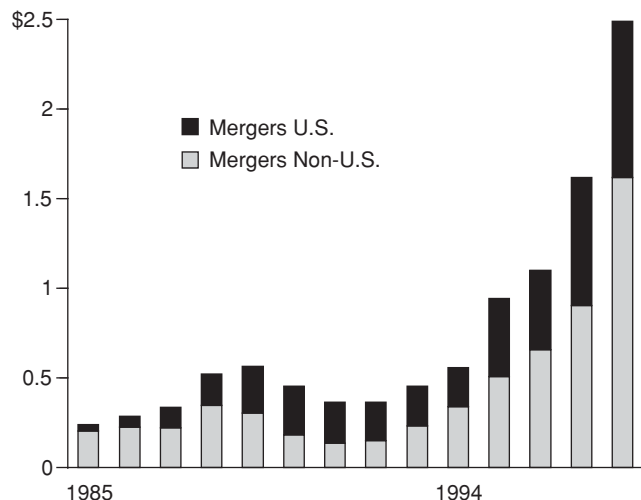


FIGURE 12

Global cartelization

(\$ trillions)



Source: Thompson Financial Securities Data.

grew up with it, institutions of seemingly great power (**Figure 11**). Now that the bubble is dying, those same institutions are now threatened with extinction, and are fighting for their lives. They won't make it. These seemingly all-powerful giants are crumbling before our very eyes.

The more clever among the oligarchs have been preparing for the crash by buying up control over the necessities of life, so that after the crash—after all the paper wealth has evaporated and all the suckers have been ruined—they can control what is left of the world. That is the reason for the bloody wars along the Great Rift mineral belt in Africa, and the reason for the surge in mergers among industrial companies in recent years (**Figure 12**).

There are those among the oligarchy who, after all, understand that those who control the raw materials, the strategic minerals, the precious metals, the energy and water supplies, and the means of production of those items, control the destiny of mankind. After the crash, they plan to use their control over these necessities of life to consolidate their control over humanity.

This is what is behind the escalating pace of mergers in oil, food, telecommunications, pharmaceuticals, chemicals, aluminum, copper, and energy and water utilities.

The old system is gone, finished. The question is: What will replace it? A return to the days of the empire? Or a leap into a new Renaissance? To repeat the errors of the past, is to doom the world to feudalism and a new Dark Age. Better that we learn from the best lessons of history, and build that new Renaissance. Let us choose reality over psychosis.

Marcia Merry Baker

U.S. farms, factories, 1960s and 1990s: a real economy documentary

How real is reality to you? We have prepared a mini-documentary on the United States at two points in time—1960s and 1990s, at two representative locations: a farm county and a factory town.

This is meant as a reality check for us all, given our historic challenge to enable others to truly see reality and act on it. But as we go along, I will repeat some of the voices of *unreality* (shown below, indented in italics). See if they sound familiar.

I. A U.S. farm county, 1960s and 1990s

We begin with a farm county in the 1960s, perhaps in the Midwest, central Florida, or elsewhere. We are not using dollar figures yet for income (**Figure 1**). Can someone farming support a family in the 1960s? Yes. In the 1990s, no—unless he or she and others work *off* the farm at something else, and as of right now, 1999, you maybe can't make it even then.

Take just the price of one farm-produced commodity—durum, which is a very important hard wheat, because it is used for pasta! The price for a bushel of durum wheat in the 1960s was \$3.10. Today, it is \$2.70! Straight, unfiddled-with dollars. In the 1960s, to buy a combine-harvester—nothing fancy, it took 2,000 bushels of durum. Today, a new harvester—not the biggest and fanciest—takes 59,000 bushels. That tells you something.

Here in **Figure 2**, you see that over time, the prices a farmer must pay for farm inputs—tractors, fertilizers, buckets, pumps, seeds, breeding stock, veterinary medicines, and so on—goes up way higher than the prices the farmer receives

FIGURE 1
Farming in America

	1960s	1990s
Support a family?	Yes	No
Prce received—durum wheat, bu	\$3.10	\$2.70
Price paid—combine harvester	2,000 bu	59,260 bu

FIGURE 2

Prices farmers pay exceed prices farmers receive

(index 100=1910-14)

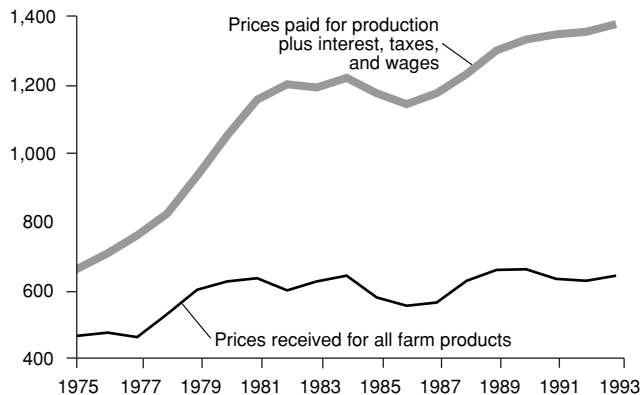
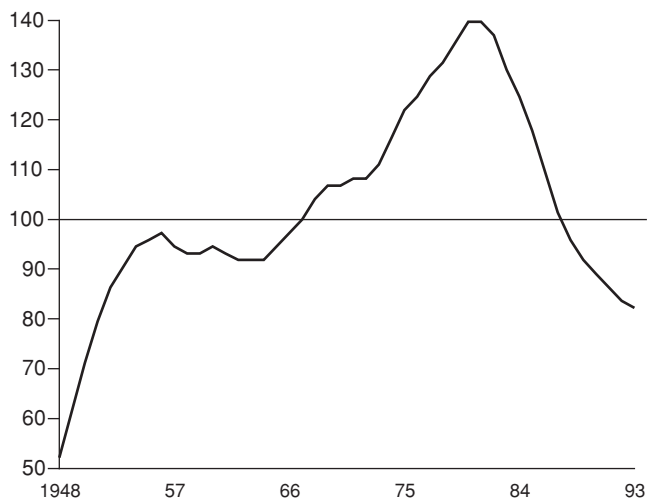


FIGURE 4

Index of farm inputs: durable equipment

(1967=100)



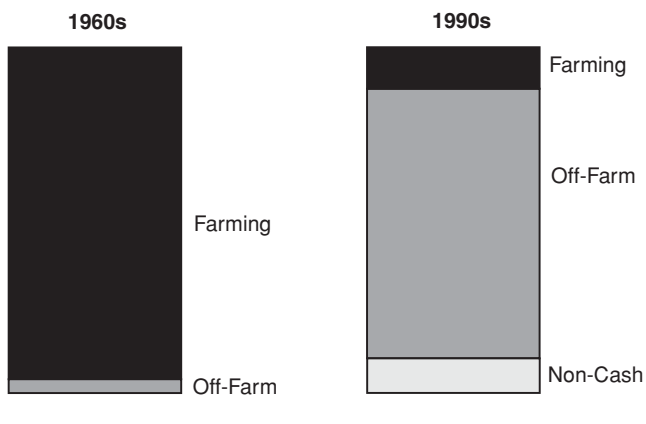
for what he produces. So he must fill the gap by other means or get out. What do you hear?

These farmers bring it on themselves. That's what technology does. Makes them too productive. That's the problem.

In the 1960s, the farmer's income came almost entirely from farming and covered his bills. (Figure 3). Very little was from off-farm sources. In the 1990s, the reverse is true.

FIGURE 3

Average farmer income



Most of the farmer's income comes from *off-farm* work—town jobs, school bus driving, etc. And his wife, kids, relatives, dog and cat work off-farm too.

In addition, look at the “non-cash” segment on the bottom, in the 1990s. That's a Federal accounting trick, to inflate the official statistics of farm income, by counting as so-called “imputed” income your living in a dwelling on the farm, that you could otherwise rent. Or the imputed value of food grown on the farm, that you would otherwise buy! A comment from Senator Lugar recently:

If all these farmers can get by this way, why shouldn't they keep doing it? Why should we help them with Federal farm relief? Why subsidize a bunch of part-time farmers anyway?

How do farmers get by? They don't. They are now leaving in mass numbers. A year from now, anywhere from 30% to half, will be gone in parts of the Midwest. Many farms are operating on credit card debt. How long will that last?

In recent decades, farmers have cut back on inputs of all kinds, as this index shows (Figure 4). The average age of the U.S. tractor fleet has gone up. But it's not just scrimping on equipment. Soil improvements—the resource base of the nation—are not maintained and the soil is not developed the way it should be. The two photos (Figure 5) contrast the terracing, and tiling, and drainage improvements of the 1960s, with a photo of Conservation Reserve Program land of today. About 35 million acres is locked up in CRP.

What could and should be going on is, precision farming with GPS—Geo-Positioning Satellites. You could fine-tune inputs to each square foot of your land—fertilizer, drainage, pest controls.

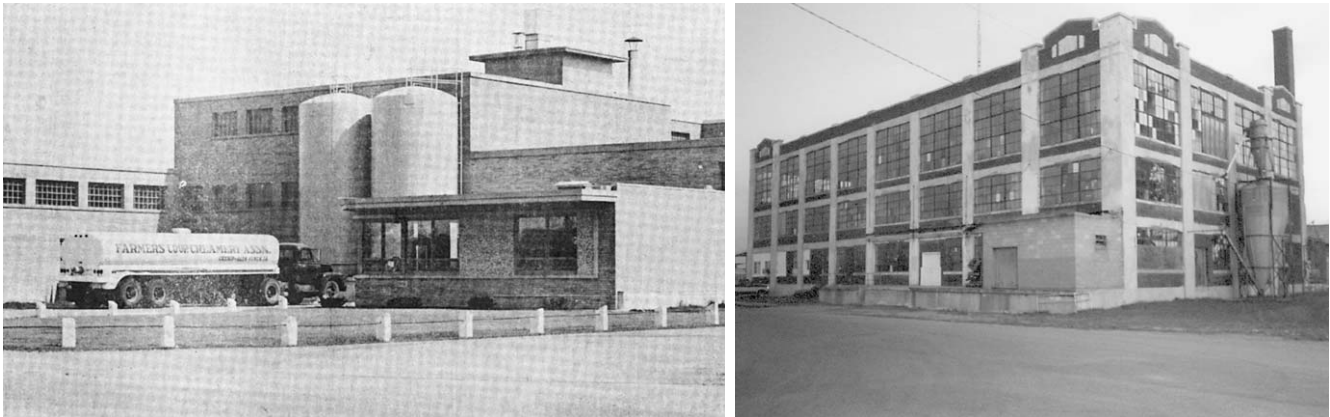
So given the contraction of agriculture inputs and activity, and farmers leaving and so on, what does the overall land-

FIGURE 5



The photo of the contour strip fields (left) was taken in Pipestone County, Minnesota, in October 1960, showing erosion management. All during the 1960s, drainage control through tiling, terracing, pond-building, and other means created vastly improved fields and yields across the farmbelt. The photo on the right illustrates a field under the Conservation Reserve Program, which now has 35 million acres. Additionally, there are proscriptions against improvements in millions more acres of “wetlands” and other designated untouchable areas.

FIGURE 6



The Farmers Cooperative Creamery plant in Cresco, Howard County, Iowa, shown here (left) in 1966, was typical of the local businesses and processing facilities operating still in typical rural areas at that time. The plant made home deliveries of dairy products. In contrast, the 1996 photo (right) of the shut-down former Armour meat-processing plant in Huron, Beadle County, South Dakota, is from 1996, and typifies the wave of shutdowns characterizing the 1990s.

scape look like? Farm-related businesses are shutting. Farm counties are depopulating. The towns are becoming ghost towns.

Two scenes give the contrast between the 1960s and 1990s (**Figure 6**). You see the creamery business in Cresco, county seat of Howard County, Iowa in the 1960s. Then you see the shut-down processing plant in Huron, Beadle County, South Dakota in 1996.

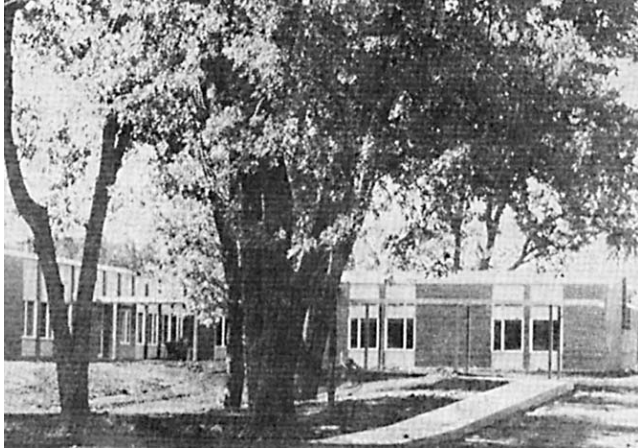
And by the way, this shutdown process also eliminated the local supply of fresh food—creameries, butchers, bakeries,

truck gardening, everything, eliminating the regional varieties of sausages, cheeses, butter milk. It’s all gone. In Iowa, 80% of food comes from out of state, and abroad, from a few “free trade” centers.

You can’t stop progress.

Not just goods, but vital service infrastructure is disappearing from the map. Here is a hospital opening in 1961 in Cresco, Howard County, Iowa (**Figure 7**). Part of the wave

FIGURE 7



The new St. Joseph's Mercy Hospital, in Cresco, Howard County, Iowa, was dedicated on Oct. 1, 1961. Such new facilities were part of the continuing impact of the construction program launched by the 1946 Hill-Burton Act, mandating ratios of five or more beds per thousand persons.

FIGURE 8

Hospital bed availability

(beds per 1,000 people)

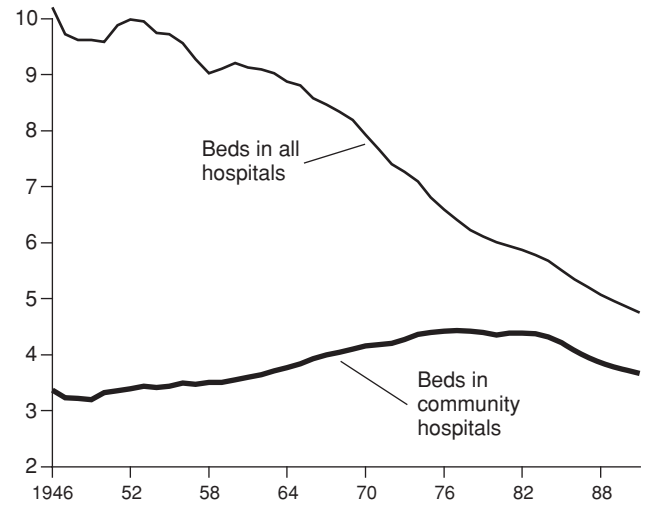


FIGURE 9



Above: An historical atlas printed in 1875, featured this artist's drawing of Cresco, Iowa, with the busy railroad running through the center of town, with schools, factories, churches, commerce, etc. Below: The Cresco train station is shown in 1955, before it was sold and removed. Between the 1960s and 1990s, all the rail tracks in the county were closed.

of the 1946 Hill-Burton hospital building program, which made beds available in rural areas on a set number per thousand people. But today, the number of beds per 1,000 people is dropping (Figure 8), and there are more and more cases where the drive to reach a hospital is too far to get there in time. Illinois lost 35 hospitals in the last 10 years. Minnesota lost 25. Missouri lost 20. What do you hear?

*Medical care was getting too expensive.
Doctors and nurses expect too much.
We must cut costs. Have "managed" care.*

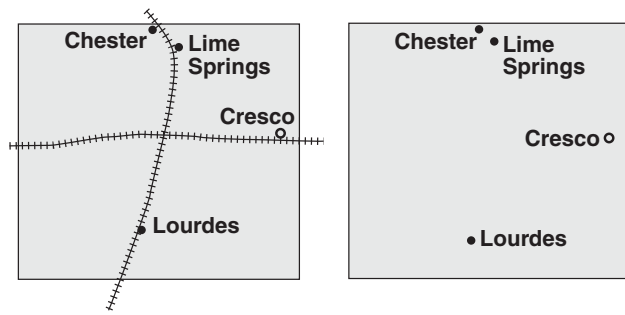
Not just hospitals, but churches and schools are cutting back, as the population in farm areas declines.

Reflect a minute on how towns in the farm belt got where they are in the first place. The set of photos from Cresco, Howard County, Iowa, makes the point (Figure 9). The railroad came through, and towns and development corridors came into being. Look at the map of Howard County in the 1960s (Figure 10), showing the towns which were established directly along rail lines. And then the 1990s. The rail has been removed. Thirty percent of all the rail in the whole state of Iowa was removed in the 1980s.

Here's the national graph, showing the

FIGURE 10

Railroads in Howard County, Iowa



drop in rail mileage per household in the nation (**Figure 11**). The high point was the 1920s; it declined from there on. Grain, people, and commerce is moving by truck, a far more costly, inefficient way to haul anything. But what do you hear?

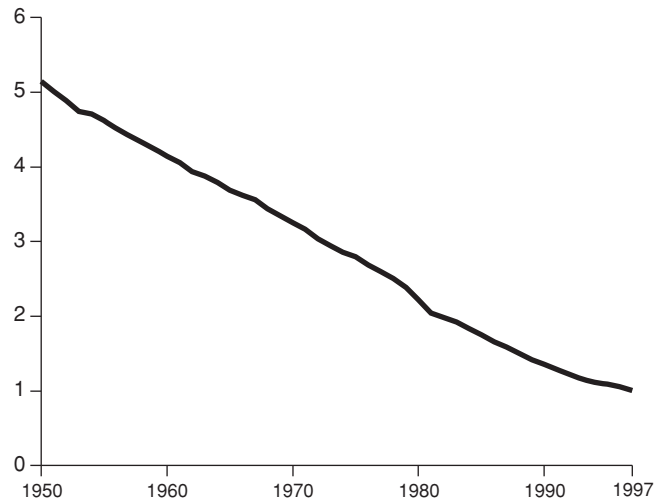
We can't have big government involved in infrastructure.

The rate of shutdown and depopulation is great. Look at the the process in terms of the most precious national resource we have—the individual person (**Figure 12**). The photos show a farm youth in the 1960s, and aging farmers today. A young lad in the 1960s could expect to farm, maybe to attend college. The favored degrees were still soil science, agronomy, plant pathology, animal husbandry, dairy science, maybe ag business. He might be in the Future Farmers of America club. In the 1960s, under the Veterans Administration bill, the G.I. bill, about 500,000 people went to college as of 1970, up from 30,000 in 1964.

FIGURE 11

Railroad mileage

(miles per 1,000 households)



Sources: Association of American Railroads; U.S. Department of Commerce, Bureau of the Census, *Population Surveys*, various years.

Today, the average age of farmers is up from 50 to over 60. The Future Farmers of America officially changed its name to FFA—they don't use the word farmer in their name anymore. The favored subjects in farm state colleges are journalism, computer science, accounting, broadcasting media. But what do you hear?

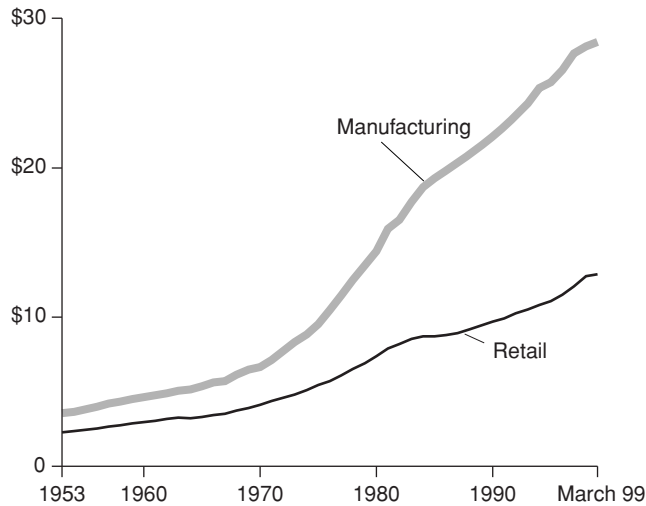
Farming is just a lifestyle. What does it matter? Food will come from somewhere. Leave it to the markets.

FIGURE 12



FIGURE 13

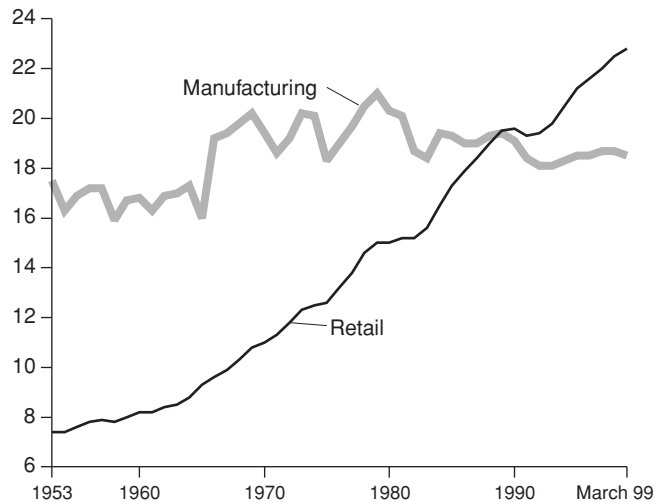
Annual wages: manufacturing vs. retail
(thousands \$)



Sources: Bureau of Labor Statistics, U.S. Department of Labor, *Employment and Earnings*, various years; *Handbook of Labor Statistics*.

FIGURE 14

Retail employment vs. manufacturing employment
(millions of jobs)



Sources: Bureau of Labor Statistics, U.S. Department of Labor, *Employment and Earnings*, various years; *Handbook of Labor Statistics*.

II. A U.S. factory town, 1960s and 1990s

Now we turn to a factory town. To start with, in the 1960s, when factories were still in operation, you could work a job (textiles, steel mill, shipyards, assembly plant, etc.) and raise a family. Not so today. You either don't have a factory job, or it isn't enough. Therefore, in industrial—or formerly industrial belts, it is still true that households need two and more jobs to support a family.

Annual wage levels may have gone up in dollar terms, as shown in **Figure 13**, compared to the paycheck of someone working in retail, for example, but manufacturing jobs became scarce. Close to 400,000 have been lost in the U.S.A. just in the last 18 months. **Figure 14** shows how the number of manufacturing jobs remained the same in absolute numbers for 45 years, while other kinds of jobs, went up.

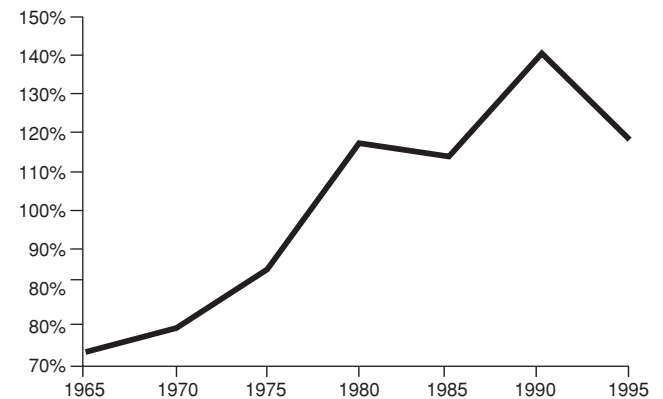
Figure 15 summarizes the situation for the average wage earner, where just a few basic costs (home, car, food and health insurance) came to take *more than an average paycheck*. This reflects the fact that today, households can't survive with only one paycheck, and even with three or more jobs by family members, the debt burden is soaring (**Figure 16**).

The number of their weekly paychecks required to buy a new car was fewer than 35 in the 1960s, including financing. But today it's up close to 60. Plus, the car itself has shrunken. Then there's the length of car loans, which means more financing charges paid. Twelve months used to be common; then 24 months, then 36, 40, and now over 60!

The same pattern applies to buying a home. You could

FIGURE 15

Combined home, car, food, and health insurance premium payments
(% of average pay check)

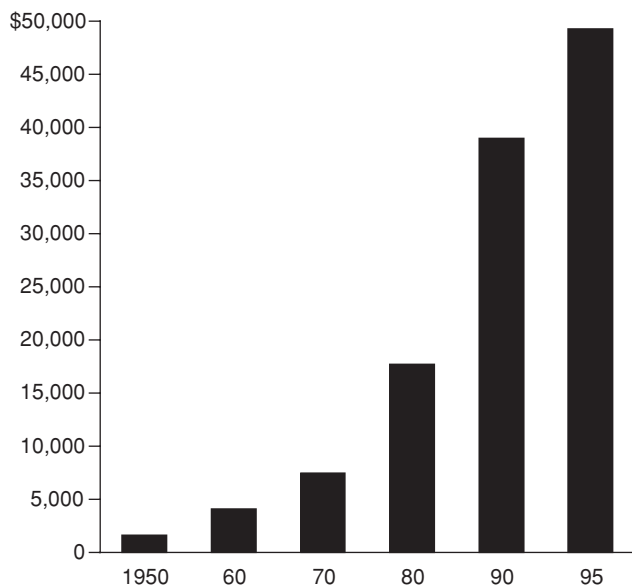


say, cars and houses are being sold, not for use, but for the excuse of collecting interest and finance charges. But what do you hear?

Someone is making it rich. The farmers are getting government hand-outs. The unions are raking it in. . . .

FIGURE 16

Household debt per household soars



In fact, **Figure 17** shows how the farmers' share of the consumer dollar has *dropped* from an average of about 30 to 40% or more in the 1960s—when your food cost you less, down to under 20%. At this same time in the 1960s, the factories were still producing, and they were mostly unionized. But both farmer and labor were making a living. Look at one example.

You know the name Heinz? H.J. Heinz, the ketchup and pickle maker, was in Pittsburgh in the 1960s. The factory was unionized—steamfitters, Teamsters and others. Farm produce came from nearby regions, and other U.S. locations, for processing. Then, as of the 1980s, Heinz ketchup moved to Tijuana, Mexico under NAFTA. Both U.S. farmers and labor were put out of work.

Millions of farmers and city jobs alike are gone. Where's the food and goods coming from if they aren't producing it? For all but grain, the U.S. is *dependent* on international sources. Cheap. Not just food, everything. What do you hear?

Who needs farmers and workers? I can get what I need at Wal Mart, or Price Club. . . .

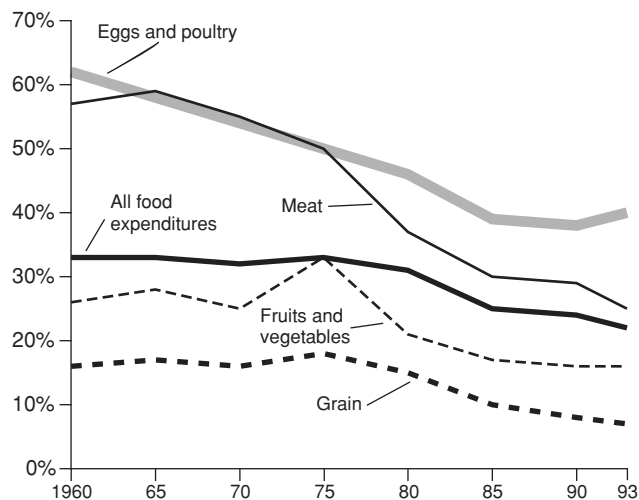
Compared to the 1960s, far less of the U.S. market basket is "Made in the U.S.A." for consumer, producer or infrastructure inputs and outputs. Look how little is produced here that is consumed here, in the current "consumer boom":

Clothing	30%
Shoes	10%
Cars	50%

FIGURE 17

Farmer's share of consumer dollar drops

(percent of food dollar)



Bulldozers	30%
Steel	35%
Fresh fruits and vegetables	50%
Seafood	40%

What do you hear?

You can't change it. Globalization is here to stay. Just make sure it's a level playing field. Make sure the Europeans aren't cheating us. Make sure the Asians open their markets. . . .

Look what this means about the landscape and infrastructure and inputs into production potential here in the U.S.? It is winding down into breakdown. **Figure 18** shows the declining amounts of water going for industrial use, taken on a per-person basis. In 1950, some 240 gallons per day, in use to make hospital beds, to make tractors, to make ketchup, you name it. Today, only 120 gallons. **Figure 19** shows the annual decline in net power generating capacity per capita.

Housing starts are way down (**Figure 20**). In the 1960s, there was a perspective that public policy must guarantee that housing be built at a rate to have enough around as the population needs grew. What do you hear today?

There are too many people. Let the market decide who gets what.

So, from industry, to power, water, consumption of the basic market basket, the economic potential productivity has declined, and the landscape reflects this. Look at the transportation infrastructure patterns.

FIGURE 18

Per-capita water withdrawals for industrial use

(gallons per day)

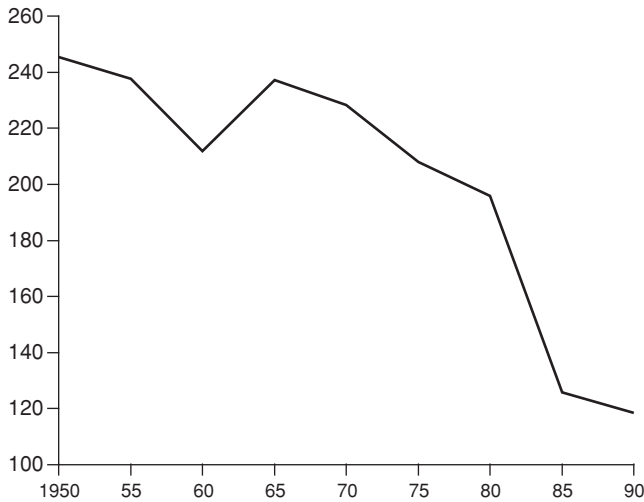


FIGURE 19

Annual change in per-capita electric generating capacity

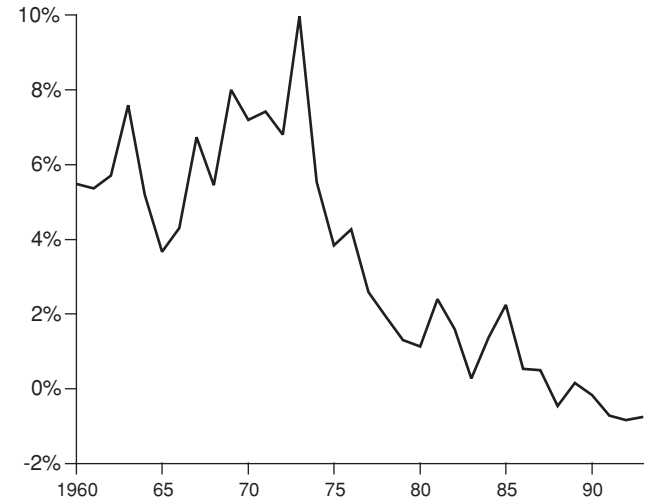


FIGURE 20

Housing starts per household, 1963-95

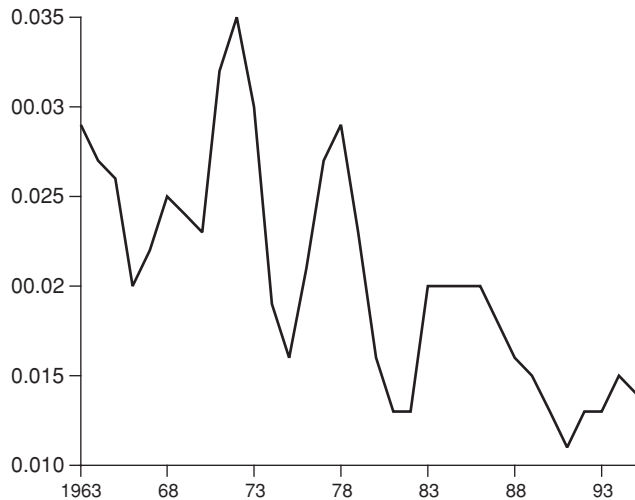


FIGURE 21

Public transit, McKeesport, Pennsylvania

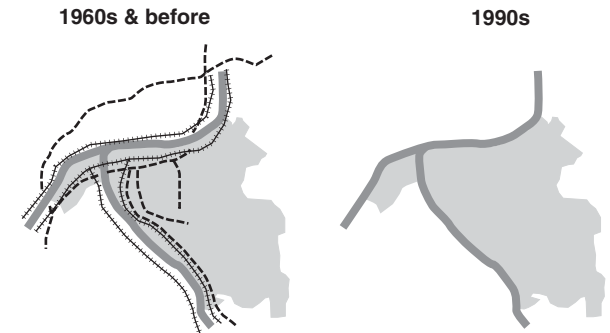


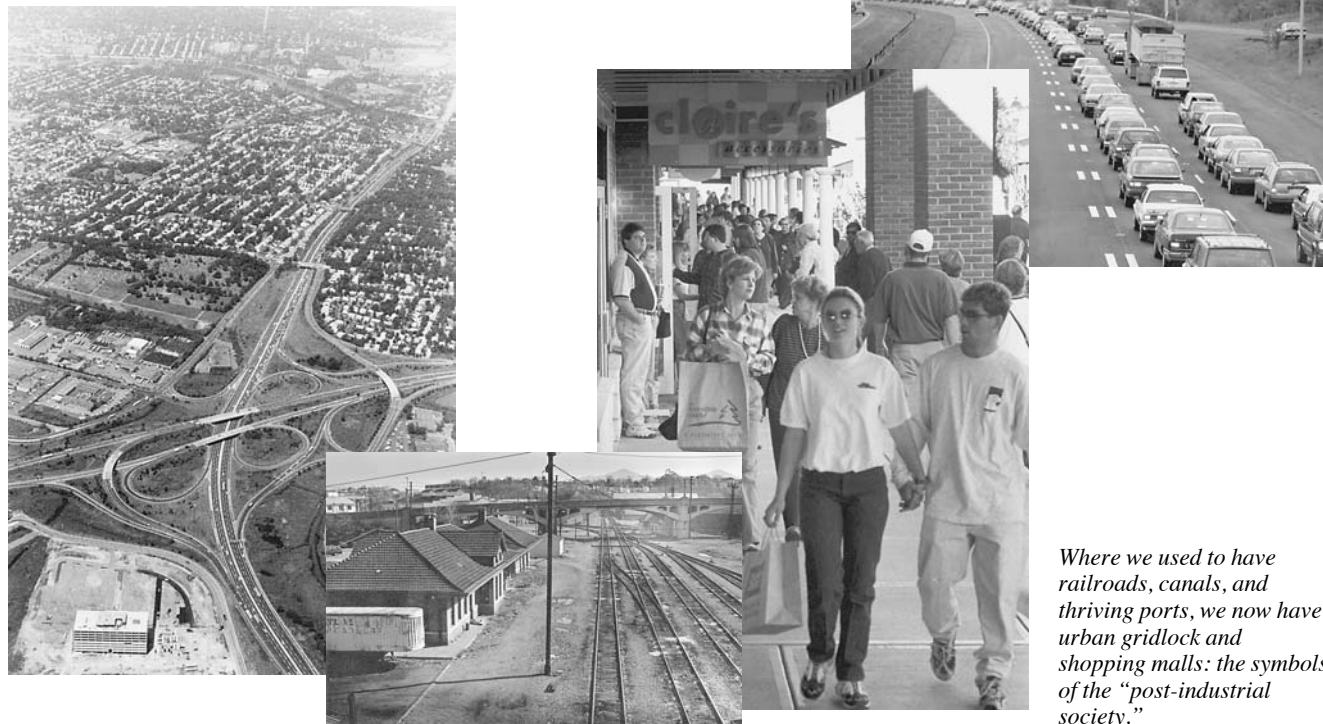
Figure 21 shows two maps of the public transit for McKeesport, Pennsylvania in the 1960s (and before) and today. This is one of the many mill towns (Homestead, Duquesne, Clairton, etc.) in the Greater Pittsburgh area in Allegheny County. In the 1960s, and before, you see railroads and streetcar lines. Several routes follow the two Youghiogheny and Monongahela Rivers, which come together. But in the 1990s, the rail and streetcars are gone. True, there are freight lines still, but no passenger lines. All gone. On Sept. 4, as a matter

of fact, the final trolley line in Allegheny County was ended in South Hills.

By the way, just to place this matter in context of the history of our century. Know where the name Brooklyn “Dodgers” came from? Brooklyn was the locale for experimental electrified streetcars, so many, that people were always dodging them. The baseball team was first called the “Trolley Dodgers,” then just Dodgers. During FDR’s time, beginning in the 1930s, a nationally used trolley design (called the “PCC” for Presidential Conference Commission) put thousands of streetcars onto urban routes, moving millions of people. Today, there are a few left in San Francisco, Newark, and Boston.

Here’s what you see instead (**Figure 22**)—roadways ev-

FIGURE 22



Where we used to have railroads, canals, and thriving ports, we now have urban gridlock and shopping malls: the symbols of the “post-industrial society.”

erywhere. Next to no mass transit. This got its start from the 1956 National Defense Highway Act, which commissioned 41,000 miles of interstate. But also, there was a major buildup of urban area roads. **Figure 23** gives the figures. In the 1960s there were already some 506,000 miles of roadway in and around towns. By the 1990s—834,000 miles. That’s a lot of asphalt.

But that’s not all. There is a bigger deal—a scam—involved a real estate swindle and a half. *Shopping centers*. During World War II, you had about 12 in the United States. By the 1960s, you had about 10,000. And today, you probably have over 45,000. Shop till you drop. And the point about this is: Good bye cities.

You can call it organized crime, or disorganized crime, but there was a deliberate intervention to have strip malls (giving windfall gains as they proceeded through multiple owners,) mega-malls, and all kinds of variations.

You know what a mall or shopping center is. It is a unit area in which you have three or more stores—that’s how the census defines it, but the property as a whole is owned by one owner, so that in fact, what is involved is *ground rent*. We fought a revolution against ground rent. But now it was reintroduced in the 1960s, 70s, 80s, and 90s, and more than that, any shop in a shopping center pays “overage,” a percent of profit, to the owner.

So we have reached the stage of the mega-mall—Mall of the Americas, in Minnesota, owned by the same people, the Ghermizian Brothers, who own the world’s biggest mall, in

Edmonton, Canada. What do you hear about this?

You know, you can have sensitivity to the environment in malls. You can go to the Rain Forest Cafe in the Mall of the Americas. And they make mist for you. You can see how it feels. . . .

Meantime, just compare the relative surface area taken up by highways, with that concentrated, integrated, electrified transit, especially maglev, and you see who’s doing what to the environment. We are moving *up* on the scale of insanity, from the 1960s to the 1990s.

What do the developers and financial interests—and we won’t spend time going into it here, this is just a reality check, not an exposé; but, the names associated with the development of the malls include some experts up at MIT, at what they call the Media Lab. And what do they say?

FIGURE 23
Roads and malls

	1960s	1990s
Urban hi-way mileage	506,000	834,000
Shopping centers	10,000	43,500
Million square feet	—	5,229

Well, one thing is, artificial is more secure. People like the magic. They feel safe. They can't take reality anymore. Reality is threatening to the American public. They need to have a secure place to go to spend their money. Give them fake storefronts. Fake downtowns. And give them some glitz. They like that, because they are addicted to TV and movies.

So, as the photos show, you are spending your time on the road, with the congestion, trying to get somewhere, to make money, to get somewhere, to spend money, to get somewhere, to keep the cycle going. Look at the congestion. In the 1960s, the work commute—the “journey to work” as the census calls it, might take you per week, just a couple of hours, because you might take the street car. You didn't need two cars per family; you probably didn't need even one. Today, it takes seven hours a week to commute, if you are lucky. And it might take many more hours than that.

Then there's household needs. In the 1960s—and Generation X, Y, and Z will find this “awesome,” you didn't need hours in the car to get food and necessities. An average household—not wealthy—could depend on the bread man, the milk man, the dry cleaner, the grocery man, *coming to the house*. Even coming to the farm. Today, you spend at least three to five more hours driving around to get these things. Of course,

FIGURE 24

Electronic communications and usage

I. Communications	1960s	1990s
TVs in homes	1	2.3
Cable TV in homes	5%	65%
Internet in schools	0	90%

II. Electronic media usage: 7.8 hrs a day, per person, 1999	
Broadcast TV	4.2 hours
Radio	3 hours
Other (home video, video games, recorded music, on-line Internet)	0.6 hours

Source: U.S. Statistical Abstract, 1998.

what do you hear people say?

Well, I don't drive around. I use the Internet. I do all my banking that way. I take care of everything that way.

Well let's look at communications. **Figure 24** shows that in the 1960s, there was one TV per home, on average, and as of 1970, 40% were color. Today, there are 2.3 televisions per home. In the 1960s, cable TV wasn't big. Today 65 to 70% of homes are hooked into 100 stations! Think of it.

In the 1960s, of course you didn't have Internet at all. Today, 90% of the schools are connected and of course, a big percent, over 60 million Americans can be reached this way. For the good, and for otherwise.

Media usage? Figures for today, compiled by those watching advertising, marketing, and so forth, show an average person spends 7.8 hours a day on various kinds of electronic media. This is a representative person, not technically an addict. The person doesn't have to be treated yet!

Broadcast TV—over four hours a day. Okay, an hour while you are dressing. Then two or three hours at night. Radio—three hours. Well, you're in the car at least an hour, driving to work or somewhere. It's easy to get three hours of radio in. Plus you play it while you work. Say, you're a painter. You play it all day. Other such entertainment—more than a half hour: home video, video games, recorded music, the Internet. It's very conservative. We're up to over 7 hours a day, and we're up to 12 hours of commuting during the week, so you look at the insane situation of the average citizen.

This brings us to the real issue, the mind. Think of the *content* of all this media time.

There was a very evil man a few decades ago, named Mr. Adorno, who worked on the Radio Project, and other projects, who said: If you can control what people do in their leisure time, you've got them. You can control what they think, or whether they think at all.

Now think of the content of some of the video games—the “point and shoot.” The violence, the disassociation.

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Add to that picture, what we have *not* shown here — I don't think we need to prove it here, but we need to be mindful, that we haven't depicted the fact that there are cast-asides in this picture. Poverty has *increased*. We've presented the situation for average, "successful" people, who are trying to farm, and work, and raise families, and they are failing. At the same time, you have an increase in the prison population, an increase in poverty. This is the situation.

So we leave this documentary with these thoughts. We have portrayed the 1960s, not as a golden age, or a Garden of Eden, but as a time and place when things still worked. There was a big fight then, but still some reality.

Look at the reality push from something, for example, like the 1958 National Defense Education Act. Sputnik had gone up, and people said, the Russians are going into space, let's get going here. This mandated studying Russian and other languages, science in many areas — physics, geology, climatology. You could get a college loan for a thousand dollars a year, payable later. There was a Teacher Corps set up under President John F. Kennedy's Higher Education Facilities Act. before he was assassinated. It built infrastructure in the schools.

And of course, you remember at the time, it was 1961, when President Kennedy said, "I believe this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the Moon, and returning him safely to Earth." And that wave continued for a time. Until we saw it disappear. It was in 1963 that Dr. Martin Luther King spoke the "I Have a Dream" speech. These people were assassinated. There was opposition.

We have reached the stage today, where we now have a *pretense* of an economy, but it's called a "boom"! To underscore the insanity of this, think of just some obvious consequences of not building infrastructure, and allowing people to suffer and die around the world. The consequences of *not* making steel, not furthering agriculture, and most of all, *not* developing minds. Right now, one-third of the world's population is infected with tuberculosis. It's terrible in Africa; it's 40% of the population in Asia. It's coming back in the United States.

Over this weekend, while we have been meeting here, you may have seen in the headlines, in New York City, where they quit public health spraying for mosquitoes ten years ago, they now have an outbreak of St. Louis encephalitis. People are dying.

So we have been looking at the past, not because of nostalgia. But we have prepared this, just to provoke ourselves to think how we can make reality real to people, so they can act on it in a sane way. So people will move to come together and think, what can we do? Which is what's happened at times of crisis in the past, and what has got us here today. It's *not* nostalgia. It is our legacy, and our heritage. And with this, and our commitment, I think we can make a future, despite the crisis.

**Former Mexican President
José López Portillo:**

**'And it is now necessary
for the world to listen to
the wise words of
Lyndon LaRouche.'**



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EIR's hour-long video features speeches by Lyndon LaRouche and Helga Zepp-LaRouche, and by former Mexican President José López Portillo. Here, Mr. López Portillo is shown with Mrs. LaRouche (right) and Mexican political leader Marivilia Carrasco.

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