

Dow 14,000!

The ability of the Dow Jones Industrial Average to soar to record heights while the economy collapses, is impressive indeed.

You've got to admire the Dow Jones Industrial Average (DJIA), which, despite the accelerating collapse of the American economy, managed to break the 14,000 point mark, the third week of July, less than three months after it broke 13,000. This is especially impressive, given that, under our globalized, post-industrial economy, U.S. manufacturing employment per capita has fallen back to the levels of the 1860s, our domestic auto industry is being eaten by the hedge fund maggots, and we are increasingly dependent upon imports of goods we used to, but can no longer make. Under such circumstances one might expect that any kind of "industrial average" would fall faster than a skydiver without a parachute, but not our Dow. No, sirree! It just keeps rising, with what one might call a positively Bushian disregard for reality.

However, the Dow, like Mr. Bush, looks best through the rose-colored glasses of virtual reality, in that space where one clings to what one wants to believe, and tunes out the mountain of evidence to the contrary. Without the glasses, things look pretty grim.

Oldsmobile, before its demise, had a slogan asserting that its new cars weren't "your father's Oldsmobile." Well, this isn't your father's Dow, either. When the Dow Jones Industrial Average was started back in the late 1880s, it consisted mostly of railroad stocks, and by the turn of the century, was composed of basic manufacturing stocks, of steel, copper, smelting and refining, and similar companies. The

DJIA became a 30-stock index in 1928, and included such companies as American Smelting, Bethlehem Steel, Chrysler, General Electric, General Motors, International Harvester, Mack Truck, Standard Oil, the Texas Company, U.S. Steel, and Wright Aeronautical.

Over the years, first due to mainly to mergers and technological changes, and later, to the deindustrialization and cartelization of the economy, the composition of the Dow Industrials was repeatedly adjusted. IBM became the first computer company on the list in 1979; American Express became the first financial services company in the Dow in 1982; and McDonald's joined in 1985. The de-industrialization of the Dow continued with the appearance of J.P. Morgan and Walt Disney in 1991, and Travelers Group, Hewlett-Packard, Johnson & Johnson, and Wal-Mart in 1997. By that time the Dow was clearly no longer an industrial average.

Since then, the situation has gotten even worse, and the 30 stocks of the so-called Dow Jones Industrial Average include two of the world's biggest and most bankrupt banks, Citigroup and J.P. Morgan Chase; credit-card giant American Express; insurer AIG; soft-drink maker Coca-Cola; consumer products companies Procter & Gamble and Johnson & Johnson; computer companies Microsoft, IBM, Intel, and HP; telephone companies AT&T and Verizon; pharmaceutical giants Merck and Pfizer; movie and television company Walt Disney; and retail chain Home Depot; and, perhaps most embarrassing of all, McDonald's and Wal-Mart. There are some indus-

trial companies on the list, such as GE, GM, DuPont, Caterpillar, Boeing, and 3M, but even these companies make much of their money from financial services.

Reading the list of Dow "Industrials" over the years, looking at which companies were added and which were dropped, is not a bad way to spend some time, as it provides the opportunity to reflect on the shift in the American economy from the "smokestack" era of basic heavy industry, on through the technological advances to the cusp of the nuclear era, and then back down into the world of consumerism and services—the rise, the squandered potential, and then, the fall of the greatest industrial economy in world history.

The Dow Jones Industrial Average is a joke, being propped up for propaganda purposes by institutional funds, hedge funds, and the Plunge Protection Team. Thanks to the derivatives market, you don't even have to buy stocks to bet on them. It's not investing, it's gambling.

Even more important, the idea that one can measure the health of economy by the stock prices of corporations is a fraud. An economy is physical in nature, and measured in the production and distribution of goods and essential services such as health care and education, and ultimately in the ability of a society to improve the standard of living for all its citizens from generation to generation. By that standard, we are failing miserably. That's an economic indicator that actually means something.

The constant focus on the Dow is designed to brainwash the population into believing that their welfare depends upon making corporations more profitable, so that the population will accept job and pay cuts, deregulation, tax breaks for "business" and such, and thereby docilely participate in their own destruction.