



New York State Catholic Conference

THE OFFICIAL PUBLIC POLICY VOICE OF THE CATHOLIC CHURCH IN THE EMPIRE STATE

DENNIS POUST, *EXECUTIVE DIRECTOR*

MEMORANDUM OF SUPPORT

Re: A2970 (Fahy) / S4747 (Hoylman-Sigal)
In relation to recoverability of sovereign debt

The above-referenced legislation is intended to promote effective and orderly sovereign debt restructuring for developing countries recovering from health and economic crises by achieving equitable burden-sharing between public and private creditors.

The New York State Catholic Conference supports this legislation.

From Pope St. John Paul II's embrace of the Jubilee debt relief movement at the turn of the millennium, to Pope Benedict XVI's cementing of global debt relief and Africa aid policies, to Pope Francis' 2015 address at the United Nations calling for new global, comprehensive processes for country debt relief to address poverty, the Catholic Church has been at the forefront of international debt relief efforts to promote human dignity, allow developing nations to climb out of poverty, and promote global health, prosperity and security.

Pope Francis has continually called for debt relief as a response to the pandemic, as the majority of the world's developing countries still face multiple intertwined crises of debt, food insecurity and increasing poverty.

In an American political era defined by fierce partisanship, global debt relief has been a rare instance of bipartisanship, dating back to the Clinton administration and through every subsequent administration, Democrat and Republican. Unfortunately, while the United States and other nation-creditors have largely embraced the wisdom of debt relief, the private sector has failed to participate in these initiatives that are a cornerstone of US bipartisan policy. Since New York is the world's financial center, the majority of the world's private sector debt is governed by New York law.

This legislation, known as the New York Taxpayer and International Debt Crises Protection Act, will make international debt relief initiatives more effective by ensuring private creditors participate in debt relief processes at the same level of the US government, other governments, and public lenders, and protects New York taxpayer funds from bailing out the private sector when they do not participate in international debt relief initiatives.

Because these debt relief initiatives have direct, positive effects for our trading partners, the legislation addresses US inflation and economic and supply shocks and helps bring down the cost of eggs, flour, coffee and other commodities. This legislation is good for developing nations strangled by unmanageable debt, and it is good for New Yorkers. We urge its passage and enactment into law.
