Biden’s debt deal: A bipartisan blueprint for war and austerity

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The rapid and lopsided passage by both houses of Congress of the debt ceiling bill worked out between President Joe Biden and Republican House Speaker Kevin McCarthy, with the Democrats supplying the bulk of the votes, exposes the unbridgeable class chasm between the entire political establishment and the working class.

Despite their mutual recriminations, the two parties of American capitalism united in imposing the full cost of war on working people and youth. They used the debt ceiling and the specter of a “catastrophic” default on US debt obligations to mount an elaborate charade of “crisis” negotiations as the cover for imposing a brutal package of austerity measures.

The final act in the play came during the Senate vote on Thursday, when Republican Senator Lindsey Graham called the bill a “gift to China” and demanded an even bigger increase in military spending. Senate Majority Leader Charles Schumer (Democrat) and Minority Leader Mitch McConnell (Republican) dutifully replied by issuing a joint statement declaring that the “debt ceiling deal does nothing to limit the Senate’s ability to appropriate emergency supplemental funds to ensure our military capabilities are sufficient to deter China, Russia, and our other adversaries.”

In other words, while the cuts and caps on social programs are firm, unlimited financing of the US war machine will proceed without interruption.

Friday evening, Biden delivered a prime time address praising the agreement and the unity between the two parties in reaching it. “No one got everything they wanted,” he declared, “but the American people got what they needed.” In fact, Wall Street and the military got precisely what they wanted, though the bill is only a down payment on what is planned. As for the “American people,” the working class will be forced to foot the bill.

Throughout the process, the financial parasites remained unperturbed, knowing that a resolution entirely favorable to them was assured. The markets did not react to the talk of an impending “crisis” and celebrated the passage of the so-called “Fiscal Responsibility Act” with a sharp rise on Friday.

The corporate media uniformly promoted the official line, covering up the facts behind the rapid growth of the national debt—trillions of dollars in tax cuts for corporations and the rich, trillions more in bailouts of banks and speculators, and record spending on the military. No mention was made of the fact that social spending has declined sharply since the last debt ceiling deal, under the Obama-Biden administration in 2011, while corporate taxes have fallen by 60 percent and profits have repeatedly set new records.

The “crisis” supposedly showed that it was high time to end “profligate” spending on such things as housing, schools, health care, the environment, public transit and nutrition! The *Wall Street Journal* editorialized in support of the deal, particularly its new work requirements for older food stamp (Supplemental Nutrition Assistance Program—SNAP) recipients, on the grounds that it marked a step forward in restoring “a culture of work.”

The agreement includes caps for fiscal years 2024 and 2025 on non-military discretionary spending, rescission of $30 billion in unspent COVID relief funds, a $20 billion cut in Internal Revenue Service tax enforcement, and an August 30 termination of the moratorium on repayment of student debt.

Other provisions include the gutting of the 1970 National Environmental Policy Act to green-light fossil fuel drilling and other energy projects. There is also a 1 percent across-the-board cut in domestic spending for

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this year if Congress fails to enact all 12 appropriations bills by January 1, 2024, something that has not happened since 1997. This penalty would slash more spending than all the cuts spelled out in the rest of the legislation combined. It sets the stage for a budget crisis in an election year and the threat of a government shutdown.

As McCarthy repeatedly declared, the cuts included in the debt ceiling deal are only down payments on the gutting of all that remains of a social safety net.

In a June 1 editorial, the Democratic Party-aligned *Washington Post* hailed the austerity measures in the bipartisan bill, estimated by the Congressional Budget Office to reduce federal spending by $1.5 trillion over the next decade, while reiterating its demand that the core entitlement programs—Social Security and Medicare—be slashed as well. It called for "structural change to the real drivers of debt and deficits: health care and retirement programs."

This is, in fact, the goal of both big business parties, whatever tactical differences they may have over how to get there.

The efforts of the so-called "progressive" wing of the Democratic Party, including the pseudo-left Democratic Socialists of America members in the House of Representatives, to downplay the role of Biden and the Democrats and place the blame for the austerity measures entirely on the Republicans have been shattered by the actual outcome of the voting in both the House and Senate.

In the House, which passed the bill on Wednesday, the vote was 314-117, with the Democrats voting 165-46 for the bill (80 percent), compared with the Republicans voting for it by 149-71 (67 percent). Moreover, the Democrats rescued the bill from being blocked in an earlier procedural vote, breaking with convention on such matters and supplying more than 50 votes to overcome opposition from 29 members of the Republican House Freedom Caucus.

In the Senate, the bill passed by a vote of 63 to 36, with only four of the Democrats plus the nominally independent Bernie Sanders voting "no." Not a single Democrat in either chamber rose to demand a cut in military spending, which under the bill increases by 3 percent this year to a record high of nearly $1 trillion and rises by an equivalent amount next year.

Biden's response to Trump's attempted fascist coup of January 6, 2021 was to rescue the Republican Party and work out a modus operandi with it to prosecute US imperialism's aggressive policy toward Russia. Hence his pleas for "unity" and "bipartisanship." Now the program of war abroad is joined with war against the working class at home, and it too is a bipartisan policy.

This did not prevent DSA Representative Alexandria Ocasio-Cortez from tweeting: "Republicans need to own this vote. This was their deal. This was their negotiations. They're the ones trying to come in and cut SNAP, cut environmental protections, trying to ram through an oil pipeline through a community that does not want it."

The DSA functions as a faction of the Democratic Party. In 2020 it supported Sanders in the Democratic primaries, and when Sanders pulled out it backed Biden as a "lesser evil" to Trump. The DSA-aligned *Jacobin* promoted illusions in Biden, publishing an article after he was declared the victor in November 2020 with the headline: "Celebrate Today, Fight Tomorrow."

In all of its reporting on the debt ceiling "crisis," *Jacobin* has never raised the issue of the US-NATO war against Russia in Ukraine. That is because it and the DSA support US imperialism and its wars for global hegemony.

In the US, as all over the world—France, Sri Lanka, Britain—the attempt of the ruling classes to make the working class pay for war by destroying social benefits is fueling a massive upsurge of the working class. It is critical that this movement be given a conscious international and revolutionary socialist perspective, politically independent of all the parties and organizations of the ruling class.

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