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DOC NO	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
1	TELEGRAM	J. JOSEPH CLEMENT TO BLACKWELL (PARTIAL)	1	10/13/1981	B6
2	TELEGRAM	COPY OF DOC #1 (PARTIAL)	1	10/13/1981	B6

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Interfaith Conference
of Metropolitan Washington

April 23, 1981

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Treasurer
The Rev. Clark Lobenstine ✓
Executive Director ✓ *Jack*

Rose Infanti
Office of Public Liaison
The White House
Washington, D.C. 20500

Dear Rose,

Enclosed are the names of the key religious leaders in the metropolitan Washington area who provide leadership for the Interfaith Conference. In addition to the members of the Assembly, which is the Interfaith Conference board of directors, we have included a few ministers who work with us quite closely in various areas of mutual concern.

ADMINISTRATIVE GROUP:

The Rev. Canon Lloyd Casson ✓
Chairman
Dr. James Langley ✓
Vice-Chairman
Dr. Michael Berenbaum ✓
Secretary
Ms. Jamilah Ansari ✓
Rabbi Andrew Baker ✓
The Rev. Gabriel Duffy ✓
The Rev. Ernest R. Gibson ✓
The Rev. Charles Helton ✓
The Rev. Sean O'Malley ✓
Imam Rajee Abdur Rashid ✓
The Rev. Ed White ✓

Please call me if you have any questions or need more information.

Sincerely,

Naomi

Naomi U. Kaminsky
Administrative Secretary

Enclosures

Ada Cooper

The Most Rev. Eugene A. Marino
President
The Rt. Rev. John T. Walker
Past President

1419 V Street, N.W., • Washington, D.C. 20009 • (202) 234-6300

Bringing together the leaders of its member faith communities—Islamic, Jewish, Protestant and Roman Catholic—in interfaith dialogue and united work on critical issues facing our metropolitan area.

INTERFAITH CONFERENCE
MEMBER FAITH GROUPS

JEWISH

American Jewish Committee, Washington Chapter
Anti-Defamation League of B'nai B'rith,
D.C.—Maryland Regional Office
Jewish Community Council of Greater Washington
Washington Board of Rabbis

MUSLIM

American Muslim Mission, Inc., Washington Masjid
The Islamic Center

PROTESTANT

African Methodist Episcopal, Second Episcopal District
African Methodist Episcopal Zion, Washington District
Baptist Association of Southern Maryland
Baptist Convention of D.C. and Vicinity
Christian Churches (Disciples of Christ), Capital Area
Christian Methodist Episcopal, Seventh Episcopal District
Church of the Brethren, Mid-Atlantic District
Church of God in Christ
Church of Our Lord Jesus Christ, Bibleway Worldwide
Council of Churches of Greater Washington
Council of Community Churches
D.C. Baptist Convention
Episcopal Diocese of Washington
Lutheran Church in America, Maryland Synod
National Capital Area Association of Friends
National Capital Baptist Convention
National Capital Union Presbytery
Northern Virginia Baptist Association
Potomac River Baptist Association
United Church of Christ, Potomac Association
United Methodist Church, Baltimore Annual Conference

ROMAN CATHOLIC

Archdiocese of Washington

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

TO: MORTON

FROM: Kathy

RE: RELIGIOUS LISTS

From: Episcopal Church, Charles Cesaretti
Sent: List of heads of members churches, NCCC
37 names, Protestant, from all over country

From: Lutheran Council, Charles Bergstrom
Sent: List of heads of offices of Washington Interreligious Staff Council
37 names, all denominations, from Washington area

From: Interfaith Conference, Naomi Kaminsky - Rev. Clark Lobenstine
Sent: 67 names, all denominations, from Washington area
plus 6 additional names, not members of Interfaith Council

From: National Association of Evangelicals, Bob Dugan
Sent: 1. National Association of Evangelicals, member denominations over 10,000
24 names, from all over country
2. Non-Aligned Denominations
31 names, from all over country
3. American Council of Christian Churches, member denominations over
10,000
9 names, from all over country
4. Washington Area RELigious leaders
67 names, from Washington area
5. Conservative Pastors List Addendum
7 names, from all over country
6. Organization leaders
4 names, from all over country .

From: Bob Dugan or Ed Mc Ateer ??
Sent: 3 lists called CONSERVATIVE PASTORS IN D.C. AREA -

1. Conservative pastors in D.C. area
49 names

2. Wednesday morning breakfast group - 24 names

3. Another list - no title - 32 names

From Mc Ateer or Billings -

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

JULY 13, 1981 BRIEFING FOR RELIGIOUS LEADERS IN THE WASHINGTON AREA

10 - 12 noon Room 450 Project Officer Morton Blackwell

Speakers:

Dr. Paul Craig Roberts , Assistant Secretary of Treasury for
Economic Policy
566-2551

Prior to assuming this position, Dr. Roberts was a Senior Fellow in Political Economy at Center for Strategic and International Studies at George town University, He also was a professor of business administration and economics at George Mason Universiy.

He has written articles as an economist for the Wall St. Journal and has been a contributing editor to Harper's Magazine

Bob Carleson , Special Assistant to the President for Policy Development
and Executive Secretary of the Cabinet Council on Human Services.
456-6630

Prior to this, his background was in city management and he was Director of the California Department of Social Welfare and served as U.S. Commissioner of Welfare.

Dr. James Miller III, Administrator for Information and Regulatory Affairs,
Office of Management and Budget and also
395-3864 Executive Director of Presidential Task Force on
Regulatory Relief

Prior to this, he was co-director and resident scholar for the Study of Government Regulation at the American Enterprise Institute for Public Policy Research. He has lectured and served as visiting professor at various universities concerning the economy.

Dr. Manuel H. Johnson, Deputy Assistant Secretary for Economic Policy,
Depar tment of Treasury

Prior to this, he was Associate Professor of Economics at George Mason University and Adjunct Scholar of the Heritage Foundation. He has written for many journals and published three books on theeconomy



DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

DEPUTY ASSISTANT SECRETARY

August 7, 1981

MEMORANDUM FOR: MORTON BLACKWELL
SPECIAL ASSISTANT TO THE PRESIDENT

FROM: Manuel Johnson *MJ*
Deputy Assistant Secretary
for Economic Policy

SUBJECT: Charitable Contributions and the
President's Economic Program

In my speech to Washington, D. C. area religious leaders I mentioned that high tax rates and government spending programs had caused charitable contributions by private donors to decline. IRS Statistics of Income shows that contributions per itemized tax return have generally declined since 1968. Therefore, I argued that the tax and budget reductions would produce new incentives for individuals and businesses to increase their charitable giving.

The larger after-tax incomes resulting from the tax cut should allow persons to make greater contributions to their preferred charity. In addition, reductions in government transfers to charitable organizations should lead to expanded giving from the private sector as individuals and businesses reevaluate their role in caring for the poor and disadvantaged.

Attached is a copy of a study that contains findings supporting my conclusions about the effect of the President's program on charitable giving.

Attachments

The 'crowding-out' effect of governmental transfers on private charitable contributions

*Burton A. Abrams and Mark D. Schitz**

Introduction

Substantial effort has been devoted to developing the conceptual framework and seeking empirical support for the "crowding out" effect of governmental expenditures.¹ While most studies have focused on the economic impact of expansionary fiscal policy actions upon such traditional macroeconomic variables as private investment and the demand for money, some attention has also been directed to assessing the net effect of particular governmental expenditures on private spending behavior.² This paper concentrates on an analysis of a particular category of governmental expenditures — social welfare transfers — and their effect on private charitable contributions.

Table 1 reveals the dramatic growth in governmental social-welfare transfers following World War II. Although total private transfers have also grown during this period, they have done so at a slower rate indicating that, over time, governmental transfers have been shouldering a greater relative share of the social-welfare "burden". Table 1 also provides the somewhat paradoxical statistic that during this same period real charitable contributions per itemized tax return have remained essentially unchanged despite increases (on average) in disposable incomes, marginal tax rates, and in educational attainment — all factors which presumably encourage charitable contributions.

In the following sections we discuss the determinants of private charitable giving and present empirical evidence which suggests that the puzzling failure of private charitable contributions per taxpayer to rise during recent decades is due, in part, to the growth in governmental social-welfare transfers. The outline for the remainder of this paper is as follows: (a)

*Department of Economics, University of Delaware.

Table 1. Federal welfare expenditures and charitable contributions, 1950-1970 (1958 dollars).

Year	Federal welfare expenditures (millions)	Private charitable contributions (millions)	Contribution per itemized return
1950	\$ 6181	\$ 4716	\$273
1952	4518	5454	327
1954	3968	5967	296
1956	4197	6743	295
1958	4481	7221	285
1960	5046	7639	283
1962	5738	8106	283
1964	7055	8766	298
1966	9484	9317	297
1968	13958	10217	302
1970	17180	10358	284

Source: U. S. Bureau of the Census. *Historical Statistics of the United States Colonial Times to 1970* (Washington: Government Printing Office, 1975), pp. 359, 1123-4. "Federal Welfare Expenditures" includes direct and intergovernmental amounts for welfare, education, and health. Private Charitable contributions are by living donors. Internal Revenue Service, *Statistics of Income: Individual Income Tax Returns* (1948-1972) (Washington: Government Printing Office, 1950-1974).

alternative models for the analysis of private contributing behavior are discussed; (b) the variables and statistical tests used to measure government's "crowding-out" of private contributions are presented; and (c) the statistical findings are reported.

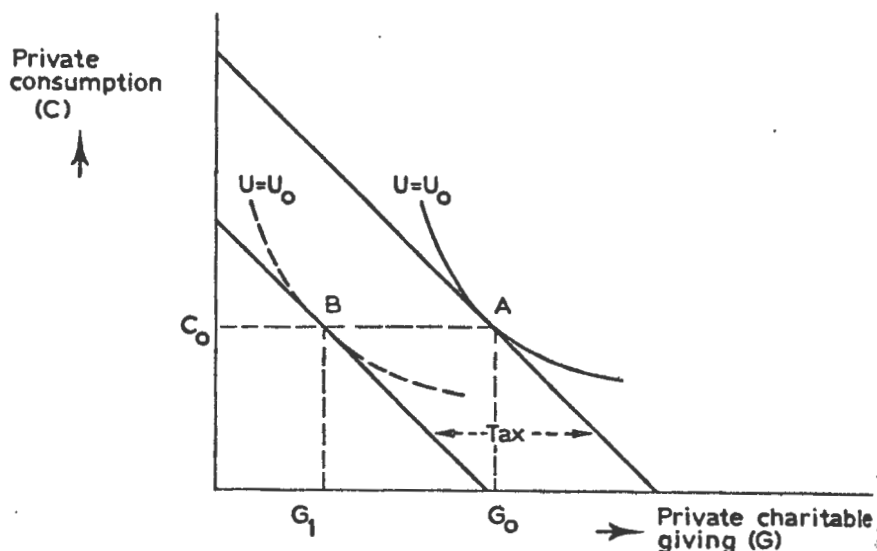
The economics of charity

Earlier studies have noted the "public goods" characteristics of charitable donations but have suggested various motives — such as the desire to do "good" and the desire to avoid social pressure — which overcome the free-rider problem and encourage private charitable giving.³ The "private goods" interpretation of charity permits analysis within the traditional utility-maximization model. The utility-maximizing individual would make private charitable contributions up to the point where the marginal utility of the last dollar donated equals the marginal utility of the last dollar used privately. The extent of an individual's charitable contributions will depend on the individual's utility-preference mapping, his budget constraint, and the relative cost of contributing. The last determinant depends upon the individual's marginal tax rate and whether or not the individual itemizes deductions on his income tax schedules.⁴

Conceptually, the growth in governmental transfers can be expected to exert two distinct influences on private contributions. One is a "substitution effect": increases in governmental transfers lower (*ceteris paribus*) the "social need" for additional private contributions thereby encouraging a substitution of private goods for private charitable transfers. The second is an "income effect": the financing of governmental transfers lowers contributors' disposable incomes and, presumably, the extent of private contributions. Prior theorizing suggests at least three alternative models to formalize these "crowding out" effects:

1. *Ultrarational case.* Applying an ultrarationality assumption developed by David and Scadding (1974), the individual would regard the government sector as an extension of himself. According to this line of reasoning, the individual contributor would perceive the government as an agent or intermediary in the transfer of income from the contributor to the recipient. In the extreme, the ultrarationality assumption would imply the complete crowding out of private contributions by governmental transfers. To illustrate, consider the individual who is allocating \$100 of current income to charitable contributions. If the government were to increase this individual's taxes by \$100 and then transfer the funds in a fashion consistent with the individual's original private contributions, our taxpayer need merely eliminate an equal amount of private charitable contributions to obtain the same utility as before the tax-cum-transfer. This case is illustrated in Figure 1 where both the individual's budget constraint and indifference curves shift horizontally by the amount of the transfer. The individual moves from A to B which maintains the original consumption expenditure but reduces private contributions by the amount of the tax-cum-transfer ($G_0 - G_1$). His implicit contribution — the sum of his private giving and the amount government gives "in his name" — remains the same. Moreover, the ultrarationality assumption indicates the complete crowding-out case also maximizes the individual's utility at the original level.⁵ This model suggests that the appropriate operational measure of governmental transfers for assessing their effect on individual contributing is governmental transfers per donor.

2. *Interdependent utility functions.* A second model of private contributions that would imply partial crowding out is the assumption of interdependent utility functions between contributors and recipients. If the utility which the contributor received from donations is a function of the utility of the recipient, then increases in governmental transfers, *ceteris paribus*, would lower the recipient's marginal utility of an additional contribution. If the recipient's marginal utility is lower, the contributor's marginal utility from an additional contribution is also reduced and his indifference curves would tend to rotate as shown in Figure 2. Thus, higher



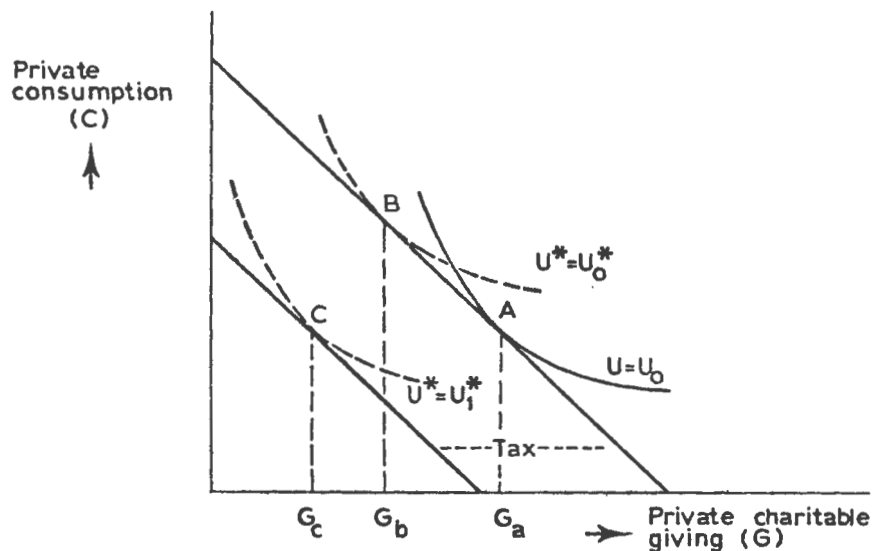
Note: "Tax" represents the tax-cum-transfer for government contributions. The slope of the budget line is $-p_g/p_c$ where p_g is one minus the marginal income tax rate for the individual. It follows that $\text{Tax} = G_0 - G_1$.

Figure 1. The impact of transfers: the ultrarational case.

government transfers alone would lead the utility-maximizing individual to increase expenditures on private goods and reduce charitable transfers until marginal utilities are once again equated, as shown at Point B. Additionally, the tax financing of the transfer would tend to lower the individual's consumption and contribution spending, moving the donor from Point B to Point C. This model suggests that the appropriate operational measure of governmental transfers for assessing their effect on individual contributing is perhaps governmental transfer per recipient or some other proxy that serves to measure the recipient's well-being.

3. *The better-to-give-than-receive hypothesis (BGR).* The contributor's utility function may be completely independent of the utility of the recipient. The satisfaction derived from contributing could be intrinsic to the act of giving itself and, consequently, increased governmental giving, *ceteris paribus*, would have no substitution effect. However, we could still expect an income effect as individuals' disposable incomes are reduced as a result of tax financing of public transfers.

The three models sketched out above suggest respectively that government charitable expenditures substitute completely, partially, or not at all for private charitable contributions. However, these models are merely sugges-



Note: The starred indifference curves are post-transfer curves and reflect the negative impact of the transfers on the marginal utility of private giving. The "substitution" effect from the tax-cum-transfer is $G_a - G_b$ while the income effect is $G_b - G_c$.

Figure 2. The impact of transfers: interdependent utility case.

tive and certainly not exhaustive. For example, the implications of the BGR hypothesis are also consistent with an assumption of complete contributor ignorance of governmental contributions. Prior theorizing, however, tells us nothing about *actual* crowding out and it is to an empirical estimation of this phenomenon to which we now turn.

The variables and regression model

In order to quantify the crowding-out effect of governmental transfers, we estimated three models using a pooled time series of cross-sectional tax return data for the period 1948 through 1972.⁶ The specification for our regression equation takes the following log-linear form:

$$\log G_{it} = \alpha_0 + \alpha_1 \log Y_{it} + \alpha_2 \log P_{it} + \alpha_3 \log T_t + u_{it} \quad (1)$$

Following Feldstein (1975), the subscript t denotes time and i denotes the adjusted gross income (AGI) class of the contributor.⁷ As the dependent variable, private charitable contributing, G_{it} , is the average contribution per itemized federal income tax return for AGI class i and year t .⁸ To control for the actual after-tax cost to the contributor of charitable giving, the "price" of contributing, P_{it} , is calculated by subtracting from unity the

marginal tax rate on the first dollar contributed in the class and year. To control for the influence of income, Y_k measures the average disposable income (before contributions) per return for each income class.

Governmental Transfers. To capture the influence of government transfers on private contributions to charitable organizations, we introduced several alternative measures of public-sector charitable giving. The measures include only those types of transfers or expenditures that seem on *a priori* grounds to be substitutes for private donations.⁹ The first specification and the one that seems closest to meeting the substitution criteria uses federal expenditures on health, education, and welfare (T_1^1). As an alternative, we added the corresponding expenditures by state and local government units (T_1^2). This offers a broader measure of transfers but some components of state and local transfers might be inappropriate (e.g., state and local subsidies of primary and secondary schools) as perhaps no real private charitable counterparts exist for these expenditures. As a third measure of government giving, we added social security and other federal trust fund expenditures to the health, education, and welfare amounts (T_1^3). While the actual net impact of the social security transfer program is open to question, if individuals *believe* the program helps the needy, the program's growth could affect private charitable giving. Although our prior theorizing suggests a per donor (ultrarational model) or per recipient (interdependent utility model) specification for the government transfer variable, lacking data on the number of donors and recipients, all of our transfer variables were entered into the estimating equations in per capita form.

Other Determinants. Presumably, increases in educational attainment and church membership, *ceteris paribus*, would serve to encourage increases in charitable contributions.¹⁰ Unfortunately, the strong time trend for these variables poses a multicollinearity problem with our governmental transfer variable. Because of their expected positive influences on private charitable contributions, omission of these variables from our estimating equations would tend to impose a positive bias on the estimate for the coefficient of our governmental transfer variable.

The Findings

The regression results for three log-linear models are reported in Table 2. Model I uses *federal* expenditures on health, education, and welfare (T_1^1) for the governmental-transfer variable while Model II enters a broader specification which also incorporates the corresponding state and local expenditures (T_1^2). Model III adds federal trust fund expenditures (comprised mainly of social security transfers) to T_1^1 .

Table 2. Private charitable contribution equations, 1948-1972.

	Model		
	I	II	III
Constant	-1.48	-0.35	-2.34
log Y	0.85 (31.37)	0.80 (36.75)	0.81 (35.91)
log P	-1.00 (10.14)	-1.13 (14.20)	-1.10 (13.40)
log T ¹	-0.18 (8.44)	...	...
log T ²	...	-0.27 (13.63)	...
log T ³	...	...	-0.25 (12.80)
R ²	.99	.99	.99
N	136	136	136

Note: Absolute value t-statistics in parentheses. Ellipses denote that variable did not enter that particular model. The dependent variable is private charitable contributions in constant 1967 dollars; Y = disposable income calculated as adjustable gross income less taxes paid plus private charitable contributions times one minus the individual's marginal tax rate; P = 1 minus the taxpayer's marginal tax rate; T¹ = per capita federal expenditures on health, hospitals, education and welfare in constant 1967 dollars; T² = per capita state, local, and federal expenditures on health, hospitals, education and welfare in constant 1967 dollars; T³ = G¹ plus per capita social security transfers in constant 1967 dollars.

The coefficients for the income and price variables have the expected signs and are quantitatively consistent with the findings of Feldstein (1975). The coefficients for the governmental-transfer variables are consistently negative and statistically significant suggesting that increases in governmental transfers have indeed crowded out private charitable giving. The coefficients indicate that a 1 percent increase in governmental transfers (per person) reduces an individual's private charitable giving by approximately .2 percent. Our earlier discussion suggests that a positive bias exists in this coefficient estimate, so this crowding-out effect is perhaps even greater. A

second factor which suggests that this crowding-out effect is a lower-bound estimate is that the coefficient for the governmental-transfer variable measures only a substitution effect as real disposable incomes are held constant.¹¹ Using our Model I estimates, we calculated *total* dollar crowding out for increases in governmental transfers. Substitution and income effects combined indicate a crowding-out effect on the order of 28 percent. This implies that a one dollar increase in governmental transfers lowers private charitable contributing by approximately 28 cents.¹²

Concluding Remarks

The above analysis provides support for the proposition that governmental social-welfare transfers have actually served to attenuate private charitable giving.¹³ Our finding of less-than-total crowding out tends to reject both the ultrarational and BGR hypotheses for society as a whole.¹⁴ However, our results do not preclude the possibility that some contributors have been completely crowded out nor that some contributors have been unaffected by increases in governmental transfers.

The highly aggregative data used in this study may conceal substantially different crowding-out effects for particular types of charitable contributions. Further investigation using microeconomic or less aggregative data should help to identify the categories of private charitable contributions most affected by the growth of governmental transfers.

Notes

1.

For a survey of the literature in the macroeconomic area see Carlson and Spencer (1975).

2.

For examples of microeconomic analysis of "crowding out" see, e.g., Friedman (1962, pp. 80-81), Feldstein (1974), and West (1975).

3.

See, e.g., Ireland and Johnson (1970), Hochman and Peterson (1974), and Long (1976).

4.

The effective price of a deductible charitable contribution is one minus the marginal tax rate, Feldstein (1975).

5.

An exception occurs when the government's transfer exceeds the initial private contribution. Also, the ultrarational approach does not preclude a redistribution of private contributions to bring the public-private mix in line with the original private allocation of contributions. It is important to note here that the ultrarational approach does not allow us to distinguish between income and substitution effects since individuals know that they must eventually finance the government transfer either through direct taxes, government borrowing, or inflation. Finally, an alternative and equally valid interpretation of Figure 1 is that the individual remains at Point A since he views the transfer as part of his own giving, and that the tax remains part of his income. The role of the government is to simply help him spend it.

6.

The source of our data is the Internal Revenue Service's, *Statistics of Income: Individual Income Tax Returns*. For even years the volumes provide the value of itemized contributions by adjusted gross income classes.

7.

The consistent AGI classes reported by the IRS throughout the period 1948-1972 are (in \$1000): 0-1, 1-2, 2-3, 3-4, 4-5, 5-6, 6-7, 7-8, 8-9, 9-10, 10-15, 15-20, 20-50, 50-100, over 100. In the actual calculations we excluded observations where real average AGI was below \$4,000 or above \$100,000. The exclusions make our results consistent with Feldstein and at the lower end generally omit groups with little or no reported contributions.

8.

This and all other dollar-denominated variables are translated into real 1967 dollars.

9.

In 1962, the Internal Revenue Service (1962, pp. 6-8) reported the following breakdown of itemized contributions: Religious Organizations, 61%; Educational Institutions, 4%; Hospitals, 1%; Other Charitable Organizations (Red Cross, United Fund, etc.), 14%; other, 20%. It is not clear where contributions to church-related schools and hospitals were classified.

10.

Feldstein (1975) acknowledges that the rise in college attendance, the increase in transfers, and the changing role of religion can all be expected to impart some influence. He also suggested that the growth of suburbs is an additional determinant. We make no suggestions over the direction of influence for the last factor, although a study using micro data (Feldstein and Clotfelter, 1976) found a higher giving for persons in cities of less than one million persons. No possible link (other than empirical) was suggested between city size and private contributions. The same study also showed education to have a positive but insignificant effect. Our own addition of measures of religion did not affect the crowding-out effects and were generally insignificant and of the wrong sign.

11.

We would be amiss, however, if we did not identify several potential specification problems which require us to be somewhat cautious about our findings. First, Feldstein (1975) previously established a negative time trend for individual charitable contributions. Consequently, *any* single variable which has risen fairly smoothly over time would be likely to produce a negative coefficient. Second, a simultaneous equations bias may exist in our estimates. While increases in governmental transfers may reduce private contributions it could be argued that falling private contributions might induce increased governmental transfers.

12.

The calculations were carried out for mean levels of Model I variables. Non-itemized contributions were not observable but were estimated by adjusting the propensity to contribute on itemized returns for the higher "price" of giving when gifts could not be deducted. We then calculated three separate effects based on the hypothetical assumption that transfers had risen by one percent (i.e., an increase of \$72.6 millions):

Substitution effects:

Itemized:	Itemized gifts	= -\$10.7 million
Non-itemized:	Non-itemized gifts	= -\$ 6.4
Income effect:	$\frac{- \text{Transfer}}{\text{Income}}$	= - 2.9
Total crowding out		-\$20.0 million

Therefore, we estimated that a \$72.6 million increase in government transfers would reduce total charitable contributions by \$20 million. We should note that we have said nothing about the inefficiency of the government in actually allocating these funds to needy recipients. See, e.g., Tullock (1971).

13.

It is important to note that our crowding-out estimates are only for contributions and neglect any effect on private non-deductible spending. For example, Peltzman (1973) and West (1975) have shown that governmental spending on public education has reduced private expenditures. Our estimates suggest that, in addition to lower private spending educational institutions may also be receiving less charitable support as a result of increased governmental spending.

14.

An alternative test of the ultrarational approach is to define $\hat{G}_{it}$ as the sum of private giving and implied public giving for the group and $\hat{Y}_{it}$ as the income the group would have had if the government had not financed the transfers. Both $\hat{G}_{it}$ and $\hat{Y}_{it}$ are calculated by adding T_{it} to the original variables. T_{it} , in turn, is found by multiplying the share of federal income tax receipts going to transfers times actual taxes paid for the group. The ultrarational hypothesis suggests that the relationship between total giving and total income will not be affected by the governments share of giving or their total expenditure. Our results show that this is not the case – either additional variable has a significant negative effect.

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B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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8
9 TO: MORTON C. BLACKWELL, SPECIAL ASSISTANT YO THE PRESIDENT

10
11 DEAR MR. BLACKWELL:

12 I AM WPITING YOU IN REGARDS TO PRESS CLEARANCE FOR "X-POSE" CAMERA
13 CREW FOR YORKTOWN INTERVIEW WITH PRESIDENT REAGAN ON OCTOBER 19TH,
14 1981. WE HAVE ALREADY SECURED YORKTOWN CLEARANCE AND WE WILL BE
15 COVERING THE EVENT. THE CAMERAMAN AND HIS ASSISTANT ALPEADY HAVE
16 SECRET SERVICE PRESS CLEARANCE AND THEIR NAMES ARE:
17

18 JOHN SANDRELL
19 BIRTH DATE: [REDACTED]
20 SOCIAL SECURITY # [REDACTED]
21

22 ASSISTANT CAMERAMAN: ARMANDO MACIAS
23 BIRTH DATE: [REDACTED]
24 SOCIAL SECURITY # [REDACTED]
25

26 PRODUCER: CHARLES DAVID MCCALLY
BIRTH DATE: [REDACTED]
SOCIAL SECURITY # [REDACTED]

WRITER: JOHN JOSEPH CLEMENT
BIRTH DATE: [REDACTED]

SOCIAL SECURITY # [REDACTED]

WE HAVE OBTAINED YORKTOWN PRESS CLEARANCE AND ARE SENDING YOU THIS
INFORMATION TO ASSIST IN OUR OBTAINING WHITE HOUSE CLEARANCE TO
INTERVIEW THE PRESIDENT. I LOOK FORWARD TO SPEAKING TO YOU LATER TODAY.

SINCERELY,
J. JOSEPH CLEMENT, WRITER
CHRISTIAN BROADCASTING NETWORK
TELEPHONE: 804 424-7777 EXT. 2056
TWX: 710 882 4339 CBN CHPK

WHITE HSE WASH

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Collection Name

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Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

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WHITE HSE WASH

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5 WHITE HSE WASH

OCT 9 P3:06

6
7 CBN CHPK
8 10/9/81

9
10 MORTON C. BLACKWELL
11 SPECIAL ASSISTANT TO THE PRESIDENT

12
13 THE FOLLOWING IS A COPY OF TWX/LETTER SENT TO PRESIDENT REAGAN 10/9/81.
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16
17 CBN CHPK
18 10/9/81

19
20 PRESIDENT RONALD REAGAN
21 WHITE HOUSE
22 WASHINGTON, D.C.

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25 PRESIDENT REAGAN,

26
~~I AM WRITING YOU TO REQUEST A VIDEOTAPE STATEMENT FROM YOU FOR A~~
~~TV PROGRAM TO AIR ON THE CHRISTIAN BROADCASTING NETWORK IN~~
~~FEBRUARY 1981.~~

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6 THE PROGRAM, ENTITLED "X-POSE", EXAMINES THE ISSUE OF PORNOGRAPHY
7 IN DETAIL. I AM INTERESTED IN A STATEMENT FROM YOU ABOUT THE
8 FILM INDUSTRY--HOW IT HAS CHANGED OVER THE YEARS, THE POWER IT
9 WIELDS, AND ITS FUTURE.

10
11 "X-POSE" WILL HAVE A POTENTIAL AUDIENCE OF 25 MILLION OR MORE
12 HOUSEHOLDS. WE APPLAUDE YOUR STANCE ON MORALITY IN OUR NATION AND
13 WE BELIEVE YOUR STATEMENT WILL BE OF GREAT INTEREST TO OUR
14 AUDIENCE.

15
16 I HAVE WRITTEN AND CORRESPONDED WITH YOUR ASSISTANT, MORTON BLACKWELL,
17 ABOUT RECORDING A STATEMENT FROM YOU AFTER YOUR APPEARANCE IN
18 YORKTOWN, VIRGINIA ON OCTOBER 19, 1981. I LOOK FORWARD TO YOUR
19 REPLY.

20
21 THANK YOU.

22
23 JOSEPH CLEMENT
24 WRITER/X-POSE'
25 THE CHRISTIAN BROADCASTING NETWORK
26 VIRGINIA BEACH, VA 23463
TWX: 7108824339 CBN CHPK

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10/9/81

MORTON C. BLACKWELL
SPECIAL ASSISTANT TO THE PRESIDENT

THE FOLLOWING IS A COPY OF TWX/LETTER SENT TO PRESIDENT REAGAN 10/9/81.

CBN CHPK
10/9/81

PRESIDENT RONALD REAGAN
WHITE HOUSE
WASHINGTON, D.C.

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CBN CHPK

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

October 8, 1981

TO: Diana

FROM: Morton 

RE: BSA Proposed Panel on Ethical Decisions for
the 80's for Youth and Families

I share your concerns with this proposed panel.

I recommend against the idea. This is simply opening up another can of worms, like the White House Conference on Families. There is no need for this Administration to create another governmental-private battleground on the social issues. There are enough real issues coming up in Congress and in the Departments and Agencies.

THE WHITE HOUSE

WASHINGTON

December 2, 1981

MEMORANDUM FOR ELIZABETH H. DOLE

FROM: MORTON C. BLACKWELL 

SUBJECT: THE CONNECTICUT MUTUAL LIFE REPORT ON AMERICAN
VALUES IN THE EIGHTIES: THE IMPACT OF BELIEF

This September 1981 nationwide study, which explores the nature and impact of belief in American life, contains the following important implications for holding together President Reagan's Winning Coalition.

1. This study suggests that religious and moral beliefs have become the ONE factor that consistently and dramatically affects the values and behaviors of Americans.

This report identifies a cohesive and powerful group of Americans, approximately 45 million strong, as "intensely religious", and demonstrates that religious Americans are more likely to vote often and become highly involved in their local communities.

In addition, another 100 million Americans are catagorized as "religious", and are therefore susceptible to a call to increased religious commitment and morality. According to this report, religion is becoming "a more powerful factor in American life than whether someone is liberal or conservative, male or female, young or old, Black or White." Consider the following:

- The most religious Americans are more likely to vote than the least religious (77% versus 49%).
- The most religious are more likely to do volunteer work (38% versus 6%).
- The most religious are more likely to attend community meetings (34% versus 5%).

When we consider that only half of the registered voters participated in the recent Presidential election, it is clear that any factor which influences political participation is very important.

2. This report indicates that the strength of an individuals religious intensity strongly affects political and social attitudes.
 - The most religious Americans are more likely to consider homosexuality morally wrong than the least religious (87% versus 54%).
 - The most religious are more likely to believe smoking marijuana is morally wrong (87% versus 30%).
 - The most religious are far more likely to say it is very important to do things as a family group (93% versus 58%).
 - The most religious are far more likely to believe that the vote is the main thing that determines how the country is run (64% versus 32%).
3. This study suggests that there is a "moral gap" between the attitudes of elites such as business, government, the news media, education, science and the general public.
 - Elites are much less inclined to feel abortion is wrong than the general public (36% versus 65%).
 - Elites are less likely to feel homosexuality is morally wrong (42% versus 65%).
 - Elites are less likely to believe smoking marijuana is immoral (33% versus 57%).
 - Elites are less likely to feel God loves them (54% versus 73%).
4. This study reveals that religious leaders are more in tune with the general public than any other leadership group, and, as a result, are the group in the best position to lead.
5. This report demonstrates that moral issues have become the leading political issues. These results suggest that President Reagan may not have been elected for his known and admired qualities, but rather, because he was successful in sounding a call to faith in traditional American values.

IMPLICATIONS FOR THE WINNING COALITION

1. This study provides dramatic evidence that the public will support leaders who respond to the public's desire for religious commitment and morality.
2. This report suggests that groups such as the Moral Majority are a part of a more profound cultural shift, rather than an organized special interest trying to convert society to their own belief system.
3. This report reveals that the intensely religious may very well be the most vocal group in the eighties, just as the disenchanted were the most vocal during the sixties.
4. These results indicate that the President can strengthen and expand his Winning Coalition by acting on such moral/social issues as right-to-life. Failing to act might be politically unwise.

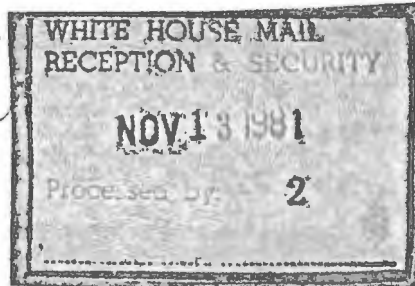
 Connecticut Mutual Life INSURANCE COMPANY

140 Garden Street, Hartford, Connecticut 06155 Tel. (203) 727-6500

Horton
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Robert R. Googins, CLU
Executive Vice President and General Counsel

October 2, 1981



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send FYI to E Dole
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Mr. James Baker, III
Chief of Staff and Assistant to the President
The White House
Washington, DC 20500

Dear Sir:

I am taking the liberty of forwarding a copy of a recent study entitled, The Connecticut Mutual Life Report on American Values in the '80s: The Impact of Belief, which explores the nature and impact of belief in American life.

The report goes beyond a mere recitation of America's most important and deeply felt values. Rather, it explores how and why people make decisions, and how people ascribe values to their actions and their aspirations.

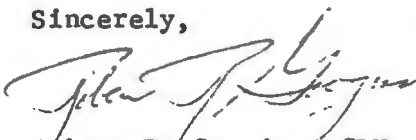
Of particular significance, perhaps, is the suggested gap between the attitudes of our national leaders and the public at large and the impact that religious belief seems to have in value formation and participation in the political process. The report strongly suggests that the degree of religious commitment of the individual is a better predictor of their attitude and behavior than their race, sex, income, occupation or political persuasion.

It is our hope that this study will help all of us to better understand the basic beliefs and core values of Americans -- especially now as we enter a new decade with a broad range of unanswered questions and new challenges.

As the preface points out, some of what these people had to say surprised us, some of what these people had to say concerned us, and some of what they had to say made us feel confident that we are still an optimistic nation.

I hope you find the report useful and will write me about your reactions and any thoughts you may have.

Sincerely,



Robert R. Googins, CLU
Executive Vice President and
General Counsel

RRG/dab
Enclosure

Dear Kathy,

*Morton
This is the
woman who
works with
Bill + Bob
Billings!*

You might share with your little conservative group that they will be well covered by our prayers in the future and to trust the Lord in all things. You are not alone. We are with you.

Much love in the Lord, Bettina

ELISABETH B. VALDIVIA

4530 CONNECTICUT AVENUE, N.W., WASHINGTON, D.C. 20008

TO: INTERCESSORY CORE GROUP
DATE: NOVEMBER 4, 1981
SUBJ.: INTERCESSORY PRAYER FOR WASHINGTON, D.C

Yesterday's election results, the easy triumph of Democratic candidates in the nation's capital and in Virginia, were most discouraging. The fact that at least two Republican candidates were either pro-ERA or pro-abortion made the defeat even worse.

The press, biased as usual, did not report the truth. Washington's Mayor and members of the City Council scared the voters half to death with false information, which the media faithfully broadcast at every opportunity. Democratic candidates received lavish news coverage. Republicans received much less.

Many Christians, the D.C. churches included, are politically ill informed. To compound the problem, we start praying too late -- if we pray at all -- when crucial issues are before the Senate or the electorate.

Bobbie Jean Merck, in her anointed series on intercession*, quotes General McArthur.

The history of failure in war, he said, can be summed up in two words: Too late!

... Too late in comprehending the deadly purpose of a potential enemy ... too late in realizing the mortal dangers ... too late in preparedness ... too late in uniting all possible forces for resistance ... too late in standing with one's friends.

That sounds like spiritual warfare, she continues. Too, we wrestle not against flesh and blood, but against principalities and powers, rulers of darkness, spiritual wickedness in high places. Jonathan Edward said, when God has something great to accomplish for His church, it is His will that there should precede it the extraordinary prayers of His people ...

Satan, because of our ineffectiveness, has dealt us one blow after another: Yesterday's election defeat ... Dissention in the White House, exploited by the press. Clippings sent to foreign governments through local embassies cause havoc in our foreign policy and question the credibility of our Administration ... Local ministries are hampered for lack of support ... The Moral Majority is in serious financial difficulty and Satan would like nothing better than have the movement fold.

We receive much prayer support from spiritually enlightened Christians nationally. But did you know that Atlanta's child murder cases -- despite much national prayer -- were only solved with any speed, when local Christians pulled up their spiritual socks and started interceding in the matter? So it is with us Washington and suburban Christians!

To Intercessory Core Group
November 4, 1981
Page 2

When we realize our responsibility as intercessors, coming together in the Spirit to pull down strongholds and emerge as the offensive force against a lying, stealing and deceiving enemy, we SHALL see the changes that are so needed.

Washington, D.C., next to Jerusalem, is probably the most important city in the world. Other nations, whether they admit it or not, still look to us for help and guidance. God gave us a Christian President and we are fortunate to have Christian men and women in Congress, in the Pentagon and in other branches of our government. However, they are lonely voices in the "pack" that clamors for "rights and freedoms" that have nothing to do with either.

Won't you join us weekly, if not daily, to pray for this city, our President and his staff, members of Congress, our Judiciary and Military branches, the Mayor and this city's government, the pastors and members of the local and suburban churches.

LOGISTICS

This letter will be sent to a "core group" of ten mature and seasoned intercessors to whom I shall communicate needs, such as described above, on a weekly basis. We are committed to set aside each Monday evening from 8:00 p.m. to 9:00 p.m. or longer, to specifically intercede for the nation's capital. So as to avoid the necessity of having to attend one more prayer meeting, we will each remain in our own homes and join together at the same time in the Spirit of Intercession.

The "core group" will, in turn, "recruit" other mature and seasoned intercessors, to whom they will communicate these needs weekly. Each group will purpose to start another group until we are an army of intercessors in and around this city -- all interceding for the same purpose, that of setting it free from the enemy. The ripples of our prayers, like waves, will affect the nation as a whole.

The emphasis, when "recruiting" others into a group, is on mature, Word-oriented and seasoned intercessors. This is not child's play. We need a thoroughly committed, strong group of intercessors who know their enemy and know the power of Jesus. He defeated the enemy, making us victorious.

The Lord bless you and strengthen you as you prepare to join us in taking a stand, in re-claiming territory the enemy has occupied for too long.

With much love,

Bettina Valdivia

Bettina Valdivia

* Intercessory Prayer by
Bobbie Jean Merck,
A Great Love, Inc.
P.O. Box 1248
Toccoa, Georgia 30577

-- the best series (6 tapes) on intercession
I have heard and recommend.

PRAYER FOR WASHINGTON, D.C.

Heavenly Father, in the name of Jesus, I come to you in behalf of the city of Washington, D.C. I make myself available as an intercessor, to stir myself up and to take hold of you, making available your power, dynamic in its working.

Matthew 16:18-19 ... And whatever thou shalt bind on earth shall be bound in heaven; and whatever thou shalt loose on earth shall be loosed in heaven; and the gates of hell shall not prevail against it.

2 Corinthians 4:10 ... The weapons we fight with are not the weapons of the world. On the contrary, they have divine power to demolish strongholds. We demolish arguments and every pretension that sets itself up against the knowledge of God, and we take captive every thought to make it obedient to Christ.

Father, I thank you that the entrance of your Word brings light and that you watch over your Word to perform it. Father, I bring before you the men and women working in the White House, the Executive Branch, on Capitol Hill, in our city's government, the Judiciary Branch, and the pastors of the local churches. I intercede in behalf of these people -- that they would separate themselves from anything that might contaminate and defile them, their spirit, soul and body.

Satan, I speak to you in the name of Jesus. I bind you, the principalities, the powers, the rulers of the darkness, and wicked spirits in heavenly places and tear down strongholds, using the mighty weapons God has provided for us in the name of Jesus.

I bind up that blinding spirit of the antichrist, the spirit of the occult -- astrology, witchcraft, every familiar spirit. I bind sexual immorality, idolatry, obscenity, and profanity. I bind the spirits of alcohol, nicotine, gluttony and drug addiction in this city. I bind worldly wisdom in any form and every opposer of the truth. I bind every deceitful, thieving spirit, including the spirits of strife, pride, deception and the spirit of Jezebel (ruling over the ERA movement).

You are loosed from your assignment against the men and women working in the White House, the Executive Branch, the Judiciary Branch, on Capitol Hill, our city's government, and our local churches (many of which are dead), in the name of Jesus, for they escape from the snare of the devil that has held them captive.

I commission the Ministering Spirits to go forth in Jesus name to police the areas mentioned above, dispelling the forces of darkness. Thank you, Father, that you are a delivering God. Thank you for the intercessors, for the laborers and ministries of this harvest to preach your Word in this city, in Jesus name. Praise the Lord.

PRAYER FOR OUR PRESIDENT AND OUR GOVERNMENT

Scripture references: 1 Tim. 2:1-3; Prov. 2:10-12,21,22; Ps. 33:12; 9:9; Deut. 28:10,11; Rom. 8:37; Prov. 21:1; Acts 12:24.

Father, in Jesus name, I give thanks for our country and its government. I hold up in prayer before You the men and women who are in positions of authority. I pray and intercede for our President, the representatives, the senators, the judges of our land, the policemen as well as the governors and mayors, and for all those who are in authority over us in any way. I pray that the Spirit of the Lord rests upon them.

I believe that skillful and godly wisdom has entered into the heart of our President and knowledge is pleasant to him. Discretion watches over him; understanding keeps him and delivers him from the way of evil and from evil men.

Father, I ask that You compass the President about with men and women who make their hearts and ears attentive to godly counsel and do that which is right in Your sight. I believe You cause them to be men and women of integrity who are obedient concerning us that we may lead a quiet and peaceable life in all godliness and honesty. I pray that the upright shall dwell in our government ... that men and women blameless and complete in Your sight, Father, shall remain in these positions of authority; but the wicket shall be cut off of our government and the treacherous shall be rooted out of it.

Your Word declares that "Blessed is the nation whose God is the Lord ..." I receive Your blessing. Father, You are our refuge and stronghold in times of trouble (high cost, destitution and desperation). So I declare with my mouth that Your people dwell safely in this land and we prosper abundantly. We are more than conquerors through Christ Jesus!

It is written in Your Word that the heart of the king is in the hand of the Lord and You turn it whichever way you desire. I believe the heart of our leader is in Your hand and that his decisions are divinely directed of the Lord.

I give thanks unto You that the good news of the gospel is published in our land. The Word of the Lord prevails and grows mightily in the hearts and lives of the people. I give thanks for this land and its leaders You have given to us, in Jesus name.

JESUS IS LORD OVER THE UNITED STATES OF AMERICA!

P.S. Remember Sandra O'Connor. The Lord, in recent prophesy, told us that The Christians did not pray seriously enough during her appointment. But even though she was not God's perfect choice for this position, we needed to be much in prayer for her as she is under tremendous pressure from various special interest groups. The Lord said that He would turn her heart, but that He would hold us accountable if she fell due to our lack of prayer for her. Also pray for that soon-to-be vacancy in the Supreme Court. God already has a chosen one for that position. Pray that the person be appointed and confirmed, as this will provide the balance we need against our liberal judges in the Supreme Court.

PRAYER FOR MINISTERS IN AND AROUND WASHINGTON, D.C.

Scriptures on which this prayer is based on: Isaiah 11:2,3; 61:1,6; 54.:17; 11 Timothy 1:13,14; Eph. 6:19,20; 1 Peter 3:12.

Father, in the name of Jesus, I pray and confess that the Spirit of the Lord shall rest upon the ministers in and around the city of Washington, D.C., the spirit of wisdom and understanding, the spirit of counsel and might, the spirit of knowledge. I pray that as Your spirit rests upon our ministers, Jesus will make them of quick understanding, because You Lord, have anointed and qualified them to preach the Gospel to the meek, the poor, the wealthy, the afflicted. You have sent our ministers to bind up and heal the brokenhearted, to proclaim liberty to the physical and spiritual captives, and the opening of the prison and the eyes of those who are bound. Our pastors shall be called the priests of the Lord. People will speak of them as ministers of God. They shall eat the wealth of the nations.

I pray and believe that no weapon that is formed against them shall prosper and that any tongue that rises against them in judgment shall be shown to be in the wrong. I pray that You prosper our pastors abundantly, Lord, physically, spiritually and financially.

I confess that our pastors hold fast and follow the pattern of wholesome and sound teaching in all faith and love which is for us in Christ Jesus. They will guard and keep with the greatest love the precious and excellently adapted Truth which has been entrusted to them by the Holy Spirit who makes His home in them.

Lord, I pray and believe that, each and every day, freedom of utterance is given our pastors, that they will open their mouths boldly and courageously as they ought to get the Gospel to the people. Thank you, Lord, for the added strength which comes superhumanly that You have given to our pastors.

I hereby confess that I shall stand behind our pastors and shall undergird them in prayer. I will only say that good thing that will edify our pastors. I will not allow myself to judge them, but will continue to intercede for them and speak and pray blessings upon them in the name of Jesus. Thank you, Jesus, for the answers. Hallelujah!

A President and A Nun

The government has finally admitted what most folks have suspected for a long time: despite decades of extravagant political promises and bloated budgets, the massive bureaucracy called government simply is incapable of solving all (or even most) of America's social ills.

President Reagan made it official last month in a meeting with religious and business leaders, and later in an address to the nation. The government is tightening its belt, he announced, reducing taxes, expenditures, and abandoning a host of less than effective social programs. "Fill the vacuum," the President challenged us; private groups and volunteer efforts should take over those functions being cut from the budget.



Special interest groups who have lived off the federal largesse for half a century howled like wounded coyotes. Demonstrators organized, the press predicted doom, and Congress shuddered.

But the greatest threat to the President's policies comes not from the obvious assault of powerful lobbies, but from a force much more subtle, and deeply ingrained in our culture. It is what can best be described as the massive impersonalization of American life. Let me explain.

Rapid technological advance, government growth and mass communication's pervasive influence have left individuals feeling helpless, little more than observers of the passing parade. The "real" world is that which flashes across the electron tube each night in the family living room.

Steady erosion of a person's sense of participation has had far-reaching and little understood consequences. If what a person does doesn't matter, why do anything? Or, even worse, why not do anything?

Since individuals' actions don't matter, there is no responsibility or accountability. When something goes wrong, it is not "our" fault, it is the "system's." We grow to resent the "system"—that institution we call society—and ultimately, unknowingly, we go to war with ourselves.

Since government has for so long promised to solve all human problems, the citizen sees paying taxes as his sole civic duty. Americans have grown accustomed to believing that the amount withheld from their pay checks satisfies their moral obligation to their neighbors, particularly to the less fortunate. That is why, though we may grumble over high taxes and welfare cheaters, down deep, I suspect, we like the system. After all, it spares us the pain of looking into the vacant eyes of a hungry person, or drying the tears of an abused child. Money is a cheap substitute for human caring.

The Washington Press Corps virtually ignored the President's comments about volunteerism, feasting instead on the President's budget cuts. In doing so, the press totally missed the point. President Reagan is tackling something much bigger than the budget or the economy.

In asking us to get personally involved, to do something for neighbors in need, he is talking about a reformation in American life, in how the individual views his role in society.

The Christian church should need no such exhortation from secular government. It should be leading the way, for our Lord has already commanded us to care for the widows and orphans, to feed the hungry, visit the sick and imprisoned and bear one another's burdens. And it is our great heritage.

Up until this century, evangelicals pioneered schools, built the first hospitals, cleaned up work abuses in the coal mines, provided homes for the poor and orphans, to mention but a few.

And—as so often we discovered when applying biblical teaching—it works! Prison Fellowship now has more than 7,000 active volunteers in the United States, and another 2,000 overseas. They are alive and vibrant, full of purpose and excitement. *They are participants, and they are making a difference.* Prisoners are being changed and so are prisons—institutions in which government has an almost unblemished record of failures.

In this ministry and others like it we see the Gospel, demonstrated through human caring. There is a consistent refrain I hear whenever I visit a prison where our volunteers have been at work: "We never knew anyone cared for us," the inmates say, "but now we know someone does. Jesus does and the PF volunteers do—they care—someone cares." Government programs can't do that, but people can.

Even as the President launched his volunteerism campaign from the White House, another world leader spoke on the other side of the Capitol. Mother Theresa had come to the ghetto area of Southeast Washington, known as Anacostia, to open a convent for nine Sisters of Charity. The press crowded into a church hall to interview the 90 pound Albanian woman whose worn, shrivelled face speaks of the countless thousands of sick and dying she has cared for in Calcutta.

"Why don't you use your influence to start a government program?" One reporter asked. "You could help so many more people that way." Mother Theresa patiently replied that her call is to help people, not begin programs.

That is a baffling notion in a city like Washington, which exists to create new programs, start agencies to administer them and sell newspapers that report about them. Instead of pleading for government grants to combat poverty, Mother Theresa and her Sisters moved into a neighborhood to share it—and to care. They understand the deep spiritual union of what Paul called the "Fellowship of suffering." Unfathomable to a skeptical press corps, it is that fellowship which draws us close to our Lord, who suffered for us.

Mother Theresa's message is plain enough: "Do something for someone else . . . something that goes beyond the realm of a gift, and into the category of a sacrifice . . . for the sick, unwanted, crippled, heartbroken, aged or alone."

Though they come from two different worlds, each in their own way—the President of the United States and the nun from Calcutta—are giving us the same message. It is prophetic, unsettling, even threatening. And we should be grateful that it is.

Chase Coleman

ELISABETH B. VALDIVIA

4530 CONNECTICUT AVENUE, N.W., WASHINGTON, D.C. 20008

November, 1981

I'm writing to commend ALERT, a newsletter sent monthly to Christians across the U.S. and abroad. Bill Billings, the editor and a remarkable man, decided to write the newsletter to give us all an opportunity to become better informed and, by being better informed, work together for the protection, preservation and promotion of the Christian home, school and church in America.

Thomas Jefferson wrote, "Eternal vigilance is the price of liberty." As we have taken our liberty, our freedom, for granted in recent years, much has gone awry in our land. Congress, our courts, government in general, are filled with officials who, appointed by an ill-informed people and often indifferent Christians, made and continue to make decisions that remove government from the people, putting it into the hands of a few unelected and unprincipled bureaucrats who seem more interested in protecting their own jobs than preserving our precious freedom.

To repair the damage, Christians need to become informed, involved and consider their responsibilities as citizens. We must make contact with our congressional representatives who, vigorously solicited by lobbyists of every imaginable persuasion, need to understand that there are still those of us who believe in the biblical principles this nation was founded upon.

ALERT deals with one crucial issue each month ... how it will affect us and what we can do to prevent its passage if it does not serve the best interests of our land and its people.

Since Christians have become more involved, since they have begun to support the nation's leaders in prayer, written letters and otherwise contacted the White House and Congress, major and minor miracles have happened on Capitol Hill. More good can be done if you will join our forces.

May I encourage you to read the enclosed copy of ALERT and, for an annual fee of just \$10.00, afford yourself the opportunity to join those who gladly pay the price of vigilance to preserve our freedom.

Bettina Valdivia
Bettina Valdivia

P.S. If you would like to know more about ALERT or subscribe to it (12 issues at \$10.00), please call or write to Bill Billings, National Christian Action Coalition, Box 1745, Washington, D.C. 20013 (Tel.: 703-941-8962).



ALERT

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July 1981

Family Protection Act of 1981 Introduced

A "new and improved" version of the Family Protection Act was introduced in both the House and Senate on June 17. The chief sponsors in the Senate were Roger Jepsen (R-IA) and Paul Laxalt (R-NV); Albert Lee Smith (R-AL) introduced the bill in the House of Representatives. Laxalt introduced the original bill in the 96th Congress, but it died in committee.

According to Senator Jepsen, the purpose of the act is to "preserve the integrity of the American family, to foster and protect the viability of American family life by emphasizing family responsibilities in education, tax assistance, religion, and other areas related to the family, and to promote the virtues of the family."

Jepsen made it clear that the act will not create a greater role for the federal government in family life. Instead, he points out that certain government policies have undermined and diminished the viability of the family; this act would change or eliminate any federal government policy which diminishes the strength and prosperity of the family.

The bill includes sections which would:

- ★ Reinforce the responsibility and legal rights of parents to direct the religious and moral upbringing of their children.

- ★ Fence the federal government out of the areas of spouse abuse or domestic relations.

- ★ Prohibit the Legal Services Corporation from using any funds for cases involving abortion, homosexual rights, or busing for racial integration.

- ★ Prevent federal funds from being used to promote educational material that denigrates the traditional role of women as it has been historically understood.

- ★ Prevent federal funds from being used to provide contraceptives and abortions to minors unless the parents are notified.

- ★ Reinstatement of the Department of Defense provision that service personnel living separately from their families automatically send home the predetermined "dependent's allowance" for family support.

- ★ Deny federal funds to any organization which uses the funds for the express purpose of advocating homosexuality as a lifestyle.

- ★ Establish a savings plan whereby relatives may deposit up to \$2,500, tax-exempt, per year, to save for a child's education.

- ★ Allow a tax credit of \$250, or a tax exemption of \$1000, for each household which includes a dependent person age 65 or older.

- ★ Allow parents to review textbooks prior to their use in public schools.

- ★ Exempt private schools from the National Labor Relations Board jurisdiction.

- ★ Exempt religious organizations from regulations of affirmative action, quotas, guidelines or actions designed to overcome racial imbalance.

(Continued on page 4)

Promote the Family Protection Act

For the Family Protection Act to be passed, it is going to take the support of thousands of pro-family groups and individuals. Here are some suggestions for promoting the Family Protection Act in your community.

- Write "letters-to-the-editor" supporting the Act. Select one provision of the Act for each letter.

- Monitor your local radio "call in" talk shows. When they discuss issues pertaining to the family, take advantage of the opportunity to "endorse" the Family Protection Act.

- Volunteer to speak to church groups and civic clubs on the Act. If you write us in advance, we can provide you with background information and a speech outline.

- Sponsor a State-wide Family Protection Conference. The NCAC office will help you line up pro-family speakers.

Bipartisan Tax Reduction Plan Introduced

On June 9, Congressmen Barber Conable (R-NY) and Kent Hance (D-TX) introduced a bipartisan tax plan designed to provide tax relief to working Americans and stimulate the economy by encouraging saving and job-creating investment. The plan has the full support of the Reagan Administration. Together with the budget cuts approved by Congress in June, the tax reductions proposed in the Conable-Hance bill will help restore a sound economy with more growth and jobs, and less inflation and government spending. The President claims that the plan will allow the budget to be balanced by 1984.

Among other things, the Conable-Hance plan provides:

- Across-the-board tax rate reductions of 5% on October 1, 1981 and additional reductions of 10% on July 1, 1982 and July 1, 1983.
- Elimination of the "marriage tax" penalty. (Present tax law requires married couples filing joint returns to pay higher taxes than single people living together.)
- A reduction in the top rate on investment income from 70% to 50%.
- Expansion of the Individual Retirement Accounts (IRA) from \$1500 to \$2000 per year.
- Exemption from estate taxes of first \$600,000 (the present exemption is \$175,000), and an increase in the gift tax exemption to \$10,000.

There is, of course, much debate over the various tax proposals. As the debate intensifies this month,

we will witness a number of misleading claims about the plan. The following are some of the FICTION and FACT surrounding the tax debate.

FICTION: President Reagan's tax plan will be highly inflationary.

FACT: It is not inflationary to let working Americans keep more of the money they have earned through productive work, savings and investment as compared with having the government spend the money.

FICTION: The rich aren't paying any taxes so don't give them a tax break.

FACT: The top 1.4 percent of Americans are in the wealthy, upper class—yet this 1.4 percent pays 23 percent of total federal income tax revenues.

FICTION: The lower, middle class is already paying too much in taxes. We need to give them bigger tax breaks.

FACT: The bottom 25 percent of all American workers pay less than one-tenth of one percent of federal income taxes, while the top 50 percent of U.S. workers pay an overwhelming 94 percent of federal income taxes.

House Speaker Tip O'Neill has stated he wants to have a bill on President Reagan's desk by August 1. Please write your Senators and Representatives and encourage them to vote for the Conable-Hance tax bill.

"National POW/MIA Recognition Day"

President Reagan recently proclaimed July 17 to be "National POW/MIA Recognition Day." He called on all Americans to observe the day with appropriate activities and ceremonies. Rep. Ray McGrath (R-NY) suggests that "Americans go to their place of worship on that day and thank God for the courageous men and women who served our nation in that unpopular war. A simple prayer of remembrance would demonstrate our gratitude for those brave Americans who served when their nation called—and who have not yet come home."

All of us are aware of the price Americans have paid for freedom; but were you aware of the fact that there are still *at least* 2,500 servicemen unaccounted for who went to Vietnam to pay the price of defending freedom? Our government cites the following facts: Among the military personnel not released in 1973 at the end of the Vietnam War—113 prisoners of war, 1,178 presumed killed in action/body not

recovered, and 1,237 missing in action (MIA). Among the civilians—25 missing and 16 presumed dead. The government of Vietnam can not or will not explain what has happened to these who have not returned. Might some still be alive? The influx of "boat people" has brought consistent reports of live sightings of Americans still being held in Indochina. There have been more than 300 sightings in all—some as late as last year.

For the families and friends of the MIAs, the Vietnam War is not over. The United States must pursue all available means to learn the fate of these who never returned. An "appropriate activity" for July 17 would be to write the President and urge him to act on this matter immediately. Write: The President, The White House, Washington, D.C., 20500. You can also find out other ways to help by writing: National League of Families, 1608 K Street, N.W., Washington, D.C., 20006. These men must never become our forgotten patriots.

From the Editor. . .

After two years, we finally outgrew our Capitol Hill office. With the growth of the Christian Education and Research Foundation, the establishment of the Christian Voters' Victory Fund, and the launching of our new publication "Focus on Freedom," we needed more room. Last month we moved to a suite of eight offices across the Potomac River in Alexandria, Virginia. It was a cost-saving move as well. Our price *per square foot* is less than half of what we were paying in Washington. Our mailing address remains the same (Box 1745, Washington, D.C. 20013), but our new telephone number is (703) 941-8962.

"Focus on Freedom" is now going into more than 100 churches. If your church has not yet subscribed to this twice-monthly bulletin insert, I encourage you to do so today. I've enclosed a recent copy with this ALERT.

We were saddened to say goodbye to Sylvia Wright

this month. Sylvia has been our bookkeeper for the last year, and is leaving in a few weeks for Irian Jaya. She is going there as a missionary with Unevangelized Fields Missions. Another staff member, Janet Glidden, will be leaving at the end of July. Janet's husband is in the Coast Guard and is being transferred to Massachusetts.

Ever wonder how government and politics works in your state? Several years ago, Third Century Publishers compiled booklets outlining the nature of government and politics in each of the states. These were intended to be supplemental texts to be used with Rus Walton's *In the Spirit of '76*. NCAC has hundreds of these booklets for most states. If you or your Christian school can make use of them, we will be happy to provide them *free* if you will pay the postage. We also have a few copies of *In the Spirit of '76*. (\$4.95) Write Miss Robbie Thomas in our office.

Legislative Update

BALANCED FEDERAL BUDGET

The Senate Judiciary Committee, chaired by Strom Thurmond (R-SC), has approved a proposed constitutional amendment requiring a balanced federal budget. Under the amendment, a budget deficit would be permissible only in war-time or when authorized by a three-fifths majority of both Houses of Congress. The bill must now be approved by a two-thirds majority of Congress, and ratified by the legislatures of at least thirty-eight states. Thirty-one states have already approved resolutions calling for a constitutional convention to consider a balanced-budget amendment.

BOMBING THE NUCLEAR REACTOR

Was Israel justified in bombing the nuclear reactor in Iraq? Rep. Norman Lent (R-NY) thinks so. In a speech to the House of Representatives, Lent reminded his colleagues that "the ruling regime of Iraq—which refers to Israel as the 'Zionist enemy'—has made no secret of its hope of using nuclear bombs against Israel." Iraq refused to sign the 1949 armistice treaty ending the Arab nations' attack on Israel in 1948, and is technically still in a state of war with Israel. Lent called on President Reagan to withdraw the suspension of the sale of four F-16 aircraft to Israel. "Diminishing U.S. assistance to Israel simply adds to the security imbalance already created by the mistaken U.S. decision to sell F-15 fighter planes to Saudi Arabia. We must not act against our own interests," Lent said.

VIOLENT CRIME

Several Members of Congress have expressed concern over the rise in violent crimes in the United States. According to the FBI, violent crime increased by 13% last year. One of every eight households will suffer a violent crime—murder, rape, robbery, burglary or assault—this year. That is an average of one home in every city block. Rep. Jim Sensenbrenner (R-WI) is sponsoring several bills targeted at specific kinds of violent crime. One measure would create a mandatory five-year prison sentence for anyone convicted of using a firearm while committing a federal crime. Another bill would deport aliens taking part in violent political demonstrations. "If they are not willing to abide by our rules, they should not be allowed to stay," said Sensenbrenner. Another measure would deny bail to suspects whose past record suggests they are likely to repeat violent crimes. Rep. Charles Bennett (D-FL) has introduced the Organized Crime Act of 1981 to strengthen current laws, afford greater protection to witnesses against organized crime fighters, and consider community safeguards as a condition of release on bond.

A different sort of crime, but perhaps just as serious, is being considered in the House Criminal Justice Subcommittee. Proposed bill H.R. 2263 provides criminal penalties for excessive violence during professional sports events. Proponents of the bill believe that violence in sports breeds violence in society at large. Opponents argue that violence is a part of American contact sports and should be accepted.

Legislative Update

ABORTION

The National Committee for a Human Life Amendment is encouraging all pro-life citizens to write Senator Orrin Hatch (R-UT) this month, urging him to schedule hearings for a "human life amendment" to restore the right to life to the unborn child. Sen. Hatch is chairman of the Judiciary Subcommittee on the Constitution. Most pro-life leaders agree that a "human life amendment" to the Constitution is the only feasible way to end abortion-on-demand in the United States. Please encourage your friends to write Senator Orrin Hatch, U.S. Senate, Washington, D.C., 20510.

EDUCATION

Student scores on the 1980 Scholastic Aptitude Test, the widely used college entrance examination, again reflected a dramatic drop in the quality of education. The national averages have dropped steadily every year in the past decade. The number of students scoring better than 650 on the verbal part of the test has dropped by 46%; in mathematics, the decline was 22%. Dr. Onalee McGraw, writing in *Education Update*, a publication of the Heritage Foundation, reports that "critics of the SAT's, notably the National Education Association, argue that the scores have declined because the exam itself has become less relevant as school and college curricula change. Many parents would argue that the curriculum has changed because of the educationist policymakers who departed from solid content into an Alice in Wonderland world of psychosocial education."

TERRORISM

The assassination attempt on the life of Pope John Paul II was made by a Turkish man reported to be part of an international terrorist organization. Western civilization was introduced to international terrorism during the 1972 Olympic Games in Munich when terrorists massacred Israeli athletes. The CIA recently reported that casualties of terrorism reached a 12-year high in 1980 when 1,720 persons were killed or wounded. Thirty-five percent of them were Americans. Congressmen John Myers (R-IN) and Dan Crane (R-IL) believe that the United States must take action now to rebuild the security operations of U.S. agencies responsible for combating terrorism in this country. Introducing their bill to restore the House Internal Security Committee, Myers blamed the increase of domestic terrorism on a "largely successful campaign to cripple the preventive capa-

bilities of our law enforcement agencies." Myers reports that "intelligence files have been destroyed and surveillance of violence oriented groups has been curtailed or eliminated. We have seen the abolition of the Internal Security Division of the Justice Department, the Subversive Activities Control Board, the Attorney General's list of subversive organizations, and the House Internal Security Committee. The domestic security elements of the U.S. military have been abolished, as have state and local police intelligence units across the country. Even though bombings inside the U.S. occur at the rate of 2,000 per year, the F.B.I.'s security functions has been all but eliminated." Myers believes that a reestablishment of the House Committee on Internal Security would provide Congress with the ability to formulate legislation to deal with the increasing threat to our security posed by terrorist groups and their supporters.

HONOR AMERICA

Public Law 94-33, signed into law in 1975, states that the twenty-one days from flag day (June 14) through Independence Day (July 4) are established as a period in which to honor America. Every American is urged to celebrate and honor our country in "an appropriate manner." What more appropriate way to honor America than by displaying our country's flag? You can possess a flag that has flown over the United States Capitol. Request one from your Congressman, enclosing a check made payable to (*Congressman's name*) Stationery Account. You will receive a flag and a certificate stating the name of the owner and the date it was flown over the Capitol. The prices vary according to the size and material desired; 3 x 5 nylon flag — \$6.76; 3 x 5 cotton — \$6.85; 4 x 6 nylon — \$8.89; 5 x 8 nylon — \$13.78; 5 x 8 cotton — \$13.89.

(Continued from page 1)

Family Protection Act of 1981 Introduced

★ Prohibit federal agencies from regulating religious activities such as church schools, religious youth homes, and ministries of religious institutions.

Your Senator or Representative can provide you with a complete copy of the bill (S 1378). Write and urge them to co-sponsor the "Family Protection Act of 1981." Senator Jepsen has devoted a great deal of time and effort to this legislation, and he is determined to get it passed. We can and should offer our help.