

DOMESTIC MARKET NEWSLETTER

Gov't Begins Elimination of Jobless Benefits

Hundreds of thousands of the world's most skilled workers will be summarily dropped from unemployment benefits in the next few weeks through a fraudulent "downward revision" of the government's official unemployment rate. In Ohio, the nation's most concentrated industrial state, benefits for 50,000 workers — one-fifth of the State's entire unemployed — will be terminated by April 3, according to a spokesman for the Ohio Unemployment Service. Several hundred thousand more workers from 17 other states, including Delaware, Indiana and North Carolina, will also be condemned to the swelling ranks of "useless eaters" by the end of this month.

This is the opening phase of a deliberate, silent liquidation of millions of workers and their families, whose limits are defined only by working class resistance. Official statistics reveal that an additional six million workers whose benefits will have either been terminated or exhausted will join this human scrapheap of 20 million workers. Only a handful of these will be the privileged recipients of a degrading and below-subsistence welfare check of \$230 a month.

This decision to liquidate millions of workers was completely deliberate. Asked whether the eligibility period for jobless benefits should be extended because millions of skilled workers will run out of benefits this year, Federal Reserve Chairman Arthur Burns remarked "I think we've gone too far in that direction," and insisted that such extensions would be "adding to unemployment." Burns' policy, like that of his fascist collaborator, Hubert Humphrey, is to make workers so desperate and hungry that they will accept a slave labor job and turn themselves into a scab force against the still-employed.

The Great Statistical Fraud

The elimination of unemployment insurance for hundreds of thousands of workers on Federal Supplemental Benefits (FSB) in 18 states is the product of statistical fraud popularly known as the "Economic Recovery of 1976." On Jan. 1, 1976, the Federal government decided that only states whose unemployment rate exceeded five per cent would qualify for FSB — the last 26 weeks of benefits. Until that time, as long as the national unemployment remained above 5 per cent, states automatically qualified for such assistance. In January the national unemployment rate, even after the most fraudulent downward revisions, stood at 7.6 per cent.

But fraudulent downward revisions dropped the unemployment rates of 18 states below the five per cent level, and thereby terminated FSB. In Ohio, the most obvious case, the January unemployment rate conveniently "fell" to 4.99 per cent, and 50,000 workers were phased out of the program. In Indiana, at least 7,500 were also disqualified for FSB. The "downward revision" in just about all of these states was a pure fraud manufactured by a few obvious accounting tricks. Through the use of "seasonal adjustment," the Labor Department created out of thin air 1.7 million non-existent

employed workers. Then, by writing out of the workforce discouraged workers as well as those who exhausted their benefits, it banished another two million unemployed workers into non-existence. It then used these fictitious employment and unemployment figures to calculate the official unemployment rate. In Ohio in 1975 for example, roughly 46,000 workers exhausted unemployment benefits and still had no job. These workers are not counted among Ohio's unemployed. In addition, one-third of Ohio's total unemployed — 80,000 — are not covered by unemployed insurance and therefore also are not counted among Ohio's unemployed, according to the Ohio Employment Service. Auto, steel and rubber, the bulk of Ohio's industry, are plagued by unemployment rates above 15 per cent. It is a total lie that Ohio's unemployment rate stands at 4.9 per cent.

The hoax is the same in the South, whose economy remains depressed but whose unemployment levels in such states as North Carolina and Louisiana have magically dropped below the 5 per cent level. Between April and December, 1975, more than 1.2 million southern workers used up their benefits but remained jobless, according to a report from the Southern Regional Council. The same source expects the number to rise to 1.6 million by the end of this month. Unemployment among the black population goes as high as 26 per cent. In the South as well as in rural states like Colorado, Iowa, Kansas, Nebraska, Wyoming and Wisconsin — where unemployment rates have fallen below 5 per cent — there are millions of unemployed migrant agricultural workers who are not covered by unemployment benefits and who therefore do not show up as unemployed.

Self-Liquidating Process

This entire process is literally self-liquidating. As workers exhaust their unemployment benefits or get thrown off FSB, they leave what the government statisticians consider the workforce. Through this fraudulent self-feeding reduction of the unemployment rates, almost every state will soon have an unemployment rate below 5 per cent. Of the 11.6 million unemployed workers now covered by benefits 40 per cent have already exhausted regular benefits; 4 million are collecting extended benefits which will run out by late summer at the latest; 2.8 million are on FSB which will be dropped long before then.

Only a few of these workers will be "lucky" enough to get on welfare. In Ohio where the State's welfare fund is already bankrupt, the Ohio Department of Public Welfare has stated bluntly that the 50,000 workers will have little chance getting on welfare. If they did get on, says one top official, "we would have to lower the benefits paid to each welfare recipient."

The situation is the same with food stamps, the only other form of government assistance for which an able-bodied unemployed person is eligible. In North Carolina, of 13,000 households that get foodstamps, some 2,600 will be cut off due to eligibility tightening as part of a nationwide operation.