

Trump, Democrats reach deal on debt ceiling, budget

Patrick Martin
8 September 2017

In a major political shift Wednesday, congressional Democratic leaders reached an agreement with President Trump on a measure to tie initial funding of a relief bill for victims of Hurricane Harvey to a three-month extension of both the federal debt ceiling and budget authorization for federal agencies, overriding the wishes of congressional Republicans.

Senate Majority Leader Mitch McConnell introduced an amendment based on the deal on Wednesday night, and it passed the Senate easily on Thursday, by a top-heavy bipartisan margin of 80 to 17. All 17 “no” votes came from conservative Republicans. Every Democrat voted for the bill, except for Senator Robert Menendez of New Jersey, who is currently on trial for bribery.

The Senate bill doubles the amount of hurricane relief money authorized by the House of Representatives Tuesday, from \$7.9 billion to \$15.3 billion. It also extends the federal flood insurance program, which was to expire this month.

The House is expected to take up the amended measure on Friday, with passage requiring a near-unanimous vote by the Democrats and the support of a minority of the Republicans. House Speaker Paul Ryan said he would back the deal, but both groupings of conservative Republicans, the Republican Study Caucus and the Freedom Caucus, said they would oppose it.

The deal was struck at a Wednesday morning meeting at the White House, the first meeting involving the president and congressional leaders of both parties since Trump was inaugurated in January. Congressional Republicans, along with Trump’s own treasury secretary, Steven Mnuchin, proposed using the hurricane relief bill, whose passage was all but certain, as a vehicle for an 18-month extension of the debt ceiling, which would push the possibility of a federal default on debt beyond the 2018 congressional election. Trump instead sided with the Democrats, who proposed a three-month extension, forcing another vote in December to raise the debt ceiling to avert default.

The bipartisan deal with Trump was accompanied by fulsome praise for the fascist-minded president from Senate

Democratic Leader Charles Schumer and House Democratic Leader Nancy Pelosi. Both hailed Trump’s actions as forestalling a federal debt default or a shutdown of the federal government—although both eventualities have only been postponed until a new deadline of December 15.

“It was a really good moment of some bipartisanship and getting things done,” Schumer told reporters. “The bottom line is the president listened to the arguments. We think we made a very reasonable and strong argument. And to his credit, he went with the better argument.”

Pelosi hailed the agreement with Trump at a Thursday news conference, saying that with the deadlines for the federal budget and debt ceiling in mid-December, the Democrats would have leverage to advance their policies on immigration, federal spending and health care.

She revealed that Trump had telephoned her that morning to cite favorable press coverage of the White House deal, and said she had asked him to issue a tweet to “reassure” DACA (Deferred Action for Childhood Arrivals) recipients that they would not be subject to deportation during the next six months. This follows Trump’s action Tuesday rescinding the Obama-era program, which defers deportation against undocumented young people brought to the United States as children, but delayed the full effect of his decision for six months.

The effusive praise for Trump shows the real political face of the Democratic Party, which fraudulently claims to oppose the ultra-right policies of this administration, but is actually engaged in an effort to prop up his administration. Neither Schumer nor Pelosi made any mention of Trump’s attacks on immigrants, his open sympathy for neo-Nazi groups, or his threats of nuclear war against North Korea.

Trump has provoked a firestorm of popular opposition, most recently to the decision, announced Tuesday, to rescind the DACA program.

Trump’s standing in opinion polls, never very high, has plunged towards the 30 percent mark, particularly in the wake of his public expression of sympathy for neo-Nazi rioters in Charlottesville, Virginia, who killed an anti-fascist

protester.

In the face of Trump's growing unpopularity, the Democratic Party has confined its actual opposition to Trump to one subject: the alleged Russian government intervention in the 2016 US election, which allows them to attack Trump as insufficiently hostile to Moscow, while suppressing all other issues in a flood of McCarthy-style Russia-baiting.

In the anti-Russia campaign, the Democrats have acted as the spokesmen for the military-intelligence apparatus, where there is adamant opposition to any lessening of US military-diplomatic pressure on Russia, particularly in relation to the Syrian civil war.

On economic issues, there is ample room for the Democrats to form an alliance with Trump on the basis of his espousal of economic nationalism and trade warfare—long a staple of the Democratic Party—and his advocacy of a major cut in corporate taxes.

Schumer has already dropped broad hints about the possible outline of a deal on taxes. When Trump began campaigning last week for a tax-cut plan—still not yet in a finished form—Schumer replied by opposing a cut in tax rates for the top 1 percent, while leaving wide open the possibility an agreement to cut corporate tax rates, the principal demand of Wall Street and big business.

The Senate Democratic leader, who has collected more campaign money from Wall Street than any other non-presidential candidate, sounded the same theme after the deal on the debt ceiling. “The bottom line is we have a lot of issues to come together on,” he said, a clear reference to tax cuts. “It almost always works out best in a bipartisan way when we can do those issues together.”

White House legislative director Marc Short made it clear, in return, that Trump was thinking along the same lines. He said that the “bipartisan solution” to the impending deadlines for the debt ceiling and the federal budget authorization (September 30) meant that Congress could devote the next several months to enacting tax cuts. “We believe that helping to clear the decks in September enables us to focus on tax reform,” he said.

Trump himself followed up the White House meeting with congressional leaders by traveling to North Dakota for a campaign-style rally devoted to tax cuts. He was accompanied on Air Force One by Democratic Senator Heidi Heitkamp of North Dakota, and Trump invited Heitkamp to take a bow at his rally, calling her a “good woman.”

Heitkamp, who is up for reelection next year, was one of three Democrats refusing to sign a statement, circulated by Schumer, opposing Republican plans to push through a tax cut using the “reconciliation” procedure that requires only a

simple majority rather than 60 votes.

Until the deal between Trump and the Democrats, the business press had been filled with increasingly gloomy forecasts that tax-cut legislation would be blocked by conflicts provoked by the budget and debt ceiling deadlines, as well as the necessity to reauthorize the federal flood insurance program, particularly in the wake of Hurricane Harvey, and the Children's Health Insurance Program. Both of these programs have to be reauthorized by Congress before the end of September.

Now a Schumer-Trump deal is being celebrated as the means of reviving the project of slashing corporate taxes. The biggest lies here are being spread by the *New York Times* and *Washington Post*, which have spearheaded the anti-Russia campaign in collaboration with the intelligence agencies, and are now swinging into action to hail the alliance of the Democrats and Trump.

Thursday's *Washington Post* carried a column headlined “Is Trump launching a ‘different presidency’ with Democrats?” This piece suggested that Trump was carrying out a long-hoped-for shift away from the Republican ultra-right.

Not to be outdone, the *New York Times* published a news analysis the same day, headlined, “To Allies’ Chagrin, Trump Swerves Left,” hailing the Trump-Schumer-Pelosi deal as “a significant tactical change” that “will give Democrats increased leverage in coming negotiations.” The article also suggested that Trump was reversing his position on rescinding DACA and urging Congress to legalize the program.

The *Times* and the *Post*, along with the Democratic Party, are afraid above all that the actions of Trump could spark social upheavals in the working class—and it is for this reason that they are moving to prop up the administration.



To contact the WSWS and the Socialist Equality Party visit:

[wsws.org/contact](https://www.wsws.org/contact)