

US Congress slams door on the unemployed

Tom Eley

2 December 2010

On Wednesday, 800,000 unemployed US workers woke up in the morning having lost for most what is their only source of income—jobless benefit checks that average about \$300 per week. By Christmas, another 1.2 million workers will follow them into the cashless economy, where they will join the far larger number of jobless workers who receive no benefits at all. Millions more will follow next year.

The cutoff came after Congress failed to reauthorize a program that extends jobless benefits beyond the 26 weeks afforded by most states. Leading Congressional Democrats have indicated that the benefits might not be restored for months, if ever.

The tossing of millions of workers—and through them millions more children—into abject desperation is by any measure a social catastrophe. Hunger, which preyed on 50 million Americans last year, will rise sharply. It is reported that soup kitchens and food pantries, already strained to the breaking point, are bracing for record demand. Homelessness and the foreclosure crisis will be exacerbated. Hundreds of thousands more families will lose their utilities in the midst of the winter heating season.

The cutoff of jobless benefits takes place under conditions of mass unemployment, with long-term unemployment at levels not seen since the 1930s. In previous recessions, Congress waited until unemployment dropped to about 7 percent before removing added federal assistance. Yet the official jobless rate, which vastly underestimates real unemployment, remains at 9.6 percent, or one in ten workers. There are at least six job seekers for every new opening.

None of this is of any purchase on the ladies and gentlemen of Congress, whose median net wealth is just shy of one million dollars, according to recently released statistics.

As is often the case, there is a certain division of

labor between the two parties of big business on this issue. Republicans evince unconcealed contempt for the unemployed. Asked recently by a reporter to square his party's call for tax cuts for the wealthiest Americans with the elimination of unemployment benefits for the poorest—when the latter stimulates the economy far more effectively at far less cost—Rep. John Shaddeg of Arizona responded mockingly, “Unemployed people hire people? Really? I didn't know that.”

For their part, Obama and the Democrats—who still control both houses of Congress—have responded with palpable indifference, along with their usual admixture of cowardice and dishonesty. Their line from the beginning has been based on the lie that benefits cannot be extended without Republican support, which they know full well is not forthcoming. Early speculation that the extension of benefits might be wrangled from the Republicans in exchange for extending Bush-era tax cuts for the rich—which are far more costly—has evaporated.

Whatever their empty protestations, the cutoff of unemployment benefits is entirely in line with the strategy of the Democrats and the Obama administration to use mass unemployment to drive down wages, increase exports and expand corporate profits.

This most basic fact of American political life—that the interests of working people can find no expression in the existing setup—has been underscored by a whole series of maneuvers in the wake of the lopsided Republican victory in the midterm elections, a victory that resulted from mass voter disgust with the pro-war and pro-Wall Street policies of the Obama administration.

On Monday, Obama imposed a two-year wage freeze on more than two million federal government workers, acceding to a central Republican demand prior to a White House meeting with leaders of both parties. Then

at the closed-door meeting on Tuesday, Obama and leading Democrats signaled their willingness to extend for two or three years tax cuts for the richest Americans.

Finally on Wednesday, the chairmen of Obama's bipartisan deficit-cutting commission, the National Commission on Fiscal Responsibility and Reform, released their final proposal for resolving the fiscal crisis of the federal government. To borrow the fashionable phrase, it is a proposal full of "tough choices" for the working class: cuts to Social Security, Medicare, Medicaid, increases in consumer taxes, new taxes on employee health care benefits, mass job losses among government workers, and the ending of tax breaks for homeowners and parents of dependent children.

For the rich, these so-called budget balancers shamelessly propose an income tax cut of one third, a similar cut to the corporate tax rate, and the elimination of taxes levied on corporate profits realized outside of the US. The avarice of the US ruling class is truly boundless!

In an earlier period, dominant sections of the ruling class recognized that class compromise was necessary to forestall social revolution. In the last existential crisis of US capitalism, the Great Depression of the 1930s, the New Deal administration of Franklin Roosevelt created for the first time a limited social safety net, paid in part by sharp increases in taxes on the rich. From the 1940s through the 1960s, these reform measures were maintained and marginally expanded—always in response to the mass struggles of the working class—and workers won major improvements to their living standards.

But the preeminent position of US capitalism on the world stage that had made class compromise possible had by the 1970s vanished. Beginning in the 1980s, the ruling class turned toward outwardly criminal methods to advance its position: financial speculation, imperial plunder, and the assault on living standards, tearing up in the process the social programs benefiting the working class.

The last two years have seen these processes reach a dizzying speed. In 2008, the giant Ponzi scheme of financial speculation, then focused on the housing market, came crashing down. The Bush and Obama administrations, together with the Federal Reserve,

responded by funneling trillions to the very banks primarily responsible for the crisis. The result is that the rich are doing better than ever, and the federal government is functionally insolvent. Now both big business parties are intent that the working class pay the bill.

Workers must be warned: the measures taken so far are only a beginning. The financial aristocracy and its political servants sense no barrier to their attacks, confident that opposition can continue to be smothered by the rotten trade unions and the swamp of pro-Democratic Party protest politics.

This state of affairs can be reversed only by building forms of class struggle politically independent of the Democrats, the trade unions, and their agents. This requires the fight for socialism. We encourage workers to study, and adopt as their own, the program of the Socialist Equality Party.

Tom Eley



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact