

As July report shows no let-up in mass joblessness

White House, Congress combine to cut off supplemental unemployment benefits

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After meeting for less than two hours on Friday, Democratic leaders and Trump administration officials broke off negotiations on a fifth coronavirus stimulus bill with no additional meetings planned.

Two weeks of fruitless negotiations between Democratic House Speaker Nancy Pelosi and Senate Minority Leader Charles Schumer on one side, and Treasury Secretary Steven Mnuchin and White House Chief of Staff Mark Meadows on the other, have yielded nothing.

Despite the social and economic catastrophe millions of workers and their families face following the expiration of a federal \$600-a-week unemployment enhancement and a partial eviction moratorium, neither side felt compelled to reach an agreement. While the \$2.2 trillion CARES Act can be rightly characterized as the organized theft of trillions of dollars in social wealth by a parasitic ruling class, the extra jobless pay and ban on evictions included in the law have helped over 30 million jobless workers remain fed and housed over the past four months.

Citing the jobs report released Friday by the Bureau of Labor Statistics (BLS), which showed that 1.8 million jobs were added in July, President Donald Trump tweeted out a graphic extolling the supposedly “Great Jobs Numbers!” He also touted them repeatedly in a bizarre press conference at which he threatened to issue an executive order that would temporarily extend the supplemental benefit, likely at a sharply reduced level, as well as the eviction moratorium, but tie these measures to a suspension of the payroll tax, which would halt funding for Social Security, Medicare and Medicaid.

The 1.8 million jobs added in July is nearly one

million less than the 2.7 million recorded in June and well below the 4.8 million added in May. Overall, the BLS reported that unemployment fell to 10.2 percent, still the highest level in 38 years. The BLS figure for underemployment, a more accurate representation of the objective situation, which includes unemployment, involuntary part-time work and other considerations, is 17 percent.

Schumer and Ron Wyden (Democrat from Oregon) introduced legislation in early July that would reduce the federal jobless supplement in phases as the unemployment rate in a given state drops: a \$100 reduction in payments for every percentage point below 11 percent. This means that had the Democratic proposal been signed into law, the federal weekly benefit would be reduced in most states to \$500.

Of the 1.8 million jobs added in July, nearly 600,000 were in leisure and hospitality, the sector of the economy most impacted by the pandemic. The second largest growth sector, roughly 502,000 jobs, was in restaurants and bars. Both of these are low-wage sectors with large numbers of part-time and temporary jobs.

The July jobs report showed that the average hourly pay of blue-collar workers declined by 11 cents in July, a sharp drop indicative of the campaign of job destruction and wage-cutting launched by the ruling class under the cover of the pandemic.

The expiration of the \$600-a-week federal enhancement has reduced the average income of over 30 million jobless workers by between 60 and 80 percent, leaving millions unable to afford basic necessities. The Urban Institute estimates that 12.3 million households, or 28 percent of the 43.8 million

rental units in the US, were covered by the now expired federal moratorium.

Researchers for the National Low Income Housing Coalition, in a report published August 7, estimated that “30–40 million people in America are at risk” of eviction throughout the rest of the year. The researchers bluntly wrote that the US “may be facing the most severe housing crisis in its history.”

The housing crisis is already here, as attested to by surveys conducted by the Census Bureau beginning in late June through July. Survey results indicate that “some 19 million children (more than 1 in 4) live in a household that is behind on rent or mortgage payments, isn’t getting enough to eat, or both.”

Reporters for the *World Socialist Web Site* spoke to Gerald from Pennsylvania, who was laid off recently. “I was working as a teller,” he said. “It wasn’t a very good job; I was just making \$12 an hour and we didn’t get full time. They didn’t trust us. They would move us around from one branch to another, so we never had the chance to get to know anyone.

“When the shutdown started, at first they said it was just going to be two weeks, but that stretched out longer and longer. I checked my account. I got my last extra payment last week. I only get about \$180 from the state and they take taxes out of that.”

“I live with two roommates. One’s still working but the other is like me, laid off. Rents are outrageous and we don’t know what we will do. Amazon is hiring. They either already have or will be soon opening a new warehouse. They haven’t called me yet.

“They say they are cutting unemployment because people would rather stay home then go to work. That’s not true. There aren’t enough jobs for everyone who is out of work.

“The politicians had all this time to fix things. Trump thinks he can talk his way out of everything, and they don’t want to listen to the scientists. They can give all this money to the banks and corporations, why can’t we have masks and testing?”

“Before this, I never had to file for unemployment,” said Amanda, a former dog walker and childcare worker who lives in Manhattan. “I was self-employed. I only received \$182 a week from the state. I did receive the \$600-a-week bonus, which was a real help, but that ended last week.”

Asked about the bipartisan ruling-class drive to force

workers back on the job without protection from the virus, Amanda said, “It is completely unethical, and the pandemic is worse now. They are trying to shove people back to work. There are no jobs because the service industry is only half open. I think the [benefit] should be extended until we have a vaccine or a solution to the pandemic.

“Now they [the Democrats and Republicans] are fighting and it will take weeks for them to pass anything. I know the Republicans are talking about a \$300-a-week benefit, but only half of the Republicans want to pass that. In cities, you can’t survive off \$300 a week. They don’t want to extend it, because if they wanted to extend it, they would have done so.

“Working class people are seeing that they don’t care about us. More people are waking up now. But they are pitting workers who are employed against the unemployed.”

Speaking about the immediate future, she said: “I think it is only going to get worse. Politicians are pretending the pandemic has gone away so they can open the economy back up. But I do have hope. And if the SEP continues to talk to people and workers, I have a lot of hope. The key is to educate them and to tell working-class people that they can change things.”



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