

US Congress allows jobless benefits to expire

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The US Senate left Washington on its two-week spring vacation last Friday without passing a \$10 billion extension for jobless benefits, due to expire April 5. The Senate's failure to approve the measure means that more than 200,000 people who have been out of work for more than six months will have their checks cut off beginning next week.

If no extension is eventually passed, some 1 million of the 11 million people now receiving benefits will see them run out by the end of the month. With the official jobless rate hovering just below 10 percent nationwide, the Senate's inaction demonstrates the callous indifference in Washington to the plight of the millions of workers and their families who have been devastated by the loss of work and its attendant miseries.

Failure to pass the extension also means that COBRA benefits, which provide a 65 percent subsidy for health insurance for the unemployed, will expire this Wednesday. While the cut-off won't affect people already on the COBRA program, people who lose their jobs in April would be ineligible for the subsidy.

A federal flood insurance program is also set to expire, and no action was taken on a measure that would have averted a 21 percent decrease in payments to doctors who see Medicare patients.

Congressional Democrats and Republicans engaged in mutual recriminations over failure to extend the benefits. Last week, the House approved a \$9 billion measure containing one-month extensions of the jobless benefits, COBRA and federal flood insurance. When the bill came up in the Senate, Republicans complained that the funding for the bill was not offset with spending cuts elsewhere.

Led by Senator Tom Coburn of Oklahoma, Republicans contended that by adding to the federal deficit, they would be "stealing future opportunity from our children." Coburn put forward a bill with identical

extensions to the Democrats' measure, to be funded out of unused federal stimulus funds. Democrats rejected this proposal several times before voting to adjourn and jetting off to their home districts for their two-week holiday.

Jobless benefits and COBRA were temporarily cut off earlier this month when Republican Senator Jim Bunning from Kentucky utilized a Senate rule requiring unanimous consent to bring the legislation to a vote before Congress adjourned for the weekend on Friday, February 26.

While the senators, the majority of whom are millionaires, debate the "fiscally responsible" approach to funding the extension of jobless benefits, working families across the country are struggling to deal with the impact of declining wages, benefit cuts and job losses. The National Employment Law Project, a national advocacy organization for employment rights, estimates the real jobless rate in the US at 14.9 million, some 6 million of whom are considered long-term jobless.

Unemployment increased in 27 of 50 US states in February. Despite claims by the Obama administration that unemployment is leveling off, figures released by the US Labor Department last Friday indicate that broad-based hiring is yet to develop, with some 8.4 million jobs lost since the recession began in December 2007. Florida, Nevada, Georgia, and North Carolina set records for job losses in February. Michigan, with a 14.1 percent official unemployment rate, continues to top the nation.

People living in some of the states hardest hit by unemployment currently receive up to 99 weeks in combined state and federal unemployment benefits. This is up from the 26 weeks that was typically provided by states before the onset of the recession.

Extensions of insurance voted by Congress currently average \$334 a week nationwide for those unemployed

more than six months. A one-week cutoff of these benefits could mean defaulting on a mortgage payment, losing medical coverage, or foregoing utility payments leading to the cutoff of gas or electricity.

California's jobless rate held steady in February at 12.5 percent, and about 1.5 million Californians are currently claiming unemployment benefits. According to the state's Employment Development Department, failure to pass the benefits extension will initially have a limited impact, but the effects would become increasingly distressing if Congress fails to approve it after the two-week recess.

However, this is not the concern of the two big-business parties in Washington. Senate Majority Leader Harry Reid (Democrat, Nevada) could reconvene the Senate based on the "conditional adjournment" motion he used to close Senate proceedings last Friday. Senate aides have indicated this is highly unlikely, however.

Reid and Senate Democrats say they will move to pass the extension when they return from the Easter break, making the benefits retroactive. However, any legislation, if passed, is likely to be another stop-gap, one-month extension, setting the stage for another expiration of the benefits.

Fresh off passage of Obama's health care bill, which the Congressional Budget Office claims will cut the budget deficit by \$143 billion, the Democrats are as committed as the Republicans to reducing the federal budget deficit. In the service of the financial elite they represent, both parties are committed to cutting vital social programs in this effort.



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