US Congress faced with deadline to prevent federal shutdown

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Senate Democratic leader Chuck Schumer moved Wednesday to push through a continuing resolution to avert a shutdown of the federal government at midnight Thursday. In a bid to obtain Republican support in the House and Senate, the Democrats agreed to separate the question of spending authorization from a measure to raise the federal debt ceiling.

Senate Republicans blocked passage of a bill Monday that combined the temporary spending authorization with the lifting of the debt ceiling, carrying out a filibuster that Democrats failed to break. The vote to invoke cloture and end debate failed by 48-50. A cloture motion requires 60 votes and, in a Senate divided 50-50 between the two capitalist parties, requires bipartisan support.

While the new version of the continuing resolution drops the issue of the debt ceiling, Treasury Secretary Janet Yellen warned in a letter to Congress Tuesday that the Treasury will exhaust by October 18 the various expedients it has been using to keep the federal debt below the ceiling of $21 trillion. At that point, the federal government will have to hold back payments for which it no longer has borrowing authority, including Social Security checks due to be sent out October 20.

The US government has never defaulted on its debt or social benefit payments, and even the prospect that it may do so in three weeks' time has begun to affect the financial markets.

The current 2021 fiscal year ends on September 30, and without new spending authorization, most federal agencies, except the vast military-intelligence apparatus, would be required to shut down or operate with only a skeleton crew. The legislation to be introduced Wednesday night or Thursday morning in the Senate would allow agencies to spend at current levels until December 3, giving Congress two additional months to complete work on budget authorization for Fiscal Year 2022.

On Wednesday afternoon, Senate leaders in both parties said that the continuing resolution would not be approved until Thursday, only hours before the deadline, because of insistence by several Republican senators on including specific provisions in the bill, including US military aid to Israel and tighter screening of Afghan refugees brought to the United States after the collapse of the US-backed regime in Kabul last month. Negotiations were continuing into the evening Wednesday, however.

Passage of the resolution requires unanimous consent to suspend normal Senate rules, so any one senator can torpedo it. Only Republicans, however, are availing themselves of this leverage.

Schumer's introduction of a new continuing resolution stripped of the debt ceiling increase represents yet another Democratic capitulation to a Republican filibuster. This is in keeping with the policy enforced by Biden since the beginning of the year, in the name of seeking bipartisan collaboration with "our Republican colleagues," who backed Trump's baseless claims of a stolen election and blocked any investigation into the storming of Capitol January 6 by fascist Trump supporters.

Biden opposes any overturning of the filibuster, a longstanding anti-democratic procedure which requires 60 votes to take any legislative action in the Senate. This has become an all-purpose pretext for abandoning his election promises: a voting rights bill, legalization of DACA recipients and other undocumented immigrants, and cosmetic measures against police violence have all failed to get the necessary 10 Republican senators.

The September 30 deadline for the continuing resolution and the October 18 deadline for raising the debt ceiling are among several such deadlines facing Congress. In each instance, the Biden administration and the Democratic leadership face intransigent opposition from congressional Republicans and from right-wing factions within the Democratic Party itself, and in each case, their response has been to grovel and conciliate.

In the case of the debt ceiling, Senate Republican Leader Mitch McConnell, who repeatedly backed increases in the debt limit when Republican Donald Trump was president, said he would not do so with Democrat Joe Biden in the

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White House and the Democrats in control of Congress.

Schumer called on Republicans to allow passage of an increase in the debt ceiling by unanimous consent, with all the Democrats voting for it and all the Republicans abstaining, but this could be blocked by any one Republican voicing an objection, so it is highly unlikely. The Democratic leadership has been counting on pressure from the financial markets, particularly the major banks and hedge funds, to force the Republicans to give way on the debt ceiling, but so far this strategy has been a failure.

McConnell said that the Democrats could incorporate a rise in the debt limit into the social spending legislation they are planning to pass under a filibuster-proof procedure known as budget reconciliation. However, the budget resolution which permits passage of the reconciliation bill, passed by the House and Senate in August, did not include a provision for raising the debt ceiling.

Schumer said that there was not sufficient time to revise the budget resolution and then enact a reconciliation bill before the October 18 deadline. As a practical matter, this may be true, but the real problem for the Democrats is that a right-wing faction within their own party, in both the Senate and the House, objects to the $3.5 trillion price tag and wants to cut it in half, if not scuttle the reconciliation bill altogether.

The Democrats do not want to incorporate the debt ceiling increase into the reconciliation bill because it is not at all clear that the reconciliation bill will actually pass the Senate, since that would require the support of all 50 Democrats plus the tie-breaking vote of Vice President Kamala Harris.

Two right-wing Democratic senators, Joe Manchin of West Virginia and Kyrsten Sinema of Arizona, have so far refused to support the bill, while declining to publicly declare their objections. Manchin has indicated general opposition to the $3.5 trillion price tag, without specifying a counter-proposal. Sinema is reported to oppose any tax increase on the wealthy, the principal mechanism through which the social spending in the reconciliation bill is to be financed. Both Manchin and Sinema have made repeated trips to the White House in recent days for talks with Biden and other administration officials.

The stalemate over the reconciliation bill is holding up House passage of the infrastructure bill passed last month by the Senate by a bipartisan majority, including 19 Republicans, among them McConnell. As part of a deal with a right-wing (aka “moderate”) faction of House Democrats, Speaker Nancy Pelosi had promised a House vote on Monday that would send the legislation to the White House for Biden’s signature, but she had to reschedule the vote to Thursday after half the members of the House Progressive Caucus said they would vote against the bill unless there was Senate action to advance the reconciliation bill.

The vote on the infrastructure bill was rescheduled for Thursday, but there were reports that it could again be postponed. Any delay, however, would result in the shutdown of federally financed construction projects all over the country, since the legislation includes a budget extension for the Department of Transportation, which was separated out from the continuing resolution for the rest of the federal government.

While both capitalist parties portray the $3.5 trillion reconciliation package as a vast effort at social reform—the Republicans screaming about socialism, the Democrats claiming another “New Deal”—the scale of the bill is drastically overstated. Spread out over ten years, the social spending package is less than half the gargantuan sums earmarked for the Pentagon, which at the present level of spending would amount to nearly $8 trillion.

The bill does not create any new social programs, but extends certain federal benefits, such as the child tax credit, to more families and makes it permanent, rather than rolled over year after year. Medicare would add dental, vision and hearing benefits, although these would be phased in over many years. Medicaid eligibility would be expanded and Head Start broadened to become a universal pre-K program for three- and four-year-olds. Other funds will pass directly into the hands of private businesses or local institutions—community colleges, child care centers, and companies providing home health care for seniors and weatherization for homes.

Given the ten-year scope and the phased-in character of the benefit increases, when the Democratic Party loses control of Congress, which could take place as soon as next year, a Republican majority could repeal the social benefits and any tax increases on corporations and the wealthy immediately.

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