Democrats release fraudulent “relief” bill

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House Speaker Nancy Pelosi on Tuesday released a $3 trillion coronavirus “relief” bill and scheduled a vote for Friday. The Democratic leadership has acknowledged that the measure has no chance of gaining passage in the Republican-controlled Senate, let alone being signed into law by President Trump.

The release of the bill initiates a process of political theater in which the two parties posture to rally their respective bases and generate sound-bites for campaign ads ahead of the November elections. It is expected that the measure will pass on a party-line vote in the Democratic-controlled House, setting off weeks of negotiations between the Democrats and the White House and Senate Majority Leader Mitch McConnell.

Any bill that might emerge from this process will fall far short of addressing the desperate plight of the tens of millions of workers who have been laid off and deprived of the means for paying rent and feeding their families. Nor will it allocate the resources necessary to carry out the mass testing, contact tracing and quarantining required to contain the pandemic and ensure that workers forced to return to work are not put at risk of illness and death.

The political charade and partisan grandstanding now under way serve to mask the bipartisan unity when it comes to protecting the basic class interests of the ruling elite at the expense of society.

The bickering over a new stimulus bill stands in sharp contrast to the harmony that was displayed in the rush to adopt the CARES Act at the end of March. That unprecedented bailout, granting corporations, banks and Wall Street speculators some $8 trillion with no strings attached, was passed unanimously in the Senate and by a voice vote in the House. It fueled a record 35 percent rise in the Dow Jones Industrial Average in the course of less than two months.

Amazon CEO Jeff Bezos, the world’s richest individual, has pocketed an additional $25 billion, and Tesla boss Elon Musk has added $12.6 billion to his fortune since the beginning of the year.

Even though the Democrats know their bill is at most a bargaining marker, their proposals are completely inadequate to safeguard jobs, living standards and basic social services such as education and health care, all of which are facing savage and permanent cuts.

One of the most telling aspects of the proposal is the Democrats’ silence on what McConnell has called the bottom-line precondition for any additional social relief or aid to bankrupt state and local governments: legal immunity for companies that fail to provide the protective equipment and hygiene needed to protect their workers from the coronavirus.

The Democrats are already working with Trump and the Republicans to “reopen” the economy even though the pandemic continues to spread, and force workers to return to factories and workplaces or lose their unemployment benefits. Now, they are preparing to strip workers of their democratic right to go to court against employers who endanger their lives.

This is under conditions in which thousands of workers have already been infected in outbreaks of COVID-19 in meatpacking plants; logistics operations such as Amazon, UPS and the US Postal Service; hospitals and nursing homes; supermarket chains; public transit, construction and other worksites.

Trump is also calling for a cut in payroll taxes in any new stimulus bill. This is aimed at slashing funding for Social Security and Medicare, which depend on revenues from the joint employee-employer tax on wages.

The main provisions of the Democratic bill, dubbed the “Heroes Act,” include:

• Some $1 trillion for state and local governments, which have lost hundreds of billions in tax revenues as a result of the lockdown and mass layoffs. Both Democratic and Republican governors and mayors are

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threatening to carry out mass layoffs of teachers and other public sector workers as well as sweeping cuts in essential services if no money is forthcoming from the federal government.

Not a single Democratic governor or mayor has even suggested raising taxes on corporations and the rich. Trump and the Republicans have made clear they will agree to, at most, a fraction of what the Democrats are proposing, and will exclude any aid for state pension funds that are collapsing.

• A continuation of the 13-week extension of state unemployment benefits through next March instead of next December, and an extension of the $600-per-week federal bonus on top of state benefits through January instead of through July.

The impact of such a measure, even in the unlikely event that it is included in an eventual compromise bill, is vitiated by the immense barriers for workers seeking to apply for jobless benefits. Tens of millions laid off in the course of the lockdown have been unable to get through to under-equipped and under-staffed state offices overwhelmed by applications. Those who refuse to return to work after operations resume will be denied any assistance.

Moreover, an estimated 40 percent of furloughs and "temporary" layoffs will become permanent, as corporations utilize the pandemic to carry out long-planned downsizing. The Democrats' bill provides no job guarantees and does nothing to restore lost wages.

• One additional direct payment of $1,200 to all citizens, including a full $1,200 for all dependent children, as opposed to $500 for children in the CARES Act. This excludes some 12 million undocumented workers. Many workers have still not received their stipend from the CARES Act. In any event, the proposed one-time check is little more than a drop in the bucket compared to the devastating impact of protracted unemployment.

• There are also limited funds for the US Postal Service, which is on the brink of bankruptcy, some extension of health insurance for those who lose their job, and money for mortgage relief and rental assistance, food stamps, expanded coronavirus testing and hazard pay for essential workers.

The bill also includes provisions designed to directly benefit the ruling class and upper-middle class constituency of the Democratic Party. It temporarily suspends a limit on the deduction of state and local taxes from federal income taxes that would disproportionately benefit wealthy taxpayers. And it allows corporate lobbying groups to gain access to money in the so-called Payroll Protection Plan.

The PPP, part of the CARES Act, is supposedly designed to help small businesses. It has actually excluded most family-owned businesses while providing a multibillion-dollar windfall for Wall Street banks and tens of millions for large, publicly traded companies.

Senate Republicans immediately rejected the Democratic bill. Having said on Monday he felt "no immediate urgency" in getting a relief bill passed, McConnell added Tuesday, "We're going to insist on doing narrowly targeted legislation."

Some "progressives" within the House Democratic caucus complained that the bill did not include a payroll guarantee program. The Congressional Progressive Caucus called for a delay in the vote. "In no sense are we ready to vote on this on Friday," said Representative Pramila Jayapal of Washington state in an interview on Tuesday. Jayapal is co-chair of the Progressive Caucus.

Pelosi brushed aside her objection, telling reporters on Tuesday, "It would be an endless amount of money if we put our wish list for the future in there."

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