

Washington's bipartisan class-war policy: No jobs, no benefits

Andre Damon
13 August 2012

The expiration last week of one of the two federal emergency unemployment benefits programs marks an escalation in the American ruling class' attack on working people. Idaho, the last state participating in the federal government's Extended Benefits (EB) program, made its final extended unemployment payment. Across the country, half a million people have been cut off of extended benefits since the start of the year.

The other federal jobless benefits program, known as Emergency Unemployment Compensation (EUC), is scheduled to end completely on January 1, halting at a stroke payments for two million more people.

There is every likelihood that after December 31 no one in the United States will receive more than 26 weeks of jobless benefits at a time when the average duration of unemployment is nearly 40 weeks. The Obama administration has already indicated that it will not seek a renewal of the EUC program.

In exchange for passing a payroll tax cut last February—financed at the expense of the Social Security trust fund—the Democrats agreed to significant cutbacks in unemployment insurance, lowering the duration of federal extended benefits in most states by 30 weeks. This set the stage for states such as Georgia, Florida and Michigan to implement even more draconian cuts in state unemployment insurance.

The deal also allowed for the immediate cut-off of existing beneficiaries on January 1, 2013 should Congress fail to extend the federal programs before the end of 2012. Prior to the agreement brokered by the White House in February, all extensions of federal emergency unemployment benefits passed since the

financial crash of 2008 provided that existing beneficiaries would continue to receive payments for the duration available when they first became jobless, even if there was no further extension of the programs. The extension signed in February, however, stipulated that all two million recipients of the EUC program would be cut off immediately if Congress failed to extend it further.

What is perhaps most remarkable about the cutoff of benefits is the complete silence in the media and in official politics. In the midst of a presidential election campaign, occurring in the context of the deepest social crisis since the Great Depression, neither Obama nor his Republican opponent Romney, and neither of their corporate-controlled parties, even mention the ending of cash assistance to millions of unemployed workers.

The justification for all cuts in social spending—that there is “no money”—is preposterous. Extending the federal benefit programs for a year would cost \$30 billion. This is less than the US military spends in two weeks and less than the personal net worth of multi-billionaires such as Warren Buffett, Bill Gates and Larry Ellison.

The cutoff of extended unemployment benefits is part of a bipartisan class-war policy led by the Obama administration. For the ruling class, high unemployment is a positive good. It gives the corporations and state and local governments a weapon to blackmail workers into accepting lower wages and cuts in benefits.

Last month, wages grew at a slower pace than at any time since the Second World War. Adjusting for

inflation, wages have actually fallen over the past year. The slashing of wages and imposition of speedup have sent corporate profits to record levels.

Obama's 2009 restructuring of the auto industry, based on a 50 percent reduction in wages for new-hires and the cutting of benefits for both active workers and retirees, was a signal to corporate America to attack the wages and working conditions of the entire working class. What is underway is a drive to reverse all of the social gains achieved by workers in the twentieth century and turn the clock back to the days of poverty wages and unvarnished industrial slavery.

The Obama administration has pursued a definite domestic strategy: to turn the US into an export platform by making labor costs competitive with Mexico, China and other cheap-labor centers. It is no coincidence that only weeks after Obama signed off on cuts in jobless benefits last February he held a major event at the Master Lock plant in Milwaukee, Wisconsin to promote the "insourcing" of jobs to the United States. "Our job as a nation is to do everything we can to make the decision to insource more attractive for more companies," he said.

The attack on wages is tied to a policy of gutting social benefits. Unemployment insurance, Social Security, Medicare and Medicaid—all of the social programs that were wrenched from the ruling class through working class struggles—are to be slashed or eliminated outright.

A struggle to defend the interests of the working class, including the right to a job and a guaranteed income, depends upon its independent political mobilization in opposition to the capitalist profit system. The Socialist Equality Party and its candidates—Jerry White for president and Phyllis Scherrer for vice president—are intervening in the 2012 elections with the aim of building a socialist leadership to organize this struggle.

The SEP demands full employment, a livable income, quality health care and a secure retirement for all. But this can be achieved only through a socialist program, including the nationalization of the major corporations

under the democratic control of the working class.

Andre Damon

For more information on the SEP campaign and to get involved, visit socialequality.com.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact