

Hunger and homelessness are growing in U.S. bubble economy

by Marianna Wertz

Two reports published in December 1999 on hunger and homelessness in America, put the spotlight on the reality of the “bubble.com” economy. The report released on Dec. 8 by the U.S. Department of Housing and Urban Development (HUD), the most comprehensive study ever of homelessness in America, and the 1999 report by the United States Conference of Mayors on “Hunger and Homelessness in America’s Cities,” both document the fact that there is growing hunger and homelessness in America, while the bubble economy is driving the cost of housing, and even food, out of the reach of an increasing number of low-income wage-earners.

The issue has become a hot potato in the election campaigns. At the Presidential level, Republican front-runner George W. Bush confirmed Lyndon LaRouche’s assessment that he is dumber, and meaner, than a car test-dummy, when he responded recently after being confronted with the results of yet another study, by the U.S. Department of Agriculture, which found that 5% of Texas households suffered from hunger in the past two years. “Where?” Bush asked. “You’d think the governor would have heard if there are pockets of hunger in Texas!”

The study, titled “Measuring Food Security in the United States,” showed that Texas is second in the nation, behind only Oregon, in the number of people suffering from hunger. Texas State Rep. Elliott Naishtat, a Democrat who is chair of the House Committee on Human Services, in a statement issued on Dec. 23, said that he was “appalled” at the governor’s comments. “Could it be the governor also doesn’t know that Texas ranks at or near the bottom in every recognized national poverty-related category?” he asked. “Perhaps so.”

One could add that Texas ranks first in the number of people — all poor people — that it executes each year.

Cuomo vs. Giuliani

The issue has also heated up the U.S. Senate race in New York State, where First Lady Hillary Clinton is running against New York City Mayor Rudolph Giuliani (R) for the seat being vacated by Sen. Daniel Patrick Moynihan (D).

Giuliani, acting as a would-be spokesman for the Conservative Revolution faction in the Republican Party, is hoping to set a national precedent in New York City with his police-state measures against the homeless and poor. He has begun arresting those homeless who refuse either to move from city

streets when prodded by the police, or to go to one of the homeless shelters, which are notorious for robberies and assaults.

On any given night, there are about 24,000 people in New York City’s homeless shelters (which are in the shadow of Wall Street). Mayor Giuliani’s new rules, instituted on Dec. 13, have resulted so far in the arrest of more than 225 people who refused to move or go to a shelter when ordered to do so by police. The rules also require that any able-bodied shelter resident who refuses to take a low-wage job provided by the city be evicted from the shelter. But, even working full-time, someone earning the minimum wage cannot afford to rent an efficiency apartment in most U.S. cities, including New York, according to the U.S. Conference of Mayors’ report.

Giuliani also proposed that the children of homeless parents who refuse to work, be taken from their parents and put in foster care, on the purported grounds that the parents are negligent. About 40% of the state’s homeless are children, and their parents account for 30% of the adult homeless. Fortunately, the New York State Supreme Court issued a restraining order on the city on Dec. 8, to stop implementation of this outrageous policy. A hearing on the issue is set for Jan. 14.

Combatting Giuliani directly, and indirectly on behalf of his political ally Hillary Clinton, is HUD Secretary Andrew Cuomo, whose father, Mario Cuomo, was Governor of New York State until 1994. The younger Cuomo had reportedly planned to challenge Giuliani for the Senate 2000 race, but backed out when Hillary Clinton announced her intention to enter the race. The First Lady recently hired the head of Cuomo’s HUD office in New York to run her campaign.

Cuomo took on Giuliani’s homeless policy in two recent venues. The first was on Dec. 8, when he released the landmark HUD study on homelessness. There he was joined by actor William Baldwin, president of the Creative Coalition, who, speaking for himself and Cuomo, told the press, “This report shows homeless people are victims of a downward spiral of personal problems that finally force them onto the streets. But it also shows . . . we can accomplish a lot more by unlocking the potential of homeless people to succeed than we can by locking them in jail cells or ignoring their needs.” Baldwin pointed out that the cost per person for homeless assistance by the supportive Housing Network in New York City is \$12,500, while it costs \$40,000 per year to jail someone.



The U.S. Conference of Mayors presents its report, “Hunger and Homelessness in America’s Cities,” on Dec. 16. From left: Akron Mayor Donal Pulsquellic, Conference Executive Director J. Thomas Cochran, Secretary of Agriculture Dan Glickman, Providence Mayor Vincent Cianci, Burlington Mayor Peter Clavelle, and Deputy Assistant Secretary HUD Fred Karnas.

On Dec. 21, Cuomo acted directly against Giuliani. Seizing control of Federal homeless funds for New York, he announced that he is barring City Hall from administering about \$59 million worth of HUD grants. Cuomo said that he was taking this unprecedented action in direct response to a Federal judge’s recent ruling that Giuliani had improperly blocked HUD grants to groups that criticized his policies.

Study findings

The findings of the December studies by HUD and the U.S. Conference of Mayors, make clear that hunger and homelessness have continued to grow in America in the midst of—and, indeed, partially because of—the vast increase in wealth for the 20% of the population profiting from the speculative bubble. The Mayors’ report found that demand for emergency food-related assistance during 1999 grew at the highest rate since 1992, and that demand for emergency housing-related assistance grew at the highest rate since 1994.

In releasing the report, Burlington, Vermont Mayor and Conference Task Force chair on Hunger and Homelessness Peter Clavelle remarked, “Unfortunately, our nation’s unprecedented prosperity is not reaching a lot of our own citizens. Usually, task forces for the Conference of Mayors are established to respond to immediate problems, and they exist for no more than three or four years. I’m sad to say that our Task Force on Hunger and Homelessness is now 15 years old, making it the oldest task force in the conference by far, and this year’s results show we will be here next year as well.”

During 1999, the Mayors’ report found that requests for

emergency food assistance increased by an average of 18%, with 85% of the 26 major participating cities registering an increase. On average, 21% of the requests for emergency food assistance are estimated to have gone unmet during the last year. More than half of the people (58%) requesting emergency food assistance were members of families.

Both reports found that a high proportion of those seeking shelter and food were employed at least part-time. The Mayors’ report found that 67% of the adults requesting food assistance were employed; the HUD report found that 44% of homeless people worked at least part-time in the last month, and they almost universally reported that their top priority was to get a job—but one that would allow them to meet their fundamental needs.

Post-industrial, bubble economy is the culprit

Both the HUD and the Mayors’ report found the lack of affordable housing, minimum-wage jobs with no benefits, and the rapid rise in the cost of rental property, driven up by

the bubble economy, to be the chief causes of homelessness and its attendant problems.

The Mayors’ study found that low-paying jobs led the list of causes of hunger identified by city officials.

Lack of affordable housing led the list of causes of homelessness identified by the city officials. Other causes cited, in order of frequency, include substance abuse and the lack of needed services, low-paying jobs, domestic violence, mental illness and the lack of needed services, poverty, changes and cuts in public assistance, and the lack of access to affordable health care.

The Mayors’ report found that low-income households spend an average of 49% of their income on housing, and that applicants must wait an average of 19 months for public housing in the survey cities. In Boston, the Mayors’ study found—and this is typical of the “new economy”—that the vacancy rate for housing is 1% and the average two-bedroom apartment rents for \$1,350 per month, way beyond the means of even two minimum-wage employees.

Also typical of the problem is Nashville, where 47% of Second Harvest food bank clients are employed at minimum wage. Second Harvest’s emergency food box program has seen a 25% increase in the first four months of this budget year, attributed in a survey of food box program managers to high utility bills, housing costs, high medical bills (with no insurance), day care costs, no benefits, and loss of jobs.

The effects of the post-industrial economy also showed up in the report as a cause of homelessness. Witness Charleston, South Carolina, one of the survey cities, where “tourism” is

the leading employer. Most of these jobs provide zero benefits, are seasonal in nature, and employ low-skilled workers. As city officials noted, "Often if individuals lose work due to an illness, they are at risk of losing their home as well. Our population is experiencing health problems more than at any other time and they are increasingly unprepared for the job market in terms of skills."

Another major factor in the growth of hunger and homelessness, according to the studies, is the cutbacks in welfare and food stamps, implemented nationwide in the second half of the 1990s by the Conservative Revolutionar-dominated Congress with the help of the Dick Morris/Al Gore cabal in the Clinton administration.

In Phoenix, for example, more than 40,000 people have dropped off the Food Stamp rolls since 1995. Officials of the Association of Arizona Food Banks believe that this is because of changes in eligibility and misunderstandings about eligibility. In Salt Lake City, the limit of three months of Food Stamp eligibility for unemployed able-bodied adults without children has had a significant impact on the caseloads of several of the city's emergency food pantries.

In city after city, the Mayors' report found, food banks have drastically restricted availability of food packages, often to as little as three days per month, in order to deal with the growing crisis.

The solution

HUD Secretary Cuomo is trying to solve the homeless crisis with his Continuum of Care initiative, developed when he was an Assistant Secretary at HUD. This program has helped more than 300,000 homeless people get housing and jobs. HUD is also the beneficiary of \$900 million in grants for the homeless, announced on Christmas Day by President Clinton, to help find housing, medical care, and jobs for the homeless. The grants are aimed at funding more than 2,000 projects in all 50 states.

But this is by no means a solution to this crisis, as well-intentioned as it may be. As the Mayors' report makes clear, the root cause of the growing homeless and hunger problem in America is the post-industrial, bubble economy, which favors speculation over real production, and profits over human beings. Until that is changed, and in the direction of the New Bretton Woods global financial reorganization to restart trade and production spelled out by Lyndon LaRouche's Presidential campaign, homelessness and hunger will continue to grow.

Interview: Mike Morosin

Fighting for the poor, homeless in Nebraska

Mike Morosin is a homeless advocate and member of the Nebraska State Democratic Committee. The interview was conducted by Marianna Wertz on Dec. 23, 1999.

EIR: Can you give our readers a sense of the fight you've been engaged in, in Lincoln, with respect to the privatized ambulance service?

Morosin: In 1993, a task force was formed to look into the issue of the emergency medical service. Then, eventually, it was allowed bidders. The Fire Department was one of the bidders, as was the private ambulance company, which was Eastern Ambulance then, soon to be Rural Metro. So, when the bids were opened, the Fire Department was found to be the lowest bidder, at \$271 per case. Eastern had bid \$470, a big disparity.

The Mayor at that time, now Governor [Mike] Johanns, said that the Fire Department would get the bid and would receive the ambulance service. Well, 48 hours later, a surprise bid appears out of the blue, \$1 under the Fire Department bid. The Mayor does a complete "180," and gives it to Eastern Ambulance. They were allowed to make a second bid, without the other bidder being allowed to bid, which is totally contrary

The Science of Christian Economy

And other prison writings by Lyndon H. LaRouche, Jr.

Includes *In Defense of Common Sense*, *Project A*, and *The Science of Christian Economy*

three ground-breaking essays written by LaRouche after he became a political prisoner of the Bush administration on Jan. 27, 1989.

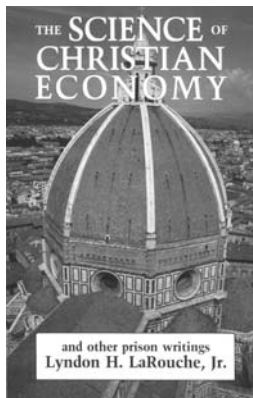
Order from:

Ben Franklin Booksellers, Inc.

P.O. Box 1707 Leesburg, VA 20177

Toll free (800) 453-4108 (703) 777-3661 fax (703) 777-3661

Shipping and handling: Add \$4 for the first book and \$.50 for each additional book in the order. Virginia residents add 4.5% sales tax. We accept MasterCard, Visa, American Express, and Discover.



\$15