

Religion in America

Taxation of Church Property Undergoing Growing Scrutiny

By LOUIS CASSELS
UPI Correspondent

Should churches pay taxes? That question is undergoing growing scrutiny in America, both by the churches and by the courts. Church property is now immune from real estate taxes in all 50 states and the District of Columbia. The income derived from church-owned business enterprises also is exempt from both federal and state taxation.

Some Americans are opposed to any form of tax exemption for religious organizations. They argue that it is a form of government subsidy which violates the constitutional principle of separation of church and state.

Others contend that the Constitution itself confers tax immunity on churches. They point out that the First Amendment prohibits interference with the "free exercise" of religion, and they assert that if the government had the power to tax religious organizations, it would be in a position to control or even destroy them.

Turn Down Review

Last month, the U.S. Supreme Court refused to review a state court's unanimous ruling that property tax exemptions for churches are constitutional. The high court held, 8-1, that "no substantial federal question" was presented by the case.

This ruling may settle for a while at least the legal debate over tax exemptions for land and buildings which are actually used as places of worship. But there are other areas of controversy which were not covered by this case.

For example, if a church happens to own a profit-making business enterprise—such as a printing plant, a department store, a winery or an apartment house—should the income be subject to the same 52 per cent tax which the federal government would levy on a private corporation engaged in the same business?

Under present law and policy, the Internal Revenue Service makes no attempt to assess income taxes against any business enterprise own-

ed by a church, however remote its activities may be from religious worship. As a result, churches have been going into competitive, profit-making businesses on a growing scale. There are church-owned hotels, bakeries, warehouses, radio stations, office buildings, parking lots, printing firms, and similar businesses in many parts of the country. The Roman Catholic Church and the Mormon Church are most often mentioned in this connection, but a number of Protestant churches are also engaged in tax-free business operations.

Grange News

Phoenix Grange

The lecture program preceded the regular meeting of Phoenix Grange last week with J. H. Creager, of the Pacific Northwest Bell company, explaining how to use the all digit system in making telephone calls and why it was necessary for this development.

Charles Hockersmith and Mervin Hixon both read reports concerning farming and its effect in the country's welfare.

Some hail damage was reported by Vaughn Quackenbush. He said that other areas have been planting Bartlett pears, but that this valley is looking for other varieties at this time.

Mrs. Hockersmith, who reported for the Home Economics club, reminded women how to prepare cookies if they were interested in participating in the fair display.

Mrs. Olive Floyd was elected to become a member of the Grange. She is a former member of Phoenix.

Thirteen members of Phoenix Grange took the fifth degree and became Pomona members during the program at Central Point Grange recently.

Gold Hill Grange

Gold Hill Grange met recently with Master Wilbur Martin presiding. Three candidates were elected to membership and one new member was obligated in first and second degrees.

Reports were heard from standing committees. The lecture hour program consisted of an entertainment, "Modern Times Through Ancient Eyes," presented by the sixth and seventh grade students of Mildred Black.

John Patrick will talk on 4-H work at the Grange meeting June 7. The Grange potluck supper were called off during the summer months because of conflicting activities.

Some Protestants Troubled

Some Protestants are deeply troubled about what they regard as abuses of the tax exemptions granted to churches. The Rev. Dr. Eugene Carson Blake, stated clerk of the United Presbyterian Church, has asserted publicly on several occasions recently that churches should pay regular corporate tax rates "on income from business unrelated to the religious purpose of the church."

Dr. Blake also believes that churches should voluntarily make payments in lieu of taxes to help their communities provide the police and fire protection and other services paid for by local property taxes.

The Baptist joint committee on public affairs has taken the position that "earnings from businesses which have no direct connection with the religious purposes of the church should pay income taxes."

Wins Legal Victories

Although the Internal Revenue Service has been reluctant to challenge the tax-exempt status of any business which is clearly "church-owned," it has been trying to limit the definition of what constitutes a church for tax exemption purposes. And it has recently won two legal victories on this front.

In December, a federal court approved a settlement under which the IRS collected some \$3.5 million in back income taxes from the Christian Brothers of California, one of the nation's largest producers of wine and brandy. IRS contended that the Christian Brothers, although

related to the Catholic Church, performed no "sacred functions" in their wineries, and were therefore not a church.

In February, the Supreme Court sustained an IRS claim that Scripture Press Foundation of Wheaton, Ill., an independent private organization which sells Sunday school materials to many small Protestant denominations, is not entitled to tax exemption. Had Scripture Press happened to be owned by a church, however, it would be tax exempt even if it chose to publish comic books or racing forms.

RADIO STILL POPULAR

Chicago — (UPI) — Radios definitely are not going the way of the buggy whip. Americans bought more radios last year than in any previous year except 1947, a radio manufacturer reported. The 17 million sets sold in 1961 had a value of more than \$340 million, the firm said.

Historian Gives Hobby to Institute

Huntsville, Ala. — (UPI) — Paul H. Satterfield, a historian with the federal space agency here, earned a niche in the Smithsonian Institution with his hobby.

Satterfield, who says he just happened on the hobby — collecting old newspapers — donated to the institution 177 newspapers chronicling the history of American politics. They were added to the Smithsonian's reference department files.

A bachelor, Satterfield began his collection back in the early years of the century with several old newspapers which his family had saved. As he grew older, he amassed a collection which before the donation to the Smithsonian was "crowding me out of the house."

The oldest paper dates to 1896. The Chicago Daily Inter-Ocean, no longer published, sold for two cents a copy, carried no pictures, and editorialized liberally in the news columns.

Now his clipping file receives more attention than the collecting of whole newspapers.

The clipping file, also donated to the Smithsonian, included hundreds of assorted clippings covering politics in bygone years. It closes a gap in historical files caused by an inability to keep a file on bulky newspapers before microfilm recordings was developed.

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HOUND DOG IN FLIGHT — An Air Force XGAM-77A Hound Dog air-to-surface missile is shown flying over the White Sands Missile Range in this picture released by the Pentagon. The Hound Dog, produced for the Strategic Air Command by North American Aviation's space and information services division, has the capability for both high and low level flight following its launch from a B52 bomber. (UPI)

Quotes From the News

BY UNITED PRESS INTERNATIONAL
Moscow — Soviet Premier Nikita S. Khrushchev, upon leaving the Benny Goodman jazz concert: "I don't understand jazz, but I enjoyed the concert."

San Francisco — Miguel Tejada, consul general of the Dominican Republic, commenting on the first anniversary of the death of dictator Gen. Rafael Trujillo: "It is a pity that the death of a man is reason for his countrymen to rejoice... It might even seem sadistic, were it not for the fact that the extermination of Trujillo also put an end to a reign of terror that lasted 32 years..."

Miami — The Miami Herald, in an editorial comment on President Kennedy's cancellation of his subscription to the New York Herald Tribune: "All that has happened to the Herald Tribune is to get banned at 1600 Pennsylvania ave., or so to speak, in Boston."

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Home Laundry "ALL" Size \$4.95 Value \$4.19

Lux Liquid (King Size) 89¢

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SUNSHINE HYDROX COOKIES 2 Large 1-lb. pkg. 89¢

HAWAIIAN PUNCH 3 46 oz. Tins \$1

Betty Crocker ANGEL FOOD CAKE MIX pkg. 39¢

Heinz Assorted RELISHES Hamburger, Hot Dog, Barbecue Sweet Relish, India Relish 4 Jars \$1.00

White Star Chunk Tuna 3 large tins 89¢

Corned Beef Hash 2 15 1/2-oz. tins 69¢

Roast Beef With Gravy 12-oz. tin 49¢

Chicken Stew With Dumplings—Large 24-oz. tin 59¢

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