

Louisville: Decline of An American Hub City

by Richard Freeman

Two months ago, the last of the workers at Louisville Ladder, based in Louisville, Kentucky, were fired. At its height, Louisville Ladder's assembly lines hummed with activity, employing 500 workers who manufactured residential and industrial ladders made of steel, aluminum, and wood. Now the plant is empty. Louisville Ladder moved its production facility to Monterrey, Mexico, but indications are that it may shut down this operation, and move production to China, where wages are even cheaper. Louisville Ladder cynically maintains its corporate headquarters in Louisville, which under a technicality, allows it to deceitfully sell its ladders under the slogan, "Made in the USA."

Until 1970, Louisville was one of the critical manufacturing cities of the American Southeast, along with Birmingham, Alabama. Its manufacturing production—aluminum, rubber, advanced-technology machinery—was indispensable to the economic development of the South. Of course, Louisville is strategically located: it sits at the foot of the "Falls" of the Ohio River, which falls had made the river unnavigable. In the 19th Century, through the building of locks and dams—and then, under the direction of the U.S. Army Corps of Engineers, the construction of a sturdier and more trustworthy lock and dam system starting in the 1930s—the Ohio River became fully navigable. Louisville became a "hub" port city, moving goods north-south and east-west throughout the nation. It became integrated as the lower portion of the U.S. Great Lakes inland water system.

But today, Louisville's role as a hub city is in deep jeopardy. The Ohio River's lock and dam system has been neglected and underfunded; the repairs of the McAlpine Locks and Dam are critical but only partially address the problem. In the mid-1960s, the Wall Street-City of London financier oligarchy imposed a "post-industrial society" policy upon the United States, which transformed America from a producer to a consumer society. Accordingly, Louisville's impressive manufacturing base has been two-thirds dismantled.

Lost Manufacturing Capacity

A local United Steelworkers of America (USWA) union president, who provided information on manufacturing plant closings, told *EIR* on Aug. 11, "Give me a few hours, and I could give you the plant closings. Its endless." The USWA official considered one plant closing decisive: that of the Henry Vogt manufacturing company, located on more than

100 square acres in central Louisville. In the 1990s, this complex employed 4,000 workers, who produced automotive parts, motor casings, electrical parts, etc. It was "the biggest and highest paying employer in Louisville." But in 1999-2000, the Henry Vogt company shifted production to China, and began laying off workers. Today, it is a vast, empty mausoleum to Louisville's industrial past, maintaining a skeleton crew of five workers to perform bare maintenance on the facility.

In addition to the plants that have closed completely, there are plants that have shut down considerable parts of their capacity. State Rep. Perry Clark cited the General Electric appliance plant, which was built in 1951 and once employed 23,000 workers; it now employs 8,000. GE has outsourced to other countries. Clark stated, "When I was a boy, I can remember the International Harvester plant, American Standard, Bremer Biscuit, Brindley Hardy (which made farm equipment), the Naval Ordnance facility. They're all closed down. This city has changed."

The city that Perry Clark speaks of, was started, in small fashion, by George Rogers Clark, who in May 1778, built a fortification in the area that is modern Louisville, strategically driving the British Army out of the area. Of course, because of its location on the Ohio River, the capturing of the area which today is Louisville was critical to the American Revolutionary forces. This is the same George Rogers Clark who, with Meriwether Lewis, carried out the famous overland expedition exploring America's Northwest.

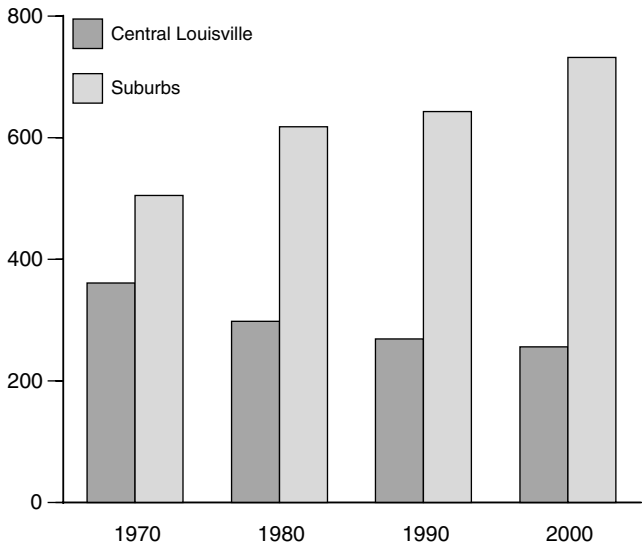
The taming of the Falls on the Ohio River, to make it navigable, and the development of Louisville as a port, went on throughout the 19th Century. In 1859, the Louisville and Nashville Railroad was opened, making Louisville the railroad for the entire South. Through World War I, the city grew. In 1937, a gigantic Ohio River flood rolled over the city, forcing 200,000 persons to evacuate their homes; some 200 died. This brought to the fore the necessity for the U.S. Army Corps of Engineers to accelerate the building of its system of Locks and Dams on the Ohio, including the McAlpine Dam in Louisville.

President Franklin Roosevelt's economic mobilization for World War II, from 1939-1944, had a profound effect in imparting an industrial character to Louisville. It emerged as the world's largest producer of synthetic rubber. DuPont, B.F. Goodrich, and the National Synthetic Rubber Company all built synthetic rubber plants there. The Navy built the Jefferson Boat and Machine Company just across the river from Louisville on the Indiana side. Six years after the war, General Electric moved all its home-appliance manufacturing to Louisville.

By 1963, according to the *Louisville Courier-Journal*, 42% of all Louisville employment "was linked to manufacturing," making Louisville one of the most highly concentrated manufacturing cities in the world. However, the *Courier-Journal*, in a Dec. 31, 1999 article, accurately reported what had happened after the 1960s: "The 1970s Saw [Louisville]

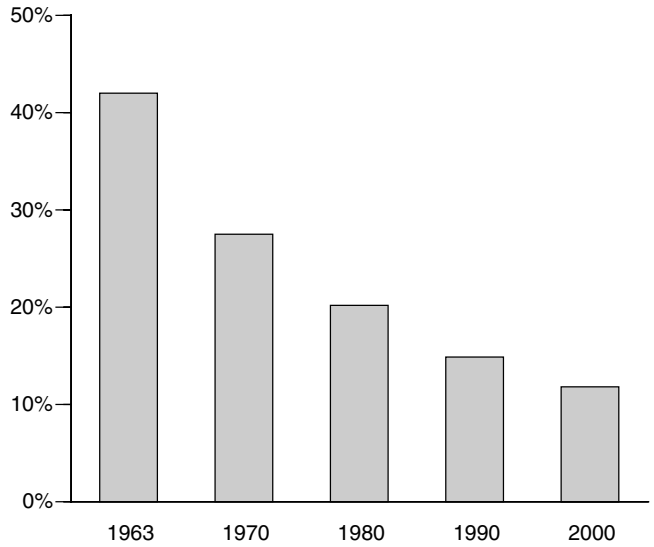
FIGURE 1
Louisville Population

(Thousands)



Source: U.S. Department of Commerce.

FIGURE 2
Louisville: Manufacturing Workers as a Percent of Labor Force



Source: U.S. Department of Labor; *Louisville Courier-Journal*, Dec. 31, 1999.

Industrial Boom Fading.” Over the next three decades, the shutdown of the City of Louisville itself, and its manufacturing, was ferocious.

Contraction

In reporting on Louisville, the U.S. Commerce Department combines the central city and the suburbs to make up the Louisville Standard Metropolitan Area (SMA), which with a population of more than 990,000 makes it the 16th-largest SMA in America. Our focus is central Louisville, which is the actual city. **Figure 1** shows that between 1970 and 2000, central Louisville’s population contracted from 361,000 to 256,000, a fall of 29%, as the city imploded. Some of this population migrated to the suburbs: by 2000, the suburban population had grown to 732,000, an increase of 44% since 1970. The decimation of the manufacturing base is a crucial characteristic. In central Louisville, between 1963 and 2000, the percentage of manufacturing workers in its total labor force tumbled from 42% to 11.8% (**Figure 2**). The number of manufacturing workers per 1,000 population fell from 113 in 1970, to 56 in 2000 (because the population was declining, the percentage decline in the number of manufacturing workers was even higher).

By 2000, 21.6% of the population were officially driven below the poverty line (**Figure 3**). But the official U.S. poverty line vastly understates poverty. *EIR* projects that the percentage of the Louisville population that is below the poverty line is actually more than 30%. During the past decades, there has been a shutdown of hospitals in Louisville, including St.

FIGURE 3
Louisville: One in Five Suffers Poverty

(% of Population Below the Poverty Line)



Source: U.S. Department of Commerce.

Anthony’s and St. Joseph’s. The city has experienced a massive budget crisis as a result of the fall of individual and corporate income taxes. The manufacturing collapse has left its imprint on every feature of the city.