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# On the social effects of the crisis.

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Like elsewhere, in the U.S over the past year, prices have risen dramatically for food, gas and heat. Many basic foods, like bread and eggs, jumped almost 30%. When coupled with the ongoing subprime mortgage crisis, most working class households are feeling the pinch, with many people forced to the brink, where one more unforeseen emergency – a sudden illness, a car repair, a sick child -can push them over the edge. Low and even some moderate income families are forced to turn to charity – the soup kitchens and food pantries privately run by churches and NGOs. These NGOs are reporting record numbers of requests for assistance and in many cases running out of food in the first week of the month. Homelessness is everywhere rising.

Yet these overall figures disguise areas of the country which have slipped into even worse economic shape, now approaching 1930s levels. In some parts – like formerly heavily industrial states like Michigan and Ohio, Florida and California, the effects have hit harder. In these states, 1 in 35 houses are either foreclosed or in the process of being so. In the northern suburbs of Virginia, for example, many suburbs have seen a massive exodus of Latinos, who were drawn by the past decade's construction boom which has now collapsed, leaving in its wake whole neighborhoods with rows and rows of empty houses.

Little visible opposition to any of this has come up. In Michigan for example, which remains more heavily unionized than the rest of the country, a convention called in the spring by local officials to pair households facing foreclosure with mortgage lender to re-negotiate loan terms (few succeeded) drew thousands of people. Despite the presence of the banks and politicians, both legitimate targets for anger, there was no protest, either organized or spontaneous. People filed in and out silently, looking for individual solutions to their problems. A national march to protest the mortgage crisis only drew a few thousand people, nearly all from existing left and activist groups.

Here in Baltimore, thanks to deregulation of the utilities pushed through in the late 1990s by the Democrat Party, gas and electric bills are going up 70%. Again, there's no protest.

Marches and demonstrations outside the utility company held by activist groups attracted only a few handfuls of the already active. Gas shortages in the south, prompted by hurricane damage to oil refineries generated long lines, shut-downs of city services and fights and shootings at the gas pumps, not demonstrations or collective action.

All this is before the collapse of Wall Street, which is still on-going as I write. There's widespread anger towards the bailouts – 75% of the letters and calls to public officials vehemently opposed the bailout. But little of the ongoing crisis has yet to filter down and disrupt everyday life. When – not if – it does, will there be a fightback like the 1930s, as many leftists dream? One reformist community activist group, ACORN (Associated Communities Organized for Reform Now) has held small "walk-ins" of people facing loss of their homes into city offices demanding relief. Although these "walk-ins" are mostly media-oriented and not designed to seriously disrupt, there's a chance such tactics could catch on.

But more likely there will be an upsurge in a mass-based right wing populism, fueled by legitimate anger, resentment, and conspiracy theory, that new "socialism of fools" embraced by far left and far right, directed against the banks (with its subtle undertones of anti-Semitism which can be quickly denied), the "Israel lobby," and immigrants.

Already there's some signs of how a re-alignment is taking place, in tentative alliances between a handful of Black nationalist demagogues and white anti-immigrant groups, the increasing anti-immigrant laws being passed locally, in the advertizing campaign of an oil billionaire, W. Pickens denouncing "our" wealth being siphoned off by Putin, Amadinejad, Saudi Arabia and Chavez (the U.S as an oppressed nation!) and the rantings of talk show radio hosts. Because unlike the looming crisis elsewhere else, the crisis here will be acutely felt also as a decline in U.S. status as world superpower, able to impose its will when and where ever it wants. That alone will provide fertile grounds in the short run at least and maybe the long too for renewed right-wing populism. The conservative left, from anarchist

to social democrat will continue to shrink into its marginal alternative spaces and internet chat rooms (anarchist/ultra-left), tailing the unions (Trotskyism) or its role as open or hidden Obama cheerleaders (everyone else).

If as the Spectator (UK) bluntly put it the first week a bailout was proposed, "The paradigm has changed. We are entering a new era of austerity" here in the US at least all bets are now off.

Curtis Price

Baltimore, october 2008.