

US ruling class moves to slash jobless aid

Marcus Day
10 May 2021

Against the backdrop of mass poverty and social dislocation triggered by the COVID-19 crisis, the US corporate, political and media establishment are ramping up their campaign to slash jobless aid in order to compel workers back into low-wage jobs.

Last Wednesday, Montana's Republican governor announced that he would be cutting off the state's participation in the \$300 federal unemployment supplement early, withdrawing from the program next month. The \$300 weekly additional payment was enacted as part of the Biden administration's \$1.9 trillion stimulus plan passed in March and is set to expire throughout the US on September 6, in less than four months. Following Montana's announcement, first South Carolina and then Arkansas said that they would also be ending federal unemployment payments early.

But a major new stage in this campaign was launched with the publication of Friday's jobs report. Ahead of the report, official media surveys of economists had predicted the creation of a million new jobs—a figure almost without precedent in postwar American history.

The report showed that the US added 266,000 jobs in April, a significant number by historical standards, but 700,000 jobs short of what the media's surveys of economists showed.

But despite the fact that no one could explain how the economists got the figure so wrong, the “underwhelming” jobs report was immediately put to use in a tightly choreographed campaign.

An hour after the report was released, the largest American corporate lobbying group, the US Chamber of Commerce, led the way, issuing a statement calling for federal unemployment aid to be cut off, writing, “The disappointing jobs report makes it clear that paying people not to work is dampening what should be a stronger jobs market.”

More state governments are now signaling that they will stop their distribution of federal aid. Indiana and Arizona have indicated they are also looking at cutting off federal jobless aid, and other states such as Florida have

announced that they plan to reimpose restrictions on access to benefits.

The moves to cut off the \$300 federal unemployment supplement will mean that hundreds of thousands, if not millions, of families will be faced with utter destitution.

Last month, a new study showed that the US poverty rate rose to 11.7 percent, up from 10.3 percent in March 2020 and hitting the highest level since the pandemic.

Already, large numbers of the unemployed have found their benefits halted without explanation, while others have simply given up filing claims, fed up with the byzantine, antiquated, and frequently overloaded state unemployment systems. In many states, those who have been receiving aid for a year undergo an automatic review by state agencies, according to CNBC, which often delays, lowers, or completely cuts off their payments.

During the pandemic, millions of people have stayed home and out of the labor force in order to care for a child or an elderly relative, or in an effort to shield a family member with vulnerable health from infection. For many of these families and others who simply cannot find work, the extended federal unemployment aid—deliberately allowed to lapse late last summer while the Trump administration and both parties in Congress negotiated how much to cut the previous weekly amount of \$600—has allowed them to merely scrape by.

The aim of the corporate media campaign to slash unemployment aid is to somehow market a deliberate and brutal policy that will lead to poverty and misery for large numbers of people as an unavoidable necessity, one which is necessary to defend the “economic recovery.”

But on Friday, the editorial board of the *Wall Street Journal*, the voice of the most ruthless elements of the financial aristocracy, bluntly revealed the real underlying aims of the drive to slash jobless benefits.

Noting recent pay increases in some industries, the newspaper concluded, “The risk is that these wage increases will become embedded in expectations and lead to a more general inflation. The policy lesson is to ease government constraints on supply. That means repealing

the federal bonus not to work.”

As usual, the *Wall Street Journal* says crassly and openly what other sections of the political establishment say quietly and to themselves: Under no circumstances can wages be allowed to rise, because if workers’ wages rise, the wealth of the rich will grow more slowly!

This suppression of wages has been the central guiding tenet of every administration, Democratic and Republican, since Jimmy Carter, who initiated a manufactured recession in the name of fighting “inflation,” a policy continued under Reagan. From the Clinton administration slashing the social safety net under the slogan of “ending welfare as we know it,” through the Bush years, to Obama’s extension of the 50 percent wage cut for newly hired autoworkers in 2009, on through the Trump administration, wages have continued to stagnate.

Now, in the midst of the greatest public health crisis in American history, the ruling class turns to the workers and says: You can work for poverty wages, or you can starve!

The unstated premise in the argument of the *Wall Street Journal* and others is that there is just not enough money to substantially raise wages or pay all those unable to work. This is a lie.

The stock market indices continue to reach new heights. In fact, both the Dow Jones and the S&P 500 surged to record or near-record highs Friday following the release of the April jobs report.

The endless run-up in the stock markets, fueled by the Fed’s cheap money policies, has inflated the corporate oligarchs’ fortunes to unprecedented levels, with the creation of a whole new layer of “centibillionaires,” those with wealth over \$100 billion.

Between March 2020 and April 2021, the wealth of US billionaires—roughly 700 individuals—exploded upwards over \$1.62 trillion, reaching a total of over \$4.56 trillion, according to the Institute for Policy Studies. This is approximately four times the wealth owned by the bottom half of the US population, 165 million people.

The continued growth of the stock market and the wealth of the ruling class depends, ultimately, upon the suppression of wages and the intensification of the exploitation of the working class. Any substantial rise in pay for workers, particularly those who make the least, threatens to upend these operations and unleash the pent-up demands of workers to reverse the decades-long decline of their incomes. This, from the standpoint of the ruling class, must be avoided through all possible means, including through the cutoff of unemployment aid.

This is why Biden, who just requested the largest military spending bill in history and calls on American capitalism to deploy trillions of dollars in “competition” with China, swiftly abandoned after his inauguration his campaign promise to raise the minimum wage from its absurdly low level of \$7.25 per hour.

The argument that society lacks the wealth to pay workers a decent wage and unemployment benefits is absurd. Not only must jobless benefits be continued and expanded, the minimum wage must immediately be raised to at least \$25 an hour.

Workers are already initiating strikes and other efforts in pursuit of higher wages and better working conditions, from Volvo Truck workers in Virginia, to coal miners in Alabama, and steelworkers in Pennsylvania and other states. These struggles must be expanded and taken out of the hands of the unions, which have facilitated the ruling class’s attacks on jobs and wages over the past 40 years, blocking strikes and forcing through concessionary contracts.

It is increasingly clear that the private ownership of the giant fortunes of the corporate and financial oligarchs is one of the greatest obstacles to meeting any of the basic needs of the working population, whether aid for the unemployed and poor, decent wages and working conditions, or the public health measures needed to bring the pandemic under control.

Therefore, the oligarchs must be relieved of this wealth, so that it may be redirected to meeting pressing social need. For such policies to be carried out, a revolutionary leadership in the working class must be built, one that is based itself on a socialist program to end capitalist exploitation once and for all.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact