

Looming US government shutdown targets the working class

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The United States is plunging toward a government shutdown at 12:01 a.m., Sunday October 1, the beginning of the new fiscal year.

On Friday afternoon, a group of 21 far-right Republican members of the House voted down a stop-gap spending bill proposed by Republican House Speaker Kevin McCarthy. The bill would have extended funding for federal agencies for one month at 70 percent of current funding levels—requiring massive cuts in social programs—and imposed further draconian and anti-democratic measures to block migrant workers from seeking asylum at the US-Mexico border.

McCarthy, in a concession to fascistic critics of the Biden administration’s Ukraine war policy, who are working in tandem with ex-President Donald Trump, had stripped military aid to the Kiev regime from the temporary spending measure, known as a “continuing resolution (CR).”

The extreme-right group of Republicans in the narrowly divided House of Representatives, led by Rep. Matt Gaetz of Florida, is demanding even deeper cuts in social spending and threatening to seek McCarthy’s removal as House speaker. Gaetz and a number of others have vowed to oppose any continuing resolution, regardless of its provisions, in line with public statements by Trump demanding that a shutdown be used to press for the lifting of criminal indictments against him.

Even had McCarthy’s CR been passed, it would not have prevented a shutdown on Sunday. President Biden had announced he would veto it and the Democratic-controlled Senate would have voted it down. Senate Democrats planned to seek passage of a bi-partisan CR by the upper chamber on Saturday, but even if successful, it would likely fail in the House.

For Biden and the Democrats, any spending bill that excludes money to expand military aid to Kiev and escalate the US-NATO war against Russia is a non-starter. The Democrats are seeking to impose the spiraling costs of the war on the backs of the working class, ending all COVID mitigation measures, purging millions from the Medicaid

rolls, and, also on October 1, allowing the resumption of student loan payments. But for reasons of internal stability and the 2024 elections, they are posturing as defenders of what remains of past social reforms.

The potential shutdown, and the spectacle of dysfunction and political reaction attending it, are a concentrated expression of the mounting crisis of American capitalism. In its New Year statement at the beginning of 2023, “The global capitalist crisis and the growing offensive of the international working class,” the *World Socialist Web Site* cited major elements of the crisis—the ongoing COVID pandemic, the escalating US-NATO war against Russia, the economic and financial crisis, the breakdown of the institutions of bourgeois democracy and elevation of fascist forces, and the resurgence of the class struggle—and wrote:

In 2022 the accumulating pressure of these intersecting elements of the world capitalist crisis attained the equivalent of critical mass: that is, they have reached the point where the dynamic of crisis has passed beyond the ability of governments to control the movement toward a social cataclysm.

The budget impasse at the center of world imperialism is an expression of this process. And it takes the form of a savage intensification of the attack on the working class.

If a shutdown occurs this weekend—making it the 15th government shutdown since 1981—it will, as in the previous cases, shift the trajectory of ruling class policy further to the right. Even were a last-minute reprieve attained to head off an immediate shutdown, it would be based on a further bipartisan deal to intensify the assault on social programs on which tens of millions of workers rely and mark a further strengthening of the far-right within the US political system.

In any event, the budget crisis will damage the US economy and further weaken the flagging global position of the US dollar. As a result of the crisis last spring

surrounding the suspension of the US debt ceiling, which ended with Biden agreeing to cut \$1.5 trillion in non-military discretionary spending over the next decade, Fitch Ratings downgraded the US credit rating. Last Monday, Moody's announced that it would consider following suit should a government shutdown occur.

On Thursday, the federal government began advising workers that they would either be furloughed beginning Sunday or forced to work without pay. According to the Office of Management and Budget, a shutdown would force more than 1.5 million federal civilian employees to go without pay for the duration of the impasse, as well as more than 2 million military service members. The National Federation for Federal Employees, a federal employee union, estimates that 2.1 million civilian federal workers could see delayed paychecks and roughly 4 million federal contract workers could receive no paycheck.

Furloughed workers would include federal wildfire firefighters and Internal Revenue Service workers. A shutdown lasting more than a few days would sharply impact air travel, as federal air traffic controllers, already at least 2,500 controllers short and forced to work 10-hour days, would be ordered to work without pay.

The impact on the poor, the elderly and the infirm would be severe. The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) would cease paying benefits to its 7 million clients almost immediately. The program presently benefits more than half of all newborns in the US—an indication of the staggering levels of poverty in America.

If the shutdown continued beyond mid-October, food stamps would be delayed. A planned expansion of school meals would be blocked, and some 10,000 children would lose access to childcare as a result of disruptions to Head Start.

Members of Congress, on the other hand, including the many millionaires and multi-millionaires in their midst, would continue to be paid. (The median net worth of members of Congress who filed disclosures in 2019 was just over \$1 million).

The shutdown would take place under conditions where criminality and corruption are oozing out of every pore of the US political system. Just this past week, Trump was found liable for fraudulently inflating the value of his real estate business. On the Democratic side, long-time senator and chair of the Senate Foreign Relations Committee Robert Menendez was indicted for bribery conspiracy together with business partners linked to the Egyptian dictator and mass murderer Abdel Fatah el-Sisi. Federal agents found wads of cash totaling \$480,000 and kilo-weight gold bars in Menendez's home.

On Thursday, the Republican-controlled House Oversight Committee held the first public impeachment hearing into alleged corrupt relations between President Joe Biden and his son, Hunter, who traded on his father's name during and after the latter's term as vice president to make millions in dealings with Ukrainian and Chinese companies.

Then there is Supreme Court Justice Clarence Thomas, whose wife played a key role in the plot to overthrow the 2020 presidential election, but who refuses to recuse himself from cases related to Trump's attempted coup. Over the past week, new revelations have been published of Thomas' lavish vacations paid for by billionaire fascists such as Harlan Crow and the Koch brothers.

Whatever the immediate outcome of the present budget impasse, the consensus position of the American ruling class was outlined in the "moderate" House Republican Study Committee budget plan released last June, following the debt ceiling deal reached by Biden and McCarthy. The Study Committee has 175 members, including 75 percent of House Republicans.

Titled "Blueprint to Save America," the plan proposed to balance the federal budget in seven years by cutting spending by \$16.3 trillion over the next decade, while cutting taxes for the wealthy by another \$3.9 trillion. The plan would cut discretionary non-military spending by \$3.64 trillion and slash mandatory non-military spending by \$11.86 trillion.

It would do this in part by gutting Medicaid, raising the Social Security eligibility age from 67 to 69, eliminating other poverty programs and shutting down the National Endowment for the Arts and the Corporation for Public Broadcasting. It would fund completion of Trump's border wall and prevent federal dollars from being used to pay for abortions.



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