

US House adopts budget plan to spearhead social counterrevolution

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The US House of Representatives on Tuesday night took the first step in the Trump administration's plans for devastating cuts in social spending, particularly on healthcare, adopting an initial budget plan by a 217-215 vote. The measure begins the so-called reconciliation process, in which Congress passes a single annual budget and tax bill that cannot be filibustered in the Senate.

With only a three-vote majority in the House and a 53-47 majority in the Senate, reconciliation is the preferred mechanism for the Trump White House to enact its core program unilaterally, without negotiating with the Democrats. The final bill is expected to incorporate far more than just budgetary items, providing a vehicle for major changes in policies ranging from immigration to the environment.

The House bill did not include such provisions, which will be worked out in future talks with Senate Republicans and the White House. But the budgetary provisions alone demonstrate the colossal social counterrevolution that the second Trump administration is seeking to carry out.

The bill provides the initial framework for House committees that will actually draft the provisions of the reconciliation legislation. This includes increased spending of up to \$300 billion for the military and immigration and border enforcement and up to \$2 trillion in spending cuts for all other government functions, primarily healthcare, education, food stamps, transportation and the environment.

The legislation would provide up to \$4.5 trillion in tax cuts over 10 years, a figure already rejected by some Senate Republicans because it falls short of the full 10-year cost of extending the tax cuts for the wealthy that was enacted in 2017, during Trump's first term. Many of these tax cuts expire this year, and both corporations and billionaires are clamoring for their bonanza to be made permanent.

The House bill is a further demonstration of the utter indifference to legal and constitutional constraints on the part of the Trump White House and the Republican Party as a whole. A reconciliation bill is required to be deficit-neutral. The requirement is "met" by assuming that extension of the tax cuts, combined with the scrapping of business regulations, will unleash massive economic growth that will raise tax revenues by \$2.6 trillion. When that fails to materialize, the resulting deficit blowout will prompt demands for even more cuts in social spending.

Amid nonstop lying by Trump and his aides, who claim that there will be no benefit cuts in Social Security, Medicare and Medicaid, the House bill instructs the House Energy and Commerce Committee, which oversees Medicaid, Medicare and other health programs, to cut at least \$880 billion in spending over a 10-year period.

An analysis of the underlying budget figures by the *New York Times* pointed out that all other government programs under the jurisdiction of this committee, beyond Medicaid and Medicare, account for only \$200 billion combined. This means that the vast bulk of the cuts must come out of healthcare programs, the largest of which, in terms of people served, is Medicaid, which provides healthcare coverage for the poorest sections of the working class, as well as disability payments and nursing home care for millions of elderly people. All told, the joint state and federal program provides benefits for 72 million people, more than 20 percent of the US population.

Among the measures being considered to implement the cuts are imposing work requirements, allowing more frequent eligibility checks on beneficiaries (likely to disqualify millions of eligible recipients because they fail to meet paperwork requirements), and capping the federal contribution to the program, while leaving the actual benefit cuts to be made by the states, which administer the joint program.

The biggest single cut would involve effectively rescinding a major portion of the Affordable Care Act (Obamacare) by cutting off the subsidies to the 41 states that have expanded Medicaid coverage to 20 million Americans with incomes slightly above the poverty line. These states would either have to eliminate the Medicaid expansion, cutting off health insurance, or make offsetting cuts in other state programs, such as public education. The *Times* estimated this would save the federal government as much as \$560 billion.

Another major social regression would be carried out by the House Agriculture Committee, which has jurisdiction over the food stamp program. This committee is instructed to cut \$230 billion over the next 10 years, and there is little likelihood that this will come out of support payments for giant agribusiness interests.

House Republican leaders issued a statement celebrating their action as “delivering on President Trump’s full America First agenda—not just parts of it,” after which Trump held his first full cabinet meeting Wednesday at the White House. Trump gave the spotlight to billionaire Elon Musk, whom he has designated as his chief budget-cutter. He asked the assembled cabinet members to give their assessment of Musk’s efforts, and they responded with a predictable ovation.

Trump gave his backing to Musk’s provocative email messages to the entire federal workforce demanding that every worker provide a five-point summary of their job accomplishments from last week, or be fired. One million workers, nearly half the workforce, have not responded to Musk’s messages, and Trump said that all of them should be considered at risk.

Also on Wednesday, Trump issued an executive order requiring every federal agency and department to develop plans for mass layoffs, called “reductions in force” (RIFs), by March 13. This would extend the jobs bloodbath beyond the probationary and temporary employees who have already been laid off en masse, and include more senior workers who have civil service protection and supposedly cannot be fired arbitrarily. Trump mentioned the order at the cabinet meeting, praising Lee Zeldin, head of the Environmental Protection Agency, for preparing plans to eliminate 65 percent of the EPA’s work force.

The March 13 deadline is significant, because on March 14 the current continuing resolution (CR), which authorizes spending by federal agencies, is set to expire. The CR was adopted in December after Congress failed to pass a budget for the current fiscal year, which began

October 1, 2024. Unless a budget is adopted or a new continuing resolution is passed, a partial shutdown of the federal government would begin March 14.

This could well be the occasion for the layoff of hundreds of thousands of workers, not just as a temporary measure, as during previous shutdowns, but permanently. Even those workers ultimately called back to their jobs would likely lose pay for the period of the furlough, meaning countless evictions, foreclosures and other hardships.

In the face of these impending calamities, the Democratic Party and the trade unions that supposedly represent these workers are engaged in nothing more than impotent hand-wringing. House Democratic leader Hakeem Jeffries, while acknowledging that the budget bill would mean “the largest Medicaid cut in American history,” proposed no action to stop it.

His position remains, as it has been since Trump took office with his tiny majorities in the House and Senate, “What leverage do we have?” It goes without saying that when the positions are reversed, Republican minorities have engaged in full-scale war against Democratic administrations and blocked their proposed actions. But that only demonstrates the difference between the two parties of corporate America, one pretending to defend working people and the other brazenly doing the bidding of the super-rich—in this case, with the richest man in the world wielding the chainsaw.

The struggle against Trump’s massive social cuts, as against his attacks on immigrant workers and democratic rights and his full program of dictatorship and war, will only come from the working class, which must establish its political independence from the Democratic Party and its subservient trade union vassals, and come forward in an open social and political struggle against the Trump administration.



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