

# COVID-19 bill that stiffed workers full of handouts to big business

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The COVID-19 relief bill passed by Congress this week provided a pittance for workers affected by the greatest economic crisis since the Great Depression. But in recent days it has emerged that the bill is stuffed full of handouts to major businesses and the superrich.

Included in the combined relief and spending bill are generous tax incentives for large businesses totaling over \$110 billion for liquor producers, wind energy lobbyists, the National Association for Stock Car Auto Racing (NASCAR) and electric motorcycle manufacturers. The *Washington Post* reported that the “tax extenders” are “something of a year-end tradition” frequently added to large bills at the behest of industry lobbyists.

Speaking to the *Post*, Howard Gleckman, a tax policy expert at the Urban Institute, characterized them as a “graveyard train for members and lobbyists.” He added that these are “classic special interest tax breaks that do not benefit the overall economy in any way.”

One extender, lobbied for by liquor and alcohol giants Anheuser-Busch and Bacardi North America, extends tax cuts that first became law in 2017 but were set to expire this year without congressional approval. In an interview with the *Post*, Democratic Senator Ron Wyden (Oregon) defended the cuts as a way to “help small brewers and wineries.”

The extender granted to NASCAR goes back to 2004 and will help Brian France and the rest of the France family, owners of NASCAR and worth a reported \$5.7 billion, to continue claiming tax breaks on their facilities through 2025. Another extender will grant a tax credit to purchasers of electric motorcycles worth up to \$2,500, or 10 percent of the cost of the vehicle.

The bill also includes the so-called “three martini lunch” provision, which allows business executives to deduct their meal expenses at 100 percent, compared to the previous 50 percent, which will lead to a \$5 billion reduction in tax revenue, according to the Tax Foundation. While Trump has championed this provision since April, the stimulus bill failed to include a \$120 billion fund that had been lobbied

for by the National Restaurant Association (NRA), which reported that employment within the industry remains 2.1 million below its pre-coronavirus level.

To add insult to injury, Trump threatened to veto the bill Tuesday, raising the prospect that millions of desperate people will not get any assistance at all for weeks.

While the bill is the longest in US history at nearly 6,000 pages, not a single line was devoted to protecting career federal employees from political retaliation and termination. Two weeks before the election, Trump issued an executive order that allowed him to reclassify federal employees and civil servants who work within government agencies, such as the Office of Budget and Management, allowing them to be dismissed with little cause, similar to political appointments. It is unknown how many of the 2.1 million federal workers, many of whom deal with crafting policy or giving confidential advice to top officials, could be affected.

The \$900 billion so-called relief bill has been attached to a \$1.4 trillion omnibus package. Far from providing immediate relief for the hundreds of thousands of businesses that have closed their doors or face going under, the bill earmarks \$284 billion to refill the corporate slush fund known as the Paycheck Protection Program. Ostensibly created to allow small businesses to receive low-interest loans that can be turned into grants in order to retain workers, the program has been seized upon by major restaurants, hotel chains, political consulting firms and other profitable companies to enrich themselves and generate billions in fees for major banks, while laying off thousands of workers.

Meanwhile, the “relief” is a fraction of the jobless aid workers and their families received earlier in the year. The bill extends federal unemployment benefits for only 11 weeks, at \$300 a week, and adds a one-time direct payment of \$600, half of the \$1,200 included in last March’s CARES Act. Student dependents will not be eligible for the check, nor will immigrants without a Social Security number. The bill renews the Centers for Disease Control eviction moratorium for just one month, until January 31, 2021.

These vital measures are set to expire on December 26 and December 31, respectively, leaving roughly 13 million people currently collecting unemployment pay with nothing the day after Christmas, while some 19 million are facing eviction beginning January 1, 2021. It should also be noted that the moratorium has not prevented hundreds of thousands of people from already being evicted.

Despite the frenzied character of the past two weeks of negotiations, both political parties have deliberately denied unemployment aid to workers in an attempt to blackmail them into going back to work at unsafe workplaces in the midst of an out-of-control pandemic in order to generate profits.

While Congress was able to come together and nearly unanimously pass the CARES Act, which provided some \$6 trillion to bail out Wall Street, the meager assistance for jobless workers in the form of \$600-a-week unemployment payments through July and a one-time \$1,200 direct payment was deemed a “disincentive” by the ruling class and hindrance to the continued extraction of surplus value. Hence the deliberate delay and the demand by President-elect Joe Biden that schools be reopened, no matter what, within the first 100 days of his administration in order to force parents back on the job.

As Congress dithers over the peanuts that will be spared in order to avert a mass social movement from below, thousands of families are wondering where they will be sleeping after being evicted despite the CDC moratorium. Jordan Mills, along with her partner Jonathan Russel and their two-year-old daughter Valkyrie, were evicted this month even after providing a CDC declaration to her landlord and a judge, as well as agreeing to a payment plan with her landlord.

She told CNN, “People like me are still being evicted for nonpayment.” Mills attempted to appear at her court hearing to challenge the proceeding. However, she was unable to attend because of the cost of parking. “I couldn’t afford parking; it is all \$20. I’m literally living hand to mouth. I got paid yesterday. I have \$4 to my name.”

Job prospects remain slim for millions of workers whose industries have been wiped out by the ongoing pandemic. The latest initial claims from the US Department of Labor revealed another historic week of job losses, with 803,000 initial claims filed last week. Additionally, another 397,511 claims were filed under the federal Pandemic Unemployment Assistance program, created for contract workers, the self-employed and “gig” workers, bringing the total number of first-time claims above 1.2 million.

Over 20.3 million people are collecting some form of unemployment, a slight decrease from the previous week, reflecting the fact that several states’ funding has dried up or

the jobless have used up all their eligibility. Approximately 5.44 million people are collecting state benefits, while roughly 9.2 million are collecting federal benefits through the PUA program and nearly 4.8 million are collecting through the Pandemic Emergency Unemployment Compensation program, which provides 13 weeks of payments for those whose state benefits have expired.

Since the initial surge in unemployment claims in mid-March following the implementation of haphazard lockdown measures, over 72 million initial claims have been filed, nearly double the 37 million claims filed throughout the Great Recession in 2008. The unprecedented levels of job loss and the social misery that accompany it, coupled with the growing realization that whatever meager assistance emerges will not be nearly enough to recover what has been lost, are driving millions of jobless workers and their families into destitution.

Exemplifying the severe and unequal character of the social crisis, while US billionaire wealth has grown by over \$1 trillion since the start of the pandemic, American personal incomes fell by 1.1 percent, or \$221.8 billion, in November. In Illinois, the Greater Chicago Food Depository released a report on Tuesday showing that an average of 50 percent more people in Cook County were seeking help this year compared to last year. Citing research from Feeding America, which estimates that 54 million in the US face food insecurity, nearly 270,000 more households compared to 2018 had trouble finding enough to eat.

Whatever Frankenstein monster of a bill emerges from the protracted political maneuvering and backroom deals that have delayed and denied relief for millions of people for months, leading to unnecessary hardship and mass death, the inescapable fact is that the US government has no interest in safeguarding the lives and well-being of the majority of the population. The fight to save lives, end the pandemic, and provide housing and food for all begins with recognizing that workers must organize for their own interests on a shared class basis in opposition to the entire capitalist system.



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