

## There Is No ‘Upswing’ In the Swing States

by Richard Freeman and Paul Gallagher

In the electoral “battleground states” of the formerly industrial Midwest and Mid-Atlantic, from Wisconsin and Missouri to Pennsylvania, campaign appeals to the “middle class” are ignoring the impoverishment and abandonment—of cities, workplaces, and decent jobs—with which globalization and deindustrialization have battered those states. During the years of the Cheney-Bush Administration, sharply rising poverty has made virtually all the cities of the industrial belt start to resemble the eastern Germany which is swept with demonstrations for jobs and reconstruction today.

The three decades-plus since 1970—since the turning point identified by Lyndon LaRouche as Presidential pre-candidate, when the abandonment of the fixed-exchange-rate Bretton Woods system brought on the era of “globalization”—have seen population growth in these states virtually stop, cities empty out, the manufacturing workforce shrink drastically, and living standards plummet. Cleveland, Ohio was reported in the 2003 Census to have reached an official poverty rate of 31.3%; scores of other industrial-belt cities have 20-30% of their residents officially in poverty. This is what the Census reports; counties and cities which do their own surveys of poverty report it to be still higher than the Federal reports say.

With their large numbers of discouraged workers and “unlikely voters,” these states’ citizens can only be rallied by an FDR-like call to mobilize the forgotten man and woman, and rebuild the nation’s lost productive economy.

### **The Former Industrial Heartland**

The U.S. industrial belt begins in Buffalo in northwestern New York State, and swings in a swath from Philadelphia and Pittsburgh in Pennsylvania, clear across to St. Louis, Missouri. It is anchored by such formerly industrial cities as

Cleveland, Detroit, and Chicago, and in between, is filled in by hundreds of medium to small industrial cities, such as Scranton, Pennsylvania and Gary, Indiana.

This area once teemed with industrial capacity, from glowing steel blast furnaces to machine-tool factories, and a highly skilled, well-paid workforce. It was known as America’s Industrial Heartland, or sometimes, the Industrial Midwest.

The area’s intensive development was initiated directly by the networks of Benjamin Franklin and Alexander Hamilton. There was the building of railroads, canals, locks and dams, power systems. There was the utilization of the American Great Lakes, and river systems such as the Monongahela River for the transportation and water supply needed for the development of abundant steel plants surrounding and inside the city of Pittsburgh.

The imposition of the financier oligarchy’s post-industrial society in the mid-1960s, altered this, like a swarm of locusts flying through an area, destroying everything in sight. This region is now called the Rust Belt, but that sobriquet hardly captures the degree of destruction.

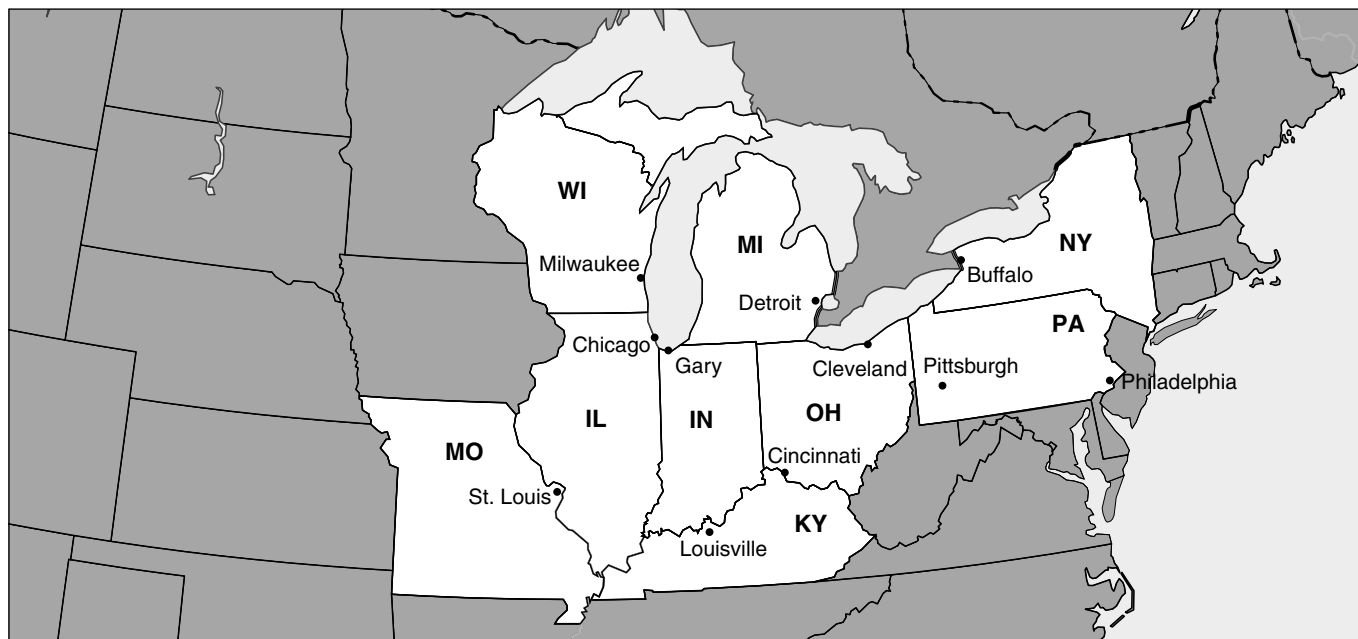
In the following pages, look at the number of cities that between 1970 and 2000, unnaturally lost more than one-third of their population, such as Pittsburgh, Cleveland, Detroit, Buffalo, and St. Louis. Almost every single major city in this industrial belt, has lost more than one-half of its manufacturing workforce, and these were the most productive manufacturing workers in the world.

The ratios of manufacturing workers to the total workforce, which for most of these cities hovered at 25-40% in 1960, are in the range of only 15-20% today, as financial services and various flotsam and jetsam now pass for jobs.

In the case of the ten leading cities of each of Pennsylva-

FIGURE 1

## Swing-State Downswing: an Urban Crash



Source: EIRNS.

*Virtually every major or other industrial city in the formerly industrial-belt states has been hit with drastic depopulation, alarming poverty levels, and loss of its productive labor force over the past three decades. The process is accelerating, and official poverty in Cleveland, for example, has passed 30% of its population.*

nia, Ohio, and Michigan—three cornerstone states of America’s Industrial Heartland—there were one of two cities in each state (the financial speculation center and state capital of Columbus, Ohio, for example) where population grew, and poverty did not rise, as jobs were available in the financial services sector. Outside these political/financial capitals, the picture is one of real economic devastation. But even taking account of these few exceptions, the reality is that each of these states have suffered unnatural population losses in their once-urban industrial centers of 20% or more.

A result of this process is the explosive growth of poverty to the point that more than one-quarter of the populations of cities such as Cleveland and Gary, is below the “official” poverty level. The absurdly low official Federal poverty level of today severely understates the real level of poverty—in reality, in many of these cities it is 35% or above.

In addition, all of these cities have been suffering exploding fiscal crises, with many of them in, or approaching, the “distressed city” designation which is the modern legalism for a bankrupt municipality taken under state fiscal control. In the so-called homeland security era, they’ve had to lay off firemen and police, close hospitals, and neglect other infrastructure.

This is the deep-seated result of 40 years of a policy that

FIGURE 2

## Rising Poverty Under Bush

State	% Poverty 2000	% Poverty 2003
Wisconsin	8.1%	10.0%
Illinois	10.0%	12.7%
Missouri	10.6%	10.8%
Michigan	9.7%	11.5%
Indiana	8.8%	9.5%
Kentucky	13.9%	14.3%
Ohio	9.8%	10.6%
New York	13.2%	14.3%

Source: U.S. Census Bureau.

changed America from the world’s leading producer society, to a consumer society. The industrial soul of America was lost. No “reforms” or band-aids can undo the deep-rooted damage. This should be the pre-eminent focus of the ongoing Presidential campaign. Only through a “Super-TVA” policy put forward by LaRouche, can the destroyed lives of the citizens in these cities be restored, the infrastructure be made to function, and the indispensable industrial capacity needed for all of America and the world, be revitalized and upgraded.