

As US Senate returns from summer recess

# Republicans, Democrats block restoration of jobless aid

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As the Senate returned from its nearly month-long recess on Tuesday, there was little prospect that Congress would provide any significant relief for the tens of millions of workers who lost their \$600 weekly federal jobless benefit when it was allowed to expire on July 31.

The ending of that lifeline plunged millions of working class families into desperate financial straights. The economy is still short 11 million jobs from the level of employment in February, and more than 30 million unemployed workers continue to receive government aid.

As of this week, only 19 states will be providing the temporary \$300-per-week benefit authorized by President Trump in an executive order last month. The program is financed by Federal Emergency Relief Agency funds that are expected to run out in about five weeks.

The Aspen Institute reported last month that 30-40 million people in the US were at risk of being evicted in the coming months. The Hamilton Project reported even before the cutoff of jobless aid that more than 20 percent of all US households and over 40 percent of mothers with children under the age of 13 were experiencing food insecurity.

State and local governments face a collective \$500 billion budget deficit, and are preparing massive layoffs and cuts to education, health care, food assistance, public transit, firefighting and pensions.

While Republicans and Democrats rushed to pass the multi-trillion-dollar bailout of Wall Street by a near-unanimous vote in last March's CARES Act, neither party is in any great hurry to enact legislation to address the worst social crisis since the Great

Depression.

They have a common interest in using the threat of destitution and homelessness to pressure workers into returning to COVID-19-infected factories and teachers to unsafe schools in order to "reopen the economy," i.e., resume the pumping out of profits to back up the massive debt incurred in the bailout of the corporate-financial oligarchy. This homicidal policy is being spearheaded by the Trump administration, but it has the full support of the Democrats, who are implementing it at the state and local level.

Amid mutual mudslinging, both parties are posturing as advocates for laid off workers and blaming the other for obstructionism. This is political theater to disarm and deceive workers who are seething with anger over the mounting wealth at the top and indifference to death and poverty for the masses. Not a single prominent Democrat, including presidential candidate Joe Biden, has called for an increase in taxes on the rich or a rescinding of the corporate bailout to fund desperately needed emergency social measures.

On Tuesday, Senate Majority Leader Mitch McConnell released a new pandemic relief bill and said there would be a vote on the Senate floor as early as this week. The \$500 billion measure is only half as large as the abortive \$1 trillion HEALS Act he proposed in July. There are questions as to whether it can garner a 51-vote majority from Senate Republicans, let alone obtain the 60 votes needed to override a filibuster.

House Speaker Nancy Pelosi and Senate Minority Leader Charles Schumer issued a joint statement saying the Republican plan "doesn't come close to addressing the problems and is headed nowhere." They are

continuing to promote a \$2.2 trillion Democratic proposal, a markdown from the \$3.2 trillion HEROES Act passed by the Democratic-controlled House of Representatives in May. The House is slated to return from its summer break next Monday.

The Republican Senate bill includes a federal unemployment supplement of \$300 per week, half the benefit that expired six weeks ago, to last through the end of the year. It also includes more than \$250 billion in additional small business loans, \$105 billion to reopen the schools, \$16 billion for coronavirus testing and tracing, \$31 billion for vaccine development and distribution, \$20 billion for farm assistance, \$10 billion for child care support and \$10 billion for the US Postal Service.

It would provide legal immunity for businesses from potential suits from workers impacted by unsafe conditions during the pandemic and a two-year “school choice” tax credit to promote private schools at the expense of the public education system.

The Republican proposal, backed by the Trump White House, does not include a second cash stipend to families or any funding to aid near-bankrupt state and city governments.

On Sunday, Treasury Secretary Steven Mnuchin reported that in discussions with House Speaker Pelosi, the two had agreed to pass a “clean” bill to continue funding the federal government when the current fiscal year ends on September 30. This signifies that the Democrats will not attempt to use the expiration of funding to put pressure on the Republicans to agree to provide significant aid to state and local governments, a full restoration of the \$600 jobless benefit, money for food assistance and other provisions they claim to be fighting for.

Whatever their secondary, tactical differences with the social policy of Trump and the Republicans, the Democrats are committed to a policy of austerity and intensified attacks on working class living standards. In New York State, Democratic Governor Andrew Cuomo is threatening to cut \$8.2 billion in grants to local governments, noting that such a measure has “no precedent in modern times.” He said further that the cuts would “hit nearly every activity funded by state government,” including special education, child health care, substance-abuse programs and mass transit.

States are cutting back on their pension contributions

and their outlays for Medicaid. Colorado, headed by Democratic Governor Jared Polis, is increasing co-payments that Medicaid recipients must pay for doctor visits, pharmaceuticals and medical transport.

California Governor Gavin Newsom, a Democrat, says he will send school districts in the state \$12.5 billion in IOUs in lieu of cash needed to keep their schools running.

The real position of the Democratic Party was spelled out Tuesday in an editorial in the *New York Times* on New York City’s \$5 billion budget shortfall. The editorial is an unvarnished demand, in behalf of Wall Street, that Democratic Mayor de Blasio adopt a program of “tough” budget and job cuts before seeking a loan to cover the deficit.

“Before Mr. de Blasio adds billions to the city’s debt sheet—or lays off thousands of workers—he needs to find savings,” the newspaper declares. He will have to “make unpopular decisions and demand serious cost-saving measures from nearly every city agency and, crucially, the municipal unions,” which will have to “share in the sacrifice.”

This includes “a far stricter hiring freeze” to eliminate thousands of city jobs through attrition. The alternative, the *Times* suggests, is to turn the city’s finances over to the state Financial Control Board, the unelected Wall Street-controlled agency that was set up to impose mass layoffs and sweeping cuts in social services when the city faced bankruptcy in the mid-1970s.



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