

Social and economic catastrophe intensifies as 6.6 million Americans file for unemployment

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According to the US Labor Department, 6.6 million workers filed for unemployment benefits last week, as the health crisis produced by the coronavirus pandemic develops into the greatest economic crisis since the 1930s.

Over the past three weeks, 16.8 million Americans filed for jobless claims in the largest and fastest wave of job cuts in the US on record. During the 2008-09 global financial crash, it took 44 weeks—roughly 10 months—for national jobless claims to reach as high as they now have in less than a month.

As staggering as these numbers are, they are an underestimation of the full scope of the catastrophe. Millions of undocumented workers who lost jobs in restaurants, construction, service jobs and other sectors cannot qualify for unemployment benefits and are therefore not counted in the figures.

Moreover, the surge of applicants over the last three weeks overwhelmed state unemployment offices, clogging phone lines, crashing web sites and leaving hundreds of thousands unable to file their claims.

There were 170,000 new claims in Florida last week, bringing the three-week total to nearly half a million. The state's automated system broke down at the end of March after 860,000 calls were made in a four-day period. In Hialeah, near Miami, hundreds of laid-off workers were forced to risk their health and line up outside a local library to get paper applications.

California saw a staggering 925,450 initial claims last week, on top of the 1.06 million claims filed the week of March 28 and the 186,000 claims filed the week of March 21. Like the rest of the country, large and small businesses have been shuttered due to the statewide lockdown.

This week, San Francisco Bay Area event-organizing company Eventbrite announced it would cut its workforce nearly in half. Online-review company Yelp

told employees it was laying off 1,000 workers and furloughing 1,100 as it imposes “severe cost reductions” to “survive amid the coronavirus pandemic,” the *San Jose Mercury News* reported.

Among other large states, Georgia posted 388,175 new claims, Michigan 384,844, New York 345,246, Texas 313,832 and Ohio 272,129.

In New York City, Corrine Chin, a 23-year-old marketing worker from Brooklyn, told the *Wall Street Journal* that she sometimes calls New York's labor department hundreds of times a day but has been unable to collect a penny since being furloughed in mid-March.

Millions of workers were living paycheck to paycheck before the crisis. The one-time \$1,200 payment promised under the misnamed Coronavirus Aid, Relief and Economic Security (CARES) Act will do little, if it ever arrives.

Nearly one in three Americans (31 percent) expect that the stimulus money will not sustain them for a month or help them out at all, according to a new Bankrate.com survey of nearly 1,500 adults. Nearly one third of apartment dwellers could not pay their April rent, and the \$1,200 is less than the monthly median rent.

While millions face economic destitution, the stimulus package will provide trillions to the banks and corporations. The same day that the new jobless figures were released, the Dow Jones and S&P 500 shot up on news that the Federal Reserve will use \$2.3 trillion to purchase the bad debts of Wall Street and the giant corporations.

Over the last two weeks, as coronavirus deaths rose from 550 to nearly 17,000, the Dow increased by 28 percent, the most rapid rise in history. For the financial oligarchy, there are no lines to wait in to receive its handouts from the US government. While small

businesses are finding impossible hurdles to qualify for loans, the assets of the central bank and its money-printing operations have been turned over to Wall Street.

Meanwhile, the Trump administration is cynically seeking to exploit the massive economic hardship caused by business closures and lockdowns to argue for a premature return to work under conditions where the pandemic continues to spread rapidly through workplaces.

There is a rising tide of social opposition in the US and around the globe to demand adequate protection from the pandemic and its devastating economic and social consequences. The essential principle that must guide the response to the health care and economic crisis is that the needs of the working class must take absolute priority over the wealth and profits of the rich.

The Socialist Equality Party demands emergency measures to address the economic crisis for workers:

- Full pay for all workers and the cancellation of all rent, utility and other payments for the duration of the pandemic.

- The repeal of the corporate-Wall Street bailout. The immediate redirection of financial and industrial resources toward fighting the pandemic and providing health care, service and industrial workers with all necessary equipment.

- Free and universal health care for everyone, including all those who are unemployed. Full pay and citizenship rights for all immigrant workers who have been laid off.

- Stop the COVID-19 pandemic! The lives of thousands of workers can be saved through emergency measures to expand medical care, testing, and treatment.

- All industries that are being bailed out by the government must instead be converted into public utilities under the democratic control of the working class, redirected toward the production of critical

necessities.

- A massive increase in taxes on the rich and the seizure of the trillions of dollars hoarded by the corporate and financial oligarchs.

The pandemic has laid bare the fundamental class divisions in society. The working class is the essential and progressive force in society—saving lives, producing and transporting food, medicine and other necessary goods and maintaining the infrastructure of a modern, mass society. The ruling class, in its mad fixation on self-enrichment, has proven to be the biggest obstacle to a scientific and humane response to the pandemic.

In every action that it has taken over the past three months, the ruling class has demonstrated its contempt for the health and lives of the working class. The conditions in the United States, moreover, are repeated in different forms in every capitalist country. While the ruling elites utilize their control over the state to hand themselves trillions, workers face death, unemployment and immiseration.

Events are proving the necessity for the complete restructuring of society on the basis of socialism. Urgent social needs can only be realized through the mass mobilization of the working class based on a socialist program and the transfer of political power from the capitalist class to the working class. We urge workers and young people to join the Socialist Equality Party to fight for this program.

Jerry White

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Socialist Equality Party visit:

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