

# Democrats allow child tax credit to lapse as Omicron surges

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As cases of COVID-19 and the more infectious Omicron variant surge across the United States millions of working class families face the elimination of the last social supports enacted by Congress in the wake of the pandemic.

The final payment of the child tax credit (CTC), a vital lifeline for low- and middle-income families, was sent out this week. No further payments will go out without approval by Congress of the Biden administration's Build Back Better social spending and climate bill, which appears unlikely before next year, if ever. Passage of the bill has been blocked by Senator Joe Manchin of West Virginia, who opposes inclusion of the child tax credit.

The renewed onslaught of the virus, with its attendant spread of sickness, death and economic dislocation, will hit working class families hardest, whose resources are already severely strained by two years of pandemic. By eliminating all social supports the ruling class is seeking to enforce its homicidal herd immunity policy by forcing workers to report to COVID-infested workplaces despite the deadly COVID surge.

Earlier this year the Biden administration allowed the pandemic-related expansion of unemployment benefits to expire as well as the moratorium on evictions. President Biden has also stated his opposition to extending the pause on the repayment of student debt, which is set to expire February 1, 2022. The program put a freeze on loan balances, halted payments due and stopped interest accrual.

The end of the CTC is particularly cruel because of its devastating impact on the young and vulnerable. As part of the COVID-19 relief package enacted last spring the credit was expanded from a maximum of \$2,000 a year per child to \$3,600. It was also made fully refundable and paid in monthly installments, even to

families too poor to have taxable income.

The elimination of the CTC has been demanded by sections of big business as a "disincentive to work." The aim is to force workers to risk their lives during the pandemic by taking whatever low wage work is available, no matter how dangerous or onerous.

Underscoring the dire straits facing millions of families, studies indicate the CTC has reduced child poverty by as much as 40 percent and benefits 90 percent of US children. The Center for Budget and Policy Priorities estimates that through this meager payment alone 4.1 million children could be lifted above the abysmally low official poverty line.

Regina, a grandmother living in Detroit, said, "If they make this the last check, I predict mass evictions coming down in the first part of next year." Pointing to the closure of child care centers and the limited types of jobs available, she added, "Things like Instacart, which moms who need flexible hours due to child care might find, won't get them enough money to pay the rent. One guy put in 30 applications and got one call back. So where are all these jobs?"

The results of a survey out of the University of Michigan looking at data collected in October on how recipients of the child tax credit were spending the extra \$250 or \$300 per month per child found for the October payment, the most common uses were paying bills (75 percent of parents), paying rent or mortgage (12 percent), buying child necessities like diapers (9 percent), and buying clothes for their child (9 percent).

The elimination of all social support for working class families is increasingly viewed as an economic necessity by big business in order to supply the low-wage labor needed to prop up the increasingly fragile bubble on Wall Street. The so-called labor shortage, the reluctance of workers to return to COVID-infested

offices, schools and factories, has given additional leverage to demands by workers for higher wages amid a surge of inflation. This year has seen an increase in strikes as workers reject paltry wage offers by management that would reduce their living standards in the face of rising prices of necessities.

Concerns over inflation, that is, the fight by workers for wage increases, have helped solidify opposition in the ruling class to Biden's Build Back Better (BBB) social spending bill, which has already been stripped of a large part of its very modest increases in social spending while being loaded up with tax cuts for upper-income brackets.

Following the end of the federal eviction moratorium and various state and local bans, evictions are increasing nationwide. According to the US Census Bureau Pulse Survey those saying they weren't confident of paying next month's rent increased from about 5 million at the end of September to 6.3 million in the latest data. The number will likely increase with the end of the CTC as funds for the federal Emergency Rental Assistance Program are exhausted. Several states and cities have almost run out of funds including the states of New York and California as well as the city of Philadelphia.

Democratic Party leaders reacted to the impending cutoff of CTC with barely concealed indifference to its impact on workers and their families. Democratic House Speaker Nancy Pelosi said she opposed any attempt to separate an extension of the CTC from Biden's spending bill, expressing the idea that children could be used as hostages to gain the bill's passage. "I think that that is really important leverage in the discussion on BBB, that the children and their families will suffer without that payment," she declared.

Given the precarious nature of the Democrats' House and Senate majorities, the continuing delay in passage of the Build Back Better program raises questions whether it will be enacted even in its present, vastly reduced form. Corporations have launched a massive lobbying campaign against it and House and Senate "progressives" last month capitulated to demands to pass the \$1 trillion infrastructure bill without securing the support of Manchin and Senator Kyrsten Sinema of Arizona for the social spending and climate bill.

While bitterly divided over a paltry increase in social spending, Democrats overwhelmingly joined with

Republicans to pass a record \$770 billion military budget this week, more than the entire cost of a 10-year extension of the child tax credit. The representatives of the ruling class gnash their teeth over the inflationary impact of aid to working class families, but they have no problems handing out massive amounts of cash to defense contractors for expensive weapons systems.

The domination of all aspects of political and economic life by a rapacious corporate oligarchy makes impossible any serious and rational approach to the solution of social problems, unemployment, lack of housing, health care, low wages, not to mention broader societal issues such as climate change. In its mad drive to increase share values the ruling class is willing to condemn millions to death in a preventable pandemic and prepare for catastrophic wars.

The working class must intervene in the ongoing COVID-19 catastrophe independently to fight for the implementation of a scientific program based on the prioritization of human life, not profit. This is a fight against capitalism. The vast scientific and technological resources of society must be put under the democratic ownership and control of the working class, the vast majority in society. In relation to the pandemic this means the implementation of necessary public health measures and lockdowns, including the shutdown of all nonessential production and full social support to all workers until COVID-19 is eliminated or eradicated.



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