



TOWARD FAIRNESS in PUBLIC TAXING and SPENDING

Adopted Sept. 11, 1982, by the Eleventh General Convention of The American Lutheran Church as a statement of comment and counsel expressing the views of the convention to the member congregations and the units of The ALC for their consideration and such action as they deem appropriate (GC82.11.121). Ballot vote tally: Yes 716; No 29.

The American Lutheran Church welcomes the opportunity for national discussion of societal priorities in which our nation is now engaged. We encourage the members of our congregations to take full and informed part in that discussion. As a contribution to it, we offer the following observations.

Government and God's Justice. "Teach the king to judge with your righteousness, O God; share with him your own justice. . . . May the king judge the poor fairly; may he help the needy and defeat their oppressors" (Ps. 72:1, 4 TEV).

When we translate such a biblical word into the contemporary United States setting, we may think "government" in place of "king." And when we think "government" in our society we must think "all of us, collectively," because we, the citizens, are the ones who rule.

What is our responsibility as citizens, especially to those among us who are poor and needy? As a helpful contemporary response to that question, we affirm "The Needs of the Poor and the Proper Role of Government," a statement on the federal budget debate issued April 5, 1982, by four U.S. Lutheran leaders and, in particular, cite these excerpts as a basis for considering the matters discussed in the balance of this document.

THE NEEDS OF THE POOR AND THE PROPER ROLE OF GOVERNMENT

The Role of Government. Lutherans have important insights to contribute to the current public policy debate over the proper

drawings
by Wendy Brusick
from "Budget Choices,"
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role of government. According to Lutheran theology, government is part of God's creating and sustaining order and plays a positive role by supporting the good and restraining evil. While specific governments may become instruments of evil, government under God is called to maintain peace, establish justice, protect and advance human rights, and promote the general welfare of all in society. Government's role includes more than simply providing for the common defense or using its coercive power to restrain law-breakers. Government appropriately guarantees all citizens equal opportunity for self-development and upholds the rights of those who by reason of race, age, health, ability, or social standing are at the margin of our economic and social system.

All persons in society are entitled to that which is necessary to lead a healthful existence. Employment for all able to work, with remuneration sufficient to provide the minimum of what is needed for full participation in society, is essential to the well-being of the nation. When employment is not possible, society properly provides for individuals an income adequate to achieve at least a minimal living standard.

In our democratic society, ensuring that the basic human needs of children, the elderly, the disabled, and the poor are met requires the commitment of the community as a whole and the interaction of all institutions—government, churches, other voluntary agencies, and business. Government does not possess a monopoly on the provision of social services but rather seeks to establish the welfare of all citizens through the most effective and appropriate channels.

Church/Government Interaction. In response to the Gospel, churches play a vitally important role as they use their material and human resources to deal with the immediate needs of the poor, em-

power them to move from dependency to self-sufficiency, and address the root causes of economic deprivation. Hospitals, social service agencies, education institutions, and community organizations supported by Lutherans and other voluntary groups play an essential role as innovative providers, enablers, and advocates for those in need.

However, benevolence by persons, churches, and other voluntary organizations is limited and, *precisely because it cannot be compelled*, may be capricious and inconsistent. Voluntary agencies do not possess the power or the resources to address adequately the pervasive social problems which are the product of this highly mobile and rapidly changing society. Often they lack the structural mechanisms to deal with the complex needs of the poor and to ensure that individuals throughout the country do not slip into what can be major gaps in service.

In the face of continuing inequities of wealth and power, justice demands that the needs of the poor and others on the margins of society be consistently met. Since people do not always naturally seek what is best for their neighbor, the guarantees and enforcement of law in this area are necessary. The government is responsible for providing a basic floor of benefits at an adequate level for health and decency; it is to ensure that no one is forced to go hungry or homeless and none are deprived of adequate medical care. The benevolent activities of individuals and voluntary organizations *complement*, but in no way *replace*, the responsibility of government to establish social justice.

Lutheran Involvement. In this time of economic difficulty, we call upon Lutheran citizens, congregations, and agencies to redouble their efforts to address the very real needs of the poor in their com-



munities and to explore new ways of responding more creatively and effectively through programs which lead to economic self-sufficiency. Given our churches' historical involvement in this area, our churches and their members should be in the forefront of increased efforts to develop new models for improved delivery of services.

While our churches are meeting immediate human needs through direct services in their communities, they should also work with government to ensure that the unmet needs of the poor throughout the country are addressed and to eliminate root causes of poverty.

We call upon Lutheran citizens, congregations, and agencies to bring the wealth of their experience and insights to the federal budget debate.

Lutherans and others of good will may differ on economic assumptions, political positions, and specific ways of dealing with those in need. Yet we share a fundamental commitment to ensuring that the poor are dealt with justly by our society in its national budget decisions.*

2. Economic Health. As government seeks to ensure that the basic needs of the economically vulnerable are met, a complete set of factors must be addressed. Our nation needs an economy that can generate jobs and produce revenues to pay for public programs. We need an economy that has inflation under control. We need interest rates that are not usurious. And we need a federal budget that is normally in balance but that can quickly

* Signers of the statement were James R. Crumley Jr., bishop, Lutheran Church in America; David W. Preus, presiding bishop, The American Lutheran Church; William H. Kohn, president, Association of Evangelical Lutheran Churches; John R. Houck, general secretary, Lutheran Council in the USA.

and effectively respond to changing economic conditions in the nation and the world.

3. Fairness. Also needed in a free society such as ours is a strong sense of elemental *fairness* in taxation and in the ways public revenues are distributed. Definitions of fairness will, of course, vary. We believe that to be fair means (1) taxing people in some relationship to their ability to pay, and (2) providing assistance when required in some relationship to need.

Those who pay taxes have a right to expect fairness in the tax system's rates, credits, exemptions, and deductions. Similarly, the public has a right to expect that public support payments or subsidies will go to those who qualify for them according to need (the economically exposed) or according to agreed social policy (such as benefits to military veterans in return for service rendered).

4. The Vulnerable. Public income-support programs should be designed to meet the needs of those citizens whose economic vulnerability is greatest. These Americans are found disproportionately in certain categories of the population: children, women, persons with disabilities, older Americans. Where the consequences of racism are present, the economic vulnerability is compounded. It does not help to tell Americans caught in such vulnerability to find jobs when (1) there are few jobs to be found, and (2) many of them are too young, too old, or too disabled to be able to work.

5. Income Support. Public income-support programs all share certain common features: they are transfer payments (funds transferred from the public as a whole to a specific body of citizens); they are paid from tax revenues (either general or designated); they are viewed as entitlements—benefits to which people have a right.

6. Income-Tested or Not? But in another respect income-support payments are of two kinds. Some are income- or means-tested, that is, one must be under a maximum income level to be eligible. Others, such as veterans benefits or Social Security payments, go to categories of persons on bases other than economic need.

It is regrettable that our public discussion separates income-tested programs (called "welfare") from the other income-support programs (considered "earned"). The fact is that most of our income-support programs—including Social Security, veterans benefits, and unemployment compensation—represent transfers from one set of taxpayers to another. They are not genuine insurance programs, wherein a recipient gets back only

the recipient's and employer's payments, plus interest. At best, programs such as Social Security are but partially contributory on the part of the recipient.

7. Nearly All Give and Receive. Virtually all Americans, at some time in their lives, are on the receiving end of transfer payments. Virtually all Americans, through their lives as taxpayers, are on the paying end of transfer payments. If we could recognize that almost all of us, during a lifetime, are *both* payers and receivers of public transfer payments, the quality of our national discussion on public assistance would be upgraded significantly.

8. Share the Burden. The church is committed to the priority of meeting the needs of those who, through circumstances beyond their control, are living in economic distress. In a complex industrial society, public assistance is the primary means of addressing such needs. Church members are distressed when most of the burden of reductions in public spending is placed on programs which benefit primarily low-income people. In deciding where to reduce federal spending, the full range of programs should be reviewed, including transfer payments that are not means-tested and military spending.

9. Church Privileges. Certain tax advantages to churches, while not significant as a source of potential revenue, are of crucial importance as churches make public witness on fairness in tax policy. These include (a) property tax exemptions on parsonages and other property not used for worship, education, and social services, in states where such prevail, and (b) the provision of income-tax-free allowances for the housing costs of ordained persons. Churches should show a willingness to have thorough examination of tax provisions or proposals which benefit them institutionally.

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