

# US House votes down extension of unemployment benefits

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22 December 2011

By a vote of 229-193, the US House of Representatives on Tuesday voted down a Senate compromise bill for a two-month extension of federal jobless benefits for the long-term unemployed as well as a payroll tax cut. More than three-and-a-half million people stand to lose unemployment benefits in early 2012 if no agreement is reached. Members of the Senate have already left for their holiday break and the House is not scheduled to reconvene until January 17.

Whatever the outcome of the current impasse in Washington, the very fact that the US Congress could vote down—only days before Christmas—minimal relief to millions of people devastated by the worst economic slump since the Great Depression exposes this body for what it is: a hardened enemy of the working class.

The Department of Labor forecasts that failure to continue the federal Emergency Unemployment Compensation and Extended Benefits programs would mean nearly 700,000 people losing their benefits by the second week of January, a figure that would grow to 2.2 million by the middle of February and 3.6 million by the end of March. In California alone, 300,000 people lose benefits; in Michigan, some 70,000, and in Illinois, approximately 60,000.

If the House vote stands, it will also mean a 2 percent reduction in workers' take-home pay as a result of higher payroll taxes. The tax increase will average about \$1,000 for 160 million people in the US.

Failure to break the deadlock will also result in a 27 percent cut in Medicare fees to doctors as of January 17—"the largest single decline in federal reimbursements in the history of the program, raising concerns physician[s] will limit how many new Medicare patients they accept," according to Bloomberg.

Some 650,000 physicians and practitioners will be hit

with the cut and payment delays. In addition, 520,000 low-income Medicare beneficiaries will no longer receive financial assistance with their premiums.

It is no wonder that Congress is so widely despised! Gallup reports the legislature's approval rating has sunk to 11 percent, the lowest figure since the pollsters began asking opinions about Congress in 1974. The average congressional approval rating of 17 percent for 2011 as a whole is the lowest annual figure in Gallup's history.

The current debate in Washington is filthy and duplicitous. Both big business parties are impervious to public sentiments and needs.

The controversy has been framed by the media, with the encouragement of President Obama and the Democrats, as a dispute over the payroll tax break. The strategy of the administration and congressional Democrats is to paint the Republicans as hostage to the Tea Party fringe element, and portray themselves as opponents of tax increases. The continued immiseration of the population, with approximately half already poor or low-income, according to US Census figures, is not a subject of public discussion.

The White House web site has a clock ticking away the seconds until "middle class taxes" increase on January 1 if "the House doesn't act." In his remarks to the press Tuesday afternoon, President Barack Obama again devoted almost all of his comments to the tax break issue. He referred, more or less in passing, to the "millions of Americans who are out there looking for work [who] could find their unemployment insurance expired," because of the Republicans' "refusal to cooperate."

The president failed to add that there are officially 13.3 million unemployed in the US, of whom 5.7 million, or 43 percent, have been out of work for more

than six months because of the callous indifference of his administration to their plight. In reality, there are millions more who should be counted among the ranks of the jobless, but they have simply given up hope, or never had any, of finding work.

The average duration of unemployment in the US is now 41 weeks, nearly three times what it was before the 2008 financial meltdown. Results of a survey released by the Kaiser Family Foundation this month found that only 22 percent of the long-term unemployed were currently receiving benefits.

Economic conditions are increasingly unbearable for tens of millions in America. A report released earlier this month by Rutgers University found that only 22 percent of those who lost their jobs after the 2008 financial crash have found full-time employment, and only 7 percent have regained their previous income level.

After briefly grandstanding about a surtax on the super-rich to fund an extension of the payroll tax break and federal unemployment benefits, the White House and Senate Democrats dropped that proposal in order to accommodate Republican opposition. Instead, they wrote into the bill that was passed by the upper chamber a reactionary funding provision that places the burden on working class and middle class homeowners.

Under the Senate bill, the two-month extension of jobless benefits and the payroll tax cut is to be financed by raising fees that mortgage financing giants Fannie Mae and Freddie Mac charge lenders, which will, in turn, be passed on to home buyers.

In rejecting the bipartisan Senate bill, the Republican-controlled House passed its own bill for a one-year extension of federal jobless benefits and the payroll tax cut that is loaded with savage measures targeting the working class. It calls for slashing the maximum duration of jobless benefits to 59 weeks. Republicans point out that the so-called “jobs bill” Obama sent to Congress in September would have reduced the maximum length of unemployment benefits to 79 weeks, down from 99 in many states.

Other punitive measures in the House bill include new and more burdensome requirements to qualify for jobless benefits, including proof that the applicant is pursuing a high school diploma and allowing states to require drug testing as a condition for receiving benefits.

Senator Orrin Hatch of Utah, a veteran Republican reactionary and multi-millionaire, declared that he did not see “why you have to go more than 59 weeks [on unemployment benefits].” Dripping anti-working class venom, he continued: “In fact, we need some incentives for people to get back to work. A lot of these people don’t want to work unless they get really high-paying jobs, and they’re not going to get them ever. So they just stay home and watch television.”

The claim that the pittance paid to the jobless, and only a small minority of those, is a “disincentive” to work is so absurd as to almost defy a serious response. However, the argument has a rational core from the reactionary standpoint of the Republican right, which wants to create a pool of desperate human beings who will work for slave wages.

Whatever the tactical differences, this agenda is, in all essentials, shared by Obama and the Democrats. The Obama administration, acting in behalf of the financial-corporate elite, has deliberately exploited high unemployment to drive down wages—beginning with wage cuts imposed on General Motors and Chrysler workers—so as to increase the profitability and global competitiveness of US big business.

The debate in Washington and the vote against the extension of unemployment benefits in the House are further proof of the rotteness of the two-party system in the US and the need for the working class to form its own independent party on the basis of a socialist program.



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