

Democrats overwhelmingly vote to pass Bush's economic stimulus bill

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Senate Democrats on Thursday carried out their entirely predictable capitulation—or more accurately, ended their charade of opposition—to the economic stimulus package crafted by the Bush White House and pushed by Republican legislators.

Final passage came less than two weeks after Bush announced a plan whose scope and substance were dictated by the concerns of Wall Street banks and financial institutions, not the millions of Americans who face the foreclosure of their homes and the millions more who are being hit by rising unemployment, declining real wages and soaring costs for such necessities as gasoline, home heating oil and gas, food, medical care and prescription drugs.

The stimulus package, whose estimated cost is \$168 billion over two years (\$152 billion in 2008), passed by a vote of 81 to 16 in the Democratic-controlled Senate.

The House of Representatives, also controlled by the Democrats, last week passed an even more miserly version of the plan that had been worked out between Bush's Treasury Secretary Henry Paulson, House Minority Leader John Boehner and Democratic Speaker of the House Nancy Pelosi. Following Senate passage Thursday of a slightly expanded package, the House voted by 380-34 for the Senate version and sent the measure to the White House for Bush's signature.

At a joint news conference held by the Democratic and Republican leaders of the House and Senate together with Paulson (the former CEO of Goldman Sachs), Pelosi cast the Democrats' collaboration with the White House and congressional Republicans as a victory for working people. "We are making history," she declared. "What has passed the Congress in record time is a gift to the middle class and those who aspire to it in our country."

In fact, the bill is infinitely more a gift to Wall Street

bankers and big investors, who face the prospect of a financial meltdown and massive losses should consumer spending collapse and severe recession take hold. Major banks, mortgage companies and hedge funds have already suffered billions in losses from the collapse of the housing market and failure of speculative investments linked to subprime mortgages. A serious recession could turn the current "credit crunch" into a breakdown of the capitalist financial system, potentially leading to the failure of some of the biggest banks and financial institutions.

This is what has motivated the Bush administration and the Democratic congressional leadership to pass a bill whose purpose is to provide a short-term impetus to consumer spending and give Wall Street breathing room to find the means to impose the burden of its crisis on the backs of the general population.

Bush immediately issued a statement that he would sign the bill, saying, "This plan is robust, broad based, timely, and it will be effective."

The bill will provide tax rebates of up to \$600 for individuals and up to \$1,200 for couples who file jointly, plus \$300 for each child under 17. It will begin to phase out eligibility at \$75,000 in gross income for individuals and \$150,000 for couples.

Workers who can show \$3,000 in earned income last year—too little to pay income taxes—will be eligible for payments of only \$300.

The measure includes additional provisions giving expanded authority to federal agencies to help refinance mortgages.

The final bill that emerged from the Senate added only \$6 billion to the measure brokered earlier between the White House and the Democratic leadership in the House. The additional money will fund \$300 payments to some 20,000 seniors on Social Security and the same

level of grants to some 250,000 disabled veterans and veterans' widows. It also includes a reactionary and vindictive provision barring any aid to undocumented workers (so-called "illegal aliens.")

The measure that was passed by the Senate and ratified by the House conforms entirely to the proposal put forward by the Republican minority leader of the Senate, Mitch McConnell of Kentucky, who was working in collaboration with the White House.

The token opposition to the administration's bill mounted earlier in the week by the Democratic leadership in the Senate was a model of duplicity and cynicism. Senate Majority Leader Harry Reid put forward a plan that included increased home energy subsidies for low-income families, extended unemployment benefits, tax credits for alternative energy and tax incentives for the coal industry.

Reid insisted that the full Democratic Senate plan be considered, declaring, "We should go for the whole package." Responding to Republicans who said he was bluffing, he added, "Wait until we have this vote and they'll find out if I am bluffing. I am not much of a bluffer."

On Wednesday, however, Reid failed by a single vote to garner the 60 votes necessary to block a Republican filibuster and bring the Democratic plan to a floor vote. At that point, Pelosi publicly intervened to demand that her Senate counterparts abandon their proposal and accept that of the White House and the Republican leadership in the Senate. "There is no reason for any more delay on this," she declared. "I don't think any change in the bill is really worth the delay."

So much for the desperate plight of working class and poor people facing the expiration of jobless benefits and soaring home heating costs.

Reid, who really needed no prompting, duly abandoned his bill and backed the White House proposal.

At the same time, the Democratic Senatorial Campaign Committee issued news releases accusing Republican senators McConnell, John Sununu of New Hampshire, John Cornyn of Texas and Roger Wicker of Mississippi of casting the critical votes against the Democrats' more expansive plan. All face reelection contests this November.

New York Senator Charles Schumer, the chairman of the Democratic Senatorial Campaign Committee, said,

"This is substance on the Senate floor, and people should be held accountable, pure and simple."

These maneuvers underscored the fact that the counterproposal put forward by the Democrats in the Senate was little more than a stunt aimed at putting Republicans on record as being opposed to extended jobless benefits and expanded home heating subsidies, so that their votes could be cited in campaign ads.

The Democratic proposal would, at any rate, have done next to nothing to halt the escalating wave of home foreclosures and the devastating impact on working people of mounting layoffs, higher mortgage costs and soaring prices for food and other basic commodities.



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