

US Senate passes pared-back COVID relief bill

Barry Grey**7 March 2021**

On Saturday, the US Senate passed the Biden administration's \$1.9 trillion COVID relief bill, following two days of Republican stalling and negotiations between the Democratic leadership and right-wing Democratic Senator Joe Manchin (West Virginia), which resulted in further cuts in proposed government aid.

The so-called "American Rescue Plan" was adopted by a strict 50-49 party-line vote, setting the stage for the expected passage of the pared-back measure by the House of Representatives on Tuesday, followed shortly thereafter by President Joe Biden's signing the measure into law.

The major provisions of the Senate bill include:

- * \$400 billion for \$1,400 per person stipends
- * \$350 billion for state and local governments, which have already laid off tens of thousands of educators and other public service workers
- * \$300 billion for the \$300-a-week supplemental unemployment benefit through September 6 and a tax exemption for the first \$10,200 in 2020 benefits for unemployed workers
- * \$160 billion for vaccinations, testing and other direct COVID-19 measures
- * \$150 billion to expand child and dependent care tax credits and the earned income tax credit
- * \$126 billion for school reopenings
- * \$86 billion for underfunded pension plans through the PBGC (Pension Benefit Guaranty Corporation)
- * \$45 billion for mortgage and rental assistance
- * \$28.6 billion for restaurants
- * \$1.25 billion for music venues
- * \$3 billion for aviation manufacturers

Last week, the House passed the package as initially announced by the White House, including a gradual increase in the federal minimum wage to \$15 an hour, a

one-time cash stipend for all adults earning less than \$100,000 a year and all couples earning less than \$200,000, and an increase in the weekly supplemental unemployment benefit from \$300 to \$400. The one-time cash payment is set at \$1,400 for individuals making less than \$75,000 and \$2,800 for couples earning less than \$150,000, with additional cash aid for families with children.

However, Biden and the Senate Democratic leadership agreed to drop the minimum wage increase—the most significant concession to working people included in the package—in compliance with an advisory ruling by the Senate parliamentarian. The unelected official said the minimum wage hike could not be passed under the budget reconciliation process used by the Democrats in order to prevent a filibuster, which would require 60 votes to break, and obtain passage of the relief bill with a simple majority in the evenly divided chamber.

Manchin, who had already declared his opposition to the proposed minimum wage increase, used the threat of withholding his vote to demand as well a lower eligibility cap on the cash stipend—from \$100,000 for individuals and \$200,000 for couples to \$80,000 and \$160,000, respectively, a cut that will exclude an estimated 17 million people from receiving the benefit. He then obtained a cut in the weekly jobless benefit from \$400 to the current level of \$300, itself a 50 percent reduction from the supplemental jobless pay enacted under the CARES Act passed in March 2020.

House Majority Leader Steny Hoyer announced over the weekend that the House would vote Tuesday on the version of the bill passed by the Senate.

The right-wing character of the Biden administration and the further shift to the right of the Democratic Party as a whole are exemplified in the emergence of

Manchin as the dominant figure, exercising virtual veto power of the policies of the government. While Sanders and the so-called “progressives” are relegated to the role of rubber-stamping Biden’s pro-Wall Street and militaristic policies, Manchin and other conservatives are brought forward, as part of the administration’s efforts to reopen the economy and suppress the opposition among workers. It is noteworthy that the senator from West Virginia appeared on virtually all of the Sunday morning interview programs yesterday.

Following the Senate vote, Biden hailed the bill’s passage in remarks from the White House. He downplayed the concessions to the right wing, citing Vermont Senator Bernie Sanders, who called the Senate bill “the most significant piece of legislation to benefit working families in the modern history of this country.”

Sanders’ hyping of the scaled-back bill followed his token effort on Friday to override the parliamentarian’s ruling on the minimum wage. His proposal fell far short of the required 60 votes, as eight members of the Democratic caucus joined all 50 Republicans to vote it down.

The falling into line of the Democratic “progressives” was underscored by the remarks of Representative Pramila Jayapal of Washington, the chairwoman of the Progressive Caucus, who said, “Despite the fact that we believe any weakening of the House provisions were bad policy and bad politics, the reality is that the final amendments were relatively minor concessions.”

In his remarks on Saturday, Biden continued to plead for unity and bipartisanship with the Republicans, saying, “There’s a lot of Republicans that came very close, they’ve got a lot of pressure on them and I still haven’t given up on getting their support.” This is despite the fact that not a single Republican in either the House or the Senate voted for his bill. Even more significantly, the Republican Party overwhelmingly continues to back Donald Trump and lend credibility to his lie of a “stolen election,” which provided the political pretext for his attempted coup d’etat on January 6.

In the course of his remarks, Biden once again linked the passage of the relief bill to what he called “safely” reopening the schools, claiming falsely that the \$126 billion allotted to school districts will make it possible to safely resume in-person instruction five days a week

in the midst of a deadly pandemic that is far from under control.

While the package provides a measure of desperately needed aid to millions of families facing long-term unemployment, hunger and the threat of eviction, it falls far short of the resources needed to rationally and humanely address the worst economic crisis since the Great Depression and overcome the pandemic, while providing full income support for affected workers.

Biden unwittingly shed light on the gap between the massive scale of the crisis and the aid on offer. He noted that the US death toll from COVID-19 is nearing 520,000 and climbing, food bank lines continue to stretch for miles, thousands of families are being evicted, over 400,000 small businesses have closed, and “24 million adults and 11 million children, as I speak, in the United States suffer from food insecurity.”

In reality, the Democrats’ relief bill is seen as a necessary measure to provide political cover at the least possible expense for the brutal herd immunity policy in relation to the pandemic that is, in all essentials, being continued by the Biden administration. The Democratic Party and its faction within the ruling class are acutely aware of mounting anger and opposition in the working class, as they step up the drive to force workers back into unsafe workplaces for the sake of corporate profit. They hope the limited measures in the “American Rescue Plan” will buy them time and stave off a social explosion.

Another side of the same policy is Biden’s unprecedented public call for Amazon workers to back the unionization drive at the company’s warehouse in Bessemer, Alabama. The administration is seeking to integrate the trade union apparatus more directly into corporate management and the state in order to suppress the class struggle and block any independent movement of the working class, which they correctly fear will assume an anti-capitalist direction.



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