

In Ohio, It Is ‘The Physical Economy, Stupid!’

by Paul Gallagher

Ohio, the “swing state” of swing states, is swinging at the end of its economic rope, and needs a nation-building President to rebuild the wrecked national economy, with Ohio at the center as before.

Even during the late-September “national Presidential debate over Iraq,” John Kerry, John Edwards, or George Bush, when in Ohio, had to address the economic collapse, and when Dick Cheney refused to talk about anything but “ter-rism” there, he paid for it in disgruntled Republicans, as the *New York Times* reported on Sept. 27.

Lyndon LaRouche has placed great importance on a Kerry landslide victory in Ohio, and 100 organizers of the LaRouche Youth Movement have been inspiring Democratic activists and campuses across the state’s northern tier, saturating the cities with LaRouche’s *Real Democratic Platform* and his new pamphlet, *It’s the Physical Economy, Stupid!* In the state legislature’s Democratic caucus, some representatives have been “demanding that the party go back to Franklin D. Roosevelt,” the essential public-infrastructure push to recovery in a state which has lost jobs for 101 straight months.

At the same time, Ohio newspaper headlines are reporting, “Election Officials Drowning in New Registrations” (the *Canton Repository*); “Election Boards Overwhelmed” (the *Cleveland Plain Dealer*); and “New Voters Coming Out in Drove” (*New York Times* report from Ohio). “This is an election unlike anything 30-year pros have seen,” said one western Ohio county elections director. “The bulk of new registrations in Ohio have been in heavily Democratic areas,” reported the *Plain Dealer*; and they are, particularly, large numbers of young people in the 18-29 age bracket. Though intensely concerned about the war in Iraq, these new young voters—seldom reached by the media’s polls—are being driven to vote and organize by the fact that they have no future

without a dramatic change and recovery from the economic depression.

From Prosperity to Poverty

Thirty years ago, Ohio had the highest average standard of living of any state in America, and the greatest density of industrial development led by steel, chemicals, plastics, rubber, glass, auto, and machine industries. Under Bush-Cheney in 2001-04, it has lost the largest number of industrial jobs—more than 250,000—of any state; crushed by collapsing steel and other industries, Ohio has sunk into poverty. The state’s official poverty rate jumped from 9.8% in 2000 to 12.2% in 2003. That’s 275,000 Ohioans newly thrown into poverty (with less than an \$18,800 annual income for a family of four)—part of the leap in national poverty under Bush-Cheney from 31 million in 2000 to 36 million in 2003. But look at the poverty in Ohio’s cities—**Table 1**; and **Figures 1-6**, which make clear that the impoverishment flowed from *the disappearance of manufacturing and other skilled pro-*

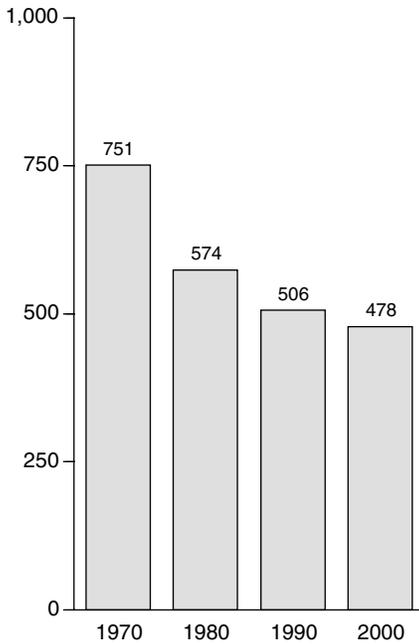
TABLE 1
Enormous Official Poverty

City	2003 Poverty Rate*
Cleveland	31.2%
Cincinnati	21.1%
Toledo	20.3%
Columbus	16.4%
Akron	18.1%

*Less than \$18,800 annual income for family of four.
Source: U.S. Census Bureau.

FIGURE 1
Cleveland: Population Falls by 36%

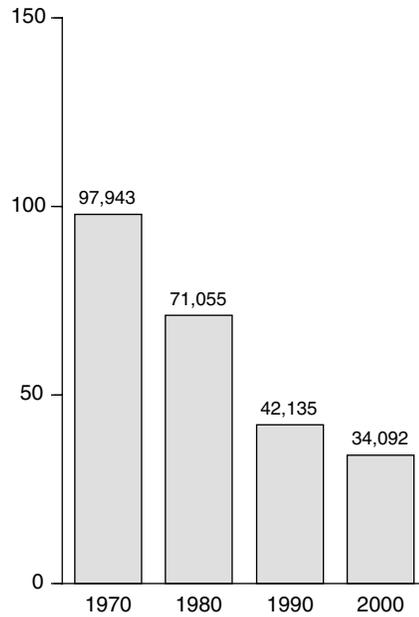
(Thousands)



Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 2
Cleveland: Manufacturing Workforce Falls by 65%

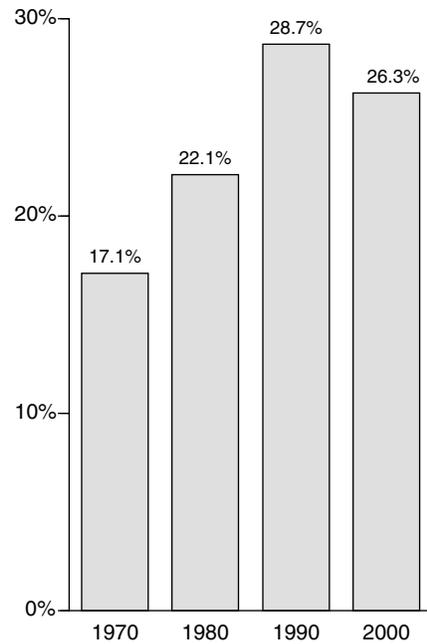
(Thousands)



Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 3
Cleveland: Poverty Rate

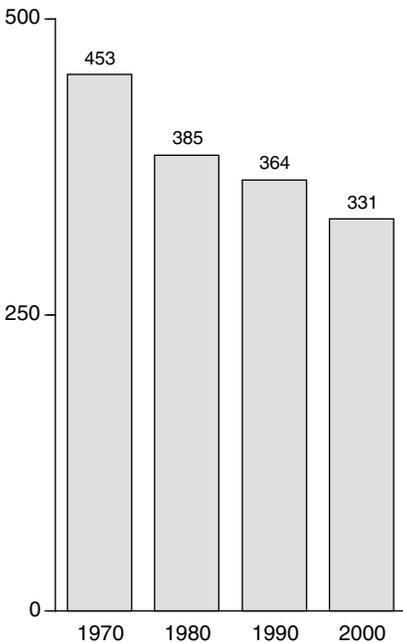
(Percent)



Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 4
Cincinnati: Population Falls by 27%

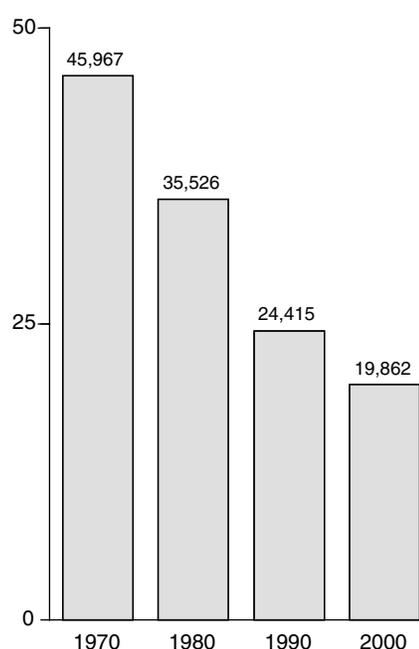
(Thousands)



Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 5
Cincinnati: Manufacturing Workforce Falls by 57%

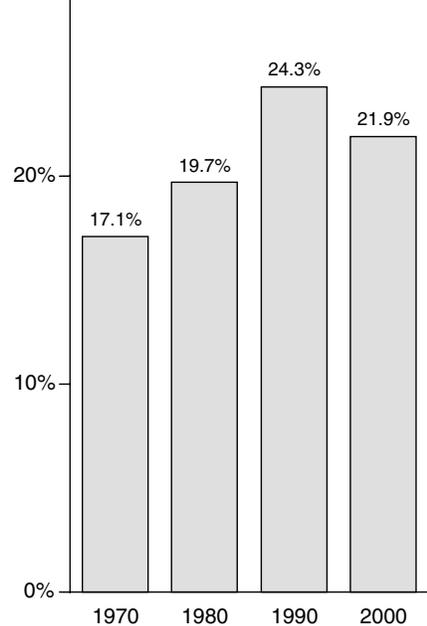
(Thousands)



Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 6
Cincinnati: Poverty Rate

(Percent)

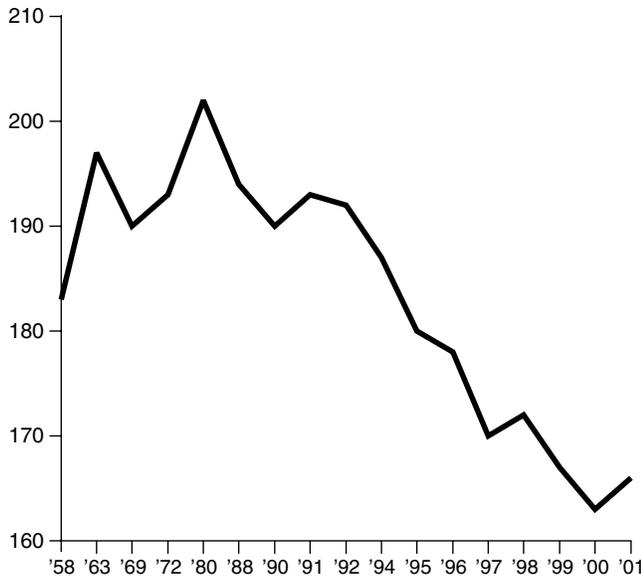


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 7

Ohio's Community Hospitals: Built, Then Lost, 1958-2001

(Number of Hospitals)



Source: U.S. Statistical Abstracts; *EIR*.

ductive employment in Ohio's urban areas, even before the jobs collapse of 2001-04. The state's population, at 11.4 million, has stopped growing.

Cleveland is now the nation's most impoverished city, and has laid off hundreds of police officers and firefighters, more hundreds of teachers and school workers, and cut trash pick-ups and other city services. Cincinnati has also laid off "first responders" who are so glorified—but not supported—by White House homeland-security *afficionados*, and has dangerously cut some city districts to a single fire company on duty at a time. Dozens of Ohio municipalities are in "Distressed City" status (i.e., bankrupt and run by unelected financial control boards) because of the collapse of corporate and wage tax revenue from vanished industry.

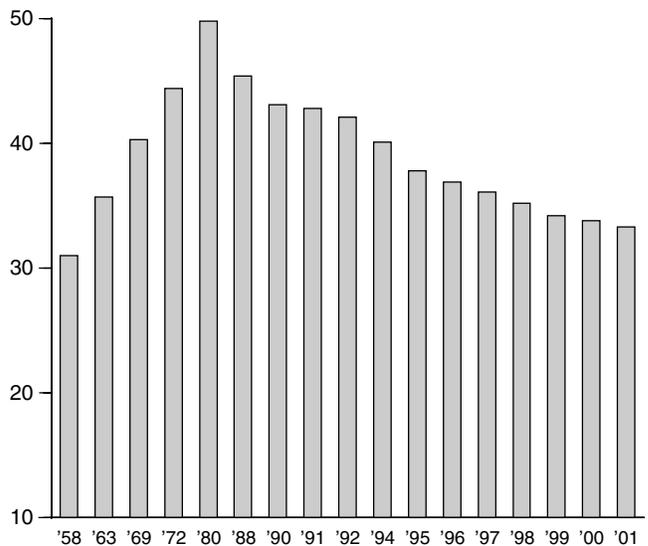
And in the cities, the latest Bush-Cheney cuts against the "lower 80%"—the elimination of Federal rent subsidies which help lower-income families pay for escalating housing costs—will threaten nearly 3,000 Ohio families with homelessness in 2005, and 6,500 families by 2009.

A look at the declining availability of hospital care in Ohio shows another side of the collapse to poverty—healthcare. Although leading the nation in several specialties including cardiac care, particularly through private medical institutions in Cleveland, the state's coverage of hospital beds per population has been falling dramatically since 1990. It's lost nearly 20% of the community hospitals and one-third of the hospital beds it had in 1980—twice the rate of losses of the country as a

FIGURE 8

Ohio Community Hospital Beds, 1958-2001

(Number of Beds)



Source: U.S. Statistical Abstracts; *EIR*.

TABLE 2

Ohio Community Hospital Beds Per 1,000 Population, 1958-2001*

Year	Ratio
1958	3.4
1980	4.6
1990	4.0
1995	3.4
2000	3.0
2001	2.9

*Federal Hill-Burton minimum standard is 4.5-5.0.

Source: U.S. Statistical Abstracts; *EIR*.

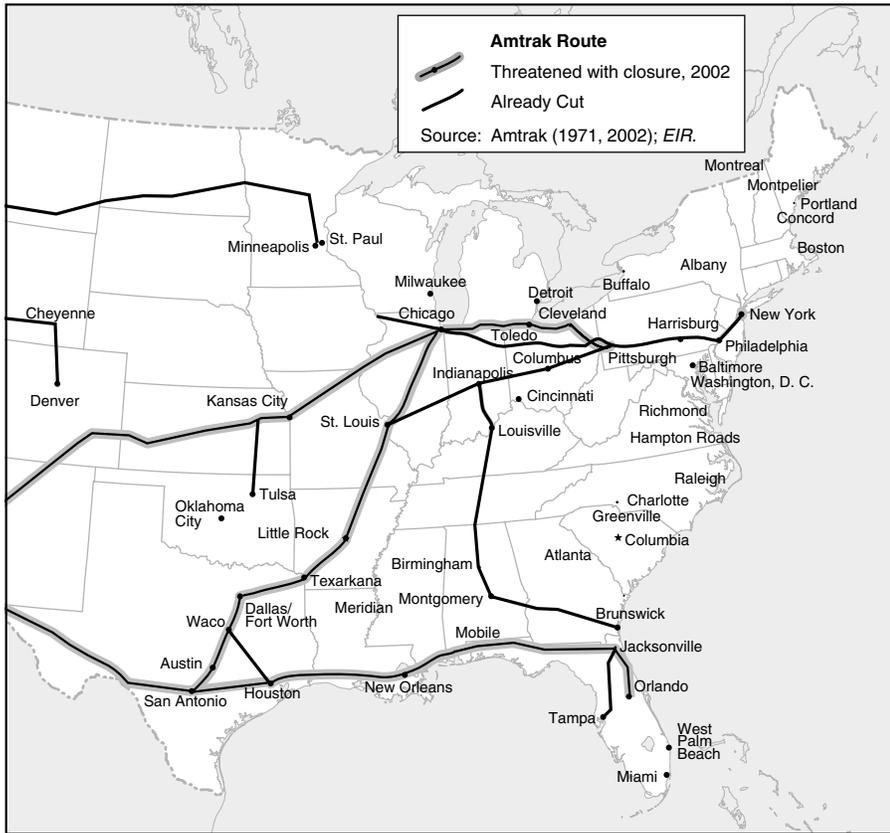
whole (Figures 7-8—this, while Ohio's population increased by more than 2 million. One of 21 states that met Federal Hill-Burton standards of 4.5 or more beds per 1,000 people in 1980, today it has not much over half that (Table 2). And health insurance plans now cost so much that even faster than Ohio jobs are being lost or outsourced, employer health insurance plans are being cancelled or scaled down.

Turning It Around: A National Maglev Transport Hub

Ohio and Indiana form a "natural" national and continental hub along the southern Great Lakes shores for transport of people and industrial, mineral, and agricultural goods

FIGURE 9

Amtrak 1971-2004: Lines Eliminated, and Threatened by Bush Cuts

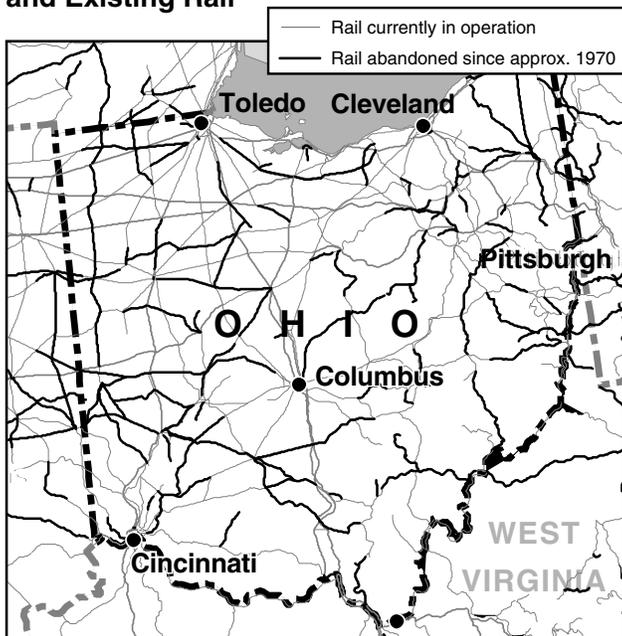


between the mid-Atlantic states and the western United States through St. Louis and Chicago—and in fact, western Canada, Alaska, and Eurasia over a near-future Bering Straits bridge-tunnel project.

It's depression insanity, then, of Bush-Cheney policymakers and their Congressional allies, that of Amtrak's three passenger rail lines through Ohio, two have been lost and the third—from Pittsburgh west through Cleveland and Toledo—has been threatened by cuts in Amtrak budgets since Fiscal Year 2002 (see **Figure 9**). Insane, that over 30 years, much of the entire rail grid—freight and passenger—of western and eastern Ohio has been abandoned (see **Figure 10**). For this Fiscal Year, 2005, no Transportation bill at all, and no Amtrak bill, have been marked up in Congress because of big and absurd cuts demanded by Reps. Tom DeLay (R-Tex.), Dennis Hastert (R-Ill.), and company in the House. After the mayor of Akron was part of a National Conference of Mayors appeal this year for saving Am-

FIGURE 10

East North Central Region: Abandoned and Existing Rail



John Sigerson / EIRNS 2002

trak and building new infrastructure, Amtrak service to Akron was cut off!

Insane, that the ongoing collapse of the big airlines under deregulation, has seen U.S. Airways abandon its Pittsburgh hub, American West abandon its hub in Columbus, Ohio, and United Airways abandon its hub in St. Louis over the past two years; and all six major Ohio airports lose 6-15% of their flights since 2000. On the vital Ohio River, one-quarter of all the lock-and-dams have exceeded their 50-year design life—the Ohio was closed to navigation for ten days in August when one lock failed. Yet the U.S. Army Corps of Engineers has lost a good part of its budget and laid off engineering staff during the Bush-Cheney collapse, in its districts which control the Ohio and other mid-Atlantic rivers.

Meeting the physical economic collapse with an “FDR-style” recovery policy—what LaRouche has called a modern “Super-TVA”—is the way to turn Ohio's job losses and impoverishment around by reversing its economic infrastructure losses, but with 21st-Century technologies.

The “natural” continental hub of Ohio can be made a hub of national *high-speed rail transportation corridors for passengers and freight*—something completely lacking in the United States up to now. **Figure 11**, showing plans that have been made but not implemented for high-speed rail, shows

that the three crucial “Empire,” “Keystone,” and “Chicago Hub” corridors all overlap through Ohio and Indiana. Ohio,

after all, has led in national chemical and plastics production, along with its many other industries, and is one of the most

densely populated states. Nearly half of its highways are officially, conservatively, designated “congested.”

Three major high-speed rail corridors can be built through northern, eastern, and southern Ohio; with modern technologies, the corridors usually include power-transmission and communications lines as well.

And under a sane national economic recovery policy, these can and should be magnetic-levitation (“maglev”) railroad corridors, the most modern, 2-300 mile-an-hour rail technology, so far built and in operation only on China’s southeastern coast (see **Figure 12**). The photo is from Maglev, Inc. of Pittsburgh, which gives the following description and factors of steel input: “The guideway is an elevated structure with prefabricated, T-shaped, steel beams set on concrete pillars of various heights. This elevated double guideway requires approximately 5,000 tons of steel per mile, primarily rolled plate steel. Attached to these beams are several functional components, including a linear motor, guidance rails, and low-friction skids. The linear motor, which is part of the guideway and provides the propulsion for the vehicles, requires approximately 275 tons of magnetic steel per mile of guideway.”

FIGURE 11
United States: High-Speed Rail Corridor Designations

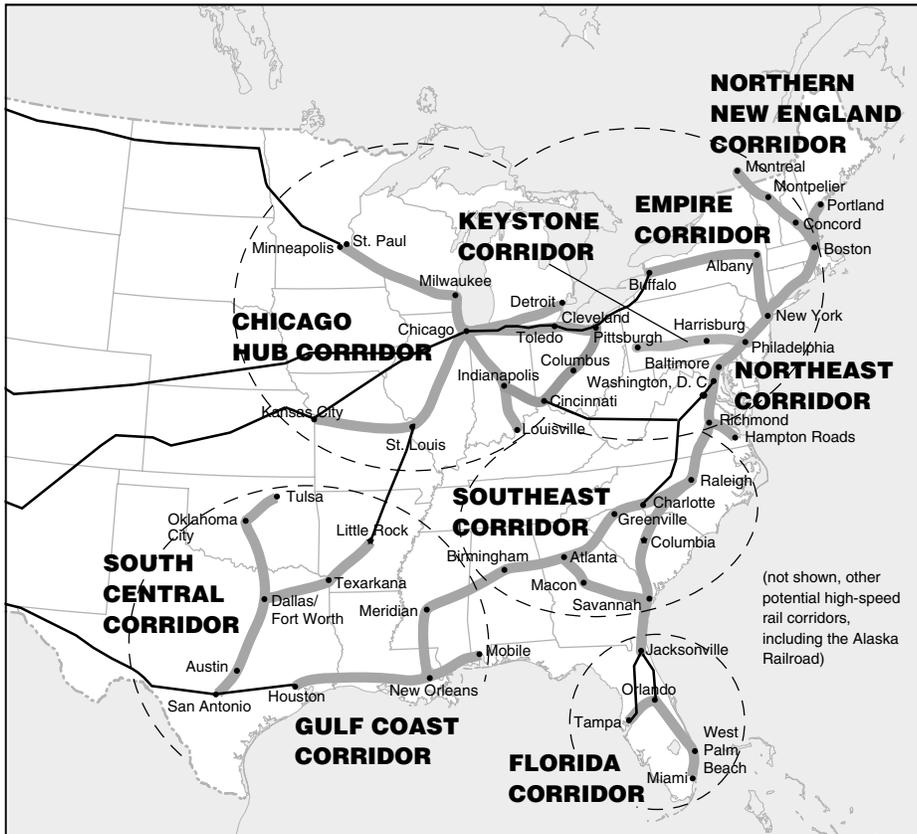
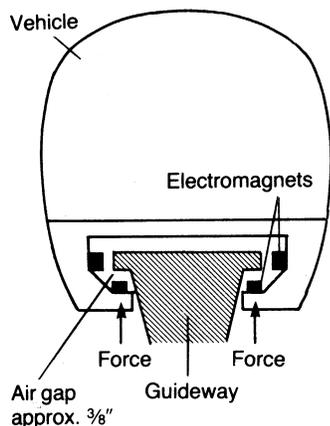


FIGURE 12
The Next Generation of Rail



Several of the major corridors for high-speed rail in the United States—the broad grey lines shown on the map—overlap in and through Ohio. Building a regional network of very high-speed magnetic-levitation rail—the new, revolutionary technology now being introduced—would not only mean skilled employment and tremendous efficiencies in transport, but would demand expansion from the steel industry for the guideways and components, and new electric power capacity as well.

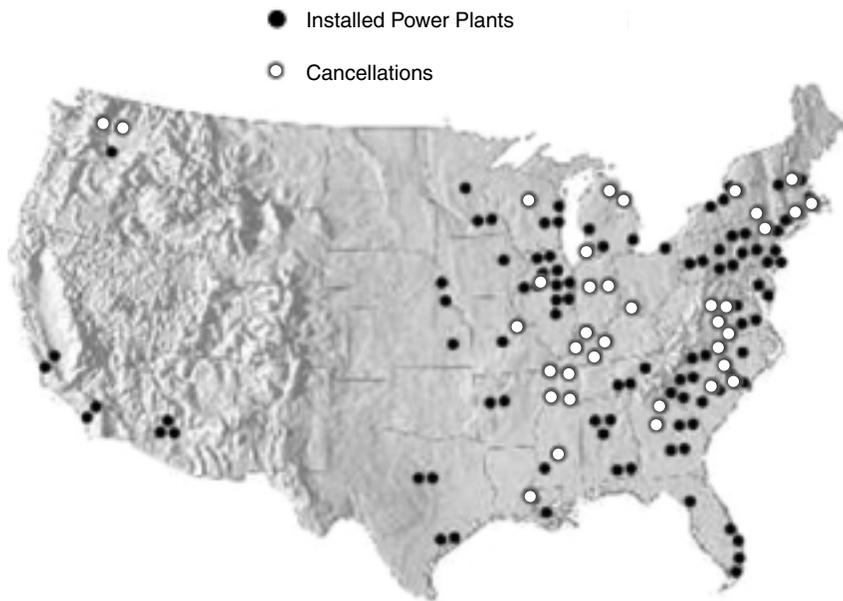
Rail, Steel, and Power

Just three groups of maglev lines connecting, through Pittsburgh, with Cleveland and Columbus in the west; Huntington, West Virginia in the southwest; Washington, D.C. in the south; Philadelphia in the east; and Erie in the north, would require 1,300 miles of line. This Mid-Atlantic Regional System would require

6.9 million tons of high-quality steel; and of course, new and reliable electric power capacity in Ohio and the region. The

steel industry would have to expand and modernize, as this represents 10% of total national production, much of which now is not high-quality steel but electric-arc production from scrap.

FIGURE 13
Where's Nuclear Power in Ohio?



The Ohio River Valley states have virtually no nuclear power plants; Ohio needs nuclear to expand its stagnant power capacity, stop using highly inflated natural gas to produce power, and stop leading the nation in pollution emissions per capita.



The U.S. Army Corps of Engineers has dozens of aged locks and dams to replace and renovate on the Ohio River—if it weren't seeing its budgets cut, in absolute terms, under Bush-Cheney, and laying off instead of hiring engineers. Here's one stalled project in which the Corps is trying to replace the old and failing McAlpine Lock at the right, near Louisville, with a modern 1,200-foot lock, at left.

That kind of "Super-TVA" approach to 21st-Century transportation will also mean re-regulating the airlines, to save air traffic from shrinking back to the 1950s level of service it is now heading for.

Ohio's electric power production and capacity per capita have virtually stopped growing over the past decade, meaning there's plenty of new power construction to be done in a "Super-TVA" approach to an economic recovery. The August 2003 blackout of the northeastern United States started in Ohio's power grid, which faltered handling power being "wheeled in" from Canada through western New York transmission lines. If electric power and transmission are *re-regulated*, this constant wheeling of power across the continent for "marketing" purposes will end—it's a product of deregulation and the transmission grid was not built to handle it—and new power capacity will be added where it's needed.

Ohio needs not only more electric power construction, but new *nuclear* power construction: 90% of its basically stagnant power capacity is based on coal and natural gas; it is number-one among states in sulfur dioxide pollution per capita, and number-five in both carbon dioxide and nitrogen dioxide emissions per capita; with petrochemical prices high and rising, the state's people, cities, and firms are paying a high average of nearly 7¢ per kilowatt-hour of electricity. New nuclear plants will add skilled jobs, and leave increases in petrochemical use to the state's crucial plastics and chemical industries.

And a national expansion of the funding and mandate of the U.S. Army Corps of Engineers—both of which have been cut back—would be vital to all the Ohio Valley states, including Ohio. Major renovation and replacement of the Ohio system's aging locks and dams has to be done, as well as reconstruction of flood-control infrastructure and bridges: Some 25% of the bridges in the state are now structurally deficient or obsolete. For the nation, the Army Corps of Engineers is potentially a critical source of new skilled employment and training for young people.

For Ohio—the state which can't avoid the ongoing economic depression collapse most Americans have been letting Cheney and Bush deny—"it's the physical economy, stupid!"