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After debt ceiling crisis, real work on US social policy lies ahead

by Jerry Filteau



Faith leaders pray inside the U.S. Capitol rotunda in Washington July 28. They called on Congress to reach a budget agreement that protects the nation's most vulnerable. Members of the group of about a dozen were arrested after refusing to disperse at the request of Capitol police. (CNS/Reuters/Joshua Roberts)

Analysis

WASHINGTON -- Now that the so-called debt ceiling crisis is over for the time being (no one except a few tea party Republicans were actually willing to cast the United States into a political and economic quagmire that could have thrown this country and the entire world into a new Great Depression), the real work on future U.S. social/tax policies begins.

Almost no U.S. Catholic leaders have aligned themselves with the adamant Republican insistence on no tax increases for the very wealthy.

If lay Catholic allegiance to the church's social teaching on economic issues comes to play a major role in the next election cycle, it could spell the death of the tea party movement and a resurgence of the Democratic Party unseen since FDR's New Deal era, when Roosevelt oversaw policies of a minimum wage, a Social Security system for the elderly, and an end to child labor -- all elements of Catholic social teaching that became an integral part of the U.S. social and political culture.

In the current economic/ social/political upheaval, Catholic leaders have insisted that, if anything, the shared sacrifice demanded in recent months in the name of fiscal responsibility by both parties must include a substantive, equitable sharing of sacrifice by the well-to-do in coming years.

They also insist that upcoming federal policies must alleviate the burden of the nation's middle class and poor -- the 80 to 90 percent of Americans who continue to be hit much harder by current and projected economic sacrifices than the economically elite who are sheltered from such vicissitudes by their wealth and their extraordinary tax breaks.

In particular, a number of Catholic and other Christian leaders have called for action to reverse the dramatically expanding wealth of a very few at the expense of the classes of upper-middle, middle, lower-middle or poor Americans.

Perhaps a key argument -- not yet effectively utilized by church leaders, despite its potential populist and political appeal -- is that Republican insistence on continuing the Bush-era tax cuts for the very rich undermines not only the nation's economic recovery but the very democracy on which the United States has been built for more than 200 years.

In both short- and long-term analysis, the U.S. bishops and other Catholic and Christian leaders have been saying that the nation's budget cannot be balanced on the backs of the poor and middle class and requires shared sacrifice by all -- including the nation's richest people.

From Catholic leaders have come the following in recent days:

- "Our nation must be fiscally responsible in morally responsible ways," said the heads of Catholic Relief Services (Kenneth Hackett) and the U.S. Conference of Catholic Bishops' Committee on International Justice and Peace (Bishop Howard J. Hubbard of Albany, N.Y.) in a July 29 letter to Congress protesting dramatic budget cuts in foreign aid for humanitarian projects assisting the poor in some of the world's neediest nations.
- "A just framework for future budgets cannot rely on disproportionate cuts in essential services to poor persons," two bishops' conference committee chairs, Hubbard and Stockton, Calif., Bishop Stephen E. Blaire of the bishops' domestic policy committee, said July 29. "It requires shared sacrifice by all, including raising adequate revenues, eliminating unnecessary military and other spending, and addressing the long-term costs of health insurance and retirement programs fairly."
- "While a national economic crisis has been avoided, the mandated cuts to domestic programs have the potential to cause an even greater economic crisis for the nation's most vulnerable citizens," Catholic Charities USA head Fr. Larry Snyder said Aug. 4. "We remain deeply concerned that with an approach that focuses solely on cutting spending, efforts to balance the nation's budget will continue to result in dramatic negative impact on the nearly 48 million Americans living in poverty, neglecting the moral imperative to adequately address the needs of those most vulnerable among us."

This spring an unusual interfaith coalition of Christians, crossing traditional ecclesiastical and political

conservative-liberal labels, formed the Circle of Protection (www.circleofprotection.us) to provide a united voice in Washington advocating for poor and middle-class Americans whose well-being is threatened with the prospect of severe cuts in government spending on rebuilding infrastructure, unemployment benefits, job creation, education, health and other areas for the sake of retaining Bush-era tax reductions for the very wealthy.

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Network, a national Catholic social justice lobbying organization founded by Catholic women religious, this spring started a "Mind the Gap" project urging Obama to call a national summit to examine the growing wealth and income gaps that threaten to turn the United States from a democracy into a plutocracy -- a government effectively run by the rich.

Its purpose, Network said, is "to mobilize people across the country to address the crisis of the enormous wealth gap between a tiny fringe of superrich Americans and most of the rest of the country. This gap, which has grown to historic proportions, affects every level of society, and it damages us all. It helps keep people in poverty, erodes the middle class, and results in a decline in numerous measures of our nation's well-being, as is shown in recent research."

Some of the research is telling. Last September the staff of the U.S. Congress Joint Economic Committee reported that in 2007, when the Great Recession started, the wealth and income gaps between the very rich and the rest of America was the highest since 1929, when the Great Depression started.

"The share of total income accrued by the wealthiest 10 percent of [U.S.] households jumped from 34.6 percent in 1980 to 48.2 percent in 2008," the report said, and in that same time frame the income of the nation's richest 1 percent "rose from 10.0 percent to 21.0 percent, making the United States ... one of the most unequal countries in the world."

"Income inequality has skyrocketed," the report said, and "high levels of income inequality may precipitate economic crises."

Although the report was written by the staff of the Democratic majority, its warnings ring a bell with many U.S. religious leaders who have been insisting, against stiff Republican ideological opposition, that a restructuring of federal revenue -- namely again requiring the very wealthy to bear their fair share of the nation's tax burden as they have in the past -- must be a part of the solution to the nation's debt reduction. And that a restoration of fiscal responsibility must not unduly tax the country's poor and middle classes.

[Jerry Filteau is *NCR* Washington correspondent.]

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