

After disastrous jobs report, Biden doubles down on reopening schools, ending pandemic relief

Barry Grey
3 September 2021

On Friday, President Joe Biden responded to the Labor Department's disastrous jobs report for August by brushing aside the sharp slowdown in hiring due to the spread of the Delta coronavirus and reaffirming his policy of economic reopening combined with the termination of pandemic-related social relief measures.

The employment report was issued three days before Labor Day, September 6, when federal unemployment benefits first enacted in March 2020 officially expire. Upwards of 7.5 million unemployed workers will be cut off of all jobless benefits. They will be stripped of a critical lifeline, as inadequate as it is at \$300 a week, on which they have relied to avoid destitution and homelessness. An additional 3 million people still receiving benefits from their state system will suffer a \$300 cut in total jobless pay.

The report shattered the administration's claims of a surging economy and booming labor market, the pretext for ending vital benefits for the working class while continuing to pump \$120 billion every month into the financial markets and provide virtually free and unlimited credit to the corporations and banks.

US nonfarm payrolls increased by only 235,000 in August, less than half the monthly average since January of 586,000, and far below economists' predictions of 725,000. Job creation plunged from June's figure of 962,000 and July's total of 1,053,000.

This dismal result was likely an underestimation of the slowdown. The Labor Department data was collected in the second week of August, before the full effect of the fourth wave of the pandemic or the impact of Hurricanes Henri and Ida in the second half of the month.

The report's breakdown of the job market clearly showed the decisive impact of the ongoing surge of COVID-19 infections, hospitalizations and deaths, fueled by the virulent Delta variant and facilitated by the ruthless reopening of businesses and, above all, schools, despite the explosive spread of the virus among children and educators.

The ruling class and its political servants in both parties are united in forcing workers back into unsafe workplaces and schools to feed the ravenous demand for corporate profits. But they are caught in a contradiction. The more they "reopen" in the midst of a rampaging pandemic, the more their efforts come up against the impact of the COVID surge on production and economic activity.

The economic recovery has been driven by increased employment in the low-wage service sector, particularly retail trade and "leisure and hospitality." The latter has increased by 350,000 on average for each of the last six months, boosted by the dropping of all social distancing measures and the Biden administration's proclamation of the imminent end of the pandemic and return to normal.

In August, however, as restaurant, dining and vacationing stalled due to the resurgence of the pandemic, this sector failed to register any increase in hiring. Retail payrolls declined.

The *Wall Street Journal* wrote:

The details of the report had the Delta variant written all over them. Hotels and other accommodation businesses, which in the half year through July added a seasonally adjusted average of 56,700 workers each month, added just 6,600. Restaurants, bars and other food services and drinking places shed 41,500 jobs in August; over the previous six months, they recorded average job gains of 227,400.

The cutoff of federal jobless benefits follows last week's Supreme Court ruling terminating the moratorium on evictions ordered by the Centers for Disease Control and Prevention (CDC) as a public health measure. Various think tanks and advocacy groups estimate that as many as 11

million households are behind on their rent and will face eviction in the coming months.

At the same time, health insurers are beginning to charge COVID-19 patients for hospital stays and other medical treatment, adding an additional financial burden to devastating and often long-term health consequences of the virus.

In remarks from the White House on Friday, Biden callously dismissed the impact on workers of both the dismal jobs report and the cutoff of government benefits.

“Despite the impact of the Delta variant,” he said, “what we’re seeing is an economic recovery that is durable and strong. The Biden plan is working. We’re getting results. America is on the move again.”

Oozing a combination of cynicism and incipient senility, Biden went on to hail the Labor Day holiday as a celebration “honoring the dignity of work, honoring the American worker.”

He then indicated how he planned to “honor the American worker.”

Even as some of the benefits that were provided are set to expire next week, states have the option to extend those benefits and the federal resources from the Rescue Plan to do so. Not more federal taxes, state taxes, but they have the federal money to be able to do that.

This, of course, is a brazen lie. Twenty-six states weeks ago terminated the federal unemployment benefit programs prematurely, one of which is Democratic-controlled. They did so, moreover, with the explicit blessing of the White House, whose press secretary told reporters in June that Republican governors “have every right” to “not accept” federal unemployment benefit funds.

What Biden was really telling workers was: “Tough luck. You’re on your own.”

When it came to the pandemic profiteers, however, the president could not be more solicitous. After boasting that “there have been so many records the stock market has hit under my presidency,” he said, “[T]he very wealthy will—they’re still going to have three homes or four homes, if they want. It’s not going to change what schools they can send their kids to. It’s not going to change their standard of living. But just pay a fair share.

“Corporate America—it’s going to continue to do very well. ... We’ll still have millionaires. We’ll still have billionaires. We’ll still have corporations that do incredibly well and CEOs that make a lot of money. But everybody has

to start paying their fair share.”

There is no “fair share” in a society where billionaires like Jeff Bezos and Elon Musk double their fortunes off of the death and suffering of millions of people in the US and around the world.

The homicidal policy of reopening the economy and letting the pandemic rip—rejecting science-based policies to eradicate the virus because they cut across corporate profit-making—is bound up with the termination of the meager social relief measures imposed at an earlier stage of the pandemic. They are two sides of the same coin.

This connection was spelled out by the financial press on Friday. The *Financial Times* wrote of the end of US jobless benefits:

Goldman Sachs economists estimate that July’s jobs growth would have been 400,000 higher had the enhanced benefits expired nationwide, and forecast next week’s termination to add 1.5 million in payroll gains by the end of the year.

On the reopening of schools, the *Wall Street Journal* noted:

Economists expect that school reopenings in August and September will help pull some parents, particularly mothers, back into the labor force as child-care responsibilities ease.

Workers—from autoworkers and bus drivers to school teachers and college professors—must be blackmailed into risking their health and lives, and the lives of their loved ones and friends, under the immediate threat of destitution, hunger and homelessness. Once back on the job, they face intensified exploitation, sweatshop conditions, intolerable work schedules and low pay—all for the purpose of extracting the maximum profit to back up the mountain of debt resulting from the bailout of the financial oligarchy.

This is how Biden and the American ruling class “honor” the American worker on Labor Day.



To contact the WWSWS and the
Socialist Equality Party visit:

wwsws.org/contact