

FROM WASHINGTON OFFICE
W. BARRY GARRETT, REGIONAL EDITOR
1628--16th St., N. W., Washington, 9, D. C.
Telephone: ADams 2-1760

July 2, 1959

Proposes Special Tax Exemption For Churches

WASHINGTON --(BP)-- Shall churches and their agencies be exempt from Federal excise taxes on transportation and communications?

Proposals pending in Congress have been offered to amend the Internal Revenue Code of 1954 so as to exempt the churches and their agencies from the 10 per cent tax on transportation tickets, phone calls, telegrams, etc. Last year non-profit educational institutions were exempt from this tax.

In the recent tax bill passed by Congress, the Senate struck out the transportation and communications tax, but it was included in the House version of the bill. The Senate-House Conference committee compromised by agreeing that on June 30, 1960, these particular taxes shall be reduced by 50 per cent. In the meantime Congress can make exceptions to the current rule, and preferential legislation favoring the churches can be passed if it is found expedient to do so.

Since educational institutions were exempt last year, there has been a rising demand that "religious" persons and institutions also be exempt. The Inter-church Transportation Council of Chicago is urging church people to support House Resolution 7625, introduced by Rep. Burr P. Harrison (D., Va.), and H.R. 7358, introduced by Rep. Sidney R. Yates (D., Ill.). These two measures would give the churches and their agencies special exemptions from the transportation and communications tax.

On the other hand there is another group of churchmen, gradually becoming more vocal, who are urging the churches to restudy the whole problem of tax exemptions for churches and their agencies. They are saying that the churches and religious people should pay their way for services rendered by the public along with the remainder of the citizenry. A recent editorial in a national religious weekly made the plea that the gulf between clergy and laity is already too wide and that it should not be made wider by making special tax exemptions for religious persons and institutions.

Yet others are pointing out that if the entire war-time transportation and communication tax were repealed, there would be no church-state problem and that all groups in the nation would share alike in the relief thus given.

-30-

Plan Proposed For U.S. Mission To Vatican

WASHINGTON --(BP)-- An "unostentatious beginning" of diplomatic relations with the Vatican has been proposed to the Senate Foreign Relations Committee, of which J. W. Fulbright (D., Ark.) is chairman.

The proposal is that a permanent Charge d' Affaires be appointed by the State Department, thus requiring no Congressional approval or special allocation of funds. It is recommended that the procedure "function quietly and without attracting too much attention" in order that the "non-Catholic opposition in the United States would lose some of its momentum as it grew accustomed to the fact that we had someone at the Vatican."

-more-

The recommendation concludes, "Those who are objecting today might even become convinced with time that U. S. official contacts with the Holy See had nothing whatever to do with religious matters, but were concerned solely with our national security, as, of course, would be the case."

The recommendation is found in a current "Study of United States Foreign Policy, Summary of Views of Retired Foreign Service Officers," prepared for the Committee on Foreign Relations of the United States Senate. Those expressing their views were deliberately kept anonymous, and at points the study was highly critical of current United States' foreign policy.

In the arguments for a U. S. mission at the Vatican it was asserted that since the United States is the chief champion of peace and stability in the political, economic and social field, and since the Roman Catholic Church "is the implacable foe of atheistic Communism," therefore "the United States has no better ally in its struggle against the Communist ideology and in the preservation of Christianity."

The retired Foreign Service officer stated that since the Vatican directs the moral and religious lives of over 300 million persons, it has developed a system of communications channels and gathers information that could be valuable to the United States Government, but which might not otherwise be available.

The furtherance of the good neighbor policy with Latin America was also cited as an argument for establishing diplomatic relations with the Vatican. It was pointed out that when the President formerly had a personal representative stationed at the Vatican, this arrangement was highly pleasing to the representatives of the Latin American countries. "A permanent U. S. mission to the Holy See," it was claimed, "would tend to renew and increase to our advantage this favorable impression."

Assuming that permanent diplomatic contact with the Vatican should be no longer delayed, the anonymous retired Foreign Service officer proposed his plan for this to be accomplished. He recognized that a full-fledged permanent American ambassador is out of the question at the moment, both because of opposition within the United States and because of dissatisfaction in the Vatican itself with representation of an equivocal or temporary nature.

-30-

Baptists Will Want To Observe Education Week

WASHINGTON --(BP)-- American Education Week, Nov. 8-14, has been proclaimed by President Dwight D. Eisenhower.

Pointing to public education as the "primary instrument of democracy" the President called all citizens to "display to the world and to ourselves our pride" in our schools.

"The lessons of today," he said, "emphasize the fact that individual freedom, responsible democracy, and a rising level of living, demand the full strength of a highly trained and dedicated citizenry." He then asked proper observance of American Education Week by "giving our loyal and intelligent support to our schools and to the teachers who have dedicated their lives to the advancement of their students, the children of America."

In commenting on the President's proclamation, C. Emanuel Carlson, executive director of the Baptist Joint Committee on Public Affairs, said that "few if any religious movements have been stauncher friends of public education than the Baptists have been."

"While devoted to a program of religious education through the churches," Carlson continued, "Baptists have uniformly given full support to the cause of general education for the whole community. Rarely, if ever, has a Baptist

-more-

voice been raised in support of an ecclesiastical power which makes people dependent on the church or the clergy for their knowledge of the three R's, for social competence, or for the skills of leadership."

Carlson suggests that "Baptist ministers and publications will want to respond enthusiastically to the President's proclamation. As the proclamation implies, the failure of public education in the U. S. may well mean the decline of the free way of life which we cherish as Americans."

It is significant that a religious liberty conference on education will be conducted by the Baptist Joint Committee on Public Affairs a month before the American Education Week. The subject of the Baptist conference will be the relation of the churches to the public schools and the place of religion in education.

BAPTIST FEATURES

PRODUCED BY BAPTIST PRESS

A BAPTIST NEWS SERVICE

Special reports on Baptist programs,
activities, trends, and newsmakers.

FROM WASHINGTON OFFICE
W. BARRY GARRETT, REGIONAL EDITOR
1628—16th St., N. W., Washington, 9, D. C.
Telephone: ADams 2-1760

July 2, 1959

Washington Office Reports
Church-State Legislation

By W. Barry Garrett*

WASHINGTON --(BP)-- The month of June witnessed another flurry of bills introduced in Congress with church-state problems and implications. These bills range all the way from direct special privilege legislation for churches to almost imperceptible implications. All of them, however, are part of a pattern of closer coordination of the work of the churches and the functions of government.

The Report From The Capital, monthly newsletter from the Baptist Joint Committee on Public Affairs, has reviewed most of the proposed church-state legislation prior to the month of June.

One of the problems in evaluating these proposals is that in many cases the basic objectives are desirable but the manner in which the churches and church agencies are used to achieve them is open to question. The questions perennially arise: "Should the government use the churches for governmental and political purposes? And should the churches use the government for ecclesiastical objectives?" Another question could be asked, "Can desirable humanitarian objectives be accomplished in other ways without entangling alliances between church and state?"

Without taking a position either for or against any of the proposals, and without claiming that we have discovered all bills introduced in June that contain church-state involvements, we offer these as illustrative of continual developments on Capitol Hill.

Aid To Institutions

Two proposals have been introduced in the House of Representatives (H. Res. 7625 and H.R. 7358) which would provide an exemption from the communications and transportation taxes for amounts paid by churches, church organizations and church-owned institutions. Dating from the Korean War there is a 10 per cent excise tax on transportation fares, phone service, telegraph services, etc. The proposed legislation would provide special privileges for the churches by exempting them from this tax. Educational institutions were exempt by Congress last year.

A bill (S. 2241) has been introduced in the Senate to provide funds for educational purposes by providing increased incentives for private giving through the allowance of a tax credit for charitable contributions to institutions of higher education. This bill would allow a tax credit (better than a deduction) based on a certain formula to persons making gifts to colleges.

Since many colleges are church-owned and operated, and since most people would make gifts to private schools rather than to public institutions, the above bill would give the most aid to private and church colleges.

In a \$300 million bill (S. 2170) to be known as the Health Educational Facilities Construction Act of 1959 it is proposed that \$200 million be

-more-

authorized to be appropriated for grants for the expansion and improvement of existing schools of medicine, dentistry, and public health, and that \$100 million for grants be authorized for the construction of new schools of medicine, dentistry, or public health.

While all citizens should be interested in the improved health of the Nation, the church-state problem is obvious in this bill in which it is declared to be "the policy of the Congress to provide funds for construction of health educational facilities for our public and nonprofit medical, dental and public health schools." In recent years the expression "nonprofit" has uniformly been ascribed to religious and sectarian institutions as well as to others.

If this legislation passes as it is now written, the churches and church-related institutions will be faced with a realistic problem of whether or not to accept public funds for the improvement or creation of medical, dental or public health schools.

Governmental interest in the care of orphans is seen in H.R. 7905, which would authorize the donation of surplus Federal property to orphanages. Since many orphanages are operated by churches or church-related groups, this proposal is of special significance because it proposes to make such surplus property available "for utilization by any orphanage." Many choice sites could thus be picked up free by church groups for the extension of their orphanage system.

Aid For Services Rendered

A bill has been introduced in the House (H.R. 7760) "to make grants to the States to assist in the provision of facilities and services for the day care of children." The Secretary of the Department of Health, Education and Welfare would be authorized to work out the rules for the administration of these grants according to approved State plans. Special consideration is to be given to Federally impacted areas.

The church-state problem arises from the fact that the benefits of the bill are not limited to public institutions, and conceivably churches and church institutions could develop extensive and influential day nurseries by the funds provided by the Government where State laws permit. Since the "State plans" suggested may include only supervision of programs, the effectiveness of State limitations is not clear at present.

The proposed Food Act of 1959 (S. 2098) would transfer the distribution of agricultural products to the needy in charitable institutions and family units from the Department of Agriculture to the Department of Health, Education and Welfare, and would establish a food stamp plan for the distribution of food paid for by the Government. The transfer, however, would not apply to the donation by the Government of food commodities for use in nonprofit school-lunch programs and in nonprofit summer camps for children.

The distribution of food products to needy people under this plan is not confined to public agencies, and it would be possible for the churches to develop extensive relief centers largely paid for by public funds. In addition, persons eligible for food stamps, redeemable at approved food stores, would include "every individual in any nonprofit charitable institution, including hospitals, orphanages, homes for the aged and infirm, and other similar types of institutions." This would be a windfall for many church-related institutions.

American Foreign Relations

Two bills (S. 2135 and S. 2192) have been proposed "to promote the foreign relations of the United States" by providing for educational institutions in foreign countries and for a "Center of Cultural and Technical Interchange Between the East and West in Hawaii."

The Hawaiian bill instructs the Secretary of State to make arrangements with "public, educational, or other nonprofit institutions, or otherwise" for such an institution. It provides grants, fellowships, and other payments to scholars from both the East and West.

The other bill for educational institutions in foreign countries does not restrict such funds to nonsectarian or nonreligious schools. The schools to which American public funds would go would probably depend on the educational policies and practices of the particular countries involved.

The week following the Fourth of July would be designated "Captive Nations Week" by S. J. Res. 111. This resolution sponsored by 19 Senators would call annual attention to the nations held captive by "the imperialistic policies of Communistic Russia."

The resolution on captive nations states that they "look to the United States as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties." The particular week would be observed each year "until such time as freedom and independence shall have been achieved for all the captive nations of the world."

The resolution expresses no interest in religious liberty as such and shows no awareness of the situations in which the oppression is engendered by the religious groups themselves.

-30-

*Mr. Garrett is associate director of the Baptist Joint Committee on Public Affairs, Washington, D. C.