

Bush's Christmas gift to the jobless: one million lose benefits December 28

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The US Congress adjourned November 22 without taking any action on an extension of unemployment benefits for long-term jobless workers, after the Bush administration refused to intervene in a dispute between the Republican-controlled House and the Democratic-controlled Senate. The result is that nearly one million unemployed will lose their benefits by the end of the year.

Congress passed a 13-week extension in federal unemployment compensation benefits last March, adding to the 26 weeks available to long-term unemployed workers in most states. Those jobless workers will begin exhausting the total of 39 weeks of benefits on December 28, when 830,000 become ineligible. An additional 95,000 will lose benefits in each subsequent week, according to Labor Department estimates, until the total reaches 2.1 million by the end of March 2003.

According to a report by the Center on Budget and Policy Priorities, which favored continuation of the extended benefits, those losing benefits December 28 will number 833,200, while the total exhausting benefits by March 31 will be 2,085,400. The hardest hit states are:

- * California, with 129,900 losing benefits December 28 and a total of 317,100 by March 31;

- * Texas, with 62,100 losing benefits December 28 and a total of 213,100 by March 31;

- * New York, with 65,900 losing benefits December 28 and a total of 176,900 by March 31.

Other states with significant numbers being cut off benefits December 28 include Washington (45,400), Illinois (41,700), New Jersey (40,700), Florida (40,500), Pennsylvania (35,600), Michigan (32,900), Oregon (28,800) and North Carolina (28,000).

On November 14, both houses of Congress approved

versions of legislation to provide extend benefits beyond December 28. The Senate bill, co-sponsored by Republican Don Nickles of Oklahoma and Democrat Hillary Clinton of New York, was a simple continuation of the 13 weeks of extended benefits through March 31, 2003, at a cost of \$5 billion.

The House bill, drafted by the Republican leadership, was a deliberate sham, providing extended benefits for only five more weeks, through February 2, 2003, but only for workers currently enrolled in the program who have not yet received the full 13 weeks. New claims for extended benefits would be permitted only in three states, Washington, Oregon, and Alaska, which meet specific criteria for high unemployment. The cost of the program, indicating its complete insufficiency, would be only \$900 million.

Senate and House Democrats made repeated appeals to the White House to broker a compromise agreement with the House Republican leadership. They offered one concession after another, including accepting the five-week continuation approved by the House, provided that it applied to all unemployed workers, not to those in a few selected areas.

When the House of Representatives met in a pro forma session November 22, to approve last-minute technical changes in the legislation establishing the Department of Homeland Security, several Democrats had threatened to object and torpedo the bill if an unemployment extension was not also put before them. But House Democratic leaders caved in and allowed the homeland security bill to become law in a unanimous voice vote, abandoning one million unemployed in the process.

House Majority Leader Dick Armey issued a statement through a spokesman, defending the refusal to approve the Senate version of extended

unemployment benefits. “The House will not address the issue due to the exorbitant costs associated with it,” he said. The House Republican leadership balks at \$5 billion for the unemployed, but has no problem awarding hundreds of billions for war or trillions for tax cuts to the wealthy.

In any case, the budgetary impact of the extended benefits is nil, since there is a \$25 billion surplus in the federal trust fund, financed by payroll taxes, from which unemployment compensation benefits are paid. The denial of extended benefits is thus a deliberate and gratuitous decision to drive down the living standards of that section of the working class which is in the gravest financial straits—the long-term unemployed.

The role of the White House is particularly cynical. Bush refused to act on the appeals to work out a compromise between the House and Senate versions. At a briefing during Bush’s trip to Eastern Europe, press secretary Ari Fleischer refused to answer six direct questions on whether Bush favored extending unemployment benefits, repeatedly declaring that this was something for the House and Senate to decide.

The cutoff of extended benefits comes amid evidence that the ranks of the long-term unemployed are actually increasing, despite a slight downward drop in the official jobless rate since the summer. According to the Bureau of Labor Statistics, the percentage of those unemployed who have been without work for six months or more rose to 20.3 percent in October from 19.5 percent in September, the highest proportion since October 1994. The total number of such long-term unemployed is estimated at 1.66 million.



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