

Democrats Challenge Morality of GOP Budget

by Carl Osgood

The afternoon of Nov. 10—just two days after thorough electoral defeats for White House economic austerity and war policies in Virginia and California—saw both Houses of Congress retreat from the entire White House package of \$50 billion budget cuts against programs for the poor, and \$70 billion tax cuts for the wealthy. For the fourth week in a row, Dennis Hastert, Roy Blunt, and their House Republican whips gave up after failing to round up and armtwist votes to pass the cuts; this, after 22 of their Republican colleagues had held a press conference to state that these cuts were opposed by Americans, and immoral in the current economic crisis. At virtually the same time, in the Senate, Finance Committee Chairman Chuck Grassley had to give up his effort to get the tax cut giveaways through his committee—let alone, through the Senate. While Sen. Olympia Snowe's opposition was widely covered, Grassley admitted it was more: “If I move one way, I lose a couple of votes; if I move another way, I lose a couple of votes”; and other Republicans like George Voinovich were publicly waiting to vote against the tax cuts in the full Senate.

Because the budget and tax cuts are linked together, not only (unfortunately for Cheney, Bush, and Hastert) in the public mind, but also in the need for a tax reconciliation bill agreed on by both Houses, this entire White House scheme, dating back to its February 2005 budget submission and Bush's State of the Union speech, may be going down.

As many Democrats emphasized, the Republicans were reading the stern lesson of the Nov. 8 elections. And behind that lesson, is the swelling anti-Cheney mobilization driven by Lyndon LaRouche, and threatening its successful conclusion.

Underlying all this is a phase shift under way in the Congress, the catalyst for which is the interventions by Lyndon LaRouche and the LaRouche Youth Movement, to demand leadership from the Democratic Party on dealing with the ongoing collapse of the global financial system. That collapse can only be dealt with by the removal from power of the war party in the Bush Administration and the Congress. So far, that effort has seen the indictment of Rep. Tom DeLay (R-Tex.), and his stepping down from the post of House Majority Leader, and the weakening of the influence of Vice President Dick Cheney over the U.S. Senate. The Nov. 8 elections also saw the Democrats take two governorships, in Virginia and

New Jersey, and the defeat Gov. Arnold Schwarzenegger's fascist initiatives in California. So far, the result has been a weakening of the dictatorial control of the Republican leadership over the House, and a realignment of the moderate Republicans with the Democrats on certain issues. What is needed next, is a positive program for economic recovery from the free trade and deregulation policies of the last forty years.

A Flagrant Combination

The Senate had moved ahead with “fiscal responsibility,” on Nov. 3, voting 52-47 to pass a budget reconciliation bill that demands \$35 billion in cuts from mandatory spending programs, programs that mostly aid individuals and families from the lower 80% of income brackets in the United States. This bill was to be followed by the second one which provides \$70 billion in tax cuts, most of which, like an extension of the capital gains tax cut passed in 2001, benefit the top tier of income brackets. With skyrocketing costs for healthcare and education, and other necessities of life, and the Bush Administration’s malicious failure to undertake the rebuilding of the Gulf Coast areas devastated by Hurricanes Katrina and Rita, some leading Democrats put the White House and the Congressional GOP leadership on notice that they will make an issue out of the reality of the budget.

Senate Minority Leader Harry Reid (D-Nev.) set the tone, on Nov. 3, with a speech on the floor of the Senate, identifying the immorality of the budget bill. “The budget of the United States ought to be a mirror of our nation’s values,” he said. “The budget should reflect what we think is important, what we care about and what we don’t. In essence, a budget is a moral document.” The Republican budget, however, is an immoral document, not only because it increases the Federal debt by about \$3 trillion over the next five years, but also because it increases the burden on those who can least afford it, while benefitting the few who need help the least. Reid noted that the bill increases Medicare premiums and cuts healthcare, including Medicare and Medicaid, by \$27 billion, it cuts housing programs, support to farmers and many other programs, and it uses expedited procedures, provided for in the budget law, to make those cuts.

Reid pointed out that those cuts would not be going to reduce the deficit, or prepare for an avian flu epidemic. Rather, they are going to pay for a reduction in taxes on capital gains and dividends, 53% of the benefit of which would go to those making \$1 million or more per year. “And to partially pay for these tax breaks,” Reid said, “many Republicans now want to cut Medicare, cut Medicaid, cut agriculture, cut child support enforcement, cut services on which Katrina survivors should be relying, cut benefits needed by our nation’s most vulnerable Americans.” Reid also noted other priorities that the Senate could be taking on, such as skyrocketing fuel prices, the needs of Hurricane Katrina survivors, and finding a strategy

for success in Iraq. Each of these things, Reid said, are “more important than harming the vulnerable to provide tax breaks to special interests and multimillionaires while increasing the deficit.”

Rep. David Obey (D-Wisc.) made similar remarks, the following day, though in a slightly different context. During debate on the Fiscal 2006 Foreign Operations appropriations bill, on Nov. 4, Obey noted that in the hour it took the House to debate the rule for consideration of the bill, “you will have had several hundred children in this world die, and that is no accident. A lot of it occurs simply because of the negligence of the developed world.” He asked the House to “imagine how different the world would be if instead of spending \$250 billion on the dumbest war in American history [Iraq]. . . imagine how changed the world would be if we led the world and provided just 10% of that amount each year to see that by the end of the decade we could deliver clean drinking water to every single human being on this planet.” He noted that the GOP would never allow an increase in foreign aid funding “as long as they are gleefully cutting” Medicaid, food stamps, and other such domestic programs.

House GOP Fractures Over Budget Plan

The leverage that moderate Republicans now apparently have over the leadership was demonstrated on the evening of Nov. 9, by a group of 26 Republicans, when they forced House Speaker Dennis Hastert (R-Ill.) and Acting Majority Leader Roy Blunt (R-Mo.) to agree to remove a provision from the budget reconciliation bill that would allow oil drilling in the Alaska National Wildlife Refuge [ANWR]. They also forced the leaders to modify the food stamps provision, as well, to reduce its impact on immigrants above the age of 60. These changes, made during a House Rules Committee markup of the bill, resulted in reducing the total net effect of the budget cuts in the bill from \$53.9 billion to \$50 billion, still substantially more than the \$35 billion in the bill the Senate passed on Nov. 3. The remaining cuts include \$14.47 billion from student loans and \$11.8 billion from Medicaid, among others.

Blunt’s surrender on the Alaska drilling provision came despite weeks of pressure by Hastert on many of the same moderates, including Rep. Sherwood Boehlert (R-N.Y.), the chairman of the House Science Committee. “I told him I’m against euthanasia, because what we’re being asked to do is preside over the orderly demise of the Republican majority,” Boehlert had told the Associated Press on Nov. 7, after a meeting with Hastert. The moderates say that what happened was that they made it clear—and about 15 signed a statement to the leadership to that effect—that if the ANWR provision were included in the reconciliation bill, they would not vote for it. Rep. Charles Bass (R-N.H.), one of the moderates involved in the negotiations, told reporters on Nov. 10 that “It’s intuitive that if you want the thing to succeed, you better keep ANWR out.” That, he said, was the reason that Blunt

backed down.

Democrats argued that the leadership’s backdown on ANWR is nothing more than a temporary retreat so that the Republicans can pass a bill and go to conference with the Senate. The Senate bill includes the ANWR provision and is strongly backed by Alaska Senators Ted Stevens (R) and Lisa Murkowski (R) and Senate Energy and Natural Resources Committee chairman Pete Domenici (R-N.M.). “The question for House moderate Republicans,” Rep. Ed Markey (D-Mass.) said, “is will they vote no on the final reconciliation conference report when the Senate insists on drilling in the

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Arctic Refuge to be reinserted.” Bass and the other moderates hotly denied that Blunt’s backdown was just a temporary face-saving measure to save the bill. Though there was no guarantee that the conference report will come back without the ANWR provision in it, Rep. Wayne Gilchrist (R-Md.) said that his perception was that “if this comes back with ANWR in it, we will vote against it.”

Even with the leadership’s backdown on the Alaska drilling provision, Blunt still could not round up the 218 votes necessary to pass the bill. Many of the moderates still had concerns over the cuts in the bill themselves, as well as then turning around and giving more tax breaks to the wealthy. Secondly, prior to the Rules Committee action, a larger group of 41 Republicans, led by House Transportation Committee chairman Don Young (R-Ak.), were threatening their own revolt if the Alaska drilling provision were removed. How they will vote, now, remains to be seen. That assumes, of course, that there will even be a vote.

When, or if, the bill does go to conference, there is no guarantee that House and Senate negotiators will come to an agreement on the final package that will pass, and not just because of the ANWR provision. Aside from the differences in the amounts to be cut, the House and Senate took different approaches to making the cuts. The Senate bill includes new spending for programs that assist low income students, and for pharmaceuticals in the Medicaid program, and in other programs amounting to about \$35 billion, making the spending cuts total about \$70 billion. The Medicaid cuts amount to a net total of \$8 billion, but the bill also cuts Medicare by about \$18.6 billion by, among other things, changing the way payments to health plans are calculated.