

As big business parties near deal on \$2 trillion corporate bailout

Trump calls for lifting COVID-19 restrictions by Easter

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With COVID-19 infections and deaths soaring and the Democrats and Republicans nearing agreement on a massive corporate bailout, President Donald Trump on Tuesday doubled down on his talk of lifting restrictions imposed to fight the spread of the coronavirus pandemic and forcing workers back onto the job.

At a virtual town hall on Fox News, Trump declared that he wanted the country “opened up and just raring to go by Easter (April 12).” Trump said he thought Easter would be a good day to end quarantining and reopen the plants and workplaces because, “You’ll have packed churches all over our country. I think it will be a beautiful time.”

On the same day, the US death toll from COVID-19 neared 700 and infections surged to more than 53,000 confirmed cases. The World Health Organization has warned that within the next several weeks—around the time of the Easter holiday—the US will have become the global epicenter of the pandemic.

Trump’s promise to reopen closed businesses, combined with the prospect of a bipartisan \$2 trillion bailout of corporations and the Federal Reserve’s announcement of unlimited support for the banks and financial markets, sent stock prices soaring. The Dow jumped by 2,112 points, a modern record one-day increase of 11.3 percent, as billionaire investors celebrated their good fortune in the midst of an unfolding social and economic catastrophe for working people.

The staggering scale of the government plunder of social resources to bail out the financial aristocracy was indicated on Tuesday by Larry Kudlow, Trump’s chief economic adviser. He told a press conference that the total economic stimulus to be enacted by the government would reach \$6 trillion. Four trillion dollars would come from the Fed’s money-printing “quantitative easing” program and the rest from the expected enactment of the corporate bailout bill.

Trump’s demand for a quick end to lockdowns that are in place in more than half of the country and the reopening of plants and businesses is bitterly opposed by scientists and medical experts who warn that the result will be an exponential rise in infections and deaths, possibly into the millions.

Dr. Tom Inglesby, director of the Center for Health Security of the Johns Hopkins Bloomberg School of Public Health, warned that curbing social distancing could cost millions of lives.

“Anyone advising the end of social distancing now needs to fully understand what the country will look like if we do that,” he tweeted. “COVID would spread widely, rapidly, terribly, could kill potentially millions in the yr ahead with huge social and economic impact across the country.”

Trump and those backing his plan to quickly end social distancing measures, including the Democratic-aligned *New York Times* and *Washington Post*, know that the result will be a sharp increase in infections and deaths. Trump speaks for a fascistic constituency within the financial oligarchy that considers the culling from the population of older workers who no longer pump out profit for the corporations a positive good.

The position of the American ruling class is that the resumption of profit-making must proceed, and if it means the killing of millions of workers, so be it.

The bipartisan corporate bailout being hammered out is presented, in a colossal act of political fraud, as a boon to workers. The stage-managed political wrangling over the bill is designed to promote the lie that the theft of taxpayer money by the ruling class is aimed at shielding workers from the economic consequences of the pandemic.

The number one priority of Republicans and Democrats alike is to stanch the free-fall on the stock market and exploit the health emergency to carry out a transfer of wealth to the financial aristocracy far in excess of the bailout of the banks and the auto industry that followed the Wall Street crash of 2008.

The bill will raid the federal Treasury to hand over hundreds of billions of dollars to the corporations and the wealthy—creating a new pretext for brutal cuts in social services—while doing virtually nothing to fight the spread of the pandemic or protect working people from the health and economic impact of the crisis.

It will do nothing to provide free and universal testing, the first requirement for containing the virus, or overcome the lack of ventilators, ICU beds, protective gear and medical staff at hospitals around the country that are already being swamped by the surge in infections. Nor will it “stimulate the economy,” which is plunging into a depression as production grinds to a halt around the world.

The one-time disbursement of \$1,200 to individuals making less than \$75,000 and temporary extension of unemployment benefits it reportedly includes are completely inadequate to compensate for the loss of employment and income facing hundreds of millions of

workers.

The reality behind the Democrats' cynical posturing as partisans of the workers was summed up in the remarks of House Speaker Nancy Pelosi on MSNBC's "Andrea Mitchell Report" Tuesday afternoon. "We root for the stock market to go up. We are all on common ground on that," said Pelosi, whose net worth is in the tens of millions.

The bill as agreed by the two parties will be essentially the same as the one drafted by the White House and the Republicans and introduced by Senate Majority Leader Mitch McConnell over the weekend. Its main provisions include:

- \$500 billion for large corporations
- \$350 billion for "small businesses"
- \$300 billion in direct payments to households
- \$250 billion for state unemployment benefit funds
- \$136 billion in additional funds for federal agencies, including the military and the Department of Homeland Security
 - \$106 billion in payments to hospitals, the Veterans Administration and other public health agencies.

The main concession touted by Senate Minority Leader Charles Schumer and House Speaker Pelosi is the agreement of Trump and Treasury Secretary Steven Mnuchin, who will have the power to decide which corporations get taxpayer cash and how much, to allow the fig leaf of independent oversight. This is in the form of an inspector general and a congressional oversight panel. These are completely toothless measures, copied from the \$700 billion Troubled Asset Relief Program bailout of Wall Street in 2008.

A provision barring companies receiving funds from laying off workers or cutting their pay is meaningless, since the bill includes the caveat "to the extent practicable."

There will be no effective restraints on how the corporate recipients use the government's largesse. A formal ban on stock buybacks and dividend payouts is mere window dressing, since it can be lifted by Mnuchin. There are no restrictions on executive pay.

That means the money will go, as it did in 2008-2009, for stock repurchases, dividends and bonuses to increase the wealth of the top executives and major investors. The corporations that get the bailout money will be the same ones that squandered billions in stock buybacks following the 2008 crisis, enriching executives whose compensation is tied to stock prices and rewarding big investors, while starving the economy of productive investment and decent-paying jobs and diverting money from social and health care infrastructure.

Only \$75 billion of the \$500 billion for large corporations is stipulated in the bill, with \$50 billion going to passenger airlines, \$8 billion to cargo airlines, and \$17 billion to firms supplying the Pentagon or the intelligence agencies. The bulk is to be distributed by Mnuchin as he decides.

Where his priorities lie can be seen from his history as a Goldman Sachs investment banker, a board member at Sears (where he was sued for asset stripping), and head of OneWest Bank, where he was sued for illegal home foreclosures. His net worth is estimated at \$300 million.

The money for "small businesses" will not go to family-owned restaurants, dry cleaners or gas stations. With "small business"

categorized as an enterprise with fewer than 500 direct employees, the vast bulk of the \$350 billion in loans will go to powerful hedge funds and other firms with billions in assets.

The expectation of the bailout bill has already set off a feeding frenzy of lobbyists and lawyers representing various corporate interests who are converging on the Capitol to secure favors from the bribed politicians.

The COVID-19 pandemic has exposed the bankruptcy—economically, socially and politically—of the capitalist system and all of its political representatives. It has laid bare the explosive class divisions in a society based on private profit and corporate greed.

The latest bipartisan bailout of big business and the moves to force workers back to work with no protection from the virus will generate massive opposition in the working class. Already strikes and protests have broken out in the US and around the world by workers who refuse to sacrifice their lives and those of their loved ones to continue producing profit for the owners.

Workers will increasingly realize that the implementation of effective measures to combat the virus and save lives is inseparable from a fight against capitalism.

The Socialist Equality Party rejects the bailout of the corporations. We demand that the big banks and corporations be transformed into publicly owned and democratically controlled organizations. The executives who plundered these corporations for the sake of personal enrichment should be legally compelled to pay restitution.

We call for universal testing and free and equal access to health care; the closure of all nonessential production, with full income to those affected; safe working conditions in industries essential to the functioning of society; and an emergency program to build health care infrastructure and ensure that all medical workers have access to necessary equipment.

As the Socialist Equality Party National Committee insisted in its statement of March 17, "The essential principle that must guide the response to the crisis is that the needs of working people must take absolute and unconditional priority over all considerations of corporate profit and private wealth."



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