

# US Congress passes bipartisan austerity budget

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The US Senate approved a \$1.1 trillion budget Thursday, making permanent the vast majority of last year's "sequester" cuts while increasing federal employee pension contributions and weakening corporate regulations.

The budget vote follows the Christmas cutoff of extended jobless benefits for 1.3 million workers and precedes an imminent deal to slash an additional \$9 billion from food stamp benefits.

The Senate easily approved the budget in a 72-26 vote, with 17 Republicans joining all 53 Democrats and two independents who caucus with the Democrats to approve the bill. The Senate's passage of the budget followed an overwhelming "yes" vote Wednesday in the House of Representatives, which passed the measure by a margin of 359-67. President Obama is expected to sign the bill into law by Saturday.

The Senate accelerated its normal procedures to push the bill through. The vote was held only three days after the release on Monday of the 1,582-page measure. Most senators voted without having read the legislation.

The budget funds the federal government through September 30, the end of the current fiscal year. It allocates \$1.1 trillion in discretionary spending, an enormous reduction from 2009, when discretionary spending amounted to \$1.5 trillion. The difference is largely the result of cuts in social spending.

More than half of the money allocated goes to the Pentagon, which receives \$520 billion plus an additional \$92 billion for military operations in Afghanistan and elsewhere.

The bill flows from the bipartisan budget agreement reached December 10, which restored only a small fraction of the more than \$1 trillion in cuts scheduled over the next ten years as part of the "sequester"

spending reduction process. That framework for automatic, across-the-board cuts was agreed to by the White House and congressional Republicans in 2011, and took effect last March.

President Obama and congressional Democrats decided not to make an extension of long-term jobless benefits part of last month's budget agreement with the Republicans, ensuring that the program would not be extended when it expired on December 28.

Under the budget agreement, the reduced level of cuts is more than offset by regressive consumption taxes in the form of "user fees," increased pension costs for federal civilian workers, cuts in retirement benefits for military employees, and further reductions in Medicare spending.

The December agreement cut spending for federal retirement benefits by \$12 billion over ten years. It raised \$12.6 billion by increasing security fees for airline passengers and another \$8 billion by charging higher fees for insuring private-sector pensions.

The most significant feature of the budget, which highlights its reactionary, anti-working class character, is that it leaves intact the sequestration framework, which has already resulted in \$85 billion in cuts, carried out in part by means of unpaid furloughs affecting hundreds of thousands of federal workers.

Sequestration mandates cuts that will cumulatively devastate a wide range of social programs and reduce discretionary social spending as a percentage of the US gross domestic product to its lowest level since the 1950s.

The Senate vote came exactly three months after the end of the two-week shutdown of the federal government last October. The austerity budget confirms the analysis advanced at the time by the *World Socialist Web Site*, which warned that the disruption of federal

operations engineered between the Democrats and Republicans would be used to shift the entire political system further to the right.

The budget deal was been welcomed by Wall Street and corporate executives, who praised the framework agreement to the skies when it was announced last month. "I'm going to send [lead negotiators] Paul Ryan and Patty Murray an email this morning that just says, 'Thank you, thank you, thank you, and may God bless you,'" JPMorgan Chase CEO Jamie Dimon said following the deal's announcement.

In the days since the text of the 2014 budget was released, details have begun to trickle out about regulatory loopholes and corporate oversight cuts inserted into the agreement behind the backs of the public. For instance:

- The budget prohibits the Environmental Protection Agency (EPA) from regulating methane pollution by industrial livestock companies. The EPA budget will be cut by \$143 million and the National Labor Relations Board's budget will be reduced by \$4 million.

- The bill includes major handouts to the coal industry, including provisions to block the EPA from developing new rules on "fill material" for mountaintop removal mining, and more favorable financing terms for energy companies.

- The budget leaves in place most of last year's cuts to the National Institutes of Health, resulting in an allocation that is 10 percent lower in real terms than it was in 2007.

The Senate vote to pass the budget came two days after the chamber blocked a bill to restore emergency jobless benefits for the long-term unemployed, delaying any chance of extending the benefits until the end of the month.

The passage of the austerity budget, together with the expiration of extended jobless benefits, new cuts in food stamps, White House support for the bankruptcy of Detroit, and the gutting of health care for workers under Obama's health care overhaul, gives the lie to Obama's rhetorical posturing as an opponent of social inequality.

The quick passage of the new budget underscores the fact that behind the stage-managed facade of "partisan gridlock," the two corporate-controlled parties are united in attacking the social conditions and living standards of working people.



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