

The return of Hoovervilles

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During the Great Depression, shantytowns sprang up on the outskirts of American cities. Populated by those who had lost jobs and been turned out of their homes, these "Hoovervilles" became an indelible symbol of the human suffering wrought by the Depression. They were named in spiteful mockery of the president during the Depression's first four years, Herbert Hoover (1929-1933), who was fond of telling Americans that "prosperity is just around the corner," while offering virtually no government assistance to the unemployed and homeless.

American high school and college students learn of the Hoovervilles in their history textbooks, which treat the shantytowns as an example of American poverty vanquished by the New Deal of President Franklin Delano Roosevelt, never to return.

But the Hoovervilles are back.

A front-page article in Thursday's *New York Times* ("Cities Deal With a Surge in Shantytowns") describes the reemergence of itinerant encampments on the American cityscape. The most widely reported of these lies near Sacramento, California. About 125 people now reside in this Hooverville, in the capital city of America's richest and most populous state.

Yet the Hooverville is far more widespread than the media attention on the tent city near Sacramento implies. It has reemerged in Phoenix, Arizona; Olympia and Seattle, Washington; Reno, Nevada; Portland, Oregon; Nashville, Tennessee; St. Petersburg, Florida; and Fresno, California; among others.

People in these encampments live in tents, or else shacks built of old wood, scrap metal, cardboard and other waste. They live without running water, electricity, plumbing, or garbage removal.

The *Times* focuses on Fresno, a city of 500,000. There are now five shantytowns around Fresno. Michael Stoops, the executive director of the National Coalition for the Homeless, described the encampments' residents as "able-bodied folks that did day labor, at minimum wage or better, who were previously able to house themselves based on their income."

The population of these Hoovervilles represents only a

small portion of those who find themselves without a home. Prior to the passage of the Obama administration's stimulus package, the National Alliance to End Homelessness estimated that 3.4 million Americans are likely to experience homelessness this year—a 35 percent increase from 2007. This figure is equivalent to the entire population of Berlin; it is larger than the population of Chicago and the state of Iowa.

Driving the growth in homelessness is the foreclosure crisis. However, the ranks of the homeless are also filling up with former renters. Ironically, the surge in home foreclosures is forcing up rental prices nationwide as the total housing supply contracts. In addition, apartment units are being foreclosed upon, throwing out even renters who have not fallen behind on their payments.

Before the onset of the economic crisis, a majority of the homeless population held jobs, and about 41 percent were families with children. Experts believe that the portion among the homeless of working poor and families with children has risen sharply.

The rising tide of homelessness has been met with indifference by the Obama administration.

The massive social crisis that is sweeping the United States was almost completely ignored during President Barack Obama's nationally televised news conference on Tuesday evening. The only question that hinted at the dimensions of the social crisis engulfing the US pertained to the new tent cities. A reporter from *Ebony* magazine asked Obama "what he would say to the families, especially children, who are sleeping under bridges and in tents across the country."

Obama's response amounted to: Nothing. He assured the questioner that he was in fact "heartbroken that any child in America is homeless," a declaration that sounded about as sincere as his "anger" over bonuses at AIG. Obama made no proposals, referring vaguely to "a range of programs [that] do deal with homelessness."

"The most important thing that I can do on their behalf is to make sure their parents have a job," he said. In other words, his administration has no plan to address the homeless crisis. His proposals on jobs amount to little next

to the extraordinary growth of unemployment. On Thursday, the Labor Department reported that continuing claims for jobless benefits rose to 5.56 million, a number that in fact significantly underestimates the jobs crisis in the US.

This is an administration, it must be recalled, that one day earlier had unveiled a new trillion-dollar "public-private" bailout for the largest banks. This was not the first bailout of Wall Street, nor will it be the last. All told, between loans, direct cash infusions, government takeovers, and guarantees on debts, taxpayers have extended Wall Street in the range of \$8 to \$10 trillion. In comparison, Obama's stimulus package includes \$1.5 billion in homelessness 'prevention' in the form of direct financial assistance and housing relocation assistance for people at risk of homelessness.

Obama has included no provisions in either his budget proposal or his stimulus package to assist low-income families with their rent payments. And his plan to resuscitate the housing market will not lessen the overpriced mortgages of millions of American households who have gone "underwater," owing more on their homes than their market value. It is thus assured the ranks of the homeless will continue to swell.

Obama's liberal defenders, such as *The Nation* magazine, have spilled plenty of ink attempting to compare Obama to Roosevelt. They promote the illusion that the New Deal ended the Great Depression. In fact, it was World War Two and its destruction of much of the world's economy—and at least 60 million lives—that ended the economic crisis. The real changes in social structure, moreover, came not from the political establishment, but through the mass actions of working class.

Even so, what is most remarkable about Obama's first months in office is the complete absence of any serious program of social reform.

In his first 100 days, Roosevelt—a representative of the bourgeoisie who saw social reforms as a necessary means of preserving capitalism—launched an "alphabet soup" of programs such as the Farm Security Administration (FSA), the Resettlement Administration (RA), Rural Electrification Administration (REA), the Tennessee Valley Authority (TVA) and the Civilian Conservation Corps (CCC) that aimed to put hundreds of thousands to work, bring electricity to vast areas without it, and improve conditions of the large rural and farming population.

Obama's administration, just two months old, has been characterized by a single-minded drive to appropriate vast public wealth to the financial elite through massive bank bailouts.

To capitalize on the class anger felt by millions of Americans, Roosevelt issued regular bromides against the "moneychangers" on Wall Street. Obama, on the other hand,

has gone out of his way to pander to the same financial elite primarily responsible for the economic misery confronting millions.

In a speech that turned reality completely on its head, Obama told a recent gathering of top CEOs, "Your companies have fueled the prosperity of communities across the country and the success stories of countless individuals. They've enriched our nation; they've served as a tribute to the enduring spirit of American capitalism."

Far from implementing a new reform agenda, Obama made clear on Tuesday that a massive attack on social programs was being readied, to be implemented as soon as the bank bailouts are complete. He referred repeatedly to the high cost of healthcare and the need for "Entitlement reform"—i.e., the debts building up from the Wall Street handouts will be paid for through cuts in Medicare, Social Security, and other programs.

The contrast with Roosevelt is telling. As Trotsky put it, "America's wealth permits Roosevelt his experiments." The vast industrial resources of American capitalism formed the objective foundation for a policy of social reform aimed at containing class antagonisms.

The position of the United States today is much different. The vast enrichment of the financial oligarchy—which maintains an iron grip on the entire political and media establishment—has developed in conjunction with the decline of American capitalism and the erosion of its industrial foundations. As made clear by the actions of the Obama administration, there exists no constituency within the ruling class for social reform.

The last Great Depression led not only to Hoovervilles—a symbol of economic collapse—but also to enormous social upheavals. As class struggles develop inexorably out of the present crisis, they will provide the objective basis for a powerful resurgence of revolutionary socialism.

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