

Amid massive corporate lobbying campaign

Biden, Democrats prepare to gut their own social welfare bill

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With deadlines looming this month on key items in the Biden administration's domestic agenda, the \$1 trillion bipartisan infrastructure bill and the \$3.5 trillion "human infrastructure" package, the process of corporate manipulation and watering down of the already inadequate social welfare measure is moving into high gear.

Last month, House Speaker Nancy Pelosi and Senate Majority Leader Charles Schumer set a September 15 deadline for the various committees in each chamber to draft their pieces of the budget bill, which, in its present outline form, modestly expands benefits for working people and increases taxes on corporations and the rich to partially offset the cost. Unlike the physical infrastructure bill, which is broadly backed by big business and passed the Senate with 19 Republican votes, there is no Republican support for the budget proposal, and corporate America is for the most part lined up against it.

The Democrats are seeking to bypass a filibuster in the Senate which could be overcome only by obtaining the votes of 10 Republicans in the evenly divided chamber, by moving the bill under the budget reconciliation process, whereby the legislation can be passed by a simple majority. That means, however, the Democratic leadership has to secure the votes of all 50 Democratic senators. Vice President Kamala Harris would then cast the tie-breaking vote.

Last month, Pelosi agreed to bring the infrastructure bill up for a vote in the House by September 27. That was a concession to a group of right-wing Democrats, who said they would not vote to move forward on the budget reconciliation bill if Pelosi continued to insist that the House not act on the infrastructure bill until after the Senate had passed the broader measure. As a result, Schumer has been compelled to set a September 27 deadline for the Senate passage of the social spending bill.

The process of drastically shrinking the social improvements contained in the "human infrastructure" bill, slashing its cost and blocking any significant increase in corporate taxes began in earnest last week, when Democratic Senator Joe Manchin of West Virginia published a column in the *Wall Street Journal* headlined, "Why I Won't Support Spending Another \$3.5 Trillion."

Manchin, a multimillionaire owner of coal companies in West Virginia, cited the former chairman of the Joint Chiefs of Staff, retired Admiral Mike Mullen, as his authority on the danger to national security from too much debt. The senator called for a "strategic pause" in consideration of the budget bill, in effect delinking passage of the corporate-backed infrastructure bill from passage of the broader social legislation.

An unabashed flack for the fossil fuel industry, Manchin has repeatedly opposed environmental regulations on mining and energy in general. He previously called certain provisions in the budget bill aimed at modestly restraining carbon emissions, such as repealing tax subsidies to the fossil fuel industry, "very disturbing." He has also made it clear he is opposed to raising corporate taxes and would like to "means test" measures such as tuition-free community college, universal preschool, child care tax credits and an extension of the enhanced child tax credit.

Other Democratic senators who have publicly opposed the budget bill's \$3.5 trillion price tag (spread out over 10 years) include Kyrsten Sinema of Arizona, Jon Tester of Montana and Mark Warner of Virginia, a former tech entrepreneur worth \$200 million and now chairman of the Intelligence Committee.

On Tuesday, press reports emerged that Manchin had let it be known he was prepared to support a bill costing from \$1 billion to \$1.5 billion. Back in June, Bernie Sanders, chairman of the Senate Budget Committee, was claiming he would oversee passage of \$6 trillion in social welfare measures, calling it the most far-reaching reform since the New Deal. Sanders was chosen by Biden to lead the effort to pass his budget in order to give his conservative domestic economic agenda a "progressive" gloss.

The Vermont senator, who at times calls himself a "socialist" and is relentlessly promoted by the pseudo-left as "proof" that the Democratic Party can be pressured to carry out progressive and even socialist policies, has said nothing about Biden's termination of federal jobless benefits in the midst of the widening COVID-19 pandemic, or the drive to reopen the schools amidst soaring infections, hospitalizations and deaths of children, teachers and school staff.

The response by the White House and the Democratic congressional leadership has made clear that the \$3.5 trillion package of social measures will be drastically cut back before any bill is brought up for a vote. The same applies to Biden's promise to increase taxes on corporations and the wealthy.

On Tuesday, Biden told the press, referring to Manchin, "Joe at the end has always been there. He's always been with me. I think we can work something out, and I look forward to speaking with him."

Pelosi has said she will only bring before the House a budget measure that can be passed in the Senate, i.e., one that accommodates the most right-wing factions in the Democratic Party.

Yahoo News cited a "lobbyist familiar with internal deliberations on Capitol Hill" as saying "there was optimism among congressional Democrats that a bill would get passed and sent to Biden for signing into law. But such a bill is likely to be in the range of about \$2 trillion..."

The article continues: "While the various House committees are likely to approve bills that would total \$3.5 trillion, that number would get whittled down before the legislation is sent to the full House for debate and passage, the source said. That could mean that any proposed tax increases on the wealthy and corporations would not have to be as steep as initially envisioned."

Even were the infrastructure and budget bills passed with the current proposed spending levels, they would be hopelessly inadequate to address the catastrophic levels of poverty and social crisis and decades-long degradation of social infrastructure. This was revealed in the response of the ruling class to the pandemic and the social disaster unfolding in the Gulf Coast and New York City as a result of Hurricane Ida.

Capitalism is incapable of addressing these existential public health and environmental issues, both because of the total subordination of all questions to corporate profit and the accumulation of private wealth by the ruling elite, and the division of the world economy into rival nation states. The measures dictated by science and made possible by the development of technology to eradicate the coronavirus and resolve the climate change crisis are blocked by the economic and geo-political interests of a corporate-financial oligarchy that accounts for a miniscule portion of the world population.

The infrastructure bill includes only \$550 billion in new money, spread out over eight years. The current funding figure in the budget bill, \$350 billion per year, pales in comparison to the vast increase in wealth of the US financial elite just in the course of the pandemic.

According to a recent report from Americans for Tax Fairness and the Institute for Policy Studies Program on Inequality, US billionaires have seen their wealth surge \$1.8 trillion in just the first 18 months of the pandemic. Their collective fortune has skyrocketed by nearly two-thirds (62 percent), from just short of \$3 trillion at the start of the COVID crisis on March 18,

2020, to \$4.8 trillion on August 17, 2021.

Elon Musk has seen his wealth increase by \$150 billion during the pandemic, a gain of over 600 percent.

Meanwhile, the Federal Reserve continues to pump *\$120 billion every month* into the financial markets and maintain near-zero interest rates to fuel the stock market frenzy.

The minor tax increases on corporations and the rich proposed by Biden and the Democrats, should they see the light of day, would do little to reverse the ongoing plundering of society by the oligarchy. Government tax revenues from US corporations have declined by 40 percent just since the enactment of the Republican tax bill in December of 2017, and Biden is only proposing to restore half the 14 percent cut in the 35 percent corporate tax rate that prevailed prior to Donald Trump's "reform."

In any event, corporate America will not tolerate any significant increase in its taxes or reduction in its profits, and these are the class interests that control both parties. The pharmaceutical giants (Pfizer, AbbVie, AstraZeneca), energy monopolies (ExxonMobil), entertainment monoliths (Walt Disney Company), tech titans, major retailers, manufacturers and banks are spending hundreds of millions of dollars to bribe lawmakers, target them with negative ads and mobilize right-wing organizations they have funded to determine the final shape of any spending bills that might emerge from this sordid process—which is carried out largely behind the backs of the American people.

The *Washington Post* reported last month that "the pharmaceutical industry has embarked on its own wide-ranging campaign to combat Democrats' drug pricing proposals, another potential revenue source in the bill. Conservative outfits previously backed by the sector's top trade group, known as PhRMA [Pharmaceutical Research and Manufacturers of America], have run recent ads claiming lawmakers' plans would have worsened the coronavirus pandemic."

The *Post* noted that the RATE Coalition (Reforming America's Taxes Equitably), "which counts support from Capital One, Disney, FedEx, Lowe's and Lockheed Martin," is preparing a seven-figure digital ad campaign to oppose any increase in the corporate tax rate. One of its top spokesmen is Blanche Lincoln, a former Democratic senator from Arkansas who served with Biden in the Senate.



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