



From the Desk of the Executive Director

The Churches and the IRS

By James E. Wood, Jr.

I

There is a mounting crisis between the churches and the Internal Revenue Service. Signs of this potential crisis were first noted in the proposed rules of the IRS on defining "integrated auxiliary of a church," dated February 11, 1976, which provided for church agencies or organizations not so designated by IRS to file annual informational returns (Form 990). Mandatory exception from the filing of these returns was made for "churches, their integrated auxiliaries, and conventions or associations of churches."

In the delineation of these rules the IRS proposed a "primary purpose" test which said that to be an integrated auxiliary an agency's primary purpose must be to "carry out the tenets, functions, and principles of faith of the church with which it is affiliated. . . . Subsection (b) of Section 6033 carried the definition further by limiting the carrying out of this primary purpose to the promotion of religious activity among the members of the church."

The IRS spelled out its definition of "integrated auxiliaries" with examples (theological seminary, hospital, elementary school, religious youth organization, and old age home) in which the primary purpose test was applied to specific types of church agencies. The proposed rule said, in essence, that even though a church undertakes an activity in carrying out its religious mission, the IRS will determine whether or not that activity's primary purpose is to promote the basic tenets, functions, and principles of faith of the church. For example, with regard to a church orphanage the IRS noted that "although the operation of the orphanage is regarded by the church officials and members as a way of discharging their religious obligations to care for needy children. . . . its primary purpose cannot be to carry out the tenets, functions, and principles of faith of the church." Therefore, the IRS declared, the orphanage cannot be regarded as an "integrated auxiliary of a church." In response to these proposed regulations of February 11, 1976, more than 80 denominations and religious agencies—Catholic, Protestant, Jewish, Mormon, and others—filed statements with the IRS. On June 7, 1976, fifteen of them gave oral testimony before the IRS panel which included the Tax Commissioner himself. The Baptist Joint Committee on Public Affairs did both. All of the testimony, both written and oral, presented by all of the denominations and agencies was, without exception, in opposition to the proposed rules.

II

On January 4, 1977, the final regulation of the IRS on defining "Integrated Auxiliary of a Church" was published in the *Federal Register* (pp. 767-8). The final regulation of the IRS



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eliminated the "primary purpose" test and substituted in its place the test of whether the "principal activity" of an organization or institution claiming to be an integrated auxiliary is "exclusively religious."

In Section 6033 the IRS defined "exclusively religious" to exclude any religious function which could be granted a tax exempt status under Section 501(c)(3) of the Internal Revenue Code. In the words of the IRS, "an organization's principal activity will not be considered to be exclusively religious, if that activity is educational, literary, charitable, or of another nature (other than religious) that would serve as a basis for exemption under Section 501(c)(3)." For example, a church orphanage or a church hospital, since it can be independently classified as a tax-exempt organization under Section 501(c)(3) of the Code, cannot be considered an integrated auxiliary of a church association or convention of churches. It must, therefore, file annual informational returns on Form 990. Interestingly enough, parochial schools are exempted under the discretionary power of the Secretary of the Treasury.

An important element in the final regulation seems to be whether or not the organization or agency has a legal identity of its own. If it does (i.e., it is separately incorporated), it must file a return. If a church organization institution does not have "a legal identity separate from that of the church" it apparently will not be required to file a return. While the words of the final regulation on defining "integrated auxiliary of a church" have been changed from the proposed rules of a year earlier, the net effect is the same.

III

The IRS regulation on "integrated auxiliary of a church" must be regarded as a serious encroachment of government on religion and an exercise of political authority totally unacceptable to the churches. To require an annual informational return (Form 990) on the basis of whether or not an organization is "exclusively religious" does not define "integrated auxiliary," let alone resolve the question of whether or not the organization or agency is an "integrated auxiliary of a church." What is more offensive about the regulation, however, is that the IRS has, in effect, arrogated to itself the highly questionable role of determining what is and what is not "religious" activity of church agencies and institutions. In doing so, the IRS has violated both the letter and the spirit of the First Amendment.

The churches' acceptance of the regulation would be tantamount to their acceptance of the authority of the state to define the role and mission of the churches. (While the IRS speaks specifically of a church or association of churches, the principle is no less applicable and crucial to synagogues, temples, mosques, *et al.*) There is no definition of "religion" in the Constitution and the U.S. Supreme Court has repeatedly acknowledged that it is probably constitutionally impossible to define religion. The definition of "religion," as used in the First Amendment, properly belongs outside the area of government prerogatives. The state may not define religion because, as Chief Justice Charles Evans Hughes wrote in *Cincinnati v. Vester*, "To define is to limit." Hence, under the Constitution each church is the sole source of the definition of its mission and the church alone is capable of determining those agencies or auxiliaries which are integral to that mission.

The annual informational requirements imposed by the regulation would put the Internal Revenue Service in the wholly (See IRS, p. 4)

Baptist Leaders Pray for President Carter

By Carol B. Franklin

WASHINGTON—Leaders from both the American Baptist Churches, U.S.A. and the Southern Baptist Convention met with the First Baptist Church here the night before the inauguration to pray for President Jimmy Carter and his new Administration.

Robert Campbell, executive secretary of the American Baptist Churches, Valley Forge, Pa., prayed for President Carter: "Save him from his friends, who in misdirected devotion, would make his way easy but compromising. Deliver him from the colleagues who, in the name of the party or even the nation, would persuade him from the holy path of righteous leadership for all people."

Bruce Edwards, pastor of the Plains Baptist Church, Plains, Ga., home of President Carter, emphasized the responsibility of Christian citizenship on the part of the people. He said that the Bible teaches responsibility both on the part of the leaders and the followers.

Scheduled to participate in the service but delayed because of traffic jams were Foy Valentine, executive secretary of the SBC Christian Life Commission, Carolyn Weatherford, executive secretary of SBC Woman's Missionary Union, and Glendon McCullough, executive secretary of the SBC Brotherhood Commission.

In his invocation, Charles A. Trentham, senior minister of First Baptist here, stressed the Christian's interaction with God, especially in fulfilling moral obligations.

Others who participated in the program included James E. Wood, Jr., executive director of the Baptist Joint Committee on Public Affairs, James A. Langley, executive director of the D.C. Baptist Convention, Jimmy Allen, pastor of the First Baptist Church, San Antonio, Texas, Edward Hughes Pruden, pastor emeritus of the First Baptist Church, and Welton Gaddy from the SBC Christian Life Commission.

Members of the local church who participated included Charles R. Sanks, Jr., associate pastor, Floyd Davis, deacon, and Mrs. Eleanor Bingham. (BPA)



THOUSANDS WATCH AS CARTER IS SWORN IN—President Jimmy Carter took the oath of office on the Capitol steps as thousands looked on. The President is now a member of First Baptist Church, Washington, D.C. Photo by Bob Harper.

Carter Sworn In as 39th President: Calls for Justice, Mercy, Humility

By W. Barry Garrett

WASHINGTON—President Jimmy Carter took his oath of office with his hand on Micah 6:8 in the Bible given to him by his mother a few years ago.

This prophetic admonition for social justice also set the tone for the new President's inaugural speech. Micah exhorted, "He hath showed thee, O, man, what is good; and what doth the Lord require of thee, but to do justly, and to love mercy, and to walk humbly with thy God."

Carter's 15-minute speech was interrupted frequently by applause and shouts of approval from the crowd of more than 100,000 people who jammed the east side of the Capitol grounds.

Key words in the President's speech were "freedom," "justice," "human rights and dignity," and "a new spirit."

To amplify these concepts, President Carter set forth his goals: "Within us, the people of the United States, there is evident a serious and purposeful rekindling of confidence, and I join in the hope that when my time as your President has ended, people might say this about our nation:

"That we had remembered the words of Micah and renewed our search for humility, mercy, and justice;

"That we had torn down the barriers that separated those of different race and region and religion, and where there had been mistrust, build unity, with a respect for diversity;

"That we had found productive work for those able to perform it;

"That we had strengthened the American family, which is the basis of our society;

"That we had ensured respect for law, and equal treatment under the law, for the weak and the powerful, the rich and the poor;

"And that we had enabled our people to be proud of their own government once again."

At the outset of his speech, President Carter paid high tribute to the outgoing President Gerald R. Ford. "For myself and our nation, I want to thank my predecessor for all he has done to heal our land," he

(See CARTER, p. 7)

Wood Says New IRS Rule on 'Integrated Auxiliaries' Threatens Right of Churches to Define Their Mission

By W. Barry Garrett

WASHINGTON—The Internal Revenue Service (IRS) has defined an "integrated auxiliary of a church" in such a way as to violate the spirit and letter of the First Amendment provision for separation of church and state, according to a Baptist executive here.

James E. Wood, Jr., executive director of the Baptist Joint Committee on Public Affairs, says that this rule by the IRS is totally unacceptable to the churches.

The IRS in the January 4, 1977 *Federal Register* has published a final and official rule amending the Income Tax Regulations of the Internal Revenue Code (section 6033) by defining an "integrated auxiliary of a church." This new rule now has the effect of law.

According to the rule, "the term 'integrated auxiliary of a church' means an organization—(a) which is exempt from taxation as an organization described in section 501(c)(3); (b) which is affiliated (within the meaning of paragraph (g)(4)(iii) of this section) with a church; and (c) whose principal activity is exclusively religious."

"If the churches accept this new IRS rule," Wood said, "it would be tantamount to their acceptance of the authority of the state to define the role and mission of the churches." He continued, "Under the Constitution each church is the sole source of the definition of its mission and the church alone is capable of determining those auxiliaries which are integral to and integrated into that mission."

The IRS rule says "an organization affiliated with a church will be considered an integrated auxiliary if the principal activity of the organization is exclusively religious."

The rule further says, "An organization's principal activity will not be considered to be exclusively religious if that activity is educational, literary, charitable,



or of another nature, (other than religious) that would serve as a basis for exemption under section 501(c)(3)."

"This is an unacceptable concept," Wood contends, "that it is within the competence of the government to determine for a church or its agencies which activity is or is not 'exclusively religious.'"

"There is no doubt in my mind that this offensive new rule by IRS will meet with overwhelming protest from the churches of the nation and that some means will be found to contest it," Wood predicted.

Church-related organizations that are not classified as an integrated auxiliary of a church under the new rule will now have to file Form 990 with IRS. Although the organization may be tax exempt, it will still be required to make extensive financial information reports to IRS.

Proposed rules for defining an integrated auxiliary of a church were published originally in the February 11, 1976 *Federal Register*. On March 26, 1976 the Baptist Joint Committee filed written objections to the proposed rule, and on June

7, 1976 the Baptist Joint Committee joined 14 witnesses at a public hearing before IRS representing the major religious bodies of the nation. The unanimous testimony on that day was in objection to the rule as proposed.

The IRS then rewrote the definition of an integrated auxiliary of a church without further consultation with the churches and published its final version on January 4, 1977.

In defining an "integrated auxiliary of a church" the IRS claims that it is merely carrying out the mandate imposed by Congress in the Tax Reform Act of 1969. The churches, on the other hand, in their testimony at the hearing charged that IRS lacks legislative authorization for the new rule, which, they said, results in the definition of the nature and mission of the church by government.

According to John W. Baker, director of research services of the Baptist Joint Committee, the IRS rewrote its proposed rule extensively after hearing the church representatives. However, he said, the IRS missed the point of objection by the churches and the new rule is as objectionable as the original proposal and on the same grounds.

Wood indicated that the staff of the Baptist Joint Committee has not had time to analyze the full import of the new IRS rule on the denominational and church activities. However, he said that in the near future he anticipates a staff interpretation that will be given extensive publicity, that the Baptist Joint Committee itself will take up the matter in its March meeting and that the religious liberty conference in October will take up the problem of taxation and the churches. (BPA)

IRS

(Continued from page 2)

unacceptable and unconstitutional role of monitoring the internal affairs of a church, association or convention of churches, and their integrated agencies or auxiliaries. It should be noted that Form 990 would require information relating to annual income, expenditures, and salaries and that this information would be available to the press and any other persons requesting it. In the *Waltz* case (1970), the Court, in dealing with the question of excessive entanglement of the state in the internal affairs of the churches, asserted that "the questions are whether the involvement is excessive, and whether it is a continuing one calling for official and continuing surveillance leading to an impermissible degree of entanglement." Inevitably, the regulation would impermissibly entangle the state in the

affairs of the churches. The informational returns would provide a basis for audit and a concomitant mandate to monitor the internal affairs of the churches.

In the light of its legislative history, we do not believe that the regulation properly interprets or carries out the clearly expressed will of Congress in creating Section 6033 of the Internal Revenue Code. Of more immediate concern to the churches is that the regulation, as it now stands, would have an extensive and detrimental impact on a number of church agencies and programs which have been historically viewed by the churches as integral to their ministry and mission. We remain firm in our position, as we communicated earlier to the IRS, that churches rather than the state must make the determination of the nature and degree of the relatedness of an agency or auxiliary to the religious mission of the church.

Census Bureau Rules Out Religion Question in 1980

By Carol B. Franklin

WASHINGTON—In accordance with a new law which forbids requiring a person to give information about his religion, the Bureau of the Census has announced that it will not include a question on religion, even of a voluntary nature, on the 1980 census.

"The Bureau will not ask a question on religion in the 1980 census because of recent congressional action which prohibits such inquiries in a mandatory undertaking such as the decennial census," Robert L. Hagan, acting director of the Bureau of the Census, stated recently.

The new law (PL 94-521) reads, "No person shall be compelled to disclose information relative to his religious beliefs or to membership in a religious body."

The issue of including questions on religion in the Current Population Survey (CPS), a monthly voluntary study carried out by the Bureau, has not yet been decided, according to Hagan.

The Census Advisory Committee on Population Statistics voted in 1976 that the Bureau should evaluate and pursue the idea of asking a question on religion in the CPS. According to the official minutes of that committee, two members strongly opposed this action, but "the large majority" favored it.

David L. Kaplan, assistant director for Demographic Censuses, said in an interview that "the matter of religious questions on the CPS is being held in abeyance." He said that the issue likely will be reviewed this year.

Religious researchers and representatives of some denominations have requested a question on religion on the census many times in the past but the Bureau has decided each time not to include such a question due to heavy opposition.

Business interests, religious statisticians and Roman Catholic and some Protestant groups favor a question on religion. Those most strongly opposed are Jewish, Southern Baptist and Christian Scientist groups, according to A. Ross Eckler, former director of the Census Bureau.

In the last half of the 19th century, the external aspects of religion were tabulated. Data such as the number of church buildings, the seating capacity, and the value of church property were collected during the 1850, 1860, and 1870 census returns. In

1880, there was a question about the number of "Sabbath schools" and organizations for men and women. In 1890, the same question used the term "Sunday schools."

In the present century, this type of inquiry was phased out. However, four mid-term censuses (1906, 1916, 1926, and 1936) collected comparative statistics from religious bodies. The results were published in the *Census of Religious Bodies*. This study



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identified itself as "a census of the religious organizations in the United States rather than of individuals classified according to denominational affiliations." Opposition grew until this was discontinued after the 1936 data were published in 1941.

Serious consideration was given to inclusion of a question on religion in both the 1960 and 1970 censuses but criticism again caused the Bureau to drop the idea.

Proponents requested a religious question on the 1980 census. They cited the value of "religious statistics" in planning for schools, hospitals and other services provided by the churches; in various levels of government; in studying the sociological aspects of ministry; in providing the most reliable data on church affiliation and interfaith marriages; and in the marketing of religious products.

Dean R. Hogue, secretary of the Religious Research Association here, told the Census Advisory Committee that church planning also includes schools and church-related education, matters which are of broad public concern, so that data on religious affiliation, preference, and relationships to the church all need to be taken into consideration. He also noted that private surveys often produce different answers.

Everett L. Perry of the Program Agency staff of the United Presbyterian Church expressed to the Committee the need for more information "in a period of rapid religious change and fragmentation. This need is common to Protestants, Catholics and Jews . . . The sectarian use of the data may be secondary, but it would be

helpful to trace the changes from the social science point of view in order to understand better what is happening in religious life in America," Perry said.

Opponents to a question on religion on the decennial census again voiced strong objections to inclusion of such a question. The issues at stake are religious liberty, the separation of church and state and the individual citizen's right to privacy, according to James E. Wood, Jr., executive director of the Baptist Joint Committee on Public Affairs here.

The American Jewish Committee also expressed concern to the Bureau about the violation of the principle of the separation of church and state.

Kaplan said that mail to the Bureau on the religious question has not been unusually heavy when compared to mail on other issues. He added that the Bureau welcomes the views of citizens on this and other issues. (BPA)

Califano Opposes Federal Funding for Abortion

WASHINGTON—Joseph A. Califano, Jr., incoming Secretary of the U.S. Health, Education, and Welfare Department (HEW), says he is opposed to federal aid for abortion but does not favor a constitutional amendment to outlaw abortion.

He told a Senate confirmation hearing that "I personally believe abortion is wrong. I believe that federal funds should not be used for providing abortions."

However, Mr. Califano said that if the U.S. Supreme Court were to overturn a law passed by Congress last year barring Medicaid payments for abortions, he would abide by the ruling. Congress did, however, permit payments when the life of a woman was endangered or when she had been impregnated as a result of rape or incest.

Mr. Califano's position was challenged by senators who believed the ban against federal aid for abortion discriminated against poor women.

Sen. Robert W. Packwood (R-Ore.) asked, "If a lady wants to have an abortion and does not have the money, is that just tough luck?"

(See ABORTION, p. 7)



MARTIN LUTHER KING SR. BRINGS PRAYER SERVICE MESSAGE—Martin Luther King, Sr., pastor emeritus of Ebenezer Baptist Church, Atlanta, Ga., and father of the slain civil rights leader, presented the message at The People's Prayer Service at the Lincoln Memorial in Washington, D.C. The service was held the morning of the inauguration of President Jimmy Carter. Photo by Bob Harper.

Inauguration Day Festivities Opened at Lincoln Memorial Prayer Service

By Stan L. Haste

WASHINGTON—Just hours before his famous church member was to be inaugurated 39th President of the United States, Pastor Bruce E. Edwards, of Plains, Ga., called upon the nation to support its new leader with prayers and renewed political activism.

Edwards, who has come into the national limelight in recent weeks as President Carter's pastor, presided over a "People's Prayer Service" held at the Lincoln Memorial and attended by an estimated 5,000 persons. Millions more watched on television.

The Plains pastor was joined on the program by Martin Luther King, Sr., Ruth Carter Stapleton, and Metropolitan Opera performers Leontyne Price and Sherill Milnes. In addition, a choir of several hundred voices from churches in the metropolitan Washington area was joined by the Atlanta Boys Choir in performing and leading the singing. The choir was directed by Norman Scribner.

Edwards, whose Plains congregation survived a painful crisis last fall over desegregation, declared that "the man for whom we pray is himself a man of prayer . . . who seeks God's leadership."

Edwards spoke of the appropriateness of beginning Inauguration Day festivities with a prayer service and cited the dependence upon prayer of three earlier national leaders, Benjamin Franklin, Abraham Lincoln, and Martin Luther King, Jr.

He also reminded the audience that another way of helping the nation is by "becoming involved in the political process . . . we are the government."

The elder King, father of the slain civil rights leader and long-time pastor of Atlanta's Ebenezer Baptist Church, opened his brief sermon on a solemn note, recalling that it was 14 years ago that his son stood on the same Lincoln Memorial steps to deliver his famous "I Have a Dream" address.

"I stand here with a bit of reluctance and timidity on these hallowed grounds," he began. "I'm glad to be alive . . . I had no idea I'd ever be here."

King challenged the people to prove their love for Christ in the same way Jesus told Simon Peter he could demonstrate his love—by feeding Christ's sheep.

"The sheep must be fed," he declared. "That's why Martin Luther King, Jr. gave (See FESTIVITIES, p. 7)

Court to Hear Ohio Parochial Aid Case

By Stan L. Haste

WASHINGTON—The U.S. Supreme Court announced here that it will decide this spring whether an Ohio law which provides a wide range of services to non-public school children violates the First Amendment to the Constitution.

Ohio's statute, signed into law in August 1975, replaces a previous one struck down by the high court's decision nearly two years ago invalidating a similar Pennsylvania law. The new law in Ohio provides \$88 million for parochial school children and their parents.

The state of Ohio has engaged in similar aid programs in various forms for the last nine years. Actual payments to parochial schools or parochial school children has flowed virtually uninterrupted during the entire nine-year period.

Ohio's new law was challenged in November 1975 before a three-judge federal district court in a suit brought by several individual taxpayers. In a unanimous decision, that court upheld the law as not violating the First Amendment.

The law provides for many services to children enrolled in nonpublic schools, including textbook loans; loans of "secular, neutral and nonideological" instructional materials; loans of instructional equipment; speech and hearing diagnostic services; physician, nursing, dental, and optometric services.

Also included are therapeutic psychological, speech, and hearing services; guidance and counseling services; remedial services; standardized tests and scoring services; programs for the deaf, blind, emotionally disturbed, crippled, and physically handicapped; and field trip transportation.

The citizens challenging the law's constitutionality before the nation's high court insist that the program is essentially similar to that of Pennsylvania, which was struck down in 1975 (*Meek v. Pittenger*). They accuse the state of Ohio of engaging in a "sham" by enacting the new law which claims to aid children and their parents but not the parochial schools themselves. (See OHIO, p. 7)

Carter

(Continued from page 3)

said. Then in an emotional moment for both Ford and Carter, the two men shook hands as the crowd roared its approval and agreement.

The greatest applause from the crowd came when the new President declared his ultimate goal—"the elimination of all nuclear weapons from this earth."

He said, as the crowd shouted its approval, "We will be ever vigilant and never vulnerable, and we will fight our wars against poverty, ignorance and injustice, for those are the enemies against which our forces can be honorably marshalled."

Carter renewed his pledge for freedom. He said, "Two centuries ago our nation's birth was a milestone in the long quest for freedom . . . I have no new dream to set forth today, but rather urge a fresh faith in the old dream . . . Because we are free we can never be indifferent to the fate of freedom elsewhere."

The new President came down heavily on human rights and dignity. He declared, "We have already found a high degree of personal liberty, and we are now struggling to enhance equality of opportunity. Our commitment to human rights must be absolute, our laws fair, our natural beauty preserved; the powerful must not persecute the weak, and human dignity must be enhanced."

Giving emphasis to the inaugural theme of "a new spirit," Carter said, "The world itself is dominated by a new spirit. Peoples more numerous and more politically aware are craving and now demanding their place in the sun—not just for the benefit of their own physical condition, but for basic human rights."

He then commented: "The passion for freedom is on the rise. Tapping this new spirit, there can be no nobler nor more ambitious task for America to undertake on this day of a new beginning than to help shape a just and peaceful world that is truly humane."

Only two prayers were offered at the Carter inauguration, a contrast to the numerous and lengthy prayers recited at inaugurations in recent previous Administrations. United Methodist Bishop William R. Cannon of Atlanta in the Invocation prayed that God would "save us from the arrogant futility of trying to play God." He asked forgiveness for the corporate sins

of the American people, asserting that "our leaders mirror the people" and that we should not blame national sins on politicians.

Archbishop John R. Roach, Roman Catholic, pronounced the benediction and appealed for a national sense of compassion, for courage to change injustice and for attention to just dissent.

The oath of office was administered to Vice President Walter F. Mondale by Thomas P. O'Neill, Jr., Speaker of the U.S. House of Representatives. The oath of office was administered to the President by Warren E. Burger, Chief Justice of the United States.

Preceding the Inauguration a concert was given by the United States Marine Band under the direction of Lt. Col. Jack T. Kline.

Special choral music was sung by the Atlanta University Center Chorus, an all-black ensemble conducted by Wendell P. Whalum. (BPA)

Festivities

(Continued from page 6)

his life . . . that the least of these may not be forgotten . . . that's why the President-elect is up here."

The crowd at the Lincoln Memorial repeatedly shouted its approval as King preached, perhaps most audibly when he stated that the role of government is to "feed the sheep instead of fleecing them."

The crowd also came alive when Metropolitan Opera star Leontyne Price pierced the cold morning air with the singing of "He's Got the Whole World in His Hands." Earlier, baritone Sherill Milnes sang "The Lord Is My Light and My Salvation."

Yet perhaps the most moving moment of all was saved for last, when thousands joined in singing President Carter's favorite gospel song, "Amazing Grace."

In an interview with Baptist Press after the ceremony, Edwards said he felt good about the service and said he was looking forward to a "good inauguration service." And, in fact, the new President's inaugural address turned out to be as much a sermon as a political speech.

Asked about the health of his congregation back in Plains, Edwards said the spirit is "excellent, probably better than it's ever been." He indicated that the small church's crisis is over and observed that "perhaps some of our problems will be eliminated with Jimmy and Rosalynn coming to Washington." (BPA)

Ohio

(Continued from page 6)

selves, as was the case in Pennsylvania.

"Ohio's latest effort to assist religious schools," attorneys for the citizens argued, "amounts to an end run" around previous Supreme Court guidelines.

The state countered by urging the high court either to dismiss the case or affirm the lower court's decision on grounds that its law "doesn't directly or indirectly put money in the nonpublic school coffers. It simply removes handicaps and enriches the learning opportunities of deprived children."

Attorneys for the state argued also that throughout its nine-year history, Ohio's effort to aid nonpublic schools has demonstrated that it passes First Amendment tests.

At issue in the case is the Establishment Clause of the First Amendment as applied to the Ohio law. In 1975 the Supreme Court reaffirmed a three-part test which programs such as the one in Ohio must pass: (1) the law must have a secular purpose; (2) it must have a "primary effect" that neither advances nor inhibits religion; and (3) the law and its administration must avoid excessive governmental entanglement with religion.

The high court must now decide if Ohio's newest effort to provide public funds to parochial schools measures up to those principles. (BPA)

Abortion

(Continued from page 5)

"The federal government is not the source of all funds," Mr. Califano replied.

He said the Carter administration remains opposed to a constitutional amendment to outlaw abortion, but is willing to initiate legislation to bar federal payments for abortions.

The incoming HEW leader, a 45-year-old lawyer, said the Carter administration plans to stress alternatives to abortion such as family planning services, sex education and better programs for unwed mothers.

Some \$45-\$55 million in federal funds are presently spent annually to pay for 250,000-300,000 abortions, most of them performed under Medicaid for the poor.

Mr. Califano, a Roman Catholic, said he would work to bar abortion from all federal health programs, including any national health insurance plan that is enacted. (RNS)

President Transfers Church Membership

WASHINGTON—On his first Sunday after moving into his new home in the nation's capital, President Jimmy Carter with his wife and family went to Sunday School and joined the First Baptist Church here.

Amy, nine-year-old daughter of President and Mrs. Carter, made a public profession of faith and requested baptism into the 175-year-old church.

The Carters have been active members of the Plains Baptist Church, Plains, Ga. When Carter was elected governor of Georgia and moved to Atlanta, he transferred his membership to a church there and became active in its program.

Other members of the Carter family who joined First Baptist include Chip Carter and his wife, Caron, and daughter-in-law Annette, wife of Jeff Carter, another of the President's sons.

Apparently, the Carters intend to become active church members, not just occasional drop-ins. Fred Gregg, a Washington life insurance executive with roots in Georgia, is the teacher of the couples Sunday School class attended by the Carters. He has asked the President to teach the class and he has agreed to do so once a month.

Charles A. Trentham is pastor of the First Baptist Church, which claims to be the oldest Protestant church in the nation's capital. Organized in 1802, First Baptist is affiliated with both the Southern Baptist Convention and the American Baptist Churches in the U.S.A.

Pre-Inaugural Worship

First Baptist was the site on the morning of inauguration day of a private worship service for the Carter family, Vice President Walter F. Mondale and his family, and members of the new cabinet.

Nelson L. Price, pastor of the Roswell Street Baptist Church, Marietta, Ga., and long-time friend of Carter, preached the sermon. Price was a prayer partner of the new President in his days as Georgia governor.

Trentham read 1 Corinthians 13 and offered a prayer for the new national leaders in which he asked that the personal needs of the first family be met.

John M. Adams, retired chaplain and professor of religion at Macalester College, Minn. and father of Joan Mondale, the Vice President's wife, read several Old Testament passages.

Interfaith Prayer

In another religious service prior to the inauguration, representatives of the Christian, Jewish, and Islamic faiths joined in prayer at the National Shrine of the Immaculate Conception here.

Harold Trammel, pastor of the Mt. Jezreel Baptist Church here and chairman of the Inaugural Religious Activities Committee, said that the interfaith service was a demonstration of "sundry faiths striving to become one in our concern for our country."

The multi-faith meeting joined in a litany written by Jack E. McClendon, pastor of the New York Ave. Presbyterian Church, and led by Violet Ankrum, a Progressive Baptist who is president of D.C. Church Women United.

Among those offering prayers for the nation were William Cardinal Baum, Archbishop of Washington, Rabbi David Z. Ben-Ami of the National Conference of Christians and Jews, Theodore Chelpon of the Greek Orthodox Church, and Mohammed Abdul Rauf, director of the Islamic Center in Washington.

Notice to Subscribers

Because of ever-increasing production costs, *Report from the Capital* must announce an increase in subscription rates. In the four years since our rates last increased, the Baptist Joint Committee on Public Affairs has been placed in the position of subsidizing the publication more and more. We have attempted to keep the increases to an absolute minimum.

The new rates take effect March 1, 1977 and are as follows:

Individual subscription	\$3.00 each per year
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