

# Obama's Fraudulent Defense of the Unemployed

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As Congress reassembles following the holiday break, the White House and the Democratic Party are seeking to perpetrate a political fraud on the American people. Having overseen the Christmas expiration of extended jobless benefits for 1.3 million long-term unemployed people, the White House is now presenting its call for Congress to restore the benefits for a paltry three months as a crusade against inequality.

"Just a few days after Christmas, more than one million of our fellow Americans lost a vital economic lifeline—the temporary insurance that helps folks make ends meet while they look for a job," President Obama said in his weekly address Saturday. Blaming Republicans for letting the benefits expire, he declared, "So when Congress comes back to work this week, their first order of business should be making this right."

The claim that blame for the expiration of federal jobless benefits rests entirely, or even primarily, with the Republicans is a shameless lie. Notwithstanding Republican opposition to the benefits program, the failure to extend it past its December 28 deadline is, in the first instance, the result of a calculated policy carried out by the White House and congressional Democrats. By agreeing to a budget deal last month that excluded an extension of the benefits, the Democrats ensured that the program would lapse before the new year.

On December 7, White House spokesman Jay Carney made clear that the administration would not make the extension of jobless benefits a precondition for the budget deal then being negotiated by House and Senate Democrats and Republicans. The Democratic leadership immediately fell into line. House Minority leader Nancy Pelosi, who only hours before had said the Democrats would not vote for any budget that did not include funding for long-term jobless benefits, turned around and said such a provision did not "have to be part of the budget."

The following week, the Democratic-controlled Senate chose to allocate 30 hours to debate a nomination to the Washington DC Circuit Court instead of voting on a jobless benefits extension. Majority Leader Harry Reid, a Democrat, sets the agenda for the body.

Now, leading Democrats are hinting that they are preparing for the measure to be blocked in a Senate vote on January 6. "We will come back at this issue," said Senator Charles Schumer (Democrat of New York).

Democratic strategists have told the press they intend to keep the issue of extended jobless benefits on the agenda as long as possible, believing it will give them an advantage in this year's midterm elections. William A. Galston, a senior fellow at the Brookings Institution and a former Clinton administration advisor, told the *Washington Post*: "Those are issues with histories. The public support is pretty clear."

The White House is linking its call for an extension of federal jobless benefits to its rhetorical pivot to the issue social inequality, spelled out in a speech last month in which Obama called inequality “the defining challenge of our time.” In that speech, Obama signaled his support for a proposal by congressional Democrats to raise the minimum wage to \$10.10 an hour—an increase that, if enacted, would still leave the minimum wage in real terms lower than it was in 1968.

Obama took up the theme of social inequality in his Saturday address. “That’s my New Year’s resolution—to do everything I can, every single day, to help make 2014 a year in which more of our citizens can earn their own piece of the American Dream,” he declared.

Other Democrats echoed these points on the Sunday morning talk shows, with Senate Majority Leader Reid declaiming, “The rich are getting richer, the poor are getting poorer, and the middle class is being squeezed out of existence.”

This hollow and utterly hypocritical “campaign” against social inequality takes place in the wake of White House approval for a bipartisan budget that makes permanent over a trillion dollars in “sequester” budget cuts, increases federal employee pension contributions, establishes new consumption fees, and makes nearly \$30 billion in additional cuts in Medicare reimbursements.

It comes in the sixth year of Obama’s presidency, a tenure that has been devoted to bailing out Wall Street while slashing wages and cutting government spending in the midst of the greatest economic crisis since the Great Depression. As a consequence, social inequality has soared to record levels, along with the surging stock market and corporate profits.

The cutoff of federal jobless benefits came within two days of an announcement by the Federal Reserve assuring Wall Street that it would continue to pump dollars into the financial markets and lend money to the banks at near-zero interest rates, triggering another surge in share values to new record highs.

According to the White House’s own figures, a total of 1.3 million people lost their unemployment benefits on December 28 as a result of the lapse in federal benefits, and an additional 3.6 million people will be cut off from income support next year. An average of two additional family members are supported by each recipient of jobless aid, bringing to nearly 15 million the number of people potentially affected by the expiration of federal jobless benefits—nearly five percent of the population.

Even if federal jobless benefits are extended, they are likely to be saddled with even further restrictions in preparation for their eventual elimination. In calling for the extension of the benefits last month, the White House noted, “Consistent with previous programs, the EUC [Emergency Unemployment Compensation] program has been gradually phasing down—the median number of weeks one can receive benefits across states is down from a peak of 53 weeks in 2010 to 28 weeks currently and phasing down to 14 weeks under the proposed extension.”

While long-term jobless benefits (for those who have been unemployed for more than half a year) have been extended by Congress 11 times since first introduced in 2008, recent extensions have included cuts in eligibility, bringing the total number of people receiving the benefits down from over 5 million to 1.3 million.

In 2010, about two thirds of long-term unemployed people received benefits. That number had fallen to 54 percent by 2011 and 45 percent in 2012. Now, only about one in three of the long-term unemployed receive any benefits.

The Democratic Party's cynical references to social inequality are part of an effort to rehabilitate the public image of the Obama administration amid growing popular anger over its right-wing social policies, its illegal domestic spying programs, and its foreign policy of militarism and war. This campaign is being coordinated with the trade union bureaucracy, which staged protests last month calling for an increase in the minimum wage.

All of this once again underscores the social character of the Obama administration, which is nothing but an agency of the banks, the corporations, and the military-intelligence apparatus, supported by an upper-middle class layer of trade union officials and their political allies who seek to give its right-wing policies a "progressive" veneer.

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