

Coal millionaire Manchin promotes Democrats' phony "climate" bill

Barry Grey
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The Biden administration and the Democratic Party are perpetrating a gigantic fraud on the American public in the form of the so-called Inflation Reduction Act of 2022, announced with great fanfare last week.

The deal was suddenly announced July 27 by Senate Majority Leader Charles Schumer and West Virginia Senator Joe Manchin and hailed by President Biden as a "historic" advance in the fight against climate change. The Democratic-aligned media called it a "big win" for the administration and the Democratic Party.

Schumer said he hoped to bring the measure to the Senate floor for a vote this week and get it passed before the August recess. However, its prospects remain unclear, with Arizona Democrat Kyrsten Sinema so far withholding her support, which represents the critical 50th vote given expected unanimous Republican opposition.

The title given to the measure, cynical to the core, is indicative of its basic purpose—to give the impression that the administration is doing something to address the crushing cost-of-living crisis that is gutting workers' wages, as well as other incendiary factors such as the ever-growing chasm between the rich and the masses of people.

It is an elaborate political ploy crafted under conditions of an explosive crisis, not just of the Democratic Party, but of the entire two-party system upon which the corporate oligarchy relies to stabilize its rule.

The bill would allocate \$369 billion over 10 years to "address" the climate crisis plus \$64 billion to fund a three-year extension of Affordable Care Act subsidies for people buying health insurance, which otherwise would expire shortly before the November mid-term elections, causing premiums to soar for millions of voters.

It would raise an estimated \$739 billion in new revenue, over 10 years, by imposing a minimum corporate tax of 15 percent (\$313 billion), tightening the so-called "carried interest" tax loophole for hedge fund managers and wealthy investors (\$14 billion), increasing tax enforcement by the Internal Revenue Service (\$124 billion), and empowering Medicare to negotiate some drug prices with the pharmaceutical companies (\$288 billion).

The excess of projected revenues over outlays, \$300 billion

over 10 years, a drop in the bucket compared to the massive federal deficit, is being touted for its "anti-inflationary" and budget discipline benefit.

Virtually all of the money for renewable energy development—solar, wind and other technologies—consists of massive tax credits for the growing clean energy industry. The bill also includes subsidies for purchasers of electric vehicles, which are tied to protectionist "made in America" requirements for the vehicles that will likely not be met until the end of the decade. The bill would also extend tax breaks for nuclear power corporations.

For the coal, oil and gas corporations, the main producers of greenhouse gases, the measure is an unabashed boondoggle. The *Wall Street Journal* published a front-page article last Friday headlined "Climate Bill is Boon for Fossil-Fuel Sector." It notes that the bill requires the federal government to "offer more access for drilling on federal territory."

Specifically, it would require the US Interior Department to offer up at least 2 million acres of federal land and 60 million acres of offshore territory to oil and gas products every year for the next decade. The *Journal* notes: "It would be the first-ever required minimum acreage for offshore oil and gas leasing and significantly increase the acreage requirements for onshore leasing."

It would reinstate an 80-million-acre sale for the Gulf of Mexico from 2021 that was invalidated by a federal judge. This was the biggest offshore oil and gas lease sale in American history.

The bill would not only authorize new drilling in the Gulf of Mexico, but it would expand it to offshore Alaska.

Small wonder Shell CEO Ben van Beurden hailed the bill, saying, "The world needs new oil and gas to come on stream."

Moreover, Manchin announced that he had secured a promise from President Biden, Senate Majority Leader Charles Schumer and House Speaker Nancy Pelosi to hold a vote on a separate measure in the fall that would make it easier for developers to override environmental objections when building pipelines, natural gas export facilities and other energy infrastructure.

Manchin has been pushing to override protests by environmentalists and small landholders in his home state of West Virginia against completion of the Mountain Valley gas

pipeline between West Virginia and Virginia.

The bill scraps Biden's campaign promise to end leasing of federal lands for oil and gas development. It is, as many climate groups have noted, "all carrot and no stick," providing hundreds of billions in subsidies to companies that expand clean energy production and no penalties for polluters.

Brett Hartl, government affairs director at the Center for Biological Diversity, called it a "climate suicide pact."

Wenonah Hauter, executive director of Food & Water Action, said in a statement that the bill "won't solve the climate crisis and may make it worse."

While the give-aways to big business are massive, the benefits for ordinary people in the form of lower drug costs are minimal. Drug prices negotiated between Medicare and Big Pharma would not begin to take effect until 2026. They would cover only 10 drugs that year, 15 more in 2027 and 20 more in 2029, according to the Kaiser Family Foundation.

Negotiated prices would not be permitted until nine to 13 years after a new drug's introduction. No drugs with generic competitors would be affected. Insulin, which is a lifeline for tens of millions in the US, would not be covered. The investment firm Raymond James noted that prices for new drugs would be higher under the bill.

The 15 percent minimum corporate tax, 6 percent below the current corporate tax rate, will be widely evaded by big corporations and their army of tax lawyers. The tightening of the tax loophole for hedge fund owners and big investors will barely make a dent on the fortunes of the idle rich. Meanwhile, the sweeping tax cuts for corporations and the rich in Trump's 2017 tax overhaul remain intact.

All of the social measures in the administration's various iterations of "Build Back Better" last year are gone, including expanded child tax credits; paid sick and family care leave; dental, vision and hearing coverage under Medicare; and housing assistance.

In the course of 2021, the Democratic leadership reduced Biden's proposed social spending and tax bill from \$6 trillion to \$3.5 trillion and finally to \$1.75 trillion, in a never ending effort to win Manchin's support, only to have him torpedo the final deal last December.

Manchin issued his own statement last Wednesday, boasting that the deal with Schumer eliminated "trillions in new spending" in Biden's earlier bills. "Build Back Better is dead," he gloated.

In keeping with his status as the most powerful man on Capitol Hill, Manchin appeared on all five of the Sunday morning television interview programs. He stressed that the bill protected fossil fuel production and described it as a gain for US energy "security" and "independence."

Repeatedly praising his "Republican colleagues," Manchin refused to even say he would like to see the Democrats retain control of Congress in the November elections or commit himself to supporting Biden in 2024.

The deal between Schumer and Manchin to produce something that could be packaged as climate-friendly and "progressive" was driven largely by political considerations. Inflation, recession, war, a raging pandemic, a Trump-dominated and increasingly fascist Republican Party and a rightward hurtling, discredited Democratic Party—confronted by an insurgent working class—add up to a formula for social upheavals with revolutionary implications.

Biden's poll numbers have continued to plunge—A CNN poll last week found that 75 percent of Democratic voters would like to see someone other than Biden as the party's presidential candidate in 2024—and midterm elections are fast approaching that could see Trump's coup supporters gaining control of Congress.

To obtain Senate passage of any bill that even nominally addresses the climate crisis and raises taxes on corporations and the wealthy, no matter how modestly, the Democrats must get every member of their caucus on board in the evenly divided chamber and use the budget reconciliation procedure, which prohibits the use of a filibuster. Then they can pass a measure with 50 votes plus the tie-breaker cast by Vice President Kamala Harris, the president of the Senate.

Under these conditions, Schumer entered into secret talks with Manchin several weeks ago with Biden's blessing to salvage something from the debacle of the administration's "Build Back Better" domestic agenda. The evident price was capitulation to Manchin's basic demands.

Manchin, along with Sinema, occupies the right flank of the Democratic Senate caucus. A multi-millionaire coal operator, he is the Senate's biggest recipient of campaign cash from the fossil fuel industry. Sinema shills for the hedge fund and investment industry, which has handed her \$2.2 million in donations since 2017, more than any other senator, according to the OpenSecrets tracker. She has made clear her opposition to any reduction in the tax loophole for hedge fund and private equity managers.



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