

# Democrats, Republicans prepare to slash workers' unemployment supplement

Shannon Jones  
21 July 2020

Some 25 million US workers are facing a reduction or outright elimination of a \$600 weekly federal addition to state unemployment benefits when the supplemental payment authorized by Congress under the CARES Act expires on July 25.

In the midst of a raging pandemic and the worst economic crisis since the Great Depression, with at least 30 million out of work and new jobless claims surpassing one million a week, the supplement is all that has been keeping many families above water. Coinciding with the impending end of a federal moratorium on evictions and the expiration of state moratoriums, the cut in jobless pay will propel millions into destitution and homelessness.

One survey found that 37 percent of renters and 26 percent of homeowners feared they could be homeless by the end of the year. Researchers at Columbia University say they expect US homelessness to increase by 45 percent compared to 2019.

Hunger, already on the rise, will spiral further upward. Feeding America reported that the vast majority of food banks were still experiencing a big increase in demand in early July compared to a year ago. Almost 30 percent of those lining up for food were new clients.

Congress has convened this week in advance of the August break to consider a new coronavirus stimulus bill that will contain, in addition to another mammoth handout to big business, either a sharp reduction or total elimination of the unemployment supplement.

Congressional Republicans want either the elimination of the supplement or a reduction to between \$200 and \$400. The Trump administration is calling for the elimination of the supplement and a cut in the federal payroll tax, which would slash funding for Social Security and Medicare.

Both the White House and congressional Republicans are demanding corporate immunity from coronavirus-related lawsuits. This amounts to a carte blanche for

companies that refuse to take measures to protect workers who are being given the “choice” of returning to unsafe jobs or starving.

The Democrats have introduced a bill tying the supplement to the official unemployment rate in each state. It would cut the benefit by \$100 for each percentage point decline in a state's unemployment rate, starting at 11 percent. That would mean an immediate cut in many states.

As part of his war against science and coronavirus testing and tracking, President Trump is also demanding that no additional funding go to the Centers for Disease Control.

There is a strong possibility that the \$600 supplement will be allowed to lapse before a new bill is passed and signed into law. One thing is certain: workers' living standards will be slashed in order to break down resistance to returning to workplaces such as meatpacking plants, auto plants, Amazon distribution centers and schools that are breeding grounds for the deadly virus.

The corporate elite and its political stooges in both parties are irate that many workers are actually taking home more money with the current federal unemployment supplement than they did working for the near-poverty wages that prevail in most workplaces.

That is why the supplement has come under attack by both Democratic- and Republican-aligned newspapers, from the *New York Times* and *Washington Post* to the *Wall Street Journal*. In a particularly cynical opinion piece, the *Times* called for turning the \$600 supplement for the unemployed into a supplement for employers to encourage them to hire laid-off workers.

The Democratic governor of Connecticut, Ned Lamont, won press accolades for a speech opposing an extension of the supplement on the grounds that it “discouraged work.”

While Congress dithers when it comes to a supplement

that has enabled millions of workers to keep a roof over their families and put food on the table, it snaps into action and joins hands across the partisan aisle when it comes to extending the Paycheck Protection Program, a slush fund for millionaires and billionaires packaged as a boon to small business. Last week the program was extended by a unanimous vote.

Corporations are using the pandemic as an opportunity to carry out a brutal restructuring involving wage cuts and the elimination of millions of jobs. Companies that received billions of dollars in the CARES Act corporate bailout—justified in the name of “saving jobs”—get to keep the handouts even as they announce huge layoffs.

The airline industry, which received \$25 billion in federal bailout money, is leading the way. American Airlines has announced that it will furlough up to 25,000 workers once the federal Payroll Support program ends on October 1. United is threatening as many as 36,000 job cuts. Delta is demanding that pilots take a 15 percent pay cut.

Meanwhile, the pandemic is allowed to explode out of control as the ruling class pursues its criminal policy of “herd immunity,” i.e., killing off “excess” workers, especially older people who are no longer a source of surplus value and profit. Wall Street applauds as the Dow rises in tandem with the number of COVID-19 infections and deaths, buoyed by unlimited cash supplied by the Federal Reserve.

Since the start of the pandemic, the overriding concern of the US ruling elite has been to protect its wealth. Once the CARES Act bailout package was signed into law in March, the main focus of both big-business parties turned to forcing workers back into the factories to produce profit and back up the ever-expanding mountain of debt.

The homicidal back-to-work campaign is entering a new and even deadlier stage with the drive to force teachers and school workers back into unsafe and dilapidated schools. The ruling elite could care less how many workers are sacrificed in the manic drive for profit and the further expansion of the fortunes of corporate oligarchs.

The attack on the \$600 unemployment supplement is a major component of a policy of class war directed against the entire working population. The slashing or termination of the jobless benefit is a weapon in this war.

As the *World Socialist Web Site* wrote on July 16:

It would be hard to imagine a more corrupt social order than currently exists. The pandemic

has become a favorable factor for enriching the financial oligarchy. As long as the crisis provides the pretext for massive bailouts by the Federal Reserve, there is no incentive to bring it under control.

The Socialist Equality Party and its candidates in the 2020 elections—Joseph Kishore for president and Norissa Santa Cruz for vice president—demand an end to the premature and unsafe back-to-work and back-to-school campaigns.

The SEP candidates call for the repeal of the CARES Act and the seizure of the trillions handed over to the corporations and the banks. That money must instead be used to protect and expand jobless benefits to the unemployed and halt all layoffs. Full income must be guaranteed to nonessential workers sidelined by the pandemic, along with a safe workplace and hazard pay for essential workers who remain on the job.

The money must also be used to finance a globally coordinated effort to contain and eradicate the coronavirus, carry out a crash program to expand and refurbish the health care system, organize on an international and nonprofit basis the development of curative treatments and a vaccine, and provide quality and equal medical treatment for all those affected.

The capitalists’ response to the pandemic has exposed the bankruptcy and rottenness of the entire system. There is no way out of the miasma of disease, death and poverty outside of a direct struggle against this system, the class of parasites who rule over it and the parties and politicians who do their bidding.



To contact the WSWP and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**