Millions in the US face disaster as $600 federal unemployment aid set to end this week

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For nearly 31 million people in the United States this week, more so than any since the onset of the coronavirus pandemic earlier this year, is one of extreme worry and anxiety. Two limited but vital provisions in the CARES Act, the $600 weekly enhanced federal unemployment benefit and a moratorium on evictions from federally insured or federally financed housing, are both set to expire by the end of this month.

The last of the $600 checks is slated to be sent out by July 25, while the eviction moratorium will expire midnight July 31. These two provisions of the CARES Act, separate from the trillions handed to the financial oligarchy by the Democrats and Republicans, have allowed millions of workers and their families to stave off absolute disaster during the pandemic.

The $600 weekly payment has been the target of venomous attacks by big businesses and right-wing think tanks as a "disincentive" to work and is unlikely to be reinstated in its current form. There have been numerous proposals from the two parties that propose reducing the weekly benefit by hundreds of dollars, possibly to zero.

President Donald Trump's chief economic advisor, Larry Kudlow, has floated a "back-to-work bonus" in order to incentivize desperate workers into risking their lives returning to dangerous and unsafe workplaces as coronavirus infections hit record highs, and work places across the country serve as vectors for the disease.

Meanwhile, Democratic senators Chuck Schumer of New York and Ron Wyden of Oregon drafted legislation at the beginning of July which would gradually phase out the weekly federal benefits, $100 per every percentage drop in a state's unemployment rate. The benefit would phase out completely, regardless of the unemployment rate, by March 27, 2021.

In mid-May, in a near party-line vote, the Democratic-controlled House of Representatives passed the $3 trillion HEROES Act, which proposed extending the federal unemployment benefits through January 2021, as well as the federal eviction moratorium, and mailing out an additional $1,200 stimulus check.

The legislation, which Pelosi admitted was a political maneuver after its passage and was nothing more than an "opening negotiation," was declared "dead-on-arrival" by McConnell and the rest of the Senate Republicans. Republicans have indicated that the next round of legislation must cost less than $1 trillion, including a payroll tax holiday and a shield for schools and businesses against lawsuits from workers who will inevitably contract the virus and die needlessly at work.

With Congress returning today from a two-week recess, the Democrats in the House and the Republicans in the Senate are expected to hash out compromise legislation this week. Senate Majority Leader Mitch McConnell, in a local radio interview last week, advised that the Senate would be discussing the fifth and likely last coronavirus "relief" bill before the November election.

None of the stipulations laid out by McConnell are deal breakers for the Democrats and will most certainly be embraced in whatever final version of the bill emerges after a week of horse trading and backroom deals between the two parties.

The wrangling over how to squeeze millions of dollars from unemployed workers comes as COVID-19 continues to spread out of control in the US, exemplified by the continuing rise in infections in 40 out of 50 states in the last two weeks and the staggering world leading death toll. As of this writing, over 3.8 million people across the country have tested positive for the virus, while 143,000 have died.

Compounding the pandemic, the working class and their families face an unprecedented economic crisis. Last week marked the 17th week in a row in which over 1 million new unemployment claims were filed in the US. The loss of employment has been a double gut punch for the roughly 5.4 million workers, who have lost their health insurance as a result.

Meanwhile, millions of workers have been unable to actually receive any unemployment benefits due to the outdated, neglected and dilapidated state unemployment systems. For those who have been able to make use of the enhanced benefits, the average increase in weekly payments, from roughly $380 to $980, has been a lifesaver. While estimates vary, economists estimate that ending the federal stipend will slash workers' incomes anywhere from 50 to 75 percent.

The $600 weekly federal unemployment benefit is more than any single state offers alone and is slightly higher than the average weekly wages of a US worker. Before the pandemic the most "generous" state in terms of weekly benefits was Massachusetts, which offered $552 a week, while the lowest was the state of Mississippi, providing a miserly $213 a week.

While millions of Americans were already living in a state of perpetual crisis before the pandemic hit, forced to ration food and medical care in order to afford skyrocketing rental and mortgage payments, the arrival of the virus has now forced them to forgo said payments.

A survey conducted by Apartment List, an online rental platform, found 24 percent of renters missed payments in April and that 31 and 30 percent of renters in May and June, respectively, did not pay rent. The survey also found that 37 percent of renters and 26 percent of homeowners fear they will be homeless by the end of the year. Researchers at Columbia University expect homelessness to increase by 45 percent in the US compared to 2019.

Courts have reopened across the country allowing for the processing of eviction cases as the patchwork of eviction moratorium executive orders passed in March and April by local city councils, mayors and governors continue to expire. In an interview with CNBC last week, Emily Benfer, chair of the American Bar Association's Task Force Committee on Eviction, estimates that between 20 and 28 million people will be evicted between now and September.

While politicians leisurely dither over the details of the upcoming bill on whether or not to extend the federal moratorium on evictions, hundreds of thousands of renters in housing that does not involve federal insurance or financing have already been served eviction notices in states such as Michigan, New York and Nevada.

In Michigan, Democratic Governor Gretchen Whitmer has refused to extend an executive order which would have halted the processing of approximately 75,000 eviction filings, including 10,000 in the city of Detroit alone. Instead, a minuscule $50 million bailout fund for landlords has been established to help offset payments missed by tenants. There is little doubt that these monies will quickly be depleted and along with it any leniency from landlords and property managers towards delinquent tenants.

In New York City legal experts are expecting a tidal wave of eviction cases, as high as 50,000, to begin making their way through the courts starting today. Democratic Governor Andrew Cuomo, like Whitmer in Michigan, allowed an executive order which would have halted eviction proceedings to lapse. Cuomo extended a less expansive moratorium instead, which places additional restrictions on renters applying for assistance. Those who wish to be considered must submit paperwork proving financial hardship due to the COVID-19 pandemic or already qualify for unemployment compensation.

Congress's slothful mulling over what miniscule benefits are to be extended for workers stands in contrast with the great haste it moved to pass a five-week extension of the Paycheck Protection Program (PPP) at the end of June. The passage of the bill ensured that the over $131 billion left in the program, after charterschools, the Catholic Church, and billionaires helped themselves, could still be accessed.

Speaking on the program Friday before the House Small Business Committee, Treasury Secretary Steve Mnuchin suggested that the government "should consider forgiving all small loans, but would need fraud protection." He failed to clarify what is considered a "small loan" nor did he explain what sort of limited "fraud protection" would be implemented.

Mnuchin's comments are a response to a letter from a coalition of nearly 150 groups, comprised mostly of trade associations, commerce chambers and banks. The group, which claims to represent "thousands of small businesses, banks, credit unions and financial institutions" requested that all PPP loans which total $150,000 or less be forgiven without any verification that the funds were actually spent to retain workers.

The historic social, economic, and medical catastrophe will continue to ravage the United States and countries around the world as long as the financial parasites continue dominating society and use the pandemic to redistribute trillions of dollars from the bottom to the top of society. Only through the conscious political intervention of the international working class fighting to implement a socialist program aimed at securing the interests and safety of the vast majority of the population can the crisis be halted and the lives of millions be saved.