Sanders, Schumer reach deal on Biden budget

Patrick Martin
14 July 2021

Senate Majority Leader Chuck Schumer and Senate Budget Committee Chairman Bernie Sanders announced late Tuesday that they had reached agreement on the broad outlines of a budget resolution for the fiscal year that begins October 1, setting a $3.5 trillion ceiling on new social spending by the Biden administration.

White House legislative affairs director Louisa Terrell and National Economic Council Director Brian Deese attended the discussions, and Biden reportedly signed off on the deal. The agreement is only the initial sketch of what would become dozens of specific appropriations to be consolidated into a single, massive "budget reconciliation" bill.

There are numerous twists and turns ahead in the congressional wrangling over the budget deal, which is aimed at producing companion legislation to the bipartisan infrastructure bill being negotiated by a group of 11 Republicans and 10 Democrats in the Senate. Neither bill is assured of passage in either house of Congress, and a handful of the most conservative House and Senate Democrats are likely to have a major say over the outcome.

A few critical observations can be made at this stage. First, whatever passes will provide only a minute fraction of what is required to meet the vast social needs of American working people. Second, it will impose only the slightest of burdens, if any at all, on the vast incomes and wealth of the super-rich.

The latter point can be grasped immediately by comparing the size of the total package, $3.5 trillion over 10 years, with the increase in wealth of the top one percent of the American population, $10 trillion in a single year.

The $3.5 trillion top-line number, presented in the media—and by the Democrats themselves—as a huge commitment of resources, amounts to an average of $350 billion a year, or 3.5 percent of the additional wealth accumulated by the top one percent just this year alone.

And that assumes that the social spending package passes in full. There is no reason to believe that, since the figure agreed on by Schumer and Sanders represents only the starting point for negotiations by the Democratic leadership with their own most right-wing elements and with the Republicans, who will inevitably demand a lower figure.

The convoluted legislative process outlined by Schumer begins with the introduction of the bipartisan infrastructure bill next week (the final terms of which are still being worked out in negotiations that could easily collapse). This would be followed by the introduction of a budget resolution for the fiscal year beginning October 1, FY 2022, which would set general spending goals.

The infrastructure bill would require 60 votes (10 Republicans plus all the Democrats) to survive the expected filibuster. The budget resolution is not subject to the filibuster, but in a 50–50 Senate, the most right-wing Democrats, such as Joe Manchin of West Virginia and Kyrsten Sinema of Arizona, can dictate their terms. Even so, Schumer claimed that both will pass before the August recess.

After returning in September, the Senate would take up the "reconciliation" bill, so named because it supposedly "reconciles" spending for each department and program with the overall target set in the budget resolution. The formality only has significance because it allows passage of the bill by a simple majority and without a filibuster.

Multiple Senate committees would then approve various pieces of the reconciliation bill within the overall spending number, $3.5 trillion, set by the budget resolution itself. This will become a feeding frenzy, as corporate interests and other lobbying groups seek to get their claims for spending included, or exclude revenue provisions that affect their interests.

While Senate Democrats claim that the spending will be entirely paid for by increased taxes on corporations and the wealthy, this is by no means assured. Assuming the bill eventually passes, it is likely to include extensive borrowing under conditions of rising interest rates, a windfall for the financial elite. The only specific revenue pledge made by Schumer Tuesday was that the legislation

© World Socialist Web Site

would bar any tax increases on those making less than $400,000 a year, as Biden had previously demanded.

Various proposals have been made by both House and Senate Democrats on what should be included in the final reconciliation package, including universal pre-kindergarten, an expanded child tax credit and subsidized in-home care for the elderly. One sop to the Sanders wing of the Democratic Party is reportedly the extension of Medicare to cover dental, hearing and vision care, although this has been repeatedly promised to retired workers by the Democrats but never actually delivered.

These developments say a great deal about the politics of the supposed "left" wing of the Democratic Party. Bernie Sanders, a self-styled "democratic socialist" when he ran for president in 2016 and 2020, has been fully integrated into the operations of the Democratic Party, the ruling party in the government of the most powerful imperialist nation.

He serves not only as chairman of the Budget Committee, playing a significant role in the horse-trading within the Democratic Party and between the Democrats and Republicans, but as a political validator of Democratic Party policies in the eyes of the millions who supported his presidential campaigns and mistakenly believe him to be the personification of "progressive" politics.

CNN reported that Sanders and Representative Pramila Jayapal, chair of the House Progressive Caucus, held a call with "progressive" representatives Monday in which they acknowledged that the $3.5 trillion ceiling would not allow funding of all of their legislative priorities. "This is a capitulation by progressives," one representative told CNN Tuesday.

Sanders' "left" demagogy was in full flower this week. Asked by reporters about the gulf between his initial call for $6 trillion in new spending and the final number of $3.5 trillion, Sanders declared, "This is the most significant piece of legislation passed since the Great Depression, and I'm delighted to be part of having helped to put it together."

The Vermont senator was equally effusive in an interview with *New York Times* columnist Maureen Dowd, published last weekend. "Maureen, let me just tell you what we're trying to do here," she quoted him as saying. "We're working on what I think is the most consequential piece of legislation for working families since the 1930s."

Dowd remarked on the alliance of Sanders and Joe Biden: "A president and senator who are both pushing 80, men who were underestimated and dismissed for years in Democratic circles, are now teaming up to transform the country. It's the Bernie and Joe show."

The columnist is correct about the alliance, but its purpose is not to transform the country, but rather to block the emergence of a political movement of the working class that breaks with the Democratic Party and challenges the profit system and the rule of the financial aristocracy.

And it is an alliance established on Biden's terms: the $3.5 trillion social spending bill, plus the $600 billion in the bipartisan infrastructure bill, adds up to the same total of $4.1 trillion proposed by Biden when he addressed Congress in April: $2.3 trillion for Biden's American Jobs Plan and $1.8 trillion for his American Families Plan. It has only been repackaged slightly in an effort to obtain Republican support for a small piece of it.

Dowd reports her own question: "What about grumbling coming from members of the progressive wing that they want Sanders to stay a hell-raiser, not be a bridge-builder who gives Biden and the center-left cover?"

She records his cynical answer: "You know politics," he answers with a shrug. "You can't please all of the people all of the time."

Not only cynicism, but outright reactionary politics. Dowd, the daughter of a cop, asks Sanders, the former mayor of Burlington, Vermont, about the slogan "defund the police." Sanders responds with genuine sympathy for the plight of the "men in blue."

"A cop's life is a difficult life," he tells her. "Schedules are terrible. Salaries, in many cases, are inadequate. It's a dangerous job. It's a job with a lot of pressure. We need to significantly improve training for the police. In certain communities, what is going on is absolutely unacceptable. It must be changed, period. We cannot have racism in policing. [But] If you go to Black communities or Latino communities, they want this protection."

So much for Sanders' pretensions to have anything to do with socialism.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site