

The real message in Biden's phony gas tax cut: Workers must pay for Ukraine war

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On Wednesday afternoon, President Biden announced a series of measures that he claimed would reduce gasoline prices for consumers heading into the busy summer season. Prominent among his proposals was an appeal to Congress to “suspend the federal gas tax for the next 90 days.”

Speaking in front of large digital displays at the Eisenhower Executive Office Building at 2:00 p.m., Biden noted that 18 cents of every gallon purchased goes to the federal Highway Trust Fund which is used to “keep our highways going.” By suspending the tax for three months, he said, “we can bring down the price of gas and give families just a little bit of relief.”

The other elements of Biden's plan were a call for states to suspend their gas taxes, an appeal for the oil companies to refine more gas and a request that gas station owners not artificially inflate prices. The president clearly has no means or even any interest in realizing such empty promises.

Some aspects of the proposal are worth examining, and we will do so below. But the real purpose of the plan and the speech has nothing to do with the price of gas, and it was demonstrated in Biden's concluding remarks, after which he walked away from the podium and took no questions from the press.

The president said, “This is a time of war, global peril, Ukraine. These are not normal times. ... Let's remember how we got here: Putin invaded Ukraine. Putin invaded Ukraine with 100,000 forces.”

Biden's claim that Putin is responsible for skyrocketing gas prices is a lie, aimed at legitimizing his undeclared war against Russia, covering up the causes of the inflation sweeping through all sectors of the US economy and protecting the interests of the oil monopolies. His pathetic appeal to the corporations for price reductions will fall on deaf ears.

“This is a time of war,” Biden proclaims. Who declared this war? Who brought the United States into it? This statement blows apart the fiction that the US and NATO are not at war with Russia. And the assertion contradicts the claim that the US concern in Ukraine is to “defend democracy and freedom.” When were the American people ever consulted about this war? The very decision to intervene was taken undemocratically and behind closed doors, as the result of a protracted imperialist build-up against Russia.

Both the Democrats and the Republicans serve and defend the profit system and the oil monopolies. Both parties support the imperialist intervention in Ukraine against Russia. Biden only objects to Republican efforts to score points off the gas price rise in the 2022 elections, by putting the sole blame on his supposedly “green” policies (which are nothing of the kind).

He said, “Look, I get the easy politics of the attack. I get that. But the simple truth is gas prices are up almost \$2.00 a gallon because of Vladimir Putin's ruthless attack on Ukraine, and we wouldn't let him get away with it. And we're doing everything we can to reduce this pain at the pump now.”

In other words, in pursuit of the strategic global interests of US imperialism, the Biden administration has provoked and is escalating the war in Ukraine, which threatens a nuclear confrontation with Russia and a new world war. And it is telling working people that they will have to pay for it, through drastic slashes in their living standards, not only at the pump, but at the grocery store and in the impact of inflation on every aspect of daily life.

While workers pay, the oil monopolies have exploited the instigation of war with Russia by the US and NATO in Ukraine, a primary cause of rising energy costs globally, to inflate prices at the pump, drive up

profits to record levels and increase compensation for their executives.

Biden acknowledged that the oil and gas monopolies have been gouging the public and pleaded with them not to keep the savings for themselves. “This is—there’s no time now for profiteering,” he said.

The top 25 oil corporations made a combined \$205 billion in profits in 2021. Since the beginning of 2022, the five largest oil companies—Shell, ExxonMobil, BP, Chevron and ConocoPhillips—have enjoyed a 300 percent increase in profits over the first quarter of 2021. ConocoPhillips, for example, earned profits of \$4.3 billion between January and March, an increase of 375 percent over the previous year.

In 2021, 28 oil and gas CEOs were paid \$394 million in compensation, which was a \$45 million increase over the previous year. Exxon CEO Darren Woods received a 50 percent bump in his total compensation in 2021, going from \$15 million in total compensation for 2020 to \$23.6 million last year.

Another cause of the increasing gas prices is the reduction of refinery capacity in the US. The oil companies used the coronavirus pandemic to shut down older refineries and, instead of investing in new technologies at these largely antiquated US facilities, the firms used their enormous profits in stock buyback programs that benefited their Wall Street investors and largest shareholders. In the case of Shell, its 2021 profits were \$19.3 billion, of which \$8.5 billion was used to buy company stock.

The White House fact sheet estimates the gas tax suspension will cut \$10 billion in funding for highway maintenance, which Biden calls on Congress to offset, without the slightest prospect that this will happen.

The savings for motorists, assuming (an absurdity) that the oil companies fully pass on the tax cut and do not keep a big chunk for themselves, would be the same \$10 billion. Spread over the 223 million motorists in the United States, that would come to \$45 apiece, or nine free gallons of gas at the current price. Welcome to the Biden bonanza!

In any case, there is little support in Congress, from either Republicans or Democrats, to put through a federal gas tax holiday. Shortly after Biden’s announcement, Senate Minority Leader Mitch McConnell of Kentucky assured its failure in the upper house, saying, “This administration’s big new idea is a

silly proposal that senior members of his own party have already shot down well in advance.”

In the House of Representative, Majority Leader Steny Hoyer, Democrat from Maryland, said, “Do I think we have the votes? We haven’t counted. So, we don’t know yet.” Representative Peter A. DeFazio, Democrat of Oregon and chairman of the Transportation and Infrastructure Committee, said Biden’s proposal would have a “snowballing effect” and delay needed repairs to highways and transit systems across the US. “I will not support it,” DeFazio said.



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