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Fiscal Cliff, Unions in Michigan & the Church

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Distinctly Catholic

Last week I flew to Chicago. Fifty years ago, the cost of air traffic control was somewhat less than what it is today. Additionally, since the attacks of September 11, 2001, we all have to go through those expensive screening machines, guided by people wearing blue gloves, all of which costs money. When I start compiling my tax information, of course I wish I could keep more of it. I need a car. I need to go to the dentist. I have not visited the Eternal City for far too long. But, when I think about what I am paying in taxes, I think about air travel and how safe it is, and I write my check to the IRS feeling pretty good about it.

Last week, Ezra Klein, a wonk's wonk with the heart of a Franciscan, wrote about the current GOP's fixation on historic tax rates. Over the past fifty years, government revenue has averaged about 18% of GDP, and much of the current negotiations about the fiscal cliff seem to accept that as a sensible target. Klein rightly asks: So what? We get more government, good government, than we did fifty years ago. Why should we not pay a bit more for it?

What is true about flying is even more true about health care. The rising costs of health care are attributable to two facts. The first fact is demographic: People are living longer. The second reason is humane: Our health care system can do things it couldn't do fifty years ago. We have MRI machines which, like the screening devices at the airport, are expensive. Does anyone begrudge the billions of government funds spent on HIV/AIDS research? Fifty years ago, a person with heart problems could not expect to have a bypass and live another twenty or more years.

I can understand why today's GOP, which has a superstitious belief in the value of markets and an un-Catholic hostility to government, is opposed to increasing the share of GDP that goes to the government. But, for the life of me I can't see why Democrats are so bad at making the moral arguments necessary to

frame the fiscal cliff negotiations. Yesterday, on This Week with George Stephanopoulos, Sen. Debbie Stabenow did not stray far from calling for the retention of George W. Bush's middle class tax cuts. Cong. Raul Grijalva did a better job pointing out that the middle class has been screwed for the past thirty years, beset by stagnant or declining wages even while the GDP exploded, and arguing that the nation's fiscal health should not be balanced on the backs of the poor and middle class. But, even he could not properly frame a defense of entitlement programs from government budget cuts as a clear moral choice.

To be clear, entitlements need reform. When Social Security was enacted, all sorts of compromises were made to get it passed. When Medicare and Medicaid were passed, no one could foresee how medical technologies would increase the costs of health care. Americans are living longer, which should be a good thing but it is not a cheap thing. There are ways to introduce means testing, to lift the cap on FICA taxes, or to extend FICA taxes to all income and not just to wages, making it a less regressive tax than it is today. Unfortunately, President Obama did not campaign on any of this, and so it is difficult for him to claim a mandate.

The President also has been strangely incapable of making the fight over the fiscal cliff about fairness. Over the past thirty years, our country has grown much richer, but most people have not shared in the largesse. The decline of unions has hurt wages. New "financial instruments" like credit default swaps made billions for investors without doing much for the rest of us. It is against this backdrop of growing income inequality that the discussion about the fiscal cliff can and must be set. But, Obama's greatest weakness is his belief that good policy makes good politics. That belief is true but not exhaustive. Good policy needs good politics too, and part of good politics is persuading people.

The voice of the Church needs to be heard in these budget negotiations. I think there are three principles that require special emphasis from the USCCB and from individual bishops, clergy and laity.

First, all budgetary decisions must be made with a special concern for the poor and vulnerable. The USCCB has been at the forefront of the fight to create a "Circle of Protection" for programs that assist the poor, from food stamps to Medicaid. We should be very proud of what they achieved during the budget battles a year and one-half ago when the sequestration process kept vital programs such as these off the chopping block. We should be open to finding better ways to help the poor. We should definitely encourage the government to use the many resources of civil society, including the churches, to devise programs that guarantee assistance to the poor without the debilitating effects of a culture of dependency. But, such programs cannot exist without funding. And, an argument for federalism is not going to feed anyone. If the GOP wants to decry the "culture of dependency" or the "one-size-fits-all" model of federal programs, let us hear what they have in mind to improve such programs and change that culture. Last week, Congressman Paul Ryan and Sen. Marco Rubio gave fine speeches about helping the poor but the speeches contained little in the way of innovative policy solutions. Their hearts seem to be moving in the right direction, but will their minds follow?

Second, we must rehabilitate the word "entitlement." As Catholics, we do believe that every person, qua human person, is entitled to a living wage, a secure retirement, basic health care. Indeed, this is an issue where I think we can further one of my primary goals for the Church's political engagement over the next few years, namely, uniting our pro-life concerns with our social justice concerns in such a way that we demonstrate the moral consistency of the Church's positions and the moral inconsistency of both parties. It is worthwhile asking a Democrat who is firmly convinced that people are entitled to a living wage why he is not also committed to life itself. And it is worthwhile asking a Republican who is firmly committed to the right-to-life why she is not also committed to a living wage.

Third, we must view these budgetary and economic decisions through the lens of justice. "The dignity of

the individual and the demands of justice require, particularly today, that economic choices do not cause disparities in wealth to increase in an excessive and morally unacceptable manner, and that we continue to *prioritize the goal of access to steady employment* for everyone," wrote Pope Benedict XVI in his encyclical *Caritas in Veritate*. "All things considered, this is also required by economic logic". Through the systemic increase of social inequality, both within a single country and between the populations of different countries (i.e. the massive increase in relative poverty), not only does social cohesion suffer, thereby placing democracy at risk, but so too does the economy, through the progressive erosion of "social capital": the network of relationships of trust, dependability, and respect for rules, all of which are indispensable for any form of civil coexistence." Can you imagine what the reaction at Fox News would be if President Obama uttered such words?

In that same encyclical, the Holy Father wrote these words:

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*The global market has stimulated first and foremost, on the part of rich countries, a search for areas in which to outsource production at low cost with a view to reducing the prices of many goods, increasing purchasing power and thus accelerating the rate of development in terms of greater availability of consumer goods for the domestic market. Consequently, the market has prompted new forms of competition between States as they seek to attract foreign businesses to set up production centres, by means of a variety of instruments, including favourable fiscal regimes and deregulation of the labour market. These processes have led to a downsizing of social security systems as the price to be paid for seeking greater competitive advantage in the global market, with consequent grave danger for the rights of workers, for fundamental human rights and for the solidarity associated with the traditional forms of the social State. Systems of social security can lose the capacity to carry out their task, both in emerging countries and in those that were among the earliest to develop, as well as in poor countries. Here budgetary policies, with cuts in social spending often made under pressure from international financial institutions, can leave citizens powerless in the face of old and new risks; such powerlessness is increased by the lack of effective protection on the part of workers' associations. Through the combination of social and economic change, trade union organizations experience greater difficulty in carrying out their task of representing the interests of workers, partly because Governments, for reasons of economic utility, often limit the freedom or the negotiating capacity of labour unions. Hence traditional networks of solidarity have more and more obstacles to overcome. The repeated calls issued within the Church's social doctrine, beginning with *Rerum Novarum*, for the promotion of workers' associations that can defend their rights must therefore be honoured today even more than in the past, as a prompt and far-sighted response to the urgent need for new forms of cooperation at the international level, as well as the local level.*

Over the weekend, the legislature in Michigan decided to bring that state into the sinkhole of mistakenly called "right-to-work" states. I went to the website of the Michigan Catholic Conference this morning and saw nothing about this. I am aware that sometimes the Church can achieve via backchannels what it seeks. But, here is a chance for the Church to stand with the working men and women of a state, and to stand with more than 120 years of explicit papal social teaching. If the bishops want to know why so many people in the pews do not always listen to them, they have to first ask themselves if they have stood up for their people.

The Church's way of addressing economic issues, rooted as it is in moral teachings that have stood the test of time, should inform both parties as they approach the fiscal cliff negotiations. I think it needs to be said that the Democrats are closer to the Church's position than the Republicans, but both parties need work. What I don't understand is why the Democrats don't use some of the language found in the

Church's teaching, or language very much like it, to make their case. Good policy needs a narrative that persuades, and that narrative must be rooted in moral truths if it is to be persuasive. Homework for President Obama, Secretary Geithner and all members of Congress: Read Caritas in Veritate.

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