

We Go On Record: CW Refuses Tax Exemption

Dorothy Day

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Summary: Explains CW finances and why the CW refuses to apply for tax exempt status. Cites Ammon Hennacy and Karl Meyer's tax resistance as nonviolent protest against war. Upholds the principle that governments should never do what small bodies can accomplish. (DDLW #191).

The Catholic Worker has received a letter from the Internal Revenue Service stating that we owe them \$296,359 in fines, penalties, and unpaid income tax for the last six years. As the matter stands right now, there might be a legal battle with delays and postponements which may remind us of Dickens' *Bleak House*. Or, since we will not set up a defense committee to campaign for funds, it may terminate swiftly in the confiscation of our property and our bank account (never very large). Our farm at Tivoli and the First Street house could be put up for sale by government agents and our C.W. family evicted.

Perhaps no one here at St. Joseph's House realizes the situation we are in right now as keenly as I do, having seen so many evictions in the Depression - furniture, clothes, kitchen utensils piled up on the streets by landlords' marshals. The Communists used to demonstrate and forcibly move the belongings of the unfortunate people back into the tenements, but our Catholic Worker staff, a handful of us, begged money and rented other apartments for eight to fifteen dollars a month and moved the evicted families there. What a job! It exhausts me to think of it.

I can only trust that this crisis will pass. Just as we believe that God, our Father, has cared for us, I am sure that some way will be found either to avert the disaster of for us to continue to care for our old, sick, helpless, hungry, and homeless if it happens.

One of the most costly protests against war, in terms of long-enduring personal sacrifice, is to refuse to pay federal income taxes which go for war. The late Ammon Hennacy, one of our editors, was a prime example of this. He earned his living at agricultural labor, always living on a poverty level so as not to be subject to taxes, though he filed returns. Another of our editors, Karl Meyer, recently spent ten months in jail for what the I.R.S. called fraudulent claims of exemption for dependents. He ran the C.W. House of Hospitality in Chicago for many years, working to earn the money to support the house and his wife and children. Erosanna Robinson, a social worker in Chicago, refused to file returns and was sentenced to a year in prison. While in prison she fasted and was forcibly fed. It will be seen that tax refusal is a serious protest. Wars will cease when we refuse to pay for them (to adapt a slogan of the War Resisters International).

The C.W. has never paid salaries. Everyone gets board, room, and clothes (tuition, recreation included, as the C.W. is in a way a school of living). So we do not need to pay federal income taxes. Of course, there are hidden taxes we all pay. Nothing is ever clear-cut or well defined. We protest in any way we can, according to our responsibilities and temperaments.

(I remember Ammon, a most consistent, brave, and responsible person, saying to one young man, "For the love of the Lord, get a job and quit worrying about taxes. You need to learn how to earn your own living. That is most important for you.")

We have to accept with humility the fact that we cannot share the destitution of those around us, and that our protests are incomplete. Perhaps the most complete protest is to be in jail, to accept jail, never to give bail or defend ourselves.

In the fifties, Ammon, Charles McCormack (our business manager at the C.W.), and I were summoned to the offices of the I.R.S. in New York to answer questions (under oath) as to our finances. I remember I was asked what happened to the royalties from my books, money from speaking engagements, etc. I could only report that such monies received were deposited in the C.W. account. As for clothes, we wore what came in; my sister was generous to me - shoes, for instance.

Our accounts are kept in this way: Contributions, donations, subscriptions that come in daily are entered in one book. The large checkbook tells of bills paid, of disbursements. Since we send out an appeal once or twice a year, we have to file with our state capital, pay a small fee, and give an account of monies received and how they were spent. We always comply with this state regulation because it is local - regional. We know such a requirement is to protect the public from fraudulent appeals and we feel our lives are open books - our work is obvious. And of course our pacifism has always been obvious - a great deal of nonviolence to be worked toward.

Christ commanded His followers to perform what Christians have come to call the Works of Mercy: feeding the hungry, giving drink to the thirsty, clothing the naked, sheltering the harborless, visiting the sick and prisoner, and burying the dead. Surely a simple program for direct action, and one enjoined on all of us. Not just for impersonal "poverty programs," government-funded agencies, but help given from the heart at a personal sacrifice. And how opposite a program this is to the works of war which starve people by embargoes, lay waste the land, destroy homes, wipe out populations, mutilate and condemn millions more to confinement in hospitals and prisons.

On another level there is a principle laid down, much in line with common sense and with the original American ideal, that governments should never do what small bodies can accomplish: unions, credit unions, cooperatives, St. Vincent de Paul Societies. Peter Maurin's anarchism was on one level based on this principle of subsidiarity, and on a higher level on that scene at the Last Supper where Christ washed the feet of His Apostles. He came to serve, to show the new Way, the way of the powerless. In the face of Empire, the Way of Love.

And here in small groups we are trying to talk of these things in the midst of the most powerful country in the world, during wartime, with the imminent threat of being crushed by this government, all because of principle, a principle so small and so important! It is not only that we must follow our conscience in opposing the government in war. We believe also

that the government has no right to legislate as to who can or who are to perform the Works of Mercy. Only accredited agencies have the status of tax-exempt institutions. After their application has been filed, and after investigation and long delays, clarifications, intercession, and urgings by lawyers - often an expensive and long-drawn-out procedure - this tax-exempt status is granted.

As personalists, as an unincorporated group, we will not apply for this “privilege.” We have explained to our donors many times that they risk being taxed on the gifts they send us, and a few (I can only think of two right now) have turned away from us. God raises up for us many a Habakkuk to bring his pottage to us when we are in the lion’s den, or about to be, like Daniel of old.

Frankly, we do not know if it is because the government considers us a danger and threat that we are faced by this crisis. I beg the prayers of all our readers, whether they are sympathetic to us or not. I’m sure that many will think me a fool indeed, almost criminally negligent, for not taking more care to safeguard, not just the bank account, but the welfare of all the lame, halt, and blind who come to us.

Our refusal to apply for exemption status in our practice of the Works of Mercy is part of our protest against war and the present social “order” which brings on wars today.