



BAPTIST PRESS

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85-54

Experts Say Churches Face
Threats To Tax Exemption

By Stan Hastey

NASHVILLE, Tenn. (BP)—A trio of tax experts dissected the increasingly complicated area of tax exemption and churches during a Nashville meeting on Baptists and the history of church-state relations and warned religious institutions face hard times ahead.

All three—Nashville attorney James P. Guenther, National Council of Churches official Dean M. Kelley and South Carolina state official Flynn T. Harrell—found common ground by agreeing the American tradition of exempting churches from taxes is constitutional and makes good public policy sense. But in tone and approach, each presented a distinct viewpoint.

Guenther, among whose clients is the Executive Committee of the Southern Baptist Convention, warned participants at the conference local, state and federal governments "are frantic in their search for new revenues" due mainly to soaring federal deficits. "There is a growing willingness on the part of government to rethink all tax exemptions, including religious exemptions," he declared.

He further warned that just as the courts and the public now accept that churches may be sued for damage along with corporations, churches should prepare for the prospect of a thoroughgoing reexamination of the philosophy of tax exemption for religious institutions.

One limitation already codified by Supreme Court decision, Guenther noted, rests on the principle that an "over-riding governmental interest"—such as the eradication of race discrimination—may cost religious schools their tax exemptions. That was the issue in the 1983 decision in *Bob Jones University v. U.S.*, he said.

"Now the churches, their institutions, and all the other charities of this country have been conscripted to achieve the public purpose," Guenther declared. "If they don't gee-haw with public policy, they lose their exemption."

He declared further: "Our Baptist institutions exist not to parrot public policy but to proclaim and witness and minister to a world of people with needs and hurts. Our institutions do not exist to serve the shifting ideas of what has been called 'piety along the Potomac,' but to serve the eternal truths of a higher kingdom."

At the same time, Guenther urged Baptist institutions to claim tax privileges carefully, saying "Southern Baptists are in need of an apology for tax exemption" that is "theologically sound." Such rationale is needed "right now as we try to address Congress in the midst of the current tax debate," he said. But, he added, "If we are not careful, we'll come off as simply another special interest group fighting to protect its selfish purposes."

Arguing "Southern Baptists have in their church-state philosophy a tradition steeped in integrity," Guenther said further: "We have said we will not trade free exercise of our religion for the beads and baubles of the great white father in Washington," and while, "the bottom line dollar argument may be an acceptable standard to the world," he concluded, "I am not sure that it is to Christ's church."

Kelley, director of religious and civil liberty for the New York-based National Council of Churches of Christ, decried the Supreme Court reasoning in *Bob Jones* and another decision announced one day before the justices upheld revocation of the South Carolina school's tax exemption two years ago. That reasoning was based on the novel legal idea that tax exemption amounts to a government subsidy.

SOUTHERN BAPTIST HISTORICAL
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While some may believe the court's shift is "technical and of little practical importance," Kelley warned, "they should contemplate a few of the long-term implications." First among them, he said, is the principle that "if tax exemption can be denied or revoked for 'violation of public policy,' then that becomes a sword of Damocles hanging over every voluntary nonprofit citizen organization which might find itself in disagreement with the policies of an incumbent administration."

Kelley, author of a 1977 book, Why Churches Should Not Pay Taxes, also asked "If tax exemption is a 'subsidy,' then may the courts not eventually conclude that churches are not entitled to it at all?"

He argued further if the "subsidy" logic is followed, the legislature is entitled to tax everything and "can discern how best to dispense such largesse." The view also assumes tax exemption is "a favor granted to a private organization for performing public services the state would otherwise have to perform," he charged, although it "is clearly inapplicable to churches, since they do not render a service which government (under the First Amendment) could supply if they did not."

Kelley contrasted the "subsidy" (or tax-expenditure) theory with the "tax-base" rationale, the view non-profit organizations are not taxed "because they do not produce wealth."

Harrell, executive assistant for special projects to the attorney general of South Carolina, told of his conclusion "that the time is propitious for...churches who can afford to do so to consider making some voluntary contribution, in lieu of taxes, for certain services received," including water and sewage disposal, sanitation and trash pick-up, street maintenance, and fire and police protection.

"It is the right and just thing to do," he insisted, "and it will enable us not to compromise our integrity." At the same time, "it would confirm the principle of religious liberty and help to assure the continued freedom of churches to exert their prophetic influence upon public policy."

While agreeing with another landmark Supreme Court decision, the 1970 decision in Walz v. Tax Commission upholding the constitutionality of local tax exemption for church property, Harrell underscored Guenther's warning that in the immediate future, "Pressures will continue for a reexamination of the favored status of tax exempt property."

That pressure is due in part, he said, to the fact that whereas in 1880 the percentage of estimated tax exempt property value in the U.S. was less than five percent, by 1968 it had risen to nearly one-third of the estimated of all real property, both urban and rural.

"I believe there will be growing sentiment for some contribution by churches and church-related organizations" for local services they now enjoy without cost, he declared.

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Southern Baptists, Catholics
Lead RPRC Award Winners

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CHICAGO (BP)—Southern Baptists and Roman Catholics tied for the most awards in the annual De Rose/Hinkhouse Awards competition of the Religious Public Relations Council (RPRC).

Communicators from the two denominations each collected 10 of 51 awards presented at the national, interfaith organization's annual meeting in Chicago, April 24-26. Lutherans, United Methodists and Church World Service of the National Council of Churches followed with six each.

Five of the Southern Baptist awards went to Baptist Sunday School Board, three to the Foreign Mission Board and one each to the SBC Annuity Board and the Alabama Baptist Convention.

Lloyd Householder, RPRC's national president, led the Sunday School Board recipients with two awards. He won a major Best of Class grand prize and a category first place Award of Excellence for a public relations campaign on the board's transition of executive leadership.

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The BSSB's David Haywood won a second place Certificate of Special merit for black and white photography, and three other BSSB communicators tied for second in the television series category. RPRC presented a Certificate of Special Merit to Linda Lawson and Marshall Walker for the Baptist Telecommunication Network (BTN) program, "SBC NewScene," and to Don Fearheiley for "At Home With the Bible."

Foreign Mission Board awards were won by Robert O'Brien, Award of Excellence for news coverage on Southern Baptist hunger relief in Ethiopia; Mike Creswell, Award of Excellence for a feature series on Japan in The Commission magazine, and Mary Jane Welch, Certificate of Special Merit in the newspaper category for the publication, "Focus."

Robert Duck of Alabama Baptists received an Award of Excellence for radio program series, "Alabama News Scope," and Ray Furr of the SBC Annuity Board won an Award of Excellence for the newsletter, "The Years Ahead."

Linda Robbins of the NCC'S Church World Service, Elkhart, Ind., was top individual winner in the competition with six awards. That included a major Best of Class grand prize, won jointly with Frank Frost of Frost Media Associates, Inc., McLean, Va., for a motion picture, "A Spirit of Celebration." Frost and Robbins shared credit for five awards.

Other Best of Class grand prize winners besides Householder and Robbins/Frost were John Bender, The Mennonite Reporter, Elkhart, in the print class for a booklet, "One of the Basics;" George E. Von Kaenal and Richard Welsch of the Roman Catholic Sacred Heart Program, Inc., St. Louis, in the broadcast class for a television special, "We're In This Together", and Jan Burton of Church Women United, New York City, jointly with Fred Erickson and Lani L.J. Olson of the Christian Church (Disciples of Christ), Indianapolis, for a cable TV program, "Peacing Together."

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FTC Rejects Petition
To Limit Alcohol Ads

By David Wilkinson

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WASHINGTON (BP)—Despite losing a round to the Federal Trade Commission recently, leaders in the fight against broadcast advertising of alcoholic beverages remain optimistic.

The FTC voted 4-1 to reject a petition by the Center for Science in the Public Interest and other groups asking that it establish rules banning or limiting the advertising of alcoholic beverages. The commission did say it will monitor individual ads to prevent deceptive or unfair claims.

George Hacker, director of alcohol policies for CSPI and national coordinator for Project SMART (Stop Merchandising Alcohol on Radio and Television), said the ruling was "not unexpected." The FTC petition, which predated Project SMART, was much broader in scope than the current focus on broadcast advertising.

Noting FTC head James Miller indicated the question of alcohol advertising is an issue for Congress to decide, Hacker said congressional action continues to be the primary prize in the ongoing battle.

Project SMART, a nationwide campaign spearheaded by CSPI and endorsed by organizations such as the National PTA, the National Council on Alcoholism, and Action for Children's Television, has encountered stiff opposition from broadcasters advertisers and alcohol industry executives and lobbyists. The campaign has been supported by many religious leaders, including staff members of the Southern Baptist Christian Life Commission which deals with issues related to alcohol and drug abuse.

Hacker said legislation to require equal time to present opposing views to broadcast alcohol ads will be introduced in the House "in the next few weeks." Also, hearings are scheduled to begin May 21 in the Senate subcommittee on telecommunications, chaired by Sen. Timothy Wirth (D-Colo.).

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Hacker said the subcommittee membership increased from 16 to 25 with the new Congress and that most of the new members appear to be "unfriendly" toward any legislation to ban alcohol ads or to require equal time for counteradvertising on the dangers of alcohol.

The subcommittee "is really the broadcasters' territory right now," he said. "Frankly, unless we can drum up more grassroots support, our chances of getting legislation out of that committee are bleak."

The religious community, he added, could be the key to any successful anti-alcohol legislation. He noted Rep. Mike Synar (D-Okla.) told the recent convention of the National Association of Broadcasters that "if the religious groups got involved with the PTA and health groups (to oppose alcohol advertising), that would be a heck of a coalition."

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Pastor Challenges Baptists
Not To Deny Their History

By Stan Haste

Baptist Press
4/29/85

NASHVILLE, Tenn. (BP)—Declaring contemporary Baptists "are marching under the scrutiny of history," a prominent pastor challenged fellow Baptists to "fight to the finish against... pernicious and pretentious revisions and denials of our heritage."

In the concluding address to a conference on Baptists and the history of church-state relations sponsored by the Historical Commission of the Southern Baptist Convention, the Southern Baptist Historical Society and the Baptist Joint Committee on Public Affairs, Detroit pastor Charles G. Adams electrified his audience with a challenge to preserve the Baptist legacy of religious freedom.

"Too much blood has been shed, too many sacrifices for freedom have been made for us casually to surrender our history and our hope," the Harvard-educated pastor of Detroit's Hartford Memorial Baptist Church declared. "We must not allow anyone to revise history to pervert it, or revise the news so that no criticisms of state will be published, or revise reality so that evil is defined as good and good is castigated as evil."

He added: "In these days of euphoric, self-congratulatory, nationalistic, racialistic and religionistic narcissism, we do well to remember our Baptist history and the atrocities that our forbearers suffered...."

A former chairman of and current Progressive National Baptist Convention representative to the Baptist Joint Committee, Adams said "one of God's greatest gifts to humanity is the gift of historical consciousness," which he called "the ability to investigate, commemorate and celebrate the past as we work in the present and look toward the future."

Nevertheless, he said, "we may not be as much in charge of our history as our history is in charge of us.... It is not so much we who examine history as it is history which examines us. It is not so much that we evaluate the past as it is we are evaluated by the past. For better or worse, we must live our days under the telling searchlight of the inexorable past."

As for Baptists, Adams said, "We are living under the invisible watch of Baptist pioneers. We are serving under the judgment of Thomas Helwys, Roger Williams and Isaac Backus. We are marching under the scrutiny of history."

Pointing to those and other early Baptists who fought to apply the biblical doctrine of freedom to political life, Adams warned: "The separation between church and state which guarantees both civil liberty and the free exercise of religion is now being surrendered ironically by the contemporary descendants of those who gave it to us in the first place."

He identified a half dozen key church-state issues on some of which "Baptists are dangerously divided and confused," including prayer in public schools, tuition tax credits, "court stripping," the proposed constitutional convention, an ambassador to the Vatican, and use of public funds for Christian religious observances.

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On proposals for a constitutional amendment to return to the days of state-sponsored prayer in public schools, Adams demanded, "Is there any doubt where Baptists ought to stand?" He answered: "Any cursory perusal of our history will determine our stance against state compulsion of any religious practice. Prayer must be left uncoerced and unenforced. It is voluntary, spiritual, personal and a matter of conscience. It is not to be defined, prescribed or imposed by the government."

And, he added: "Baptists of today must know the rock from which they are hewn and declare to this nation struggling with a crisis of identity, 'We need no help from Congress, no precepts from the president, no public referendum about where to pray, when to pray or who shall pray. Prayer is not on the government's agenda nor should it be; prayer is grounded in faith, allegiance to God, surrender to one's highest and ultimate concern. Prayer is the soul's sincere desire, not the government's instrument of regimentation and conformity."

Adams told the audience of historians and other students of Baptist history, "The worst thing that a Baptist or an American can do is to forget, to lose our God-given historical consciousness." Recalling the preacher described in the Old Testament book of Deuteronomy, he paraphrased the ancient message: "If we remember what the Lord did in Egypt and what the Lord did in America to set the captives free, we will do the right thing...if we remember and are instructed and inspired by the scrutiny of our history."

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National Association
Formed By Secretaries

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NASHVILLE, Tenn. (BP)—More than 600 secretaries meeting in Nashville for the third annual church secretaries conference have voted to form a National Association of Southern Baptist Secretaries (NASBS).

Participants from 32 states agreed the organization would encourage individual growth and professional excellence, provide encouragement and fellowship, offer training opportunities and provide spiritual enrichment.

The recent meeting represented the greatest number of Southern Baptist secretaries ever assembled, according to conference coordinator Lucy Hoskins, who recently retired from the Sunday School Board's church administration department.

"The national organization will give significance to the ministry of secretaries," said Hoskins. She explained the church administration department began providing helps to Southern Baptist secretaries over 25 years ago and will continue to support the national organization which will meet every four years in Nashville.

Membership in the organization will be composed of secretaries and other office personnel in Southern Baptist churches, denominational and related offices. Associate memberships will be offered to secretaries in other denominations who will be given full membership privileges but cannot be elected national officers.

Secretaries joining the association before Dec. 31, 1985 will be considered charter members.

In another business session secretaries elected three officers to head the newly established organization. Peggy Trotter, Columbia Baptist Church, Falls Church, Va., president; Karen Sanders, supervisor/office assistant, family ministry department, Baptist Sunday School Board, Nashville, Tenn., vice-president; and Helen Robinson, Second Baptist Church, Odessa, Texas, secretary-treasurer.

Officers will serve a four-year term.

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