

Report on the Debt Ceiling Debate: Good News, Bad News, and Worse News...

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By John Carr

This debate demonstrated the partisan, ideological, and dysfunctional polarization that dominates Washington. It wasn't pretty, and it isn't over. While the crisis of default was averted, for advocates of poor and vulnerable people, this debate was disappointing, ominous, and just a beginning.

There is some good news. The Conference has the right message of fiscal responsibility and moral priority. Our message is a faithful reflection of Scriptural mandates and Catholic teaching. The Bishops' Conference is deeply engaged with a series of letters, visits, and action alerts (<http://www.usccb.org/sdwp/>) that emphasize moral responsibility to put the nation's fiscal house in order, to reduce unsustainable deficits and future debt, and to do so in ways that protect human life and dignity, especially among "the least of these" (Matthew 25).

In addition, the USCCB is leading the effort to bring together an unprecedented group of Christian leaders and communities to advocate a common moral principle and a unifying priority: protect and improve the programs that safeguard the lives and dignity of those who are poor and vulnerable in our own nation and in the poorest places on earth. This **Circle of Protection** (<http://www.circleofprotection.us>) is a focused, effective, and faithful vehicle for delivering a common message to diverse leaders and communities.

The breadth of the effort is unprecedented: The bishops and the National Association of Evangelicals; the Salvation Army and the National Council of Churches; Bread for the World and the American Bible Society; African American and Hispanic churches; Catholic Relief Services and Sojourners, and dozens more. These are not the usual suspects, and it is not just another religious coalition.

The access was unusual: Bishops and USCCB staff met with the President of the United States and the Chairman of the House Budget Committee, with the Office of the Speaker and the Senate Minority Leader, with members of the bipartisan "Gang of Six" senators working on a deficit reduction proposal, and with key Administration officials.

The message is clear: The Conference has a consistent, persistent, and focused message: protect the "least of these," the poor and vulnerable at home and around the world. We have agreed on what programs are in the Circle of Protection and delivered the same message to Democrats and Republicans, Administration and Congress.

As Christian leaders, we are committed to fiscal responsibility and shared sacrifice... We are also committed to resist budget cuts that undermine the lives, dignity, and rights of poor and vulnerable people.....A fundamental task is to create jobs and spur economic growth. Decent jobs at decent wages are the best path out of poverty, and restoring growth is a powerful way to reduce deficits.

The final deal includes one crucial provision to protect low-income programs: One specific priority for the USCCB was to exempt low-income entitlement programs from the automatic

cuts if the special Congressional committee cannot reach agreement on the next round of required deficit reduction (at least \$1.2 trillion)—something the President insisted on in the final negotiations on the deal and the Republican leadership accepted. This was one of the last issues resolved and means that Medicaid, food stamps, Child Nutrition, Unemployment Compensation, the Earned Income and Child tax credits, and other core low-income programs will not be automatically cut if the committee cannot reach agreement. The USCCB is very grateful for the essential efforts of the Administration and others to ensure that these programs are exempted from the mandatory cuts in the agreement. (Allies at the White House and on the Hill tell us USCCB efforts were essential in securing this provision.)

There is bad news. The deal fell short of fully meeting the challenges outlined in the bishops' letters:

fulfilling the demands of justice and moral obligations to future generations; controlling future debt and deficits; and protecting the lives and dignity of those who are poor and vulnerable.

The legislation also did not reflect the criteria called for by the bishops in their letters to and meetings with policy makers.

A just framework for future budgets cannot rely on disproportionate cuts in essential services to poor persons. 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.

This legislation will require major cuts to discretionary programs, including and especially programs which serve those who are poor and vulnerable. Even with the exemption for low-income entitlement programs from automatic cuts, these programs, international development, and other poverty-focused programs remain particularly vulnerable to major cuts, with all their human costs and moral implications. The protection for low-income entitlements only applies to automatic across-the-board spending cuts that would take effect in 2013 **if** the Committee fails to reach agreement by later this year or **if** the Congress fails to pass the Committee's recommended deficit reduction package. In the Committee's deliberations on how to reduce the deficit, all programs—including these entitlements—could be cut. We do expect to see proposals to reduce federal spending for Medicaid and probably food stamps) as well.

In addition, one provision of the final agreement would require that roughly \$4 billion be cut from "security" spending for 2013. Less well understood is that the legislation defines "security" to include not just defense and homeland security but also the State Department and USAID budgets. Under this unique arrangement, all international humanitarian, development, health, and refugee resources are in direct competition with funds for military and homeland security. This means that the already vociferous resistance to major reductions in Pentagon spending could require even greater cuts in international assistance to the sick and hungry around the world. USCCB, CRS, and our allies will have our work cut out for us.

Fears of cuts to poverty-focused international development and humanitarian assistance are well founded. The House Committee on Appropriations already proposed cutting these programs in Fiscal Year 2012 by a disproportionate 13 percent in addition to the 8 percent cut last year. The bishops and CRS have called these deadly cuts unwise, unjust, and unnecessary (<http://www.usccb.org/issues-and-action/human-life-and-dignity/poverty/poverty-focused-assistance-letter-to-House-2011-07-29.pdf>).

As is well known, there are no revenue increases of any kind, and the debates over tax and entitlement reforms were put off and referred to the special Congressional committee, which may simply reflect the continuing demands of special interests and Congressional factions. As Bishop Ricardo Ramírez said in the meeting with President Obama:

There seem to be several “givens” in this debate. For Republicans, no new taxes is a given. For some Democrats, no cuts in Medicare are a given. For others, no cuts in military spending is a given. For your Administration, some additional revenues are a given. Sadly, if you listen to the debate it seems that protecting the poor and vulnerable is not a given. That is why we are here.

There is still too little attention, discussion, or priority on how these decisions affect “the least among us.” Bishop Ramírez also said at the White House, “In Washington, it often seems like Matthew 25 is ‘whatsoever you do for the *forgotten middle class* you do unto me.’” This is not a dismissal of the needs of the middle class but simply points out that they have many champions, and those who are poor have very few. We hope that the President and others will continue to speak more directly to these often overlooked priorities.

In August and throughout the fall, we will all need to raise our voices and make our case that it would be wrong to further cut programs that serve those with the greatest needs in our own country and around the world. As Bishop Blaire and Bishop Hubbard wrote the Congress (<http://www.usccb.org/issues-and-action/human-life-and-dignity/economy/upload/budget-debate-letter-to-house-2011-07-26.pdf>):

The moral measure of this budget debate is not which party wins or which powerful interests prevail, but rather how those who are jobless, hungry, homeless or poor are treated. Their voices are too often missing in these debates, but they have the most compelling moral claim on our consciences and our common resources.

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