

Thousands of jobs needed in U.S. heavy manufacturing

by Anthony K. Wikrent

U.S. Democratic presidential contender Lyndon LaRouche, in a March 8 national television broadcast, outlined a 10-point plan to create 6 million new jobs, based on initiating overdue essential infrastructure projects, and reviving heavy industry and high technology feeder industries. Three million jobs would come directly from the start-up infrastructure projects in the public sector, and another 3 million would come about as a result in the private sector. This program could get under way in the first year of a LaRouche administration, he said.

How can it be done? Since the U.S. government has had no real job creation program for the past 20 years or more, and has been lying about the level of unemployment and the decline in real wages, many Americans don't believe that so many jobs can be created so quickly.

We present here a graphic portrayal of employment trends in three U.S. capital goods-producing industries, to demonstrate how LaRouche's program can indeed create these millions of jobs.

The three industries shown here are turbines and turbine generator sets (Standard Industrial Classification 3511), which build the steam, gas, or water turbines and associated equipment used to produce electric power; construction machinery (SIC 3531), which produces the bulldozers, tractors, scrapers, graders, excavators, cranes, and other equipment used not only in construction, but also in mining and other materials handling activities; and railroad equipment (SIC 374), which produces the locomotives, freight cars, passenger rail cars, and other rolling stock for use on railways.

The Eisenhower recession

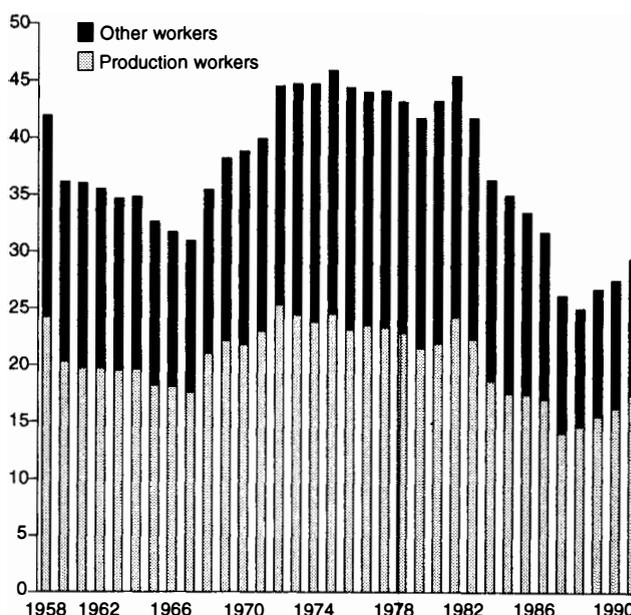
All three figures indicate the impact of the Eisenhower recession of the late 1950s, with declining employment levels. Then comes the dramatic reversal under the Kennedy administration. LaRouche's policies go basically in the same direction as Kennedy's: investment tax credits to rapidly accelerate the procurement and application of new capital goods equipment; a massive program of building the nation's infrastructure; encouraging the export of U.S. capital goods to help the development of the developing sector; and a crash space program.

Kennedy pressed ahead with the Apollo program to reach the Moon. LaRouche has outlined the Moon-Mars program,

to take up where Kennedy left off. The space mission serves as a *science driver*, demanding the invention, application, and assimilation of new technologies.

Note how in all three industries, the effects of the Kennedy-period policies are clearly seen in the steep increase in employment. The increase in job numbers in the railroad equipment manufacturing industry is particularly striking, with total employment jumping from 34,700 in 1961 to 61,100 in 1966, an increase of 76.1% in just five years. In the same time period, employment in the construction equipment industry increased 35.6%, from 96,300 to 130,600. In the railroad equipment manufacturing sector, employment increased 76.1%.

FIGURE 1
Employment in manufacture of turbines and turbine generator sets
(thousands of employees)



Sources: U.S. Dept. of Labor, Bureau of Labor Statistics, *Employment, Hours, and Earnings, United States, 1909-84*, and *Supplement to Employment and Earnings*, August 1989. Figures for 1989, 1990, and 1991 are for December of each year, from *Employment and Earnings*, February 1991 and February 1992.

The 1980s downturn

Following the Kennedy boom, the drop in employment levels in all three industries reflects the wrong-headed economic policies adopted by the Lyndon Johnson administration, known as the "Great Society." At this time deindustrialization began in earnest, as post-industrial policies emphasized jobs in the service sector, consumerism, and environmentalism. The goal was population control, not satisfying the needs of a growing population.

In the cases of turbines and construction equipment, employment fell to almost half what it was at the height of the Kennedy boom. Employment in the manufacturing of railroad equipment spiked upward in the late 1970s because of a frenzied speculative boom in building and leasing rail equipment, touched off by the Staggers Act deregulation of U.S. freight railroads in 1979. After reality asserted itself, and deregulation helped push the United States into a depression, employment levels collapsed to less than half of what they had been.

These three industries represent some of the final capital goods-producing industries that would supply the equipment for a real recovery program, not only to rebuild America's crumbling infrastructure, but to gear up for new, advanced systems, like magnetically levitated trains. The need for new

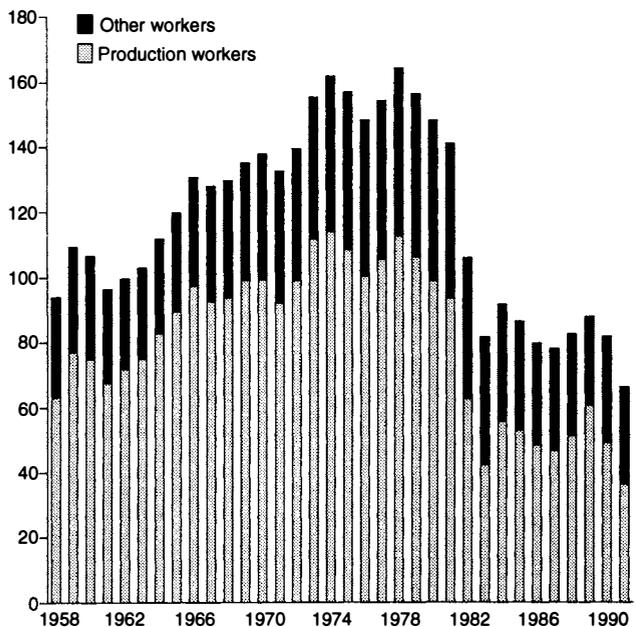
water supplies in many parts of the nation is critical. This requires nuclear-powered desalination plants at strategic points along the Pacific, Gulf, and Atlantic coastlines, and the initiation of the 25-years-overdue North American Water and Power Alliance (Nawapa)—the geographic engineering project that could divert water from the Arctic, southward along a natural trench in the Rockies, and then to central Canada, the High Plains, the dry Southwest, and elsewhere.

Many other industries will be carried along by this infrastructure approach, such as steel, foundries, other metals, fabricated metal products, metal forgings and stampings, metalworking machinery, pumps and pumping equipment, ball and roller bearings, air and gas compressors, blowers and fans, power transmission equipment, refrigeration and heating equipment, motors and generators, relays and industrial controls, and measuring and controlling devices.

The general impact of the LaRouche program on employment in all these industries can be expected to be much greater than the impact of the Kennedy program, simply because so much more now needs to be done. The major impediments would be the decrepitude of the U.S. industrial base, and the impoverishment and declining skill levels of the population.

FIGURE 2
Employment in manufacture of construction machinery

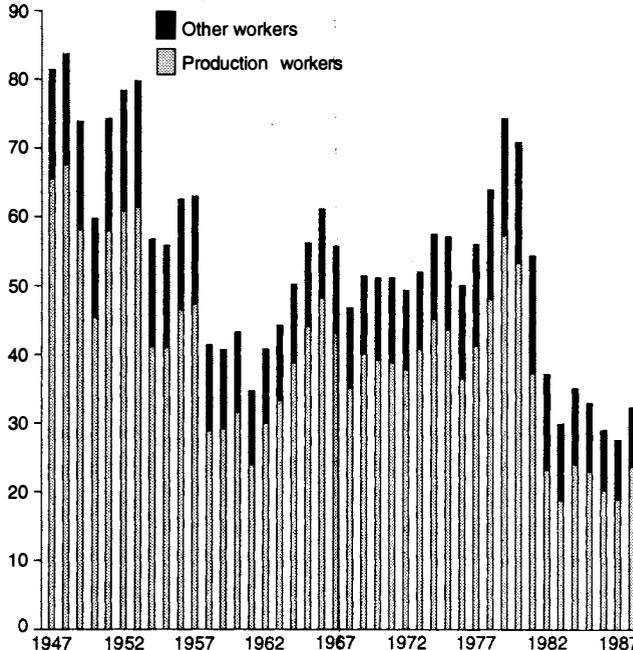
(thousands of employees)



Sources: U.S. Dept. of Labor, Bureau of Labor Statistics, *Employment, Hours, and Earnings, United States, 1909-84*, and *Supplement to Employment and Earnings*, August 1989; 1990 and 1991 figures are for December of each year, from *Employment and Earnings*, February 1992.

FIGURE 3
Employment in railroad equipment manufacturing

(thousands of employees)



Sources: U.S. Dept. of Labor, Bureau of Labor Statistics, *Employment, Hours, and Earnings, United States, 1909-84*, and *Supplement to Employment and Earnings*, August 1989.