically to the Federal Reserve Board—appointed by the President of the United States for

terms of fourteen years, and confirmed by the Senate. With the change in the chairmanship at the time President Carter took office with Governor Burns' term, which is for four years as chairman expiring and the appointment of a new chairman, we have now had almost a complete turnover in the Federal Reserve Board. And here we find, of course, an entity charged with the responsibility of establishing monetary policy that will in effect finance the fiscal policy of our government. I would not want to imply by any of my remarks that this Board is directly or indirectly politically motivated. There has only been one instance that I recall where such allegations were made and that was the 1972 election year when the policy of the Board was changed and some politicians charged Governor Burns with accommodating President Nixon. This is to be an independent Board, operating separate and apart; and obviously the high rates that we have experienced have been their decision in order to try to bring under control the tremendously expanding inflationary spiral that we have experienced in recent months. There's not a whole lot we can do about it in so far as the individuals who hold these responsible positions. But my reference earlier today to credit card use and borrowing are certainly decisions that the individual makes; and making decisions as they have been made since March certainly would indicate the effect that the individual borrower and decision-maker and the corporate borrower and decision-maker can have upon the monetary policy of this country. I think the Board is doing all within their power to try to balance the fine line, the needs for the country in so far as monetary policy is concerned, try to bring inflation under control, and hopefully to try to keep the dollar at the proper value so that we won't have reoccurring what I mentioned this afternoon and that's price increases for this eight million barrels of fuel that we import every day.

How to Measure Inflation

How do we measure inflation? There are two principal indexes: one is the Consumer Price Index, interpreted by many as the rate of inflation, and it encompasses indexes of some 300 items of goods and services. Many followers of business trends have some concern about the so-called CPI, as it measures the rate of inflation. Let me give you just some of the examples that they question. The CPI includes every month a cost of a new car for everybody. The CPI also includes every month the cost of a used car for everybody. The CPI includes monthly costs of a new



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home for everybody every month and mortgage rates on new home loans for everybody every month. It weighs the cost of fuel, very heavily. In fact, approximately seven percent of the CPI is represented by fuel costs.

Is it a true measure of the rate of inflation? We're not all buying homes every month; we're not all buying new cars every month; and for this reason this is one that is being questioned as it relates to inflation. The Gross National Product Price Deflator Index is considered by some as probably the better measure of price increases generally and the better measure of the rate of inflation. It's not available monthly. It's available only quarterly and is a much broader base, including some 1,000 items. The weighting of any one item in this broader based index is less than one percent. Many consider it a better measure.

In 1980 for the CPI our studies and our planning indicate an increase of ten to fourteen percent over 1979. I'm speaking now of whole year over whole year. But our energy problem is not a problem that's going to be solved in 1980. It's going to encompass the 1980-1990 period, so let's look at the CPI outlook for the ten years. The range here is six to ten

percent average annual increase over the previous year. No study that I have looked at so far expects the CPI to decline in any year of the decade of the '80s. You can quickly imagine how this type of inflation, if that is a true measure of inflation, will affect not only the individuals, but the businesses and certainly our churches and our denominations.

What's the result on the cost of living? Under the scenario that we are talking about, what's it going to take for our churches in their programs just to stay even the next ten years—not increase their programs—just to stay even. In 1990, on that basis, for every \$1,000 of tithes and offerings received by your church in 1980, your church in 1990 will have to receive \$2,159 just to carry out the same programs. That's the outlook for the '80s unless we are able to really get the message to the administration, to the Congress on the spending programs that we undertake. If we can do that, I think we'll have a sound monetary policy. I have that much confidence in that Board. And then, hopefully, we can move forward on the principal other item—the energy problem. But, it's a sobering thought that for salary purposes, that for every \$1,000 I make in 1980, just to have the same standard of living, assuming my tax rate remains the same, I've got to make \$2,159 ten years from now. That's inflation.

Inflation Forecast

Can Christians Cool Inflation's Fire?

by Philip Wogaman

As a lay person, I find myself sometimes like Alice in Wonderland among the theories of inflation. But, just for fun I jotted down some of the different theories that I have heard advanced 'quite seriously by reputable economists or business leaders or government people. I came up with a list of seven when I stopped. I thought it might be interesting to look at each of these quickly and to note an ethical implication or two attached to each of them. My own inclination is to suppose that there is some truth in each of these explanations of inflation, but that none of them by itself can account for the whole phenomenon that we have experienced.

Government Deficits

First is the theory of government deficits and there is, I guess, substantial truth in the effect that government deficits can play. It's a tricky analysis because some government deficits can play a different role in relationship to the economy than others. A layman's understanding of that might attach to some of our own purchases. For example, when I borrowed a lot of money to buy a house in 1973, that could be expressed as a massive deficit; and yet in terms of my real economics, it was a very sound economic move. Indeed, it looks better every year, given the inflationary rate of housing in Washington, D.C. Similarly, when government goes out and buys something like highway networks or other economic infrastructures that may be a very sound investment in increased productivity for the economy which greatly increases the economic base and the possibilities of productivity even though it's financed through borrowing. Other forms of expenditure may have a different result.

I noted in a recent issue of THE WASHINGTON POST an article by Robert Solo (who is the former president of the American Economic Association and teaches economics at M.I.T.) with the title "All Simple Stories About Inflation Are Wrong: Lessons of Our Economy." I thought it was interesting to note his comment about the government deficit question. He points out that in the period from 1975-1979, government federal deficits went something like this: In 1975 there was a deficit that accounted for 4.6 percent of the Gross National Product; in '76 it was 3.1 percent of the Gross National Product; in '77 it was 2.4 percent; in '78 it was 1.3 percent; and in 1979 it was .4 percent. Now, he observes that this is

during the period of increased inflation. The government deficit as a percentage of Gross National Product has been going down during this period, while inflation has been going up. And while that would need to be analyzed much more closely, on the face of it, one can't sustain the argument that the government deficit is clearly and solely responsible for inflation during that period, even though it undoubtedly played some role. There are two ethical points I want to make about that line of argument on inflation.

First of all, it is very important to sort out the analytical question of the actual role that government deficits play in inflation and dealing with that and the way in which that argument is sometimes used for ideological purposes. That is to say, those who are opposed in principle to government spending may use that argument of government deficit, trying to cure the government spending by way of the inflation argument, rather than meeting head-on the question of whether society ought to buy the things the government is buying. Those who are opposed to government expenditures in general may use the inflation argument as a way of stopping government expenditures. Those two things need to be sorted out and I think government expenditures ought to be faced directly and with some refinement. Some government expenditures are good and some are bad, but then the question of inflation needs to be settled on its own merits and separately.

But the other point is that government deficits are not simply a function of misguided politicians; they are a result of the pressures that come from different groups. One can see that at work in Washington, as this group or that group is in favor of reducing government deficits by chopping down somebody else's program. But any particular program that is targeted for lowered expenditures then arouses a massive lobbying effort in its behalf. So the government deficits point beyond the role of government itself right back to the population and the conflicting values that people bring to what they would like to see government do—especially do for them. Now, one final comment on government spending: I do think there are ethical issues involved in a self-perpetuating, irresponsible bureaucracy. My views on that are not as extreme as former Governor George Wallace by a long shot. I am close enough to the scene in Washington to have a high respect for much

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that I see in the government bureaucracy. I'm also close enough to be suspicious of a lot of other things. Any bureaucracy needs to be pruned and subjected to constant criticism and not insulated from other economic patterns.

Diminished Resources

Secondly, there is the argument that diminished resources, including energy, are responsible for inflation. I think there is much to that. The more costly any raw material becomes to extract or to develop, the more that's going to fuel inflation; how ever it's expressed through the monetary system, it's going to have that predictable effect. The ethical problem comes when people insist that they should be insulated from the effects of those increased costs. It would be a happy world if the increased costs of extraction of raw materials and energy sources could be met through increases of productivity and inventiveness, but we may be in a period when that's not as easily done as it has been at some times in the past. Therefore, during this period when people insist upon being insulated from inflation, in effect what they are doing is assigning the effects of inflation to other people. Using the language of game theory, that's a zero sum game; the more you get, the less somebody else is going to get. The dilemma of this is particularly pointed when one sees it in the relationship between prosperous countries like the United States and poor countries who are less able to protect themselves from the raw costs, increasing costs of economic production.

Monopoly Price Control

Thirdly, there is monopoly price control. People like John Kenneth Galbraith are fond of assigning responsibility for inflation to imperfect competition and imperfect market that is to say, administered prices. Noting that when markets become more constricted, some producers rather than lowering the price of their goods, will simply hold their goods. Well, I think I could cite evidence to sustain that and also evidence to refute it. Some people have predicted the bottom to drop out of the real estate market as it did out of silver, but that's not the way real estate works because people may, if they need to sell their home, lower the prices slightly; but they are likely to act in such a way as to protect their investments. Similarly automobile companies may dump some of last year's products and you get these rebates and things of that sort. And looking over a period of years, the prices of automobiles have, of course, risen rapidly but they are not falling as rapidly as one would suspect when, over the last two months sales have dropped thirty or forty percent beyond similar periods of last year. The market isn't working perfectly, as one would expect it to work. There is some administration of prices.

Galbraith argues that that is fundamentally the cause of inflation now.

Dictation of Wages and Prices

It is the ability of large business and large labor to dictate prices and wages and that, therefore, relates to the fourth item, which is that inflation is caused by cost push forces from labor. That means wages don't go down. If you have large scale labor organizations, unions, able in effect to conduct a monopoly in labor, there may be some increase of unemployment, but the fundamental wage structures will continue to go up and thus one can have the anomaly of recession combined with inflation or "stagflation." I am intrigued by John Hicks, the Oxford economist, in his theory accounting for this similar phenomenon in Britain where he distinguishes between what he calls a fixed price market and a flexible price market. He says that in a fixed price market you don't have the law of supply and demand operating; you have labor in a position to determine wage rates and to do so on the basis of what seems to be customary or what seems to be fair. Noneconomic considerations are moving in to the determination of fundamental prices. So the ethical questions that come into play have to do with what really is a fair price and what is a fair wage. The reason why we can't really have governmentally mandated wages and prices in this country is the economy is so complex. Just stop and think of how complex it would be to try to decide whether bricklayers should make as much as plumbers and how doctors should be paid in relationship to nurses and schoolteachers. On what ethical basis would you make the judgments? That's a nice question, but it's a question that can't simply be pushed aside. I think the church is going to have to offer some broad conceptions of what is fair in wage settlements if we want to be relevant to that kind of question.

Then there's the OPEC explanation of inflation. That relates to the diminished resources. But it also relates to the question of how international cartels can manage certain commodities in the world market and do so thereby exempting them from normal market forces. It may well be that countries like the United States through the exploitation of alternate energy sources like coal will be able to bring heavy pressure on OPEC oil, and we may all hope so. But, there are a number of commodities now at work in world trade that may become increasingly susceptible to monopoly control. We had that experience with sugar to some extent; we've had it with coffee; maybe certain other commodities which can be controlled by a comparatively small number of countries or corporations. This is going to create further inflationary problems. The moral aspect of this, I suppose, requires one to formulate broader theories of international relationships. What really is fair in the international scheme of things? You all are familiar with the quest by quite a few countries for new international economic order. Some of that agenda I can approve and some of it I can't. I'm especially concerned when I see countries

with very wide internal disparities between a small, wealthy, elite and vast numbers of people mired in poverty—and I see those countries seeking greater justice and I know that the greater justice is going to be just for that small elite. That's a point that some very farsighted economists in some of these countries are themselves raising. But, nevertheless, it seems clear that underdeveloped countries do need to have a greater share of the returns for basic raw materials and so morally one ought to approve that kind of thing.

Inadequate Monetary Policy

The sixth item would be inadequate monetary policy. We've had some comments on that. One point along that line that I'm intrigued by and I'd like to have a little bit more help in understanding, is how difficult it may be for the monetary policies of any one government, even in a great country like America, to maintain full control in the face of vast international trade relationships and currencies fluctuating balance with one another. Can you really control the purchasing power through the mechanisms of the Federal Reserve System in the way that might have been possible some years ago? How does one deal with the Euro-dollar problem, for instance, where vast sums of American dollars are held abroad and potentially can be poured onto the American market at any time, bidding up the price of goods and services? That's something I don't think I understand. And yet, I suspect that that may be a rather crucial factor in the management of inflation—the new forms of credit, of course, must have had a very important role in inflation and I, too, was intrigued when the Carter Administration suddenly said, "Well, look, don't take us too seriously." Here's a tightrope that has to be walked. There must be some purchasing or we'll trade inflation for a real depression. There's got to be market for the goods and services produced in this country or everyone is out of work. At any rate, the lesson of this, it seems to me, is our very great need for improved international monetary stability and yet again, there is need for more global consciousness of economic relationships and not thinking simply in national terms.

Military Expenditures

Then, of course, there is the argument that military expenditures are responsible for it all. My colleague, Allen Geyer of the Church Center for Theology and Public Policy, recently did an article in the *CHRISTIAN CENTURY* in which he cited some eight or ten reasons why defense expenditures tend toward greater inflation. One of the arguments that he has used is popular among my pacifist friends and I frankly don't accept it—at least in the terms in which they express it—namely, that federal expenditures for defense items, military hardware, creates wages but those wages can't then be used to buy back that product. I think that's superficial economic analysis, because, in effect, insofar as taxation covers those expenditures, people are buying those products. Never-

theless, there is some truth in the argument that defense expenditures, insofar as they are heavily capital intensive and not labor intensive, do tend to create recession. You don't have as much employment and one could doubtless relate that to inflation. At any rate, patriotism and legitimate concerns for security should not be permitted to obscure a hard-headed economic analysis in the defense sector. Congress and most administrations tend to be pretty soft-headed in the face of pressures from the Defense Department or generals and admirals saying "We need this and that for the sake of security." Well, those claims ought to be examined just in the same way as claims, that we need this or that highway or this or that school or any other federal forms of expenditure.

Reluctant Victims

So, here is a kind of a quick tour of a number of theories of inflation. Again, I think all of them have some role to play, but the thing that really impresses me is regardless of how inflation gets started, what really keeps it going is the expectations of people and the fact that nobody wants to be a victim of inflation and everybody wants to continue to improve his or her economic well-being. Everybody continues to want more. You remember the story of Samuel Gompers when the reporter asked him what organized labor's real objectives were, He said, "More." Well, I think we're in a period now where everybody wants more, and consequently there is heavy pressure upon government, upon economic institutions, upon the economy generally to overexpand. That has a way of creating purchasing power through various forms of relaxed credit and increased monetary supply and everything else, whatever the mechanism that tends toward perpetuating inflation.

Moral Consequences of Inflation

And thus, one must look at the moral consequences of inflation. And let me just make five brief points about that. First, that inflation of a modest sort can even be good, if it entails redistribution toward greater justice, but bad if it has the reverse effect. Now, runaway inflation is another matter, but some inflation tends, since inflation is never distributed evenly, to benefit some people and to hurt other people. I made a comment about my house—well, inflation has been good to me in the real estate market. But think of young people now trying to get into the housing market. It is very bad for them. You have to be wealthy to buy a house in our section of Washington. I could not afford it now, and that's the result of inflation. Well, I won't defend the justice of that, even though I've been the beneficiary of it. But I do note that there has been a redistribution, there is shifting of resources that occurs with inflation. So, diagnosing it in moral terms means that you have to be looking at who's being hurt and who's being helped. In the main, I think that people are being hurt

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more than they are being helped. That is, the wrong people are being hurt. That really was my second point.

The third point is that inflation has negative effects upon contractual expectations. It tends to undermine confidence in contracts and not in the good faith of other people, but in the economic effects of contractual agreements. And that, in the main, is a negative.

Fourthly—and this is a point that an economist friend of mine at the U.S. Chamber of Commerce stresses and I think it is a very important point—inflation leads to speculative behavior that is both morally and economically unsound. Think of all the money people are putting into gold and silver and jewelry and even real estate, when it's done as an inflationary hedge, it is nonproductive use of those resources. It's money moving around and being active, but it isn't producing anything. I don't know about the difficulties the Hunts had in their silver bubble. I don't stand in judgment of them or anybody else; but I can't help thinking of the parallel of so many underdeveloped countries, especially in Latin America that I am familiar with, where the wealthy elites have tended to insulate their own wealth by placing it in investments in Europe or North America or into various hedges, when that same money, if reinvested in their own countries, could help them break through the barriers of development. And in a certain sense, inflation is leading many people in our own country away from productive investment and into saving their own necks. The irony is that it tends to hurt everybody, including themselves in the long run. I think that raises important ethical questions as well as economic ones.

And then the final point I want to make about this is to remind us that inflation is not necessarily worse than recession. We have chosen to deal with inflation at this seminar, but which is the frying pan and which is the fire may sometimes be hard to determine. If we were to deal with our inflation by having a very serious new economic depression, we might discover that the cure was worse than the disease. Undoubtedly if we are going to have a period of continued inflation, a steady inflation of six or eight percent that really was dependable and not runaway at that point, maybe it would be a stabilizing factor. I don't know. Let's hope so. Now, certainly that would be better than no inflation combined with very high unemployment because unemployment raises very serious ethical problems of all sorts. So, I caution us from locating inflation as *the only* economic evil we confront in our time. It is an evil and could become a much more serious evil if unchecked at this point.

How Inflation Affects Churches

Now, finally a couple of comments about inflation's impact on the churches; it certainly has some direct

institutional impacts—some of those that have been noted. Let me point out one—I'm not sure how this is hitting Baptists, but I've got my eye on this one in relation to the Methodists and some other denominations. There is a very rapid increase in the number of women clergy in the United Methodist Church and some other denominations. I'm fully in favor of that. We have increased numbers of women in our seminary, and I'm all in support of this. They are some of our finest students and many will be outstanding preachers and pastors. But, I also notice that in some professions it's possible to pay women lower wages and it will be very intriguing for me to see whether in the future there may be a tendency for churches to cope with inflation by doing that.

Inflation will tend, particularly if it really gets out of hand, to reward denominations that have greater institutional flexibility, such as your own. Southern Baptists have been able to move more flexibly in relationship to seminary trained ministry, than many other denominations. Where you can start new churches and maintain older churches without necessarily having seminary-trained leadership, it may be possible to ride on the waves of inflation in a way that denominations that are more rigid in their standards of seminary training are able to do. There is some Methodist history here that I remember. Back in the nineteenth century Methodism and the Baptist churches and the Disciples were able to make great gains in the frontier of America precisely because they were more flexible than the established churches of Presbyterians, the Congregationalists, and the Episcopalians and Roman Catholics who pretty much were bound to the cities and support bases that could maintain the professional leadership. There is a price that has to be paid for that, of course, and as a seminary dean, I must emphasize that it's very important for every church to have a seminary graduate! A price is paid when you don't have that kind of training in positions of leadership. Nevertheless, I just cite that as one of the little effects of inflation.

Modify Living Standards

And then finally, I really hope churches will find it possible to help their people keep cool and to challenge them not to become excessively self-centered in their economic concerns and behavior under the pressures of inflation and not to feel that everything is lost if there are some changes in standard of living resulting from inflation. That kind of cool behavior is more likely to help us in actually coping with inflation than anything else. The less inflation matters to people, the less inflation there is likely to be—curiously. With that perspective, people won't bend every effort to find those hedges, they will modify their living standards as necessary and continue to save, to make normal investments, and that kind of normal behavior is what we really need if one understands inflation through all of these theories basically to come down to the behavior and expectations of people more than any other single thing.

How Churches Can Help

One Church's Blueprint for Conservation

by Dewey Presley

Three years ago at Park Cities Baptist Church it became obvious to our maintenance committee that if we didn't do something about the skyrocketing utility bills, our mission programs, along with other programs of the church were going to suffer. We recognized, of course, that all of the utilities—gas, water, electrical—are powered directly or indirectly by electric energy apparatus.

For the benefit of those who don't know our utility situation in Texas, the principal company is Texas Utilities which operates three subsidiaries in the metroplex area—Dallas and Ft. Worth—and then in some of the suburban cities. Because of the program they started some twenty-five years ago, they are the only remaining triple-A utility in the United States. Even though they are in the very heart of the oil and gas production area, they recognized they were going to have to do something about fuel costs themselves, and they started buying lignite coal deposits. Now fifty percent of all of the electricity generated by this company in 1979 was generated from coal. They will move, with plants already under construction, to where except for peaking purposes, all of their power will be generated by coal and by nuclear—one nuclear plant which is shared with a number of generating plants. They'll use some gas solely for peaking purposes. But we have been the beneficiary of already lower rates than other major utilities in the state of Texas are charging because they don't have that much volume converted to coal.

A Plan to Curtail Energy Use

We had that benefit but we recognized the need to formulate a plan to curtail our energy requirements without affecting our overall church program, and we started to work on it. The group was headed by the chairman of our Maintenance Committee. He was a man who had been in the heating and air conditioning business; had sold his business and had retired, and he just dedicated practically all of his time. He was a professional contributing his time, knowledge, and service to our church.

Use Smaller Boiler

We found, for instance, on our sanctuary that we had a 21,000,000 BTU boiler and that if we did certain things, we could place that boiler on "standby" and not have to use it. We found leakage of air in certain areas of the building and, a great number of

things needed to be done. We made the review—and I'll go into some detail with regard to them, but I'd say that after a period of three winters now, it has not been necessary to start this large boiler at any time, even though we experienced eleven degree above zero temperature one Sunday morning. A small boiler was adequate when we accomplished the other programs.

Re-route Air Return

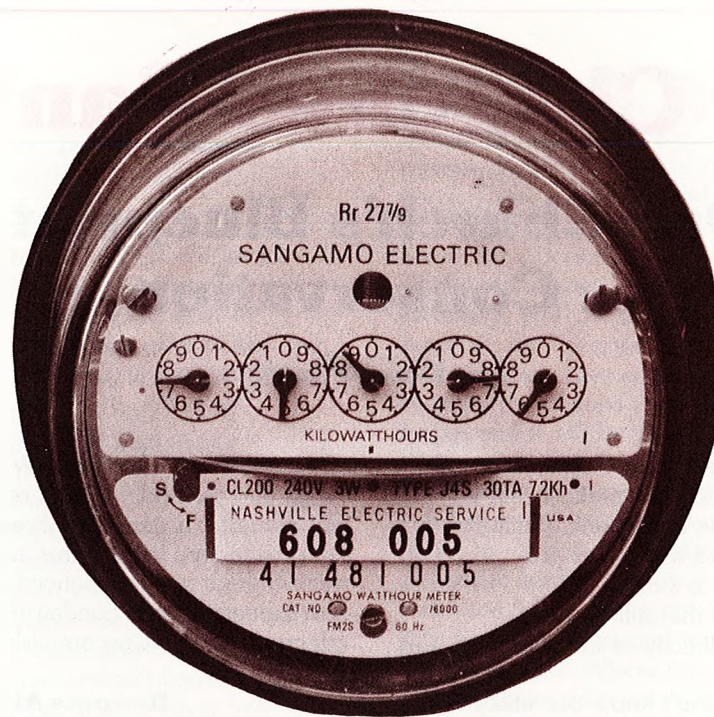
We did a lot of rerouting of return air. We found in these buildings—and this was common practice when many of these buildings were built in the fifties and sixties—that because of the nominal cost of energy at that particular time return air was just flowed into the areas of the attic and then permitted to be picked up by duct work and brought from the attics back to the unit. And you could go up there in the summertime and run return air through 135 degree temperature or in the wintertime through fifteen degree temperature and you were doing the whole job over again and again. We changed that. We also found that this twenty-one million BTU boiler was used to even heat the baptistry water and it was pretty obvious that was not necessary, so we bought some domestic-type water heaters for baptistry water and dishwashers and facilities like that which can be substituted. And now the input is less than 100,000 BTUs required for all of these facilities formerly used. We insulated a lot of crawl space above the ceilings. We applied an additional two inches of fiberglass insulation on a lot of the ducts that were in existence in some of the loft spaces. We eliminated the loss in temperature of cooling or heating air prior to its reaching the air outlets.

Install Storm Windows

We then installed clear glass storm windows on all of our north and east windows and on all of the big, round stained glass windows. We had clear glass windows cut to give them some protection. And then on the west side and on the east sides of the building, particularly where the direct sun hits, we put reflective glass to prevent the penetration of the sun's rays in the summer and the loss of the inside heat in the winter to the outside air.

Revamp Heating and Cooling Systems

Our summer and winter cooling and heating system is served by regulating the water temperature with three compressors in the summer and by that one



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boiler that I referred to in the winter. We found that these sizes were really in excess after we did these other jobs that I've tried to outline to you very briefly. We had 120 tons on one and 150 tons on another and a third of 228 tons, but we discovered that a maximum of 340 tons would cool all the buildings at one time, so we were able to put units on standby. Now, to keep all of these many air-handling units in this complex under control and turned off and turned on as required, we installed time clocks on the various units so that approximately ten minutes prior to the dismissal of Sunday School, for instance, all the units go off in those areas. They're turned off electrically and the motors for the fans powering these units vary from 5 horsepower to 25 horsepower. We don't wait on somebody to come around and change the thermostats or effectively do that.

Control Peak Demand

Now, here, I think is probably one of the most important points that you ought to really look at in your own facility. I guess most every power company I know bases a high percentages of their bills on what peak capacity is necessary to supply power to all of the equipment at any one time. Most of them will install what they call a demand meter to register the highest peak demand use, so obviously it is necessary if you're going to control that for some mechanical means to prevent anyone from just coming in and turning all of the compressors at one time. The effect is a surge on the line, and it causes the demand meter hand to advance and to remain at the maximum position which is recorded and that's what your month's bill is based on—that highest volume used rate. So, there are the preventative controls we've put on our units where no one can just go down if they want to to see if everything will work at one time and throw it on and let it run for a test period of ten or fif-

teen minutes, and we have those controls set up so we can still meet the church's programs.

Install Electric Eyes

One thing used to bother a lot of us—you could drive by the church on a weekend or something like that and all of the outside lights were on. For practically nothing, you can buy electric eyes that will turn those lights off for you outside when daylight comes and turn them back on for you at a certain period of darkness. Likewise, as many churches have for not only security purposes, but for energy purposes, we established patrols just to make sure that light switches were in the proper positions after use of certain areas.

Energy Saving Recap

In summary, we consolidated boiler requirements, got the smaller efficient units, and put the controls on; heated the baptistry and dishwashers by smaller hot water heaters; applied insulation; installed storm windows, and reflective windows; doubled insulation on ducts and attic work; rerouted return air, installed time clocks, electric eyes, and mechanical devices to prevent unnecessary surges of energy required, and then we called upon our people to cooperate. We scheduled meetings during the week and during off-periods of time in central places so that if a Sunday School class wanted to have a Tuesday night meeting, we wouldn't have to cool an entire building or an entire area for that. We started scheduling meetings in central locations where we could effectively control but still provide the comfort that was needed. Now, the entire amount of money that we spent, and we went to the bank and borrowed it, was less than \$40,000, and the payback was less than 24 months and we're getting the advantage of it at the present time. We really effectively, I think, brought it to the attention of our people that we needed to do everything possible at our church to conserve energy.

How Churches Can Help

Christians Must Meet Ethical Challenge

by Philip Wogaman

My task is to look at inflation and energy in a moral and theological perspective and see how the church as the community of faith and as an institution in our society can make some difference in what actually happens in an age of inflation and energy shortage. I would like to make three or four main points and talk about two or three of the traps that we need to avoid.

Integrity in Worship

The first main point that I want to make is to stress that we do well in the integrity and character of our worship. That is our major business as churches and is relevant to all that we've been talking about. Worship means the celebration of God and the values which are central to our Christian experience. The way in which we go about ordinary worship may have more to say about the teaching of the church, than what we take up specifically in a Sunday School class or an evening program. If one stops and thinks about the different components in a worship service, for instance, what do we pray about? Maybe more to the point, what do we confess about? I don't know what your perception was of the recent march on Washington—Washington for Jesus—I had some mixed feelings about it. Some of my students were on hand and reported to me after the event was over that there was a good deal of confessing the sins of other people. Now, I don't know whether that was true or not; I suspect that was a malicious kind of thing that a theological student might have wanted to say! But the way in which we bring up before the throne of grace the hurt and trouble of the world at a level that is really transcending our disputes and conflicts and uncertainties may lay the foundation for real grappling with the hard, objective problems. Do we in our worship celebrate the fact that the whole human family belongs to God? Do we enter into the life of God's whole humanity when we participate in worship? As on Worldwide Communion Sunday, for example, where the symbolism of the Lord's table stretching throughout the whole world—do we see the whole world as being our immediate family? Well, that's an issue for worship that has to do with what do we basically value; that has to do with our conception of God. And so I stress that the key issues in a community of faith generally hinge upon how people perceive their faith and the way in which it is permitted to organize their lives.

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Contact with Persons in Need

Point number two is to suggest the importance of direct human contact with persons in economic need. Some of us may say that we do that every day as we sit down at the family breakfast table and in some measure that is true, though we are wealthy people by world standards and we never must forget that. I sometimes am exasperated at what I take to be the hard heartedness of my fellow Christians, and I'm sometimes inclined to be self-righteousness and to write off my fellow Christians because they seem so callous to the needs and so insensitive to the needs of the world and so unenlightened. And yet I begin then to remind myself that when most people appear to be callous in the life of the church, it's because they haven't had direct human contact. Again and again I've seen lay people and clergy who once they are acquainted with human beings who are in trouble—it changes everything—ideas, ideologies begin to pale a little bit in significance when we see a brother and sister in need. One vivid human experience is worth much more than 10,000 words.

We have a project in the United Methodist Church for youth that takes young people into Appalachia. Maybe it is a little bit paternalistic, I don't know, but it involves young people going into Appalachian communities and helping to reconstruct the homes of poor people. One of my sons is going to be participating in that for the third summer this year and another one participated in it two or three years ago. The one that was in it two or three years ago had as his major project to be the chief architect, engineer, and contractor for an outhouse and there was a lot of humor attached to that, but he took it all very seriously. He had his project half finished when the supervisor came along and tore the thing down and said he was going to have to start over—he had it situated on a hill in such a way as to create severe instability. That personal experience was worth many books. He saw at first hand the problems that people were having. They entered into their lives, briefly, of course, but vividly. There were old people who were suffering and children who weren't getting the proper education. They discovered there was some difficulty in developing real rapport because many of the mountain people were very, very proud and to accept this kind of help was a hard thing for them.

One of the experiences the kids had was sort of

Ethical Challenge. . .

vivid. They were working with this particular family for two or three days and were having some difficulty entering into a relationship with them and they tried everything they could and finally one of the city kids asked the old man who lived in this house how many eggs this hen laid and he let out a cackle of laughter and said, "That's no hen, that's a rooster!" So, he was able to contribute something to the city youngster and there was a little bit of basis then for his pride to be saved and a little bit of rapport created.

Similarly, people who are alienated from blacks in the ghetto who see only television pictures of rioting, if they can have an opportunity to actually meet those who are in need and to see their family circumstances, to try to enter into their experiences, now that can be worth a lot of lectures. And if we can't do it personally and physically, as we certainly should do as much as we can, then it's helpful to do it through film and literature and things that draw us into these experiences of those who are in need. I think this is why returned missionaries can be such a valuable resource in the life of the church and ought to be itinerated as broadly as possible to express something of their experience with persons in other lands—so the importance of direct human contact.

Discuss Ethics of Economics

Thirdly, is the encouragement of discussion and debate within the church on economic questions and their theological, ethical implications, the kinds of experiences we've been having here. Now, I don't know what your perception of our experience here the last few hours has been. I do not perceive total unanimity of opinion on most of the issues we have been discussing. On some things there has been some agreement. There is a lot of disagreement in the room, but we are fellow Christians and we can survive those disagreements; we don't need to worry about everybody adopting a party line. We contribute to one another's education and to one another's sensitivity about issues as we share our differing perceptions and gifts of understanding and gifts of experience with one another. I suspect the average church is afraid of controversy, afraid of the important issues precisely because they tend to be conflict-generating. I can't offer you any easy solutions to that. But I say that's a very important judgment upon the church, if the church cannot take the controversies of the age within the fellowship and baptize them, so to speak, with the gospel of Jesus Christ and maybe still have lots of disagreements, but also contribute to our mutual understanding and perception of what these conflicts mean.

I had an experience a number of years ago that dramatizes this in reverse I was teaching at a college on the West Coast. We had what was called the Faculty Christian Fellowship. It was a group of faculty members who met every Thursday for lunch and we

discussed all sorts of things and talked about the meaning of Christian faith in our group and in our campus and in the main, it was a very positive thing.

I remember one Thursday back in the early sixties, we were talking about the responsibilities that our college might have to the black young people of this small city in California, and did we, perhaps, have a responsibility to give special tuition scholarships and other advantages to these students to encourage them to go to college? And there was some disagreement about various aspects of this, but in the main, I thought it was a pretty good discussion. Now, the next Saturday evening I ran into one of the people who had been at this meeting at a football game at the half and we were chatting and he said, "Phil, what did you think of that meeting of the Faculty Christian Fellowship last Thursday?" And I even had to sort of think back as to what we had talked about. I said, "I thought it was fairly good discussion." And he said, "You know, I was so mad, I almost had to leave the room." And I had to kind of reconstruct why anybody would have been mad. Then, it turned out that his feelings of anger were generated around proposals to give special scholarship help to the black young people.

It occurred to me that there could be some honest disagreements about that issue. I did disagree with him on that subject. But the thing that struck me was in a Faculty Christian Fellowship, why would anybody be so angry they would have to leave the room? Or thought they might have to leave the room? They might feel strong disagreement, but after all, we were a fellowship in Christ, hopefully nurturing one another in the life of the faith in trying to apply the values of Christian faith to daily experience and one would expect disagreements. Anything that is worthwhile, any important subjects, will lead to disagreements. But if one avoids those issues in the life of the church, then one has surrendered vast aspects of human experience to treatment by utterly non-Christian points of view. And that is the one thing, it seems to me, we in the church cannot afford to do, and thus, I think one of the great services the church can render is to be a forum in various ways where Christians can take counsel together.

Encourage Responsible Citizenship

Now there are a variety of ways in which that can be done and that leads to a fourth point—how important it is for us to encourage responsible citizenship and systemic improvements. Now there are a variety of things that we can do privately and a variety of things we can do as an institutional church and we ought to do because they are energy saving and make an economic contribution and also they are very important symbolically. When Dewey's church does all of these things, it's saving money for the church and saving energy for society, but it's also a kind of a beacon light to all of the people in that church—that what the church has done is something that everybody can do.

I think it is also important for the church then, and for us as citizens in the church, to talk about enlightened policies giving support to courageous political leadership to bite the kinds of bullets that Dewey Presley was also talking about that will be on a massive scale, helpful in resolving economic and energy-related problems. Decisions taken in the political sector can be decisively important. One thought as an illustration that occurred to me based on a Washington, D.C. experience. For quite a number of years many people in that city were anxious to get a subway system. Washington is the kind of city where there can be immense energy gains and saving of pollution and parking problems and everything else with a good rapid transit. Meanwhile, many people in Washington also felt that carving up the city with interstate highways was the last thing we needed in our nation's capital and the desire was to move money from the federal highway trust fund out of the highway sector and into the subway sector to build the subway using those funds generated from gas tax. Well, for years that was hung up by one key congressman, Congress Natcher of Kentucky. As I recall he came from a small town in Kentucky, where his own basic experience was very remote from the urban setting. Finally there was some compromise one way or another and Washington, D.C. did permit some expansion of the interstate network and he quit bottling up the subway system. Well, that's a political decision. The fact that the subway is now half completed already gives evidence of just how important it was. That has transformed the life of that city. Tens of thousands of people every day are using that subway and are not driving gas-guzzling automobiles; they are not contributing to congestion; they are not contributing to pollution. It's a resource that will, over the long haul, help immensely in one city's treatment of the energy problem.

We're going to be in a period of some retooling in this society. We're discovering that it takes a little bit of politics to get people to use small automobiles, to avoid pollution and various other kinds of things. I don't think any of us has the right—or can claim to have all the answers about what are the enlightened policies. But laissez-faire isn't going to do it. Just simply letting nature take its course isn't going to do it. It's going to take a good deal of cooperative work by our whole community and we should be making a contribution.

Utilize Resources of the Congregation

The church needs to be entering into dialogue with Christians who occupy strategic economic and political leadership positions. What an immense resource the church has right within its own fellowship if it would only realize it. We have had an illustration of that with a very prominent banker who is deeply acquainted with international monetary problems and technical problems in our society. Just think how many bankers and economists and business people and labor leaders and politicians, engineers, and

others we have in our churches. If we treat those people as a passive audience for Sunday morning worship only and don't enter into tapping their expertise and challenging their thinking, what an immense resource is lost to the church and to our society. And so, that kind of dialogue, it seems to me, is terribly important.

Theological Trap

Now, I'd like to speak briefly of four traps that we need to avoid. Trap number one is a theological trap and, if you will, we can call that the docetic trap. Docetism is the heresy—with very long history in the Christian church—that treated Jesus Christ as only a spirit and the created world as being fundamentally evil. The early docetic thinkers thought of the world as having been created by some other god; in fact, some of the early docetic writers and thinkers spoke of the god of the Old Testament as being alien to the Christian God because the Old Testament God created this miserable, fallen world. Well, through the ages, more sensible, main-line Christian opinion has been, "No, this world was created by the good God who is Father of Jesus Christ." So, one avoids the spiritualistic fallacy of saying that Christian faith has only to do with spiritual matters and nothing to do with material matters. This is God's world—every inch of it—and the way in which we respond to it as stewards has very much to do with our spiritual life. So, the docetic trap is one that Protestant Christians are especially prone to. It takes different forms in different ages, but our struggle on a very serious level must be with that trap.

Sentimental Trap

Secondly, and related to it, is the esthetic or sentimental trap, and that is to treat Christianity as though it were only a matter of feeling. If you feel real good, then it must be authentic. I'll tell you what helped me get over that trap. I saw some old films taken at the time of Adolph Hitler. One showed Hitler arriving at a railroad station, getting off the train, surrounded by the loving embrace of his people. A couple of little children came up to him bearing flowers and handing them to a very grandfatherly-looking Fuhrer. He gathered them into his arms and there was love and sweet and good feeling on all hand. Of course, that feeling was the exterior of a demonic period of human history. Because something feels good, doesn't mean that it is good. There are many people who are in the market for good feeling in religion, who want to be made to feel good, but whose lives are disintegrated, compartmentalized, self-centered, and alienated from God.

Ritualistic Trap

The third trap is what the sociologist Robert Merton called the ritual function. I like that term, though some of its implications may not be too good because we are involved in various kinds of rituals in church. What Robert Merton meant by that was when people confront value conflicts, they tend to deal with them by affirming one set of values and, as he put it,

ritualizing the others. You'll do one thing, the thing you really want to do, and then you will pretend to do the other. Maybe that's unconscious, but how many ways there are in which we ritualize effective actions. We make it appear that something is happening when it really isn't. The best illustration of that probably is the Congressional study. There are a lot of difficult, tough problems in our society. But if you have all sorts of interest groups and conflicting constituencies and you have the problem of satisfying everybody at once, you'll vote one way, and then you'll contrive a way to *appear* to be voting the opposite way. One very effective way to do that is by commissioning yet another study. There can never be too much study, can there? We really need to know what we're doing before we do it, and so we pour a few more million into a study. There have been all sorts of studies of poverty, for example. We know more about poverty—but we keep repeating our studies of poverty—sometimes that's a better way of dealing with it than actually dealing with it. We study the energy problem. Mark you, I'm not opposed to study, but sometimes the function of that study can be to avoid action and not actually to have action.

Now, the ritual trap is a particularly inviting one to the churches because we can sometimes symbolically help people to feel that they're dealing with real issues when they're really not. I'm in favor of doing all we can to help refugees, for instance, but I could imagine—and this is sometimes the case—a church might take a Cambodian family or a Cuban family in tow and do good things for that family and it's important for them to do it. But that could be a substitute for everything else. Or, what's even worse maybe, getting together the Christmas basket to give a poor family at Christmastime and feel that you really have done something important in the poverty circumstances of that family. So, we need to avoid that as a trap.

Now, again, I'm not saying these are not good things to do. But don't let them be a substitute for the broader things.

Trap of Hopelessness

Now, the final trap is to surrender to helplessness and hopelessness in the face of the great complexity, the immensity of the problems we face. A lot of people in our society have given up. How many people you hear who say, "Well, it doesn't really much matter who we elect as president because no president can make any difference anyway." I think a lot of people really believe that. And the more we emphasize the complexity and the immensity of the problems, the more we may encourage ourselves and others to give up in hopelessness. Now that's a trap.

Samuel Taylor Coleridge, the great English poet had a line in one of his poems that I think is well to ponder. He said, "Work without hope draws nectar in a sieve, and hope without an object cannot live." We have to have concrete hope. One of the things I've always admired about Southern Baptists (and about Texans, too, if I may say so) is you may be wrong nine-tenths of the time, but you don't give up on it! There is a vigor and a pragmatism and a can-do-it attitude—well, I think that's profoundly Christian. Accept challenges and deal with those challenges; don't surrender. I like that line we sometimes sing in an old hymn to the effect that, "In work that keeps faith sweet and strong, in trust that triumphs over wrong." To be engaged with problems and not to surrender to them. There is a kind of a knowledge that comes through that commitment, too, when we don't surrender to difficulties, we get engaged with the world. We may make a lot of mistakes, but we learn through those mistakes. You're less mystified the next time around. The church needs to acquire that kind of experience by not surrendering to the trap of hopelessness.



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