

Biden discusses Republican demands to drastically cut stimulus spending

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Democratic President Joe Biden met with 10 Republican senators Monday in his first public engagement in the effort to pass an emergency COVID-19 rescue package through Congress. The 10 Republicans, headed by Susan Collins of Maine and Mitt Romney of Utah, sought the meeting in a letter to Biden sent on Sunday, which produced an immediate invitation to the White House.

Despite the praise of “negotiation” and “bipartisanship,” the position of the 10 Republicans was more akin to a demand for preemptive surrender. While Biden has proposed a \$1.9 trillion package—itsself completely inadequate to meet the massive social need caused by the pandemic—the Republican counter-offer was only \$600 billion, less than a third, and with numerous provisions in the Biden plan entirely eliminated.

For example, the Republicans would scrap the proposed rise in the minimum wage to \$15 an hour over the next five years. The federal minimum has remained at an abysmal \$7.25 an hour for the past 11 years, and even the higher rate leaves a single mother with a child, working full-time, year-round, living well below the poverty line.

The Republican plan would entirely eliminate \$300 billion in aid to state and local governments, whose budgets have been devastated by the plunge in tax revenues due to the shutdown of much of the US economy, combined with increased expenditures for health care and other social services, made necessary by the pandemic. US states and cities are, for the most part, legally barred from running budget deficits and have had to slash spending by huge amounts.

This proposal is particularly provocative because there was limited aid to state and local governments in the CARES Act passed 11 months ago, when

Republicans controlled the Senate and Trump was in the White House. Trump and Senate Republican leader Mitch McConnell blocked any further aid in subsequent bills, claiming that it would amount to a bailout of states and cities mismanaged by Democratic governors and mayors. Now, with the Democrats in control of the White House, the Senate and the House, this group of Republicans demands a continuation of the Trump-McConnell blockade.

The only area where the Republicans claim to agree with the initial Biden plan is direct spending for vaccination and care of COVID-19 patients, where both sides would agree to spend \$160 billion, a sum that is unlikely to cover the actual costs if the vaccination rate accelerates to 1.5 million or 2 million per day.

One of the cruelest aspects of the Republican plan is the elimination of a proposed increase in federal supplemental unemployment insurance from \$300 to \$400 a week. The \$300-a-week supplement, set in legislation enacted in December and signed into law by Trump, would continue at that level rather than expiring March 15. But, unlike the Biden version, which raised the benefit to \$400 and extended it to September 30, the Republican counteroffer would freeze the benefit at \$300 and extend it only to June 30.

There is no serious prospect that the tidal wave of new unemployment claims will have evaporated by June. New filings for unemployment compensation have been between 700,000 and one million each week for the past several months. When applications for special pandemic-related benefits filed by contingent workers and the self-employed are included, the total of new claims for unemployment compensation has been more than one million a week since last April.

In addition, the Republican plan would slash the proposed one-time relief check from \$1,400 to \$1,000

and lower the income level for eligibility to receive a full check from \$75,000 to \$50,000 a year. The \$1,400 was already a reduction by Biden, who campaigned in the Georgia Senate runoffs claiming that if voters elected Democrats and gave the party control of the Senate, \$2,000 checks would immediately be issued. Later, Biden claimed that he meant \$1,400, on top of the \$600 checks to be sent out under the bailout bill passed by Congress in December.

According to one analysis, the combination of lower dollar amounts and tightened restrictions on eligibility would cut the cost of the relief checks in half, from \$465 billion under Biden's plan to \$220 billion under the Republican plan. Some 29 million people, mainly middle-income (in 2019, before the pandemic), would become ineligible for the payment.

Biden continued to make a show of sticking to his \$1.9 trillion target. He and his spokespeople have repeatedly declared that the main danger is a package that is too small, not too large.

But the Democratic president made an effusive show of welcome to the 10 Republicans, treating their demands for outright capitulation as though they were a genuine contribution to a political negotiation. The day before, his top economic aide, Brian Deese, appeared on a Sunday television interview program and suggested that at least one concession, involving income eligibility for receiving a stimulus check, would be under consideration.

The 10 senators were exactly the number required, combined with 50 Democrats in the Senate, to give the necessary 60 votes to a legislative package that could overcome a filibuster. But the Democrats have another option for the legislation, enacting it under a special procedure called "budget reconciliation," which requires only a simple majority and cannot be filibustered. That would enable Vice President Kamala Harris to break any tie and ensure passage.

Under the arcane procedures of the Senate, both the House and Senate must first pass a budget resolution, which is not signed into law by the president but provides a framework for congressional committees to draft spending bills for various federal departments. Both the House and the Senate are expected to pass such a resolution this week—the House version was unveiled on Monday. Budget resolutions, under Senate rules, cannot be filibustered.

Once the budget resolution is adopted, a separate bill to "reconcile" spending totals on specific programs with the overall resolution can pass the Senate again without being subject to a filibuster. This bill, passed once each year, has been utilized by the party controlling the Senate to push through its top priority. In 2017, Senate Republicans used the reconciliation process to enact a \$1.5 trillion tax cut for the wealthy without any Democratic votes.

Democrats in both the House and the Senate have called for the use of the reconciliation process to pass the COVID-19 relief bill without Republican support, if necessary. Senator Bernie Sanders, who now chairs the Senate Budget Committee, made such a demand in an appearance on the ABC Sunday interview program "This Week."

It is notable that Sanders demands the use of reconciliation only to pass Biden's watered down and inadequate COVID-19 relief bill, not to pass legislation that would actually address the massive social needs created by the pandemic and the ongoing economic collapse.

Throughout 2020, during his failed bid for the Democratic presidential nomination and after, Sanders claimed that it would be possible to put pressure on a Biden administration and move it to the left. Instead, the left-talkers in the Democratic Party have become nothing more than mouthpieces for the pro-business policies of the Biden White House.

This includes, most importantly, Biden's campaign to reopen the schools and reopen the economy, forcing workers back to work in the midst of the pandemic, despite the danger to their health and lives, in order to keep profits flowing for corporate America.



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