US Congress lifts federal debt ceiling

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The congressional votes this week to suspend the federal debt ceiling until March 2015 are a further demonstration that it is Wall Street, not ultra-right Tea Party elements, that calls the shots in Washington.

The debt ceiling increase passed the House of Representatives Tuesday night and the US Senate on Wednesday afternoon, with Tea Party-aligned Republican senators and congressmen howling their opposition but doing nothing to actually block the measure.

Corporate America—in the person of the Chamber of Commerce and the major banks and brokerage houses—was unanimous in demanding that Congress raise the debt ceiling and authorize continued Treasury payment of interest and principal on US government bonds.

The debt ceiling was reset February 7 after the temporary extension approved last October expired. Treasury Secretary Jacob Lew warned that due to payment of tax refunds and other seasonal outlays, the federal government would exhaust its cash resources before the end of the month.

The major financial interests sought to insure there was no repetition of the partial federal shutdown of last October or threat of default on the federal debt. The deteriorating conditions in financial markets, including a sharp fall in the stock market last week and early this week, and the rapid flow of capital out of "emerging markets" such as Brazil, Turkey and Indonesia, made Wall Street particularly wary of any financial shocks.

As a consequence, both House and Senate Republican leaders broke ostentatiously with their Tea Party factions, supplying just enough votes to enable the Democratic minority in the House to push through the debt ceiling increase and the Democratic majority in the Senate to top the 60-vote threshold required to halt debate and force a vote.

At a Monday meeting of the House Republican caucus, Speaker John Boehner announced that there was no way to get the 218 votes required for passage of a debt ceiling increase tied to any specific policy measure, such as a restoration of cuts in military pensions or changes in Obamacare.

Nearly all 200 Democrats were committed to a "clean" debt ceiling bill–one with no policy measures attached–as demanded by the White House. Several dozen Republicans were committed to opposing any increase in the debt ceiling, no matter what policy measures were attached as a "sweetener."

Boehner was compelled to drop his insistence that only bills with majority support from the Republican caucus would be brought to the floor of the House for a vote, allowing the debt ceiling to pass by 221 to 201, with near-unanimous Democratic support and the votes of 28 of the 233 Republicans.

The 28 Republicans included Boehner himself and the bulk of the party leadership in the House, as well as a group of more senior Republicans who have announced plans to retire and hence will not be facing challenges in the 2014 primaries or the general election.

The climb-down by the House Republican leadership and setback for the Tea Party faction were widely noted. McClatchy News Service headlined its report, "Tea Party loses as House approves debt ceiling increase without condition."

The subsequent Senate vote to approve the suspension of the debt ceiling was equally revealing of the crisis in the Republican Party. Over the objections of the Senate Republican leadership, Senator Ted Cruz of Texas, a Tea Party-aligned right-winger, formally objected to passage of the resolution, forcing a vote to cut off debate.

Since such a vote, called "cloture" in Senate parlance, requires 60 votes out of the 100 members of the Senate, the Democratic majority of 55 could not close debate on its own. Cruz's parliamentary

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maneuver thus had the effect of forcing a section of the Republican caucus to join with the Democrats to close debate, or else the debt ceiling measure would have failed.

The vote-counting on the Senate floor stretched out for an hour, well beyond the 15 minutes normally allowed, as those Republicans prepared to vote for cloture met with Republican Minority Leader Mitch McConnell and his deputy, John Cornyn, demanding that they join the vote to end debate in order to provide them political cover.

In the end, McConnell, Cornyn and 10 other Republican senators joined with the Democrats to impose cloture by a 67-31 vote. The actual debt ceiling measure passed by a 55-43 vote, with all Democrats voting for it and all Republicans opposing it.

Cruz's own opposition to the measure was half-hearted. He declined to actually conduct a filibuster, as he had, with enormous media publicity, last fall during the previous showdown over the debt ceiling.

After the passage of the debt ceiling bill, spokesmen for various ultra-right and Tea Party groups denounced Boehner, McConnell and other Republicans who had voted for the bill. But Grover Norquist, president of Americans for Tax Reform, a corporate-backed lobby for lower taxes on business and the wealthy, pointed to the fact that the bill followed a bipartisan budget deal that maintained the "sequester" spending cuts and left tax rates unchanged.

Since its inception in 2009-2010, the Tea Party has been portrayed by the media and the political establishment as a powerful movement with wide popular support. In reality, it represented the intervention in US politics of a handful of billionaires, most notably Charles and Edward Koch, to finance a campaign to mobilize sections of the upper-middle class and push the US two-party system further to the right.

They were able to exploit fears over the reactionary character of the Obama health care "reform" program and widespread political confusion—best encapsulated by signs at Tea Party rallies declaring, "Get your government hands off my Medicare."

But the Tea Party elements never enjoyed wide political support either in the working class or middle class for the ultra-right policies promoted by the Koch brothers and their retinue of paid propagandists.

Under conditions of deepening financial crisis, the most powerful sections of the US ruling elite have now stepped in, brushing aside the Tea Party demagogues and insisting that the interests of Wall Street be served.

This demonstrates not only the phony character of this supposed "grassroots" movement and the massively manipulated character of American politics, but also the 100 percent alignment of the Obama administration with the needs and interests of big business.

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