

# As Democrats shield wealth of billionaires, Biden pleads with super-rich to pay their “fair share”

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On Thursday, President Joe Biden made a demagogic speech from the White House presenting his “Build Back Better” budget plan as a historic reversal of the decades-long enrichment of the corporate elite at the expense of working people.

He cited a number of indices of the wholesale looting of society by the corporations and the super-rich, including:

- US billionaires have seen their wealth increase by \$1.8 trillion since the beginning of the pandemic.
- Fifty of the largest corporations in the US paid zero taxes in 2020, while collectively taking in over \$40 billion in profits.
- The top 1 percent in the US evade an estimated \$160 billion in taxes they owe every year.

“This is the moment to deal working people back into the economy. This is the moment to prove to the American people that the government works for them,” Biden declared.

But having made the case for the seizure of the wealth of what he referred to as the “pandemic profiteers,” he hastened to add: “I’m not out to punish anyone. I’m a capitalist. If you can make a million or a billion dollars, that’s great. God bless you. All I’m asking is you pay your fair share.”

Biden made his remarks one day after House Democrats assembled the various parts of the overall budget plan that had been drafted and approved by numerous House committees. The 26,000-page package purports to allocate \$3.5 trillion over 10 years for social welfare measures, paid for in part by \$2.1 trillion in tax hikes for large corporations and wealthy individuals.

The Senate is in the process of assembling its own version of the budget. What ultimately emerges from the process of internal horse-trading between various factions of the Democratic Party, manipulated by a massive corporate lobbying campaign to block any serious incursions into the profits and the personal fortunes of the ruling oligarchy, will

be far more modest than even the timid measures contained in the current House proposal.

The Democrats narrowly control both chambers, and the Republican Party is 100 percent opposed to the administration’s budget plan and pledged to vote against it. In order to circumvent a filibuster in the evenly divided Senate, the Democrats are seeking to pass their budget under the budget reconciliation procedure, which requires only a majority vote in the upper chamber, 50 Democrats and the tie-breaking vote of Vice President Kamala Harris and cannot be filibustered.

That means Biden and the Democratic leadership cannot afford to lose a single Democratic vote. In the House, they cannot lose more than three Democratic votes. As a result, corporate interests are asserting their demands most directly via their bribed mouthpieces within the Democratic congressional caucuses.

In a concession to right-wing members of the House Democratic caucus, House Speaker Nancy Pelosi last month agreed to bring the \$1 trillion bipartisan infrastructure bill passed by the Senate up for a vote in the House by September 27, dropping her previous insistence that no action be taken in the House on that bill until the Senate had passed the broader “human infrastructure” budget bill.

The entire process—a combination of back-room deal-making and political posturing—is dominated by the demands of the Democratic Party right wing. West Virginia Senator Joe Manchin, a multimillionaire coal company owner, and Arizona Senator Kyrsten Sinema, whose idol is the late Republican reactionary and war hawk John McCain, have publicly declared their opposition to the \$3.5 trillion price tag of the administration’s budget bill.

Manchin has let it be known he is prepared to accept a bill costing around half that amount. He has proposed imposing means testing and work requirements for extended child tax credits, child care and pre-kindergarten subsidies, tuition-free community college and other social measures included

in the bill. He is dead set against provisions that promote clean energy and infringe on the fossil fuel industry, from which he has received \$400,000 in campaign cash since 2017, making him the industry's top recipient.

Last week Manchin appeared on several of the Sunday morning television interview programs to push for the House passage of the corporate-backed physical infrastructure bill and argue there was no "urgency" for the social relief and anti-climate change measures in the Biden budget plan.

This was under conditions of the Delta-variant-driven fourth wave of the pandemic, overwhelming hospitals and infecting record numbers of children in reopened schools, the termination of federal unemployment benefits and the moratorium on evictions, threatening millions with homelessness and destitution, and climate change-driven hurricanes and wildfires that have devastated millions from California to the Gulf Coast to New York City.

In the House, three right-wing Democrats on the Energy and Commerce Committee—Reps. Scott Peters (Calif.), Kathleen Rice (N.Y.) and Kurt Schrader (Ore.)—on Tuesday voted against the leadership's proposal to allow Medicare to negotiate hundreds of prescription drug prices with the pharmaceutical companies, using international prices, generally half of those in the US, as the standard. The Biden administration and Pelosi estimate this would save the government \$700 billion, which they propose to use to extend Medicare coverage to include dental, vision and hearing. The three Democratic "no" votes prevented the committee from including the provision in its portion of the overall bill.

According to the Center for Responsive Politics, the top industry contributor to Peters' campaign war chest in 2021-2022 is pharmaceuticals/health products, which has donated \$88,550. His top contributors are Pfizer (\$10,800), Eli Lilly (\$10,500), Amgen (\$7,900) and Gilead Sciences (\$7,750).

Schrader's top industry contributor is oil & gas (\$34,000), followed by pharmaceuticals/health products (\$24,000).

The second highest industry contributor to Rice's campaign is insurance.

Biden and the Democratic congressional leadership have bent over backwards to accommodate and placate these forces. On Wednesday, Biden met separately with Manchin and Sinema. White House Chief of Staff Ron Klain said the \$3.5 trillion package could be scaled back by cutting back the size of some of the programs or reducing their duration.

The House budget package as it currently stands raises the top individual income tax rate from 37 percent to 39.6 percent (where it was prior to Trump's 2017 tax windfall for the rich). It increases the corporate tax rate from 21 percent to 26.5 percent, which is lower than Biden's proposed 28

percent and far lower than the 35 percent rate prior to the 2017 Republican tax bill. It raises the capital gains tax rate from 20 percent to 25 percent—still a far lower rate than for the equivalent wage income and lower than Biden's initial proposal.

More significant than the minor tax increases on the wealthy that are contained in the House bill is what is omitted. The bill addresses only income, not the wealth hoarded by America's oligarchs. Income comprises only a negligible portion of the fortunes of the billionaires. Jeff Bezos, the richest man in the world, in 2020 received a salary from Amazon of only \$81,840. Their money comes from stocks, bonds, real estate and other assets that are largely untaxed.

The House bill drops a proposal in Biden's original plan that would close a loophole allowing the wealthy to pass accumulated assets down to their heirs without ever paying taxes on the rise in the value of those assets from the time of their initial purchase. It also leaves in place so-called "carried interest," the loophole that treats the money taken in by hedge fund managers as a capital gain, rather than normal income, which is taxed at a far higher rate.

The *Wall Street Journal* gloated over the Democrats' failure to challenge this notorious gift to hedge fund billionaires, publishing an editorial headlined "Democrats Blink on Carried Interest."

None of this prevented Biden from giving his full endorsement to the House bill.

The *Washington Post* cited Steve Wamhoff, director of federal tax policy at the Institute on Taxation and Economic Policy, as saying: "If the [House] Ways and Means plan was enacted as is, Jeff Bezos and Elon Musk would still pay an effective rate of \$0 on most of their income if they pass their assets onto their heirs."



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