Another 1.5 million US workers file for jobless benefits

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Nearly 1.5 million workers filed for unemployment benefits last week, according to the US Labor Department, the fourteenth week in a row in which the number topped one million. In addition, 728,000 independent contractors, self-employed and gig workers who are out of work but do not qualify for regular unemployment benefits, filed last week for aid from the federally funded Pandemic Unemployment Assistance program.

Although millions of workers have been forced back to work due to the premature and catastrophic reopening of the economy, joblessness remains at levels not seen since the Great Depression. The total number of people claiming benefits in all programs for the week ending June 6 was 30.5 million, the Labor Department reported. By contrast, there were only 1.5 million people collecting such benefits in a comparable week in 2019.

The official jobless figures are a gross underestimation of the real situation because they do not count undocumented workers, those who have still not been able to collect benefits and those who have fallen out of the labor force. Nevertheless, even the official rates paint a devastating picture. The states and territories with the highest rates in the week ending in June 6 were Nevada (22.6), Puerto Rico (20.6), Hawaii (18.3), New York (17.8), California (17.3), Michigan (16.9), Louisiana (16.2), Massachusetts (16.2), the Virgin Islands (16.2), and Connecticut (15.8).

Despite the latest data indicating a growing economic catastrophe for tens of millions of workers, the stock market rebounded Thursday after an initial fall over concerns about the rapid spread of the pandemic in Texas, Arizona and other states.

By the end of trading, the New York Stock Exchange was up 300 points on news of a further lifting of government regulations on Wall Street banks, which will allow them to make large investments in venture capital funds and other speculative activities. The Trump administration, with the full backing of the Congressional Democrats, has made trillions available to financiers who are guaranteed a government backstop no matter how dire the situation in the real economy and for the working class.

"When we think about a recession of the magnitude that we have, there's going to be some credit write-offs by banks," said Art Hogan, chief market strategist at National Securities told CNBC. "The fact that they're going to have more working capital makes markets breathe a sigh of relief."

After a contraction of the US economy by five percent in the first quarter, economists project that the second quarter, which ends next week, will see the biggest quarterly economic contraction in records dating back to 1947, the *Wall Street Journal* reported.

"I don't think a V-shaped recovery is realistic at all," John Johnson, chief executive of Edgeworth Analytics, a data consulting firm, told the *Journal*, referring to optimistic projections from the White House that the economy will quickly bounce back to pre-pandemic conditions.

It is increasingly clear that the crisis sparked by the pandemic is being used by corporations to push through a major restructuring of class relations. This week several companies announced major layoffs.

* General Motors has announced that it is eliminating the third shift at its assembly plant in Spring Hill, Tennessee, wiping out 680 jobs.

* Macy's department store is laying off nearly 4,000 workers. Nutritional supplement retailer GNC declared bankruptcy Tuesday, outlining plans to close at least 800 of its 1,200 stores. This is the latest bloodletting in

the retail industry, which has seen the bankruptcy of Pier 1, JC Penney, J. Crew and Neiman Marcus, and the elimination of 114,327 jobs through April, the highest job loss in the retail sector on record.

* New York City Mayor Bill de Blasio warned on Wednesday that the due to the economic impact of the pandemic the city might have to lay off 22,000 municipal employees, the largest cuts in decades. This is part of a wave of attacks on public sector workers, including the imposition of furloughs and an 11 percent pay cut on 96,000 custodians, nurses and other California state employees, and warnings that 300,000 or more teachers could lose their jobs across the US.

* Tyson Foods will close its Columbia, South Carolina plant, eliminating 150 jobs. The company's last South Carolina plant, which makes taco meat and pizza toppings, will close in mid-August.

The job cuts in the US are part of a global wave of layoffs, including German automaker Daimler (10,000) and Lufthansa (22,000); Britain's Royal Mail (2,000); Canada's West Jet airlines (3,300) and Australian carrier Qantas (6,000).

While US billionaires have seen their collective wealth increase by half a trillion dollars, largely due to the government bailout of the stock market, the Trump administration has made it clear it has no intention of continuing the $600 per week supplement to state unemployment benefits, which is due to expire the week ending on July 25.

In a measure of the precarious state workers were in before the pandemic, the $600 a week benefit, plus the one-time $1,200 Economic Impact Payment, along with the payments to self-employed workers, prevented a rise in poverty for 159 million people, and, in many cases, led to a *rise* in incomes over and beyond what they were making while they were employed.

The elimination of the $600 benefit will mean a 60 percent or more cut in income for unemployed workers, given the fact that state benefits average only $370 a week. The Democrats are proposing an extension of the benefit, knowing full well it will not pass the Republican-controlled Senate. Both parties are using the specter of destitution and hunger to force workers back into unsanitary factories and workplaces, where they will catch and spread COVID-19, in order to pump out the profits needed to pay for the bailout of Wall Street and the giant corporations.

With food prices rising at the fastest rate in over 50 years, the percentage of families concerned about getting enough to eat has more than doubled during the pandemic, according to a study released Thursday by the Brookings Institution. Overall, households worried about their food supply jumped from 8.5 percent in February to 23.0 percent on average from late April through mid-May, and food insecurity more than tripled among households with children, from 9.3 percent to 29.5 percent, the report said.

"Unemployment increased by more among workers with low levels of education. Families with children lost school meals. We've also had the biggest increase in food prices in 50 years. That's a perfect storm," Diane Whitmore Schanzenbach, the director of the Institute for Policy Research at Northwestern University, told Brookings.