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## CLUES TO A JUST SOCIETY

Richard P. Poethig

In 1929, the collapse of the U.S. stock market sent thousands of people off their farms and into the streets without any means of financial support. As a person raised in New York City during the Depression years, the harsh economic realities were everywhere present to me. Families in the East Side tenement area where we lived were in the “not yet” middle class. They were one pay check away from having their household belongings carried out onto the street. One settlement house worker recalls the games of nursery school children in her New York neighborhood during the Depression.

They don't play Keeping House any more or even Having-Tonsils-Out. Sometimes they play Relief, but Eviction is the favorite – it has more action and they all know how to play.

(Allen F. Davis, *Spearheads for Reform*, Oxford, 1967, p. 239)



Richard Poethig, H.R., the grandson of German immigrants, spent his early years in the tenements of New York's East Side. A graduate of Wooster College and Union Theological Seminary (NYC), his career took him from new church development work in the industrial suburbs of Buffalo-Niagara Presbytery to the Urban-Industrial Mission program of the United Church of Christ in the Philippines and the Presbyterian Institute of Industrial Relations/Institute on the Church in Urban-Industrial Society programs in Chicago.

The strong industrial unions that were to win decent wages for many working class families in the late 30s had not yet begun to create a substantial middle class. Clear evidence of this was the thousands of families with little or no savings and persons at or near retirement with little hope for a livable and secure old age. This was the basis for the Social Security legislation passed in 1935.

Roosevelt's “point man” in Congress, responsible for the passage of the Social Security Act, was Senator Robert F. Wagner, himself a product of our East Side neighborhood.

At the time the New Deal legislation was being debated in Congress, the Presbyterian Church in the USA was catching up with the events overtaking the nation. Socially-conscious leadership in the church recognized the effect that “laissez-faire” economics was having on the nation and saw the responsibility the churches were called to bear. The *Minutes* of the 1933 General Assembly speak to this awareness:

It is now evident that the more the industrial depression has been prolonged, the greater has been the tendency to cut wages, to increase the hours of labor and to undermine the protection afforded the worker by labor laws... Under these conditions working people ... are looking to the Christian churches to help create a public opinion which will maintain the standards of enforcement [of existing laws] and insist on whatever new laws may be necessary to protect the wellbeing and welfare of the people... As the Body of Christ, the Christian Church must be the most swiftly-moving of all organizations to challenge whatever cripples or dishonors life, to insist that no economic emergency justifies human oppression; that if the right to live interferes with profits, profits must necessarily give way to that right....” (Journal, p.166-167)

The impact of industrial capital on the economy cited by the 1933 General Assembly was not new to the thinking of the churches. As early as the organization of the Federal Council of Churches in 1908, the member churches had been concerned with conditions of working people. A major speech on “The Church and Modern Industry” at the Council's organizational meeting set the stage for the adoption of “The Social Creed of the Churches,” an agenda for a just industrial system.

“The Social Creed” became the guideline for member churches as they developed their own teachings and social policy statements. Among the goals set before the churches were the abolition of child labor, regulation of the conditions under which women worked, protection from dangerous machinery and occupational disease, provisions for those injured in industrial accidents, a six day week, work hours compatible with physi-

cal and mental health, concern for dependent and incapable persons, and the use of conciliation and arbitration in industrial disputes.

The General Assembly of the Presbyterian Church in the USA passed “The Social Creed” in 1910 and reaffirmed it in 1920. It was not until the economic depression of the 1930s, however, that the General Assembly saw its social statements become incarnate in the legislation of the New Deal. By 1935, the General Assembly reaffirmed several commitments for a just industrial society and called for the initiation of a social insurance system, legislation then being considered by Congress:

The Church also declares:

1. Its unalterable purpose to work and pray not only for adequate unemployment relief but for the abolition of unemployment, so that all who are able to work shall be given opportunity for self-respecting employment in the production and distribution of useful goods.
2. In favor of social insurance against social hazards, illness and old age, and that we express our earnest hope that adequate measures may be formulated and effected by appropriate Federal and State agencies in order that provisions against these risks may be spread and the intolerable burdens now resting upon those who are least able to bear them can be speedily lightened.

(Journal 1, 1935, p.100)

So it was that in 1935, with Presbyterian support, the Social Security Act was passed to assure the economically “left-behind” that there would be support in their old age.

Senator Robert Wagner, who had overseen the passage of the Social Security Act, was also responsible for the passage of the National Labor Relations Act, commonly known as the Wagner Act, by the 1935 Congress. This historic legislation guaranteed the right of workers to organize in unions and to bargain collectively with management. The passage of the Wagner Act led to the growth of industrial unions in the steel, automobile and textile industries and laid the foundation for the growth of the middle class in the post-war period.

### Hard Times, Revisited

But times change. In the last three decades of the 20th century we have seen both the diminishing strength of organized labor and growing numbers of families who have fallen out of the middle class. A sub-

stantial literature has grown up around the struggles of those who have lost their footing in the current economy, with many taking low-wage jobs in order to survive. The Center on Budget and Policy Priorities estimates that 43 million low-income working people are earning their living in these jobs.

Barbara Ehrenreich, a middle class journalist, made the effort to learn about these struggles firsthand by taking jobs in the low-wage service economy. In *Nickel and Dimed: On (Not) Getting By in America* (Metropolitan, 2001), she recounts the stories of her work as a waitress, a hotel maid, a nursing home aide, a house cleaner and a retail sales clerk. She held these jobs from Florida to Minnesota, and her book chronicles the daily trial of matching income to living expenses. In some work situations this required holding two jobs. She summarizes her experience with the learning that persons with “entry level jobs” such as those she took, earn far less than they need to live on. Hard work, she says, is supposed to be the secret of success. “No one ever said that you could work hard – harder even than you ever thought possible – and still find yourself sinking ever deeper into poverty and debt” (220).

The economic gap that has persisted between the lowest-paid and highest-paid Americans since the 1980s has grown ever wider in the last decade. Paul Krugman, a professor of economics at Princeton, documents this loss of the middle class over the last 30 years in his article, “The End of Middle Class America” (*NY Times Magazine*, October 20, 2002). During the period from 1970 to 1999, there had been a modest 10% income increase for middle income people. During that same period, however, the annual income of the top 100 corporate executives rose from \$1.3 million – 39 times the pay of the average worker – to \$37.5 million, more than 1000 times the pay of ordinary working people.

A four year study by the Organization of Economic Cooperation and Development (1995) gives these figures a global perspective. The study concluded that the abyss between the incomes of the rich and the poor is wider in the U.S. than in 15 other industrial countries. The study reports:

The broadest measure of after tax income showed that the U.S. had the highest level of inequality between the top 10 percent and the bottom 10 percent of individuals by incomes. (*NY Times*, October 27, 1995)

Central to the future of the Social Security system is not only its viability for the lowest income working families, who like the economical-

ly “left behind” families of the 1930s need the assurance of a system of support in their old age, but the growing number of families in the “so-called” middle class who have become ever more vulnerable to the precarious rise and fall of our market economy. The middle class is being sold a plan for the privatization of Social Security as a means to “ownership” in the economy and as an assurance for their future retirement. Stock ownership has become a mark of the new American dream.

In reality most families in the U.S. middle class, not to mention the working poor, have limited means for investing. Of American families, 40% save nothing. Jeffrey Liebman sees this fact as a major challenge to privatization plans. For most older Americans, Social Security is all they have in retirement.

Regarding the persistent and central issue of the projected shortfall of Social Security in 2050, Liebman points out that the shortfall would not be as large if we had not changed the tax code in recent years.

Simply returning the tax code to what it was when President Clinton left office would produce more than enough extra income to cover the entire Social Security shortfall. The irony is that the non-Social Security fiscal imbalances have become so large that reforming Social Security – previously the untouchable third rail of American politics – has become attractive in comparison.

(“Reforming Social Security,” *Harvard Magazine*, March–April 2005, p.30)

Indeed changes in the tax code, which have benefited those in the higher income brackets, have added to the discrepancies in the U.S. economy. The top one percent of Americans owns more corporate stock than the bottom 90%. David Moberg reports figures that show that only 5% of wage earners contribute the maximum to their IRAs and 8% contribute the maximum to their 401(k)s. He writes,

Most workers would be better off with well-funded defined-benefit pensions than with their meager portfolios. Also, as stock owners they have no influence over corporations. But as members of giant pension funds, some have a voice for corporate reform.

(*The Nation*, April 4, 2005, p. 6)

### The Presbyterian Social Policy Heritage

This should strike a responsive note for Presbyterians. The larger issue at stake in the debate over Social Security is the well-being of all

Americans as we plan for the nation’s future. The inequalities in our economy today, which some economists have likened to those of the 1920s, require the rethinking of policies that could work for a just redistribution of the nation’s wealth. In the 1930s the church responded to the need for reform of the economic system in order to guarantee a secure retirement for all people and the right of working people to have a say in decisions affecting their work life. So we are called today to lend our energies and our thinking in pursuit of policies that will guarantee social rights within a just and sustainable economy.

Over the last 25 years, the Presbyterian Church (USA) has given considerable thought to these issues for the instruction of presbyteries and local congregations.

In 1984 the report *Christian Faith and Economic Justice* was presented to the General Assembly. This was followed in 1985 with a more specific report, *Toward A Just, Caring and Dynamic Political Economy*. In 1988 the General Assembly set forth its thinking on women’s role in the economy with a report, *All the Livelong Day*. This was followed in 1989 by *Keeping and Healing the Creation*, which addressed the church’s responsibility for the environment. In 1995 the General Assembly approved *God’s Work in Our Hands: Employment, Community and Christian Vocation*, which reflects on both domestic and international economic policies. *God’s Work...* cited as one of its principles that

International economic policies should be judged in the light of their ability to raise the standard of living of the world’s most vulnerable groups, the human rights of workers and ... their effects on the global environment.

(207th General Assembly, *Minutes*, p. 427)

### A Global Perspective

At its 2004 Assembly in Accra, Ghana, West Africa, the World Alliance of Reformed Churches took two very significant actions. It elected our Stated Clerk, Clifton Kirkpatrick as its president. More importantly, this gathering of the world’s churches within the Reformed tradition, many of them from so-called “third-world” nations, also drew up a document, *Covenanting for Justice in the Economy and the Earth*, which surveys the plight of the marginalized peoples of the world, including the poor in the industrialized nations.<sup>1</sup> The statement recognizes this profound poverty as “the product of an unjust economic system defended and protected by political and military might.”

The document cites the following assumptions as the basis for these systems:

- Unrestrained competition, consumerism, and the limitless accumulation of wealth is best for the whole world;
- The ownership of private property has no social obligations;
- Capital speculation, liberalization and deregulation of the market, privatization of public utilities and national resources, unrestricted access for foreign investments and imports, lower taxes, and the unrestricted movement of capital will achieve wealth for all;
- Social obligations, protection of the poor and the weak, trade unions, and relationships between people are subordinate to the process of wealth creation.

The document draws upon the biblical belief in the covenant God made with all creation (Gen 9:8-12) to build a theological framework for its response to the inequalities in the world today. "Jesus shows that this is an inclusive covenant," the document says, "in which the poor and marginalized are preferential partners, and calls us to put justice for the 'least of these' (Mt 25:40) at the centre of the community of life."

For Presbyterians, the vision that our Reformed faith sets before us of a just society is central to the issue of the future of Social Security. The current "privatization" proposal raises questions about the continuing inequalities in our economic system. As our Reformed brothers and sisters gathered in Accra reminded us, these inequalities are endemic in our global economic system.

We have a responsibility even beyond our denomination and nation to respond to the call to seek justice in the global economy. As a member communion of WARC, and in light of Clifton Kirkpatrick's role as a leader in the Reformed movement, it becomes our responsibility to reconnect with the roots of our Reformed faith as it provides clues for working toward a just society.

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<sup>1</sup> The Committee on Ecumenical Relations of the Office of General Assembly has requested the Advisory Committee on Social Witness Policy to draft a new document on economic justice, to be based on earlier policies and to take into consideration the WARC document on globalization with special consideration to "how the global economy is impacting our neighbors to the South." That work is under way with the expectation of a report to the 217th General Assembly (2006):