

Trump's spending freeze: A direct attack on the working class and the US Constitution

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As part of Donald Trump's escalating drive to overturn the US Constitution and consolidate a presidential dictatorship, the White House issued a two-page memorandum Monday night ordering a freeze on nearly all federal grants and loans—both domestic and international.

This sweeping order jeopardizes billions of dollars, if not trillions, in funding previously appropriated by Congress, cutting off critical resources for local and state governments, tribal communities, public schools, universities and nonprofit organizations.

The core aim of this directive is to accelerate the transformation of the American state along the lines of the "Milei model"—the policies implemented by fascistic Argentinian President Javier Milei. That is, to gut all public spending outside of the military and police, while creating conditions for unrestrained speculation and profiteering by the financial oligarchy, at the expense of social programs essential to the working class.

Monday's order was signed by Matthew J. Vaeth, the acting director of the Office of Management and Budget (OMB). It directed all federal agencies to cease spending on programs they administer if they "may be implicated by any of the President's executive orders" or if they "advance Marxist equity, transgenderism, and Green New Deal social engineering policies..."

It ordered the agencies to "temporarily pause all activities related to obligation or disbursement of all Federal financial assistance... including, but not limited to, financial assistance for foreign aid, nongovernmental organizations, DEI, woke gender ideology, and the green new deal." The "pause" was to become "effective on January 28, 2025 at 5:00 PM."

The immediate impact was mass confusion and chaos. The order threatens funding for low-income housing, domestic violence shelters, food safety programs, rural internet, immigration services, Medicaid, home-delivery

meals for seniors and Pell Grants for college students. Millions of people enrolled in federal programs, as well as workers employed by non-governmental agencies, were left in the lurch.

Just minutes before the freeze was set to go into effect on Tuesday, US District Judge Loren AliKhan issued a temporary injunction blocking it until February 3. The ruling came in response to a lawsuit brought by nonprofit organizations that warned even a brief pause in funding "could deprive people and communities of life-saving services."

For several hours, the government's grant payment portal, including for Medicaid, the main government health care program for the poor, displayed a warning about "payment delays due to Executive Orders."

It is an established constitutional principle that the US Congress, not the president, has the "power of the purse." When President Richard Nixon, as part of his bid for dictatorial powers during the Watergate crisis, sought to "impound" funds appropriated by Congress for programs he opposed, Congress passed the Impoundment Control Act of 1974 to reaffirm its preeminent role. The Trump White House has called this law "unconstitutional" and indicated Trump will refuse to obey it. This represents an assertion of dictatorial powers that makes Nixon's efforts pale in comparison.

Monday's memorandum issued by the Trump White House seeks to usurp Congress' authority to appropriate funds, leaving the president the sole power to decide what programs he or she will fund. The OMB order provided no legal rationale for why the Trump administration could unilaterally block previously approved funding.

While the order has been temporarily blocked, Trump and his fascist allies will seek to quickly argue the case before the US Supreme Court, which is packed with Trump appointees and co-conspirators.

Following Monday's OMB order, on Tuesday the

Washington Post reported that the United States Office of Personnel Management had emailed nearly all 2.3 million federal workers—excluding military, immigration police and postal workers—threatening mass layoffs.

The email, headlined, “Fork in the Road” per the *Post*, offered workers a buyout with pay through September 30 if they accept the offer by February 6, that is in just over one week.

The Trump administration, acting as an instrument of the financial oligarchy, plans a mass purge of government workers. In an interview with CNN’s Jake Tapper on Tuesday, the fascist senior adviser to Trump, Stephen Miller, was asked to respond to Trump’s purge of 18 inspectors general over the weekend.

Miller declared that the president’s “authority to fire any federal worker is plenary.” He continued: “There is no lawful constraint that can be placed on the president to terminate a worker in the federal government who exercises discretionary policy.”

In fact, the president does not have discretion to terminate every federal employee. The federal government work force, known as the United States Civil Service, was established in 1871 and designed to ensure that workers would be hired and promoted based on merit, rather than political affiliation and cronyism, as was the case under the “spoils system” of the early 19th century.

Trump’s purge of the IGs was blatantly illegal. In 2022, Congress passed a law requiring the president to provide 30 days’ notice of intent to fire an inspector general, with which Trump did not comply.

In both the firing of the IGs and the order of a spending freeze, the White House is essentially asserting that it is not bound by laws passed by Congress or powers granted to Congress by the Constitution. It is doing so under the assumption that this declaration of unlimited executive power will be sanctioned by the Supreme Court and will encounter no serious opposition from within the political establishment.

In the first week of his administration, Trump has taken steps to overturn the Constitution and establish an authoritarian regime unlike anything previously seen in American history. Under the pretext of a manufactured “invasion” by immigrants, Trump has claimed wartime powers, asserted the right to override acts of Congress and unleashed a campaign of terror against millions of people.

The spending freeze makes clear that the dictatorship Trump is seeking to establish is an attack not just on immigrants, but on the entire working class. What began as the persecution of migrants is now an assault on public

education, healthcare and all social programs. Trump’s administration is carrying out a full-scale class war, stripping the government of all functions except war and repression.

The financial oligarchy that controls American society is using Trump’s administration to carry out a historic transfer of wealth to the super-rich. What is unfolding is the violent transformation of political forms to align with the reality of oligarchic rule. The institutions of capitalist democracy cannot survive under conditions of such staggering levels of social inequality.

The Democratic Party is not mounting any real opposition to Trump’s dictatorial rampage. Its primary concern is to prevent an eruption of working class opposition from below that would threaten the entire system.

The Democrats have long collaborated in the slashing of social spending. For decades, Democratic and Republican administrations alike have overseen a historic transfer of wealth from the working class to the financial elite. It is precisely this extreme concentration of wealth that has led to the rise of Trump.

The defense of democratic rights and opposition to dictatorship cannot be separated from the fight against capitalism itself. The working class, united across all national and ethnic divisions, is the only social force capable of stopping the descent into dictatorship and social devastation. The only way forward is the development of a mass, independent movement of the working class, aimed at the socialist reorganization of society.



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