

# Talking Cents

September 2018

*Talking Cents is an ecumenical group charged by the Auckland Anglican Diocesan Council to promote an alternative to current economic and political thought, and to encourage debate within the church. Ministry units are encouraged to distribute these articles. This article is contributed by Mary Betz, Catholic spiritual director and writer on ecology, justice, scripture and spirituality.*

## Where Inequality, Free Market Economics, and Church Meet

On 20 August, Prime Minister Jacinda Ardern announced a freeze on MPs' salaries, expenses, and superannuation subsidies. She said 'It is about values. We are focused on raising the income of lower to middle income earners ... This is about us acknowledging that we are at the top end ... and [allowing increases] only extends the gap.'<sup>1</sup>

The next day, State Services Minister Chris Hipkins announced the end to public service CEO performance pay, it being 'counterproductive to achieving the collaborative, team-based approach, and collective leadership that is critical to achieving better outcomes for New Zealanders.' Hipkins also said 'there needed to be downward pressure at the top end on salaries'. The step is part of the Government's commitment to a more equal New Zealand: 'We have a plan to close the gender pay gap, [and] we have introduced a living wage for all low-paid public servants.'<sup>2</sup>

John Key had already made a start on reducing top-end government salaries by changing remuneration rules so that MPs' salaries could only increase with other public servant wage increases. But, as Max Rashbrooke notes, the biggest inequalities are in the private sector, and that unless the Government sorts itself out, it 'can hardly demand that the private sector get their act in order.'<sup>3</sup>

These steps come on the heels of Rashbrooke's analysis of wealth figures from Statistics New Zealand, put into a striking visual by illustrator Toby Morris.<sup>4</sup> The 'Inequality Tower' shows that 59 percent of our wealth is now held by 10 percent of the population. The poorest 50 percent of people own only 2 percent, have few or no assets, and often live in damp, dangerous and unhealthy homes.

Crime, health and educational statistics for half of our population are 'not pretty'.

In January, Oxfam published a report on global inequality. That picture is even more extreme than in Aotearoa: one percent of people now own more than the whole rest of humanity. Evidence shows that inequality is often 'the product of inheritance, monopoly or crony connections to government'. Tax havens keep the rich from paying their fair share.<sup>5</sup> Also, economic structures allow returns to shareholders and CEO wages to take precedence over fair wages and conditions for workers.

In her 2016 book, *Dark Money*, Jane Mayer revealed how the Koch brothers and other US billionaires carefully planned to fund political campaigns of national and state free-market Republicans. Those elected would then vote for legislation to reduce spending in social services, decrease taxes that affect the rich, and promote deregulation in industries like fossil fuels and finance, where many of them continue to make their billions).<sup>6</sup> They own much of the US print and TV media, and endow business schools, think tanks and funding bodies. Their political and economic influence keeps both government and the unwary public from supporting legislation toward socio-economic equality or care of the earth. Both Mayer and the Oxfam report quote the early 20<sup>th</sup> century US Supreme Court Justice Louis Brandeis: *We can have democracy in this country, or we can have great wealth concentrated in the hands of a few, but we can't have both.*

The influence of the mega-rich is seen not only in secular politics, but within the US Catholic church. Last December, the National Catholic Reporter's

<sup>1</sup>[https://www.nzherald.co.nz/nz/news/article.cfm?c\\_id=1&objectid=12110245](https://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=12110245)

<sup>2</sup><https://www.stuff.co.nz/national/politics/106440919/government-stamps-out-performance-bonuses-for-public-sector-bosses>

<sup>3</sup> <https://www.radionz.co.nz/news/on-the-inside/364670/what-should-happen-next-with-public-service-bosses-salaries>

<sup>4</sup> <https://thespinoff.co.nz/society/31-07-2018/the-side-eye-inequality-tower-2018/>

<sup>5</sup><https://www.oxfam.org.nz/sites/default/files/reports/Reward%20Work%20Not%20Wealth%20-%20Oxfam%202018%20-%20Full%20Report.pdf>

<sup>6</sup> Jane Mayer. *Dark Money: The Hidden History of the Billionaires Behind the Rise of the Radical Right*. (Doubleday: New York, 2016). These concerns were also discussed in the Dec 2017, April, July and August 2018 issues of *Talking Cents*.

Tom Roberts wrote<sup>7</sup> about US Catholic billionaires who are shaping Catholic values through their interconnecting influential conservative networks.

Timothy Busch, for example, with Fr Robert Spitzer SJ, founded the Napa Institute, which promotes conservative theology and libertarian economics. He made the largest ever donation to Catholic University's Busch School of Business (whose other major donors are the Koch brothers<sup>8</sup>), and helps fund EWTN, the conservative Eternal Word Television Network. The Napa Institute hosts lavish gatherings at which Catholic business leaders and politicians rub shoulders with leading conservative cardinals and bishops from the US and overseas. Gatherings are often held at one of Busch's resorts or Washington's Trump Tower.

Thomas Monaghan, former Domino's Pizza mogul, is the founder of Legatus, whose CEO-only members are called 'ambassadors for Christ in the marketplace'.<sup>9</sup> Its annual summit and pro-life conference, gala events and pilgrimages allow CEOs to mix with high-ranking clergy like Cardinal Donald Wuerl. Monaghan also built his own Catholic University, Ave Maria, in Florida.

Sean Feiler is a successful 'hedge-funder' whose Chiaroscuro Foundation donates to conservative 'pro-life' organisations, Busch's business school, Monaghan's Ave Maria University, the Atlas Network (see below) and conservative think tanks and publications.<sup>10</sup>

Frank Hanna III, a philanthropist, lawyer and investor, promotes 'right thinking about the virtues of capitalism'. He donates to the Acton Institute (see below) and is on the Board of the Napa Institute, EWTN and the Federalist Society, which advocates for conservative Supreme Court judges.

Fr Robert Sirico is not on the billionaire list, but his Acton Institute educates religious leaders, business people and academics not only on the principle of human dignity, but also the 'subsidiary role of government' and 'economic liberty'.<sup>11</sup> After the Oxfam report, an Acton Institute article<sup>12</sup> complained that the 'storyline' had been moved from poverty to inequality, and suggested that

people of faith return to the elimination of 'true' poverty.

Acton is one of 475 global free market organisations in the Atlas Network, which promotes policies to strengthen the 'world-wide freedom [libertarian] movement'.<sup>13</sup> Atlas has received funding from Exxonmobil, the Koch brothers, and the Bradley Foundation (whose work includes undermining unions). It funds numerous free-market think tanks, including the Heartland Institute, which promotes climate change denial.<sup>14</sup> New Zealand Atlas members include The NZ Initiative and the NZ Taxpayers' Union. Atlas has also given several awards to New Zealand's Maxim Institute.<sup>15</sup>

US Catholic conservative organisations multiplied in reaction to the US Bishops' 1986 pastoral letter, *Economic Justice for All*, which warned against unbridled capitalism. But by funding traditional 'pro-life' causes of conservative bishops, the super-wealthy have been able to draw the hierarchy's attention away from social, economic and environmental justice issues which might damage interests of the rich.

Catholics in NZ may not be immune from this alliance between excessive mammon, 'freedom' of markets, and a focus on beginning and end of life issues. Family Life International (FLI)'s 2018 conference will include US Cardinal Raymond Burke as a 'pro-life' speaker. Connected to the political and religious right, Burke was one of the four cardinals who issued Pope Francis five *dubia*<sup>16</sup> and is the advisory board president for Dignitatis Humanae Institute<sup>17</sup>, in which former Trump protégé and Catholic libertarian Steve Bannon is a patron. Past DHI conferences have promoted 'entrepreneurial capitalism' using Acton videos.

The NZ Catholic Bishops, the national justice and peace agency Caritas, and diocesan justice commissions have always upheld a consistent ethic of life, speaking out for social, economic and environmental justice, as well as beginning and end of life issues. With our government beginning to take responsibility for lessening inequality at the affluent as well as poor end of the inequality spectrum, it is rather embarrassing to have a prominent US Catholic with libertarian ties speaking down under. We can hope that FLI's otherwise good work will continue, and that their invitation was the result of incautious organisers.

<sup>7</sup> <https://www.ncronline.org/news/accountability/conservative-donors-aim-shape-catholic-narrative-wider-culture>

<sup>8</sup> [https://www.washingtonpost.com/news/acts-of-faith/wp/2017/03/17/heres-what-i-saw-when-i-attended-a-conservative-catholic-gathering-in-dcs-trump-tower/?utm\\_term=.08c6b69ad6dd](https://www.washingtonpost.com/news/acts-of-faith/wp/2017/03/17/heres-what-i-saw-when-i-attended-a-conservative-catholic-gathering-in-dcs-trump-tower/?utm_term=.08c6b69ad6dd)

<sup>9</sup> <https://legatus.org/legatus/>

<sup>10</sup> <https://www.chiaroscurofnd.org/full-grant-history/>

<sup>11</sup> <https://acton.org/about/mission>

<sup>12</sup> <https://acton.org/publications/transatlantic/2018/01/22/5-biggest-problems-oxfams-2018-income-inequality-report>

<sup>13</sup> <https://www.atlasnetwork.org/>

<sup>14</sup> [https://www.sourcewatch.org/index.php/Atlas\\_Network](https://www.sourcewatch.org/index.php/Atlas_Network)

<sup>15</sup> [https://en.wikipedia.org/wiki/Maxim\\_Institute](https://en.wikipedia.org/wiki/Maxim_Institute)

<sup>16</sup> questions, in this case on marriage and divorce

<sup>17</sup> <http://www.dignitishumanae.com/index.php/home/>