

Congress averts federal shutdown, but Biden budget plan faces collapse

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The US Congress passed a “continuing resolution” Thursday, giving two months of additional spending authority to the federal government and averting the shutdown of many federal departments at one minute after midnight Friday morning. The bill was forwarded to the White House for President Biden’s signature Thursday evening.

The Senate passed the bill by a 65-35 margin, with 15 Republicans, including Minority Leader Mitch McConnell and Minority Whip John Cornyn, joining all 50 Democrats. The House of Representatives passed the bill a few hours later by a margin of 254-175, with 34 Republicans joining 220 Democrats. No member of the House Republican leadership voted for the bill.

The bill provides authority through December 3 for the majority of federal departments to spend “discretionary” funds, the money appropriated annually by Congress. Money which the Treasury is obliged by law to spend, such as Social Security and Medicare benefits, would not have been cut off in a federal shutdown, nor would the shutdown have affected the Pentagon and other agencies that are part of the military-intelligence apparatus.

Nonetheless, a shutdown would have idled nearly a million workers, closed most federal offices and halted the day-to-day functioning of agencies like OSHA and the Department of Agriculture. The Biden administration was scrambling to find legal authority and budget shortcuts to prevent the shutdown from impacting agencies like the Centers for Disease Control and Prevention (CDC) and the Food and Drug Administration (FDA), centrally involved in the COVID-19 pandemic.

The continuing resolution also provides \$26.8 billion in assistance to victims of hurricanes, wildfires and other natural disasters, as well as \$6.3 billion in

emergency funds to resettle Afghan refugees. An amendment backed by Senate Republicans, to set strict limits on the Afghan refugee aid, was defeated just before the final vote.

While a federal shutdown was narrowly avoided, the near-miss was symptomatic of the dire straits in which the Biden administration finds itself, faced with intransigent opposition from congressional Republicans and a handful of right-wing Democrats who hold the balance of power in the closely divided House and Senate.

The continuing resolution was stripped of one of its main provisions, raising the federal debt ceiling from its present level of \$21 trillion, after Senate Republicans filibustered the bill on Monday. Rather than overturn the filibuster rule, an anti-democratic provision that requires 60 votes to pass legislation, Senate Majority Leader Charles Schumer accepted defeat and removed the debt ceiling provision, although Treasury Secretary Janet Yellen sent a letter to Congress Tuesday warning of the catastrophic consequences if the federal government defaulted on its debt, which she said would take place by October 18.

In testimony before a House committee Thursday, Yellen appealed for legislation that would eliminate the debt ceiling entirely, pointing out that Congress passed laws prescribing what could be spent and how much revenue could be raised, leaving the Treasury no option but to borrow the difference. This made breaching the debt ceiling inevitable, she said.

After the continuing resolution passed the House, Speaker Nancy Pelosi said that she still intended to bring up a \$1.2 trillion infrastructure bill for a vote Thursday night, but there was no indication that she had been able to cobble together the 218 votes required for passage.

At least 40 “progressive” Democrats have threatened to vote against the infrastructure bill if there is no assurance that the Senate will pass companion legislation to provide \$3.5 trillion over 10 years for social programs and aid to families, while barely a dozen Republicans were expected to buck their leadership and vote for the infrastructure bill.

Defeat of the infrastructure bill would mean the collapse of the political strategy that Biden has pursued since taking office in January: making concession after concession to the Republicans in pursuit of bipartisan support for his policies. The infrastructure bill was the high point of this policy, approved by the Senate in August by a 69-30 vote, with 19 Republicans, including Republican minority leader Mitch McConnell, joining all 50 Democrats.

The social spending sought by the House Progressive Caucus and their allies in the Senate like Bernie Sanders would include making permanent the child tax credit which has been provided on a yearly basis in the various coronavirus emergency spending bills. It would also add vision, hearing and dental benefits to Medicare, expand Medicaid eligibility, broaden Head Start into a universal pre-K program for three and four-year-olds, and extend limited benefits to community college students, working mothers, and elderly people who need home health care services in order to avoid moving into nursing homes.

The total bill for these social policy improvements would come to \$3.5 trillion over ten years, less than half the Pentagon budget over the same period, and about the same as the federal government pays in interest on its debt. At \$350 billion a year, the sum is far less than the increase in wealth enjoyed by America’s billionaires in the first year of the pandemic, \$1.8 trillion. The pandemic profiteers could pay for half the total cost of the package over 10 years just with the rise in their wealth since the pandemic exploded in March 2020.

The social spending is to be passed through the Senate under a procedure known as budget reconciliation, which allows the majority to pass a single bill each year by a simple majority vote without facing a filibuster. Since the Democrats have 50 seats plus the tie-breaking vote of Vice President Kamala Harris, and face the opposition of 50 Republicans, every Democrat must back the reconciliation bill to

ensure passage.

Two right-wing Democrats, Joe Manchin of West Virginia and Kyrsten Sinema of Arizona, have held up passage of the bill in opposition to both the spending total and the tax increases on the wealthy which are its principal financing mechanism. On Wednesday night, Manchin denounced the \$3.5 trillion top-line number as “financial insanity.” Then on Thursday he declared, “I’ve never been a liberal in any way, shape or form.”

Manchin said that he could not support a spending level greater than \$1.5 trillion, less than half the total requested by the Biden administration. Remarkably, he added that he had communicated this position to Senate Majority Leader Schumer, who undoubtedly told the White House, earlier this summer. Kyrsten Sinema’s office released a similar statement, confirming that she too had given a detailed statement of opposition to Schumer and Biden more than two months ago, “including dollar figures.”

These revelations demonstrate the complete cynicism of the entire Democratic leadership. They have been proclaiming their determination to pass a \$3.5 trillion bill, and utilized Bernie Sanders, now chairman of the Senate Budget Committee, and various House “progressives” to give a “left” face to the maneuvers by Biden, Schumer and Pelosi. And all the time, they were well aware that Manchin and Sinema would torpedo the bill.

Moreover, when Pelosi made a deal with the House Progressive Caucus to schedule a vote on the bipartisan infrastructure bill “in tandem” with the reconciliation bill, she undoubtedly already knew that the two right-wing senators would block the reconciliation bill and that the promise would not be kept.

Whether or not the infrastructure bill is ultimately passed, the much larger reconciliation bill, at least in any form resembling that hailed by Sanders, is as dead as the dodo. The Democratic Party “progressives” will once again play their assigned roles while Pelosi & Co. will express their regrets and wring their hands, a process that is now under way.



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