



Written by [William P. Hoar](#) on April 2, 2021

Published in the April 19, 2021 issue of [the New American](#) magazine. Vol. 37, No. 08

Correction, Please!

Democrats Exploit Pandemic Relief Bill for Partisan Priorities, Progressive Pork



COVID relief bill or Democrat bailout fund? The \$1.9 trillion Democratic COVID bill mainly bailed out hemorrhaging Democratic unions, cities, states, and organizations. Only a tiny fraction of the money actually went toward fighting COVID. *(Photo credit: flickr/Senate Democrats)*

Item: *The left-wing Washington Post clearly believes that President Biden’s \$1.9 trillion coronavirus bill is a poverty cure. An embarrassingly smitten March 6 headline sat atop the “news” account (and related Twitter post), declaring: “Biden stimulus showers money on Americans, sharply cutting poverty in defining move of presidency.” (After this drew public mockery, the paper’s editors toned down the headline just a tad, so that it later read: “Biden stimulus showers money on Americans, sharply cutting poverty and favoring individuals over businesses.”)*

Naturally, the paper found an “expert” to justify its claims, saying: “The latest stimulus will reduce poverty by a third, lifting nearly 13 million Americans out of it, according to an analysis by Columbia University’s Center on Poverty and Social Policy. Black Americans, Hispanic Americans, and poor families with children are set to benefit the most. Child poverty would be reduced by more than half, the researchers predict.”

Item: *The New York Times also slobbered over the money shower, starting its “news analysis” in the print edition for March 10: “American political leaders have learned a few things in the last 12 years, since the nation last tried to claw its way out of an economic hole. Among them: People like having money. Congress has the power to give it to them. In an economic crisis, budget deficits don’t have to be scary. And it is better for both the economy and the democratic legitimacy of a rescue effort when elected leaders choose to help people by spending money, versus when pointy-headed technocrats help by obscure interventions in financial markets.”*

Item: *The taxpayer-funded NPR carried this headline on March 10: “Biden’s \$1.9 Trillion Rescue Plan Set To Turbocharge U.S. Economy,” for Scott Horsley’s All Things Considered.*

Correction: Liberal pipedreams to the contrary notwithstanding, we can’t spend ourselves to affluence.



Written by [William P. Hoar](#) on April 2, 2021

Published in the April 19, 2021 issue of [the New American](#) magazine. Vol. 37, No. 08

We will find this out in due course with the \$1.9 trillion coronavirus “relief” bill, which became a carrier of a much broader extremist agenda.

What did we get? Well, Jen Psaki, the White House press secretary, boasted that the legislation is the “most progressive bill in American history.” It’s not a targeted relief package for those hurt the most by the pandemic, but a huge expansion of the welfare state. As always, it is not paid for by the president or members of Congress — but it comes from you and me and, likely, our children and grandchildren.

As the eminent Austrian School economist Ludwig von Mises explained (in *Bureaucracy*, 1944): “The government pretends to be endowed with the mystical power to accord favors out of an inexhaustible horn of plenty. It is both omniscient and omnipotent. It can by a magic wand create happiness and abundance. The truth is that the government cannot give if it does not take from somebody.”

Former Representative Tim Huelskamp (R-Kan.), who was at one time chairman of the House Tea Party Caucus, was direct, calling this “big-government” package “a self-dealing spending binge of handouts for and by Washington Democrats.” The Democrats, he charged, took advantage of COVID-19 “to mask this \$2 trillion partisan monstrosity.”

The scope of the spending — which amounts to buying votes with borrowed money — is almost incomprehensible. Current Texas Republican Congressman Dan Crenshaw has tried to give it some perspective — with some arithmetic about those who get a payout and the overall population on the hook for payment. “If you’re really happy about getting a \$1,400 check — again, imagine that: Giving free money to people is popular, I get that — but here’s the thing: It’s costing you \$5,700, give or take, and if you’re not paying for it, your kids are.”

One California professor uses more round numbers — noting that each trillion of spending works out to be about \$3,000 per person. As Stephen Huxley has explained, it helps (or perhaps hurts) to think that Congress just borrowed around \$24,000 on your behalf if you are part of a family of four, in the population of roughly 330 million. You and your descendants will pay the interest on this “relief” bill (technically called the American Rescue Plan) that totaled almost \$2 trillion.

The totals are likely to rise over time, in part because nothing is more permanent than a “temporary” government boost. The “relief” bill has all sorts of pieces that have little or nothing to do with the virus. Consider, for instance, the expansion of three tax credits — the child tax credit, the earned income tax credit, and the child and dependent care tax credit.

As one analyst from the American Enterprise Institute observed: “A better estimate of the cost of the House-passed American Rescue Plan is a permanent extension of the increased tax benefits. The benefits related to children would alone raise the total cost by roughly 75 percent from \$1.9 trillion to \$3.3 trillion over 10 years.” Worse, this may be a pricey precursor. The left-wing *New Yorker*, ever willing to transfer your earnings to others, recently ran a feature about how the expanded child tax credit could “change the way that the United States addresses poverty” — describing it as an “experiment in Universal Basic Income.”

While historical comparisons have their deficiencies, they can also be helpful. Consider: America’s total COVID spending in the United States, as Michael Hendrix put it in the *New York Post* not long ago, “will soon total \$5.5 trillion in less than 12 months. By comparison, World War II cost the U.S. government roughly \$4.8 trillion in 2021 dollars.”



Written by [William P. Hoar](#) on April 2, 2021

Published in the April 19, 2021 issue of [the New American](#) magazine. Vol. 37, No. 08

Here's another big picture point of view. Brad Polumbo recently wrote for the Foundation for Economic Education about the most recent "relief" bill, as well as virus monies approved during the Trump administration. Once the \$1.9 trillion bill "hits the books," he observed,

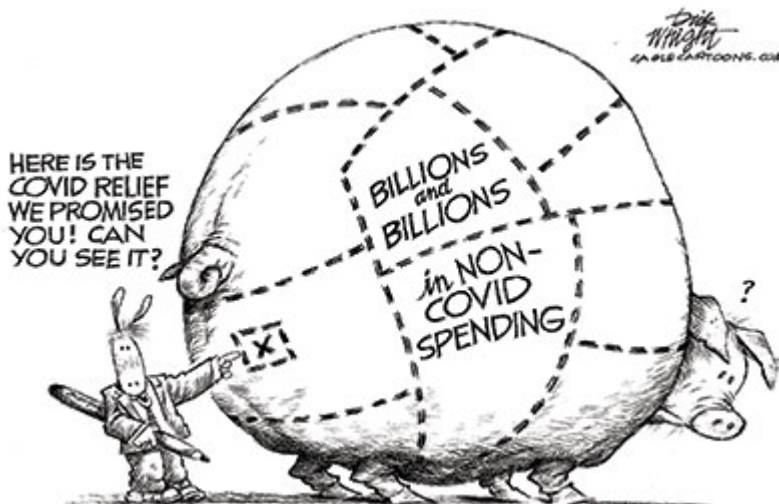
total taxpayer expenditure on (ostensibly) COVID relief will hit \$6 trillion — which, roughly estimated, comes out to \$41,870 in spending per federal taxpayer.

Did you see anywhere near that much in benefit?

The sheer immensity of this spending is hard to grasp. For context, \$6 trillion is more than one-fourth of what the US economy produces in an entire year, according to Fox Business. The COVID spending blowout is at least eight times bigger than the (inflation-adjusted) price tag of President Franklin Delano Roosevelt's "New Deal."

Moreover, the COVID spending bills have all lost huge sums of money to unrelated carve-outs, politician pet projects, corporate bailouts, fraud, waste, and worse.

House Minority Leader Kevin McCarthy (R-Calif.), citing recent studies, noted: "Despite being branded as 'Covid relief,' only 9% of funds in this bill actually goes to defeating the virus," according to a statement. "Almost half the money, including more than 95% of the education funds, will not be spent until 2022 or later." McCarthy was not exaggerating when he called the latest bill "a laundry list of left-wing priorities that predate the pandemic and do not meet the needs of American families."



The unrelated, though expensive, aspects of the relief bill seem boundless. There are billions for union pensions, handouts for state and local governments, and more subsidies for ObamaCare premiums. And much more. Here are just a few from the *Wall Street Journal*:

There's \$39 billion for child care; \$30 billion for public transit agencies; \$19 billion in rental assistance; \$10 billion in mortgage help; \$4.5 billion for the Low Income Home Energy Assistance program; \$3.5 billion for the program formerly known as food stamps; \$1 billion for Head Start; \$1.5 billion for Amtrak; \$50 billion for the Federal Emergency Management Agency; \$4 billion to pay off loans of "socially disadvantaged" farmers and ranchers; and nearly \$1 billion in world food assistance.



Written by [William P. Hoar](#) on April 2, 2021

Published in the April 19, 2021 issue of [the New American](#) magazine. Vol. 37, No. 08

Are you wondering about the handouts for those particular farmers and ranchers? As Fox News noted, the “COVID” bill pushed by the Biden White House carved out monies for certain groups, including for “an equity commission, agricultural training and other assistance to advance racial justice in farming.” The Republicans tried, unsuccessfully, to delete a provision — which amounts to the nation’s first race-based reparations law — that enables nonwhite ranchers and farmers to write off government loans based on their alleged “social disadvantaged” status.

The economic relief for states (whether needed or not) has strings, added belatedly, intended to prevent recipient states from cutting taxes. In response, 21 angered state attorneys general have written to Treasury Secretary Janet Yellen, “seeking clarity” (in the words of the *New York Times*) about whether the provision applies “to the use of federal dollars to offset new tax cuts, or if it blocks them from cutting taxes for any reason, even if the cuts were in the works before the law passed.” The provision, declared the attorneys general, is “the greatest attempted invasion of state sovereignty by Congress in the history of our Republic.”

These federal subsidies for states and localities, you will not be surprised to learn, just happen to favor those run by Democrats. Such monies rose by a staggering 42 percent over the past year, according to testimony before a House Ways and Means subcommittee.

The testimony, by Michael Hendrix, pointed out that “fiscally profligate states like New York will be rewarded more than states where unemployment is lower and budgets stronger.” He terms this phenomenon a “blue state bailout.”

Hendrix also has called the bailout a “monstrosity.” Writing in the *New York Post*, he noted that it is

so large it leaves America’s states with a surplus after one of the costliest pandemics in history.

The numbers boggle the mind: \$195 billion goes to states with no strings attached (except, of course, to ban tax cuts). There’s \$130 billion for reopening K-12 schools with no requirement they reopen. Another \$25 billion for public housing and \$20 billion for public transit. All in all, America’s states and cities are seeing a direct windfall north of half a trillion dollars.

During 2020, noted the Manhattan Institute’s Hendrix, state and local governments collected “more dollars” than

at any time in American history. With federal aid, states ended the year in a surplus. In 21 states, tax receipts actually grew year-on-year. AP reports that “California is again swimming in money,” not that that has stopped Gov. Gavin Newsom crying poverty.

Some states have seen red, especially those dependent on energy and mining revenue, like Alaska. Declining tourism hurt Florida’s budget to the tune of \$2 billion, but the state’s low unemployment means it will miss out on \$2 billion in Biden bucks it would otherwise get if aid were simply allocated based on population. Nine of the ten states with the lowest unemployment in America are led by Republican governors, and they are the ones punished under the relief bill’s formula.



Written by [William P. Hoar](#) on April 2, 2021

Published in the April 19, 2021 issue of [the New American](#) magazine. Vol. 37, No. 08

The biggest winners will be states who locked down the hardest during the pandemic.

Some startling aspects of the legislation did attract opposition attention before passage, though the Democrats' slim margins eventually prevailed. GOP lawmakers blasted taxpayer funding going to prisoners and illegal aliens; among those qualifying for a \$1,400 check, for example, was Boston Marathon bomber Dzhokhar Tsarnaev.

| What TV News Wanted Viewers to Know About Biden's \$1.9 Trillion COVID Spending Bill | |
|--|-------------------|
| | mentioned in |
| \$1,400 checks for individuals | 40 stories |
| Additional unemployment benefits | 20 stories |
| Funding for vaccines/testing | 20 stories |
| \$15 minimum wage | 19 stories |
| Funding for schools | 12 stories |
| Help for small business | 12 stories |
| Money for state/local governments | 5 stories |
| Previously unspent money | - ZERO - |
| Examples of bill's unrelated spending | - ZERO - |
| No huge state/local gov't shortfall | - ZERO - |

MRC analysis of ABC, CBS or NBC evening newscasts, January 22 to March 5, 2021.

Could it be more obvious? To anyone with a modicum of analytical ability, it's been obvious for many years that big media companies are in the tank with Democratic socialism. Coverage of the Biden "COVID" bill, wherein media didn't cover any of the bill's huge negatives, made it obvious.

With the Democrats in control of "both chambers of Congress and speedily pushing through Biden's aid package, [Arkansas Senator Tom] Cotton and Sens. Bill Cassidy and Ted Cruz offered an amendment seeking to block inmates from direct payments," reported MassLive. The amendment failed in a party-line vote.

The mainstream media did its worst to sell the bill, promoting what was attractive — free money from the government — and ignoring or playing down aspects that might have raised taxpayers' ire. NewsBusters took note of a study by the Media Research Center. It revealed: "Instead of scrutinizing the bill's spending choices, the broadcast networks built their coverage around its most popular provision as well as sympathetic anecdotes about those in need."

Next up on the Democrats' wish list are lavish expenditures on "green" infrastructure and a massive tax hike. Even before the latest coronavirus "relief" measure, the national debt had risen to \$27.9 trillion, or more than \$215,000 per household. Yet, the Left has demonstrated no inclination to slow spending — which means ever-larger interest payments on the country's credit card.



Written by [William P. Hoar](#) on April 2, 2021

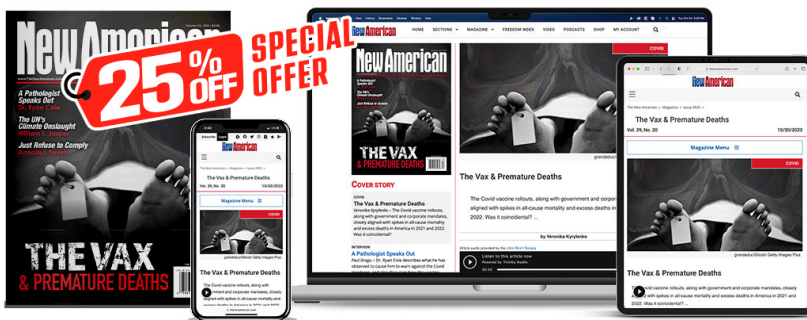
Published in the April 19, 2021 issue of [the New American](#) magazine. Vol. 37, No. 08

Subscribe to the New American

Get exclusive digital access to the most informative, non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



[Subscribe](#)

What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.