

Obama embraces Republican budget bill

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With votes looming in both the House and Senate, the Obama administration announced Thursday that it would support Republican-drafted legislation, called a continuing resolution that would fund most of the federal government through September 2015.

White House Chief of Staff Denis McDonough went to Capitol Hill to lobby Democratic members of the House of Representatives to vote for the budget bill.

A White House spokesman said Obama would sign the continuing resolution despite the addition of hundreds of reactionary “riders”, many of them aimed at blocking federal regulation of pollution and financial swindling.

One of the most important riders would rescind a section of the Dodd-Frank law, the legislation passed in 2010 to place very limited curbs on the kind of financial speculation that led to the 2008 Wall Street crash. This provision would repeal a ban on banks using depositor funds insured by the federal government to gamble in high-risk derivatives markets.

The measure was inserted into the continuing resolution at the last minute, and consumer watchdog groups and some liberal Democrats voiced objections, only to be slapped down by the White House immediately. Obama spokesman Josh Earnest acknowledged that Congress was “doing the bidding of Wall Street interests again,” but added, “We certainly don’t want to see a government shutdown.”

Another major non-budget provision added to the bill with the backing of both Republicans and Democrats would allow government-insured multi-employer pension plans to cut benefits to current workers. It is expected to affect tens of thousands of retired truck drivers, warehousemen and coal miners, among others. (See “US Congress to vote on union-backed plan to cut workers’ pensions.”)

Other riders in the funding bill would prohibit certain environmental regulations and other restrictions on

business. A particularly noxious rider would halt enforcement of Department of Transportation rules requiring more regular sleep periods for long-haul truck drivers—one of the most hazardous occupations—and reducing the upper limit on work times from 82 hours to 70 hours a week.

There is also a rider, inserted without discussion on page 1599 of a 1603-page bill, which provides a huge windfall for the Democratic and Republican Party organizations by raising the limit on certain types of contributions to the parties from wealthy individuals from \$32,400 to \$324,000. Using several such loopholes to maximize their donations, a wealthy couple will be able to give each party more than \$3.1 million.

There was little or no opposition from congressional Democrats over the actual amount of money being appropriated for the federal departments, although the continuing resolution effectively freezes most spending for domestic social programs while awarding a whopping \$73 billion in additional “emergency” spending to the Pentagon and State Department.

The spending freeze was part of the budget deal negotiated by House Republicans and Senate Democrats in December 2013, and most of the specific program funding numbers are based on that earlier agreement. Overall spending levels are \$521 billion for the military and \$492 billion for everything else, although the “non-military” spending includes the Department of Homeland Security, the Department of State, the Department of Justice (FBI), the Department of Energy (nuclear weapons production) and the vast intelligence apparatus of 19 agencies, including the CIA and NSA.

The biggest increase is the \$64 billion to fund Overseas Contingency Operations (OCO), including Obama’s new war in Iraq and Syria. This huge sum is allocated despite the supposed ending of US combat

operations in Afghanistan, and suggests that the war in the Middle East will be rapidly expanded.

The OCO spending includes \$485 million in military aid to East European countries as part of the US-NATO campaign against Russia over Ukraine. Of this, the new ultra-right government in Ukraine, installed by a US-backed coup, will get \$139 million plus loan guarantees.

The State Department gets \$9 billion in contingency funding, which will cover its expanded role in the war against the Islamic State of Iraq and Syria (ISIS) and the subversion against Russia, as well as \$260 million for the Central America Regional Initiative, essentially bribes to the governments of Honduras, Guatemala and El Salvador to block immigrants from those countries from seeking refuge in the United States.

The regular military portion of the budget resolution includes \$3 billion in procurement funds to buy weapons that the Pentagon did not request, but which corporations want to sell and lobbied congressmen to insert into the bill. The total of \$93.8 billion in procurement was described by Politico.com as “packed with goodies for the military’s top defense contractors, including aerospace giants Lockheed Martin and Boeing.”

The biggest single increase in domestic spending is \$5.4 billion to deal with the Ebola outbreak, although much of this will go to support the deployment of 3,000 US troops in West Africa.

In domestic policy, the budget cuts \$345.6 million from the Internal Revenue Service, to make it easier for corporations and the super-rich to evade taxes, and \$60 million from the budget of the Environmental Protection Agency. Republican House Speaker John Boehner boasted that Congress had cut EPA funding for the fifth consecutive year, reducing staff levels at the agency to the lowest in 25 years.

The “domestic” spending portion of the budget includes \$387 million more for the Department of Energy to modernize the US nuclear weapons stockpile.

The House of Representatives took the first step towards approving the continuing resolution on Thursday morning, with a procedural vote to take up the bill and begin debate passing by a narrow 214-212 margin.

Boehner nearly lost the vote on the adoption of the rule governing debate on the measure—normally a

straight party-line vote—when 18 ultra-right Republicans broke ranks and voted “no,” demanding that the budget measure include a provision to immediately reverse President Obama’s executive order on immigration.

The congressional Republican leadership decided to postpone a confrontation on immigration until January, when the Senate switches to Republican control. With that in mind, the legislation funds all of the federal government through September 30, 2015 except the Department of Homeland Security, which enforces immigration law. The DHS is funded only until February 27, 2015, setting up a test of the immigration policy during that month.

Actual passage of the continuing resolution by either the House or the Senate remained in question as of this writing Thursday night. As many as 70 Republicans in the House were expected to vote against the bill, making it dependent on sufficient Democratic Party support to pass. In the Senate, the bill could be filibustered by ultra-right Republicans or Democrats opposed to weakening of the Dodd-Frank financial industry regulations.

Boehner said there was no danger of a federal government shutdown, because the House would vote on a short-term continuing resolution of a few days if it could not complete action in time to meet the midnight Thursday deadline.

Outgoing Senate Majority Leader Harry Reid has already agreed to the basic outline of the continuing resolution—full-year funding of all departments except DHS—and has followed the White House lead on accepting the non-budget riders on financial and environmental regulation.



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