

Biden, Democrats retreat on social spending as Congress passes pro-corporate infrastructure bill

Barry Grey**8 November 2021**

What is being hailed as a triumph for President Joe Biden's domestic agenda—the House passage Friday night of the bipartisan infrastructure bill—in fact marks a further shift to the right by the Democratic Party, which is effectively ending any serious push for increased spending on domestic social programs.

The bill—a stripped-down version of Biden's initial \$2.6 trillion infrastructure proposal, which allots only \$550 billion in new money over 10 years—was passed near midnight by a vote of 228 to 209. It marked the final capitulation of the House Progressive Caucus and Senator Bernie Sanders to the demands of right-wing Democrats such as senators Joe Manchin and Kyrsten Sinema, now openly backed by Biden and House Speaker Nancy Pelosi, to pass the corporate-backed infrastructure bill and effectively ditch most or all of the broader social welfare and climate "Build Back Better" legislation.

Last spring, Biden bowed to Republican demands to separate his proposals for addressing America's crumbling physical infrastructure from proposals to address the dire social crisis caused by decades of cuts in social programs and windfalls for the rich, which has been immensely exacerbated by the COVID-19 pandemic.

But Biden pledged that he would not sign an infrastructure bill, which he insisted had to be bipartisan, unless Congress also passed his social welfare and climate bill. That would require the votes of all 50 Democrats in the Senate in order to avoid a filibuster and secure passage by majority vote under the budget reconciliation procedure. From the start, it was clear there would be no Republican support in the Senate for even modest increases in social programs or tax increases on corporations and the rich.

House Speaker Nancy Pelosi at the time aligned herself with the Congressional Progressive Caucus and Senate Budget Committee Chairman Sanders. They accepted Biden's maneuver, based on the promise that the House would not act on an infrastructure bill until the Senate had passed the broader social spending measure.

Biden then appointed Arizona Senator Kyrsten Sinema, among the most right-wing Democrats, to head up a bipartisan group of senators to fashion the infrastructure measure. The compromise bill—with less than 20 percent of the funding set out in Biden's initial proposal—passed the Senate in August with 19 Republican votes, including that of Senate Minority Leader Mitch McConnell.

The bill—said to be worth \$1.2 trillion, but including only \$550

billion in newly allocated funding, the rest coming from unspent pandemic relief money—was enthusiastically backed by big business. The US Chamber of Commerce published a list of corporate organizations that supported the bill, including itself, the Business Roundtable, the National Association of Manufacturers, the National Retail Federation and lobbying groups for the airlines, ports, trucking, rail and other sectors. Also on the list was the AFL-CIO and the building trades unions.

The corporate elite backed the bill because corporations stood to make a bundle from government contracts, subsidies and tax incentives, and because it was deemed essential to begin to address the infrastructure crisis in order to conduct economic and possibly military warfare against US capitalism's major rivals, first and foremost China.

At the same time, the oligarchy launched a massive lobbying campaign against the social welfare/climate bill, and mobilized its most open and reactionary stooges in the Democratic Party, such as Sinema and West Virginia Senator Joe Manchin, to either block its passage in the Senate or strip the bill of any measures, such as increased tax rates for corporations and the wealthy and expanded social entitlements, that impinged on its profits and wealth.

Once the infrastructure bill had passed the Senate, Manchin, Sinema and right-wing Democrats in the House demanded that the two bills be decoupled. They insisted that the House pass the infrastructure bill and send it to Biden's desk to be signed into law, condemning the social spending bill to be totally gutted or blocked outright in the Senate.

This has now happened. In the meantime, Manchin—a multi-millionaire coal business owner—and Sinema—a former Green Party activist who traded in her Ralph Nader buttons for massive campaign bribes from Wall Street and far-right billionaires such as the De Vos family—have taken turns demanding cuts in the social spending bill. Neither has even now committed themselves to vote for a stripped-down version, reduced from Sanders' \$6 trillion in the spring to \$3.5 trillion in September and to \$1.75 trillion (over 10 years) in its latest iteration.

All but six of the "progressive" Democrats joined 13 Republicans in ensuring passage of the infrastructure bill late Friday, following a hectic day of closed-door talks in Pelosi's Capitol office and telephone calls from Biden to recalcitrant Democrats. That included a group of six right-wingers who

refused to go along with the leadership's plan to vote on both bills on Friday so that the Democrats could say, dishonestly, that the promise to couple the two measures had been kept. They said they would not vote for the social spending bill until the Congressional Budget Office (CBO) had released its estimate on the cost—a process that could take weeks. That would delay or sink the infrastructure bill in the House, where the Democrats have a very thin majority.

The so-called progressives, including the “Squad”—Alexandria Ocasio-Cortez, Ilhan Omar, Ayanna Pressley, Jamaal Bowman, Cori Bush and Rashida Tlaib—had agreed to the deception. But when the leadership secured a deal for the right-wing group to pledge conditional support for the social spending bill, assuming the CBO’s scoring of the bill aligned with that of the Biden administration, Pelosi agreed to delay action on “Build Back Better” until the week of November 15.

The White House and Pelosi then turned on the Progressive Caucus to demand that it stop procrastinating and vote for the infrastructure bill that evening. Representative Pramila Jayapal, the chair of the caucus, quickly fell into line as did all but the six members of the “Squad.” Significantly, Pelosi mobilized the Black Congressional Caucus to put the screws on Jayapal and her caucus, highlighting the right-wing, pro-corporate role of the direct beneficiaries of the Democrats’ promotion of racial and identity politics.

The dissent of the six “Squad” members—several of whom are affiliated with the Democratic Socialists of America—was itself part of the sordid political maneuvering. As the *New York Times* reported: “Still, Ms. Pressley waited to make sure the infrastructure bill had enough votes to pass before she voted against the measure.”

The catalyst that brought the protracted process of whittling down Biden’s progressive reform pretensions to their present state—“a remnant of a fig leaf,” as the *World Socialist Web Site* put it—was the Democratic electoral debacle on November 2. The WSWS predicted the response of the Democratic Party would be a “violent” lurch further to the right. This has already been confirmed in the de facto ditching of the social welfare/climate bill.

Ten months after defeated ex-President Donald Trump unleashed a fascist mob on the Capitol to overturn the 2020 election and the US Constitution, Trump-backed Republican Glenn Youngkin defeated former Governor Terry McAuliffe in Virginia, a state that had voted for Biden by a margin of 10 points. The Republicans won all statewide races, taking over the posts of lieutenant governor and attorney general, as well as gaining control of the Virginia House of Delegates.

In the Democratic bastion of New Jersey, incumbent Phil Murphy barely scraped by to win a second term.

The response of the Democratic Party and the media was to blame the Democratic rout on the so-called “progressives,” who had supposedly pulled the party too far to the left in “center-right” America. The demand, echoing the position of the corporate-financial oligarchy, was that Biden and the party leadership demonstratively abandon any talk of social reform and get on with the business of reopening the economy in the midst of the raging

pandemic and “restore normalcy,” i.e., use whatever means necessary to put down the growing rebellion in the working class, marked by a determined strike wave and rank-and-file rejection of union-backed sellout contracts.

This was spelled out in an editorial in the *New York Times* on Friday, which demanded that the Democrats do more to appease “moderates” and Republicans, and drop their social reform pretenses, including in the “Build Back Better” bill.

The claim that Biden had moved too far “left” is absurd. His administration has from the start sought to rehabilitate the Republican Party even as the Republicans continue to back Trump and his ongoing plot to overthrow the US Constitution. Biden has continued Trump’s homicidal “herd immunity” policy on the pandemic, dropped any fight against the Republican assault on voting rights, abandoned police reform, stepped up attacks on immigrants on the border, and worked to cover up the scale of the January 6 coup attempt and the continuing threat to democratic rights.

At the same time, the Democratic Party has continued to promote racialist and identity politics, in an effort to divide the working class, and sought to prop up the trade union bureaucracy to suppress the growing rebellion of workers across the US.

As for the “historic” and “transformational” infrastructure bill, the average of \$55 billion a year in new money is a fraction of the \$760 billion for a single year allotted to the military in Biden’s defense budget. The Federal Reserve is continuing to pump \$105 billion *every month* into the financial markets, and that, combined with the trillions in corporate bailouts from the 2020 bipartisan CARES Act, has led to a record rise in the stock market, fueling an increase in US billionaires’ wealth of \$1.8 trillion in the first 18 months of the pandemic.

The bill provides roughly \$110 billion for roads and bridges, \$66 billion for rail, and nearly \$40 billion for transit. It includes \$73 million to modernize the electricity grid, \$65 billion to expand high-speed internet service, and \$55 billion to upgrade the water system.

The utter inadequacy of these sums to seriously address the infrastructure crisis—the result of decades of neglect and funneling of resources to the corporate-financial oligarchy—is shown by the latest estimate of the American Society of Civil Engineers, which says there is a \$786 billion backlog for roads and bridges alone.



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