

Bipartisan congressional group reveals threadbare stimulus plan

Jacob Crosse
15 December 2020

On Monday, Republican and Democratic congressional members of the Problem Solvers Caucus released further details on the so-called “emergency relief framework” that was unveiled two weeks ago, with the full text of the bill slated to be released on Wednesday.

At a time when some 54 million people are food insecure, catastrophic job losses continue to climb, with over 1.3 million state and federal first-time applicants last week, and millions of people are behind on rent and mortgages, with between 2.4 and 5 million households facing eviction in January 2021, according to Syracuse University professor Gretchen Purser, the so-called “emergency” relief is woefully inadequate to deal with the crisis.

The insulting measures were described at various points by multimillionaire politicians Joe Manchin, (D-W. Va.) Mark Warner (D-Va.) Mitt Romney (R-Utah) and Susan Collins (R-Maine) as a “gift,” a “Christmas miracle” and a “ray of hope” for the population, with Manchin remarking that “cooperation and bipartisanship are alive and well in Washington.”

While there are plenty of “gifts” to businesses and banks in the proposed legislation, for students, jobless workers and those facing eviction, the bill provides lackluster support, if anything at all.

Due to alleged disagreements between the big business parties, the \$908 billion package has been split into two separate bills, a smaller \$160 billion bill that includes funding for state, local and tribal governments as well as a coveted “liability shield” that would relieve businesses of responsibility for any COVID-19-related injuries or deaths suffered by workers or patrons.

The sweeping language provided in previous iterations of the liability shield, and what appears to be in the new bill, would give companies a blank check to

continue forcing workers to toil in dangerous, coronavirus-infested workplaces as long as the employer could prove he was “trying” to be “generally following applicable government standards and guidance.”

US “government standards and guidance” throughout the pandemic have been criminally insufficient, leading to over 305,000 deaths since February 6, or approximately one COVID-19 fatality every 40 seconds. The bill would also shield for-profit nursing homes that have been home to thousands of preventable deaths. The liability shield would last for approximately two years, a reduction from the five years in previous iterations of the bill.

Of the \$160 billion allocated for state, local and tribal funding, approximately \$91.2 billion would be for the states, \$60.8 billion for counties and municipalities, and roughly \$8 billion for tribal governments. Each state would get a minimum of \$500 million. However, none of the funds could be used to pay for worker pension programs.

The second bill is a \$748 billion package featuring \$300 billion for the Small Business Administration (SBA), including a reported \$288 billion for the Paycheck Protection Program (PPP). The PPP has been a financial windfall for the well-off, politically connected, and large Wall Street banks. The latter, according to a recent investigation by the *Miami Herald*, have collected over \$18 billion in fees. JPMorgan Chase leads all banks in profiting off of the PPP, with over \$1 billion generated in fees from PPP loans.

Even should the second bill come to pass, it is nowhere near enough to address the catastrophic social, economic and medical crisis befalling the population, reflecting the ongoing indifference of the ruling class to

the suffering of millions of workers and their families.

Funding for the \$748 billion bill could be pulled from previously passed CARES Act legislation, which, according to testimony from Treasury Secretary Steven Mnuchin last month, would amount to approximately \$580 billion, meaning less than \$200 billion of the bill is actually new funding.

After \$300 billion is allocated to the SBA, the remaining \$448 billion in the bill is to be split among unemployment benefits, education, food assistance, health care provider relief, rental assistance, substance abuse prevention, broadband internet, transportation, testing, tracing and vaccine distribution.

For unemployed workers, the miserly federal unemployment benefits are to be extended for only 16 weeks at \$300 a week, less than half of what was included in the CARES Act. While there have been “rumors” from anonymous congressional aides of a stimulus payment being added to the larger bill, at present it does not contain a \$1,200 direct payment to people as in the \$2.2 trillion CARES Act, passed nearly nine months ago.

Of the \$82 billion directed towards education, \$54 billion is allotted for K-12 funding, with \$20 billion dedicated to higher education. A summary of the “Bipartisan Emergency COVID Relief Act of 2020” notes that “targeted aid” will also be given to private and religious schools. The distribution of these funds is a key element in the ruling class “back to school” drive, which President-elect Joe Biden has promised to initiate within the first 100 days of his administration.

Funds to actually fight the virus and distribute the vaccine total about \$48 billion, with \$35 billion going to health care providers, \$2.6 billion allocated to the Centers for Disease Control for vaccine distribution and infrastructure. Another \$3.4 billion would be provided in the form of grants to cities and states for storing and transporting the vaccine, with another \$7 billion allocated to states for COVID-19 testing and contact tracing.

The package extends the federal eviction moratorium, but only until the end of January 2021, leaving it up to the incoming administration to enact an executive order to extend it at the end of the month if another deal is not reached in time. In leaked audio reported by the *Intercept* last week, Biden shot down proposals from supporters in a closed-door meeting requesting

that he use the executive branch to carry out limited criminal justice reform, citing his alleged respect for the Constitution.

The \$25 billion allotted for rental assistance comes with strings attached, including the stipulation that someone cannot receive more than 12 months’ worth of assistance. Considering that some 10 million jobs have yet to return since March, and for those workers who have found work, it has generally been for fewer hours and less pay, millions of people will likely require more than 12 months of assistance.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact