

Trump, Congress condemn unemployed to starve

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As talks continue between the Trump administration and Democratic and Republican leaders in Congress, it is now clear that the \$600-a-week extended federal benefit for the unemployed, in effect for the past four months, will be allowed to expire this week. Tens of millions of workers will suffer an outright cutoff of these benefits, and any restoration will take place only after weeks, if not months, and at a much lower level, if it happens at all.

This is all the more significant in light of Thursday's report that the number of workers filing new claims for unemployment compensation rose last week to 1.4 million, the first week-to-week rise in four months. Together with the 16.1 million workers who have continuing claims to unemployment compensation, those whose state claims have been exhausted but are still eligible for federal benefits, and those covered by Pandemic Unemployment Assistance for contractors and self-employed workers, the total number of workers now receiving federal payments is about 30 million: one in every five workers.

The continued wrangling over the exact dimensions of an unemployment compensation extension already insures that millions will lose benefits beginning next week, simply because state unemployment offices will need a period of time to reprogram their systems, first to eliminate the \$600 weekly federal supplement, then to restore the supplement at some much lower level if it is eventually approved. Workers in some states have still not received their initial payments based on the CARES Act passed in late March because antiquated computer systems collapsed under the impact of the largest and fastest surge in unemployment in American history.

Senate Majority Leader Mitch McConnell has told his Republican caucus that no final deal will be approved

by Congress until August, guaranteeing that tens of millions of workers will lose their federal supplement. Unemployment compensation payments will fall back to the grossly inadequate level paid by the states, averaging only \$300 per week, and as low as \$144 per week in Tennessee. This represents a cut of 64 percent in the weekly income of the typical unemployed worker, according to an analysis by the House Ways and Means Committee.

McConnell and other top Senate Republicans were still discussing with the White House the proposed outlines of a Trump-backed plan to reinstate the federal supplement at a much lower level, as low as \$200 a week, which Treasury Secretary Steven Mnuchin described as "based on approximately 70 percent wage replacement." Even this plan—for an average 30 percent wage cut for workers laid off because of the coronavirus pandemic—would depend on bankrupt state governments raising unemployment compensation to partially offset the cut in the federal supplement.

Democrats have offered their own plans on unemployment compensation, which would also represent a significant cut. The most telling response to Mnuchin's comments came from House Majority Leader Steny Hoyer, who told CNBC the replacement of only 70 percent of wages was "not the policy we ought to pursue," while adding, "if we're going to ratchet that down, it ought to be over time."

Hoyer concluded, "it's not a dealbreaker," a statement that demonstrates the utter cynicism and callousness of the Democratic Party. The plan is a backbreaker for millions of working class families, whose incomes will be drastically slashed, but nothing that the Democrats would find objectionable.

Behind the various proposals by the White House and congressional Republicans and Democrats is a common

class purpose. American capitalists regard the \$600-a-week supplemental unemployment compensation as a major barrier to their campaign to force millions of workers to go back to their jobs, regardless of the dangers from the coronavirus.

Corporate executives have complained that for many workers, the average of nearly \$1,000 a week in state and federal unemployment payments combined represents a pay raise compared to the miserable wages they previously received for working 40 hours a week in warehouses, factories, fast-food restaurants and retail stores.

The business magazine *Forbes* carries a headline on its web site today: “Potential Unemployment Plan Means Huge Income Cut For Tens Of Millions Who Can’t Afford It.” For the financial oligarchs, that is not an indictment, but rather the purpose of the plan. These workers, they calculate, will have no choice but to take any job on offer, no matter how dangerous in terms of COVID-19 and no matter how low the pay.

In addition, big business wants to ensure that, like the CARES Act, the lion’s share of any new federal outlays go to corporate America, both in large-scale loans and grants and the so-called “small business” funds in the Paycheck Protection Program, much of which has gone to large companies and those with political connections to the Trump business empire and members of Congress.

Official Washington is fully conscious of the tidal wave of mass suffering and deprivation that the ending of federal extended benefits will unleash. The Trump administration has quietly extended for 30 days a moratorium, first enacted in the CARES Act, on evictions from federally backed housing. The White House wants to make the necessary preparations—particularly in bolstering local police and sheriff’s departments—before it begins to move against the estimated 12.3 million households that are now in arrears on rent and will face eviction after September 1.

The scale of the impending social collapse is indicated by a *Washington Post* report Thursday that as many as one million families in a single state, North Carolina, “have fallen behind on their electric, water and sewage bills, threatening residents and their cities with severe financial hardship unless federal lawmakers act to approve more emergency aid.” Duke Energy alone has more than 130,000 customers who are 60

days behind on their electric bills.

The American ruling class and its two corporate-controlled parties are planning to stage an election campaign over the next three months that will unfold against the backdrop of an unprecedented social calamity. Neither the fascistic Trump nor Democrat Joe Biden, the favored candidate of Wall Street and the CIA, offer anything to tens of millions of working people.

The Socialist Equality Party and its candidates in the 2020 elections—Joseph Kishore for president and Norissa Santa Cruz for vice president—say that the working class is not responsible for the crisis caused by the incompetent and homicidal policy of the American financial elite. We demand an end to the premature and unsafe back-to-work and back-to-school campaigns, full wages and benefits for all workers sidelined by the pandemic, and a safe workplace and hazard pay for essential workers who remain on the job.

The response of the Democrats and Republicans to the crisis exposes the bankruptcy of the profit system as a whole. Working people must take up a direct struggle against capitalism on the basis of a socialist and internationalist program.



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