

A Cruel Christmas Gift: Jobless Benefits Cut Off for 1.3 Million Americans

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Extended unemployment benefits will end today for 1.3 million Americans, just three days after Christmas. The cruel cutoff of income for the long-term jobless and their families exemplifies the contempt of the Obama administration and the entire political establishment for the working class. The move threatens millions of unemployed workers and their families with poverty.

Never before in the post-war history of the United States has the government cut off extended unemployment benefits while jobless levels remained as high as they presently stand.

In the course of 2014, another 3.6 million workers will exhaust their state unemployment benefits and be left with nothing. Taking into account family members who rely on these benefits as their sole source of cash income, some 5 percent of the US population will face destitution as a result of the cutoff of these funds.

A renewal of the extended benefits was left out of the budget deal reached in Congress earlier this month, with the approval of the White House and congressional Democrats. The total cost of extended unemployment benefits would be \$25 billion in 2014, less than 1 percent of overall federal spending.

The same Congress that allowed the jobless benefits to expire voted December 19 to authorize nearly \$633 billion in military spending for 2014, money that will go toward funding the war in Afghanistan, overwhelmingly opposed by the American people, and Washington's preparations for even more bloody military interventions.

Having deliberately excluded an extension of the federal benefit program from their negotiations with the Republicans on the two-year budget, Obama and the congressional Democrats are hypocritically posturing as supporters of extended benefits. They have submitted a bill to restart the program and called for a vote shortly after the New Year.

The administration-backed bill, if passed, will merely extend the program for three months. And any extension undoubtedly will, like previous extensions passed since the beginning of the recession, include further restrictions on eligibility and duration of benefits, stripping increasing numbers of unemployed workers of cash assistance. Moreover, cuts in other social programs will likely be mandated to offset the cost of any extension of jobless pay.

More than four years after the official end of the recession, the United States is a nation plagued by growing poverty and widening social inequality. But for the financial oligarchy,

things have never been better.

The *Wall Street Journal* on Tuesday carried a front-page article with the celebratory headline “Big Rally Pumps Up Wall Street Bonuses.” With the Dow Jones Industrial Average up 24 percent this year, the newspaper explained, annual compensation for investment bankers is expected to rise 6 percent and stock traders are projected to earn 12 percent more this year than last.

For the vast majority of Americans, conditions continue to deteriorate. A recent study by the US Conference of Mayors found that 83 percent of the 25 cities it surveyed reported an increase in emergency food requests, while 64 percent saw an increase in the number of homeless families. The answer of the ruling elite to these conditions has been to slice even more deeply into what little remains of the social safety net in the US.

On November 1, the federal government began implementing \$11 billion in cuts over three years to the Supplemental Nutrition Assistance Program (SNAP), commonly known as food stamps. These cuts, the first in the program’s history, reduced benefits to less than \$1.40 per person per meal and eliminated the equivalent of two days of food every month for 47.7 million people. Democrats and Republicans in Congress are currently negotiating the terms of further cuts in the food stamp program.

The budget deal reached this month keeps in place the vast majority of the “sequester” cuts, slashing hundreds of billions of dollars across a wide range of government departments and social programs, affecting tens of millions of working people and their families. It also increases the proportion of their salaries new federal employees will pay into their pension fund, setting the stage for deeper attacks modeled on the looting of Detroit workers’ pensions in that city’s bankruptcy.

The growth of poverty alongside ever more obscene levels of wealth for a tiny financial elite is not simply the result of impersonal economic tendencies. It is the intended outcome of policies carried out by the Obama administration and the Federal Reserve Board in behalf of the American corporate-financial aristocracy.

Just days after Congress passed the budget allowing long-term jobless benefits to expire, the Federal Reserve announced it would continue to keep its benchmark interest rate at near-zero at least into 2015. At the same time, it pledged to continue pumping tens of billions of dollars into the financial markets every month, although at a somewhat reduced level, for months to come.

Wall Street celebrated this guarantee of virtually free credit to the banks and finance houses by sending share values to new record heights.

The ruthless assault on the working class and the funneling of public funds to the banks and corporations are two sides of the same ruling class strategy, whose aim is an even more massive redistribution of wealth from the bottom to the top. Nothing is off limits in the rapacious drive of the capitalist class to grab every bit of social wealth it can. Every social gain of the past century is in its crosshairs: public education, medical care for seniors and the poor, pensions, restraints on child labor, health and safety rules, environmental regulations, workers’ compensation, public museums and libraries.

What is unfolding is nothing short of a social counterrevolution.

The one “reform” touted by the Obama White House—the Affordable Care Act—is already being exposed as a scheme to reduce and ration medical services for the vast majority of Americans, while boosting the profits of the insurance companies and corporations.

The fight-back by the working class requires a political and revolutionary mobilization aimed at taking political power and instituting a program based on the interests of working people, not the insatiable drive of the ruling elite for ever-greater wealth.

Workers can secure their social rights to jobs, education, medical care, pensions, housing and access to culture only by challenging the entire framework of the capitalist system and its two big business parties. A mass political working class movement, armed with a socialist program, must be developed to reorganize society on the basis of social need, not private profit.

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