

ECONOMIC GEOGRAPHY

Retool Auto To Save U.S. Industrial Heartland

by EIR/LaRouche Youth Movement Economics Team

In April, one year ago, Lyndon LaRouche called for emergency Senate action for Federal intervention in the U.S. auto sector crisis. Geographically, this refers to the industrial concentration of the Upper Midwest region—from western New York and Pennsylvania through to Missouri, where over 25% of the U.S. population lives today, and where, historically, the world's most powerful manufacturing complex has been centered. He spelled out the necessity to act to preserve and expand the machine-tool and industrial capacity still embodied in the auto manufacturing workforce here—its plants, equipment, communities, and skills, extending across the cities and counties of the Great Lakes/Ohio Valley region.

LaRouche warned that the same financial networks which in recent years forced through deregulation and globalization, and acted to deliberately dismantle U.S. steel, coal, and other basic industrial sectors—the political interests associated with George Shultz, Felix Rohatyn, Wilbur Ross, Steve Miller, Kirk Kerkorian, et al., are on the move to impose destruction throughout the auto sector. Their motivation? They are attempting to control vital output capacity and commodity supplies, here and internationally, as the financial system itself approaches the moment of disintegration.

Now, we are at the crisis point. Congress has stalled over the past 12 months, despite repeated appeals from state, city, United Auto Workers (UAW), and other leaders. Nevertheless, Federal emergency action taken now can still halt disaster, and pave the way for restoring U.S. national economic security. Details of LaRouche's proposals are available on www.larouchepac.com. (See Lyndon LaRouche, "Auto and World Economic Revival," *EIR*, Dec. 9, 2005.)

In brief, what's required is retooling for an "infrastructure

Marshall Plan." First, none of the mass plant shutdowns, dislocation, and degrading of workers and families, announced by Delphi/GM, or Ford/Visteon and associated supplier companies must be allowed to proceed. Second, a national entity must be established to extend credit, and coordinate retooling and revving up output for urgently needed infrastructure projects—water, power, transport. This is in line with the February 2006 UAW call for an "Auto Marshall Plan," but taken much more broadly and boldly, to mean what is required for the nation at large: retooling to rebuild the entire economy, not merely to upgrade auto output. Third, in the short term and thereafter, steps must be in place to prevent any more dislocation: Stop home foreclosures, municipal bankruptcies, and cut-offs of vital government services.

Animations: How an Economy Works

Critical to forcing the needed Federal emergency interventions, is for citizens and lawmakers to *conceptualize how an economy works*. In December 2005, LaRouche commissioned *EIR* and the LaRouche Youth Movement to produce a

The figures here are taken directly from a new set of animations of features of the economy of the Upper Midwest states, posted in April on the *EIR* website, www.larouchepub.com. The originals are in color; certain of the black and white versions here, therefore, do not convey the full information, but are included as illustrations of principle.

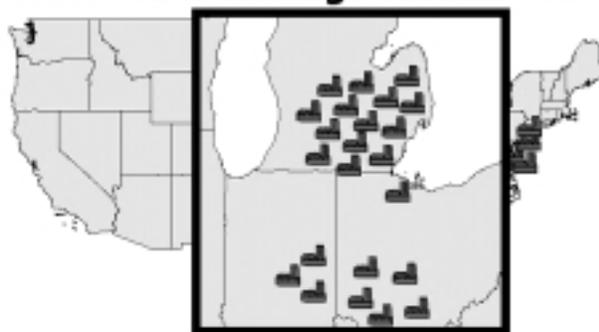
FIGURE 1a and 1b

Auto Plants Slated for Closure, 2006-09

Auto Plant Closings Threatened



Auto Plant Closings Threatened



Source: Company announcements; industry reports.

Shown are shutdowns of assembly and parts-supply plants, either announced or threatened, by the Big Three: General Motors and Delphi; Ford and Visteon; and DaimlerChrysler.

FIGURE 2a and 2b

Auto Plants Closed 1975-1985



Auto Plants Closed 1975-1985



Source: Company, industry and media reports.

Assembly and parts supply plants shut down by the Big Three: General Motors, Ford, and Chrysler.

series of economic animations on the Upper Midwest, to bring home the point about how this entire region has functioned as an integrated complex—during past periods of its build-up, and in the recent decades of takedown.

What is presented here are 35 illustrations adapted from this set of animations. The LaRouche Political Action Committee has incorporated them in a new DVD mass-circulation hour-long documentary on the need for retooling the auto sector for national recovery—with historical footage of how it's been done before, along with commentary from UAW leaders on how it can be done today.

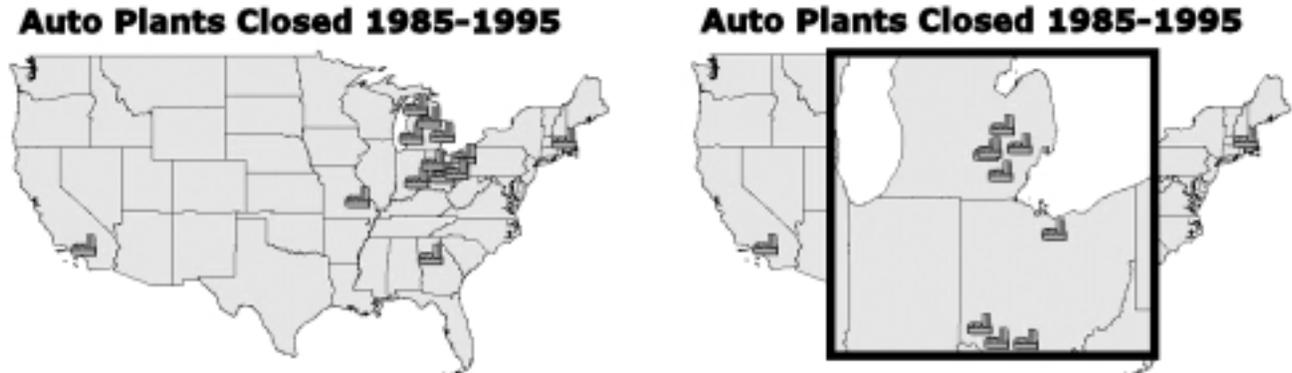
During the 1930s Depression, under Franklin Delano Roosevelt, vast new infrastructure projects were built both on

large-scale, and also thousands of smaller, local projects—all of which added up to mass job-creation, as seen in the Works Projects Administration, CCC Camps, and related programs. Over only a nine-week period in the Winter of 1933-1934, over 4 million new jobs were created in the Civil Works Administration, by FDR's right-hand man, Harry Hopkins.

During World War II, when the auto assembly plants were barred from producing motor cars as of February 1942, there ensued a massive output of planes, tanks, and tonnage of materiel. After the war, retooling again occurred, for peacetime. In the 1960s space program period, auto plants were key—producing rockets and other components.

Therefore today, we must preserve and expand, not only

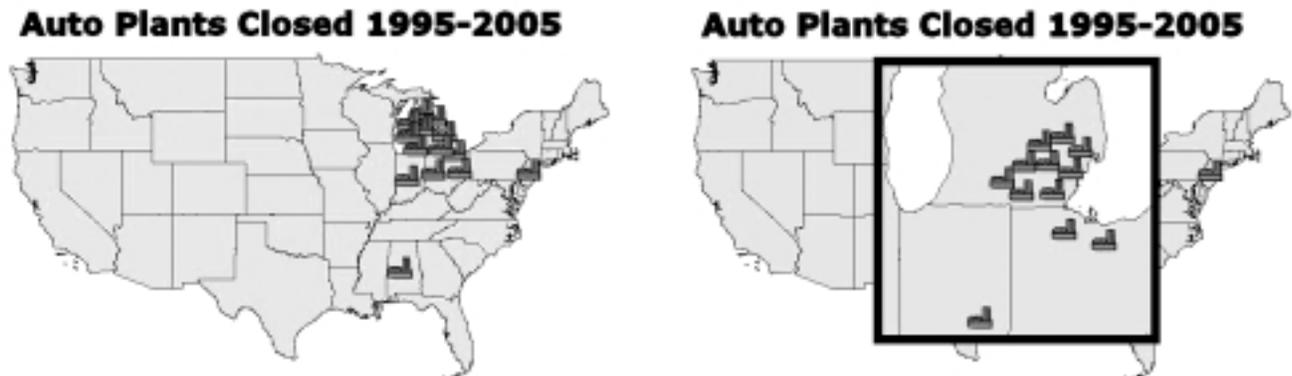
FIGURE 3a and 3b



Source: Company, industry and media reports.

Assembly and parts supply plants shut down by the Big Three: General Motors, Ford, and Chrysler.

FIGURE 4a and 4b



Source: Company, industry and media reports.

Assembly and parts supply plants shut down by the Big Three: General Motors, Ford, and DaimlerChrysler.

the inventory of auto plants themselves, but all that “goes with it”—the skills, communities, families, and characteristic interactions which constitute the potential for future production. We are now at a make-or-break period of whether the industrial heart of the United States will survive.

Not Just Auto Plants

Begin with auto plants, then proceed to consider the entire set of interrelationships in the regional and national economy. On March 31, Delphi Corp. (the 1999 spin-off from the de-structuring of General Motors) announced their request to bankruptcy court to void contracts with their 33,000 workers, slash wages and benefits, and proceed on a plan to close some 22 out of its 25 plants in the United States. This is the latest

in waves of industrial contractions taking place during the last 40 years of shift to a so-called “post-industrial” policy, of outsourcing jobs and debasing communities.

Figure 1 shows the location of auto assembly and selected supply plants of the Big Three (GM/Delphi, Ford/Visteon, and DaimlerChrysler) slated for shutdown between 2006 and 2009. The proposals for this kind of mass shutdown come on top of ongoing closures since 1975, concentrated in Michigan, Ohio, and nearby localities. For example, for General Motors alone, the number of workers fell from 520,000 in 1978, down to under 107,000 this year.

Figures 2, 3, and 4 show the location of plants shut down during 1975-1985; 1985-1995; and 1995-2005. (Detailed maps, with plant names and towns, are in *EIR*, Dec. 16, 2005.)

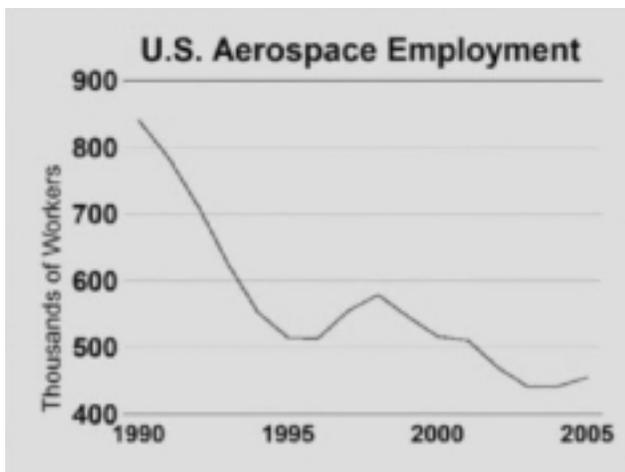
FIGURE 5



Source: Bureau of Labor Statistics.

FIGURE 6

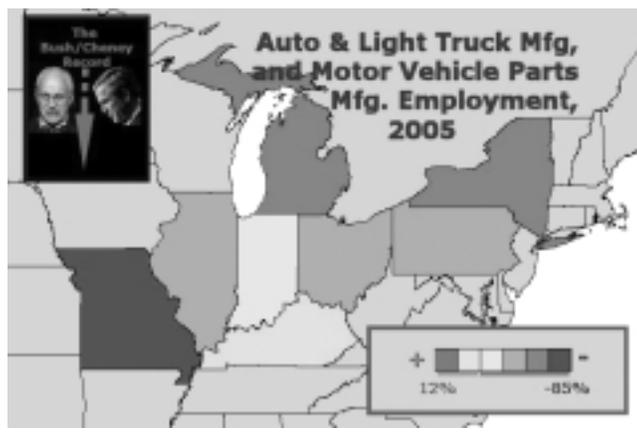
Decline in Number of U.S. Aerospace Workers, 1990 to 2005



Source: Bureau of Labor Statistics.

FIGURE 7

Decline in Auto Sector Jobs, 2005 Employment As a Percentage of 2000



Source: Bureau of Labor Statistics.

During the Bush/Cheney years, all eight states saw losses of auto sector jobs. The darkest tone, Missouri, shows a loss of over 85%.

FIGURE 8

Decline in Metal Working Jobs, 2005 Employment As a Percentage of 2000



Source: Bureau of Labor Statistics.

During the Bush/Cheney years, all eight states saw losses.

Just from 1990-2005, the total number of motor vehicle workers in the United States dropped from 1.32 million, down to 1.1 million, as shown in **Figure 5**. A transient peak employment period occurred in 1999-2000, during the overlap period when foreign-based auto companies operated plants, while the Big Three automakers continued at facilities later to be shut down; but the downward trend is clear. **Figure 6** shows the dramatic decline in aerospace workers from 1990-2005.

Along with these losses of jobs in motor vehicle production and aerospace, jobs were lost in related supply industries of all kinds—glass, upholstery, plastic components—and

most vitally, in machine-tooling itself. The rate of these losses has been spectacular in just the past five years. A geographic snapshot of this picture is shown state by state for the Upper Midwest in **Figures 7 and 8**.

In **Figure 7**, for 2005, you see the loss of jobs as compared with 2000 for workers in motor vehicles, light truck, and parts-supplier categories of manufacturing, given as a percentage of jobs in 2005, as compared with 2000. Missouri lost over 85% in this span of time.

FIGURE 9

Decline in Aerospace Jobs: 2005 Employment As a Percentage of 2000



Source: Bureau of Labor Statistics.

Figure 8 shows, for the same region and time period, the decline in metal-working employment—with dramatic losses in Michigan and Pennsylvania.

Figure 9 shows the loss in aerospace employment.

What this map series so far illustrates, is how the general process of de-industrialization nationally hit this particular industrial belt of the Upper Midwest. While the focus here is on the last-ditch crisis of the auto sector, the same process of shutdown has already proceeded for the steel-belt—from western Pennsylvania through Ohio and Detroit—and other regional specialties of heavy industry, from glass to turbines. (Even the same players have been involved in the devastation, such as Wilbur Ross and Steve Miller in steel, who are now moving to destroy auto capacity.)

Figure 10 shows the decline in percent of manufacturing workers overall, as a percent of the workforce, by county, from 1975-2000, in the nine states of the Great Lakes/Ohio Valley region.

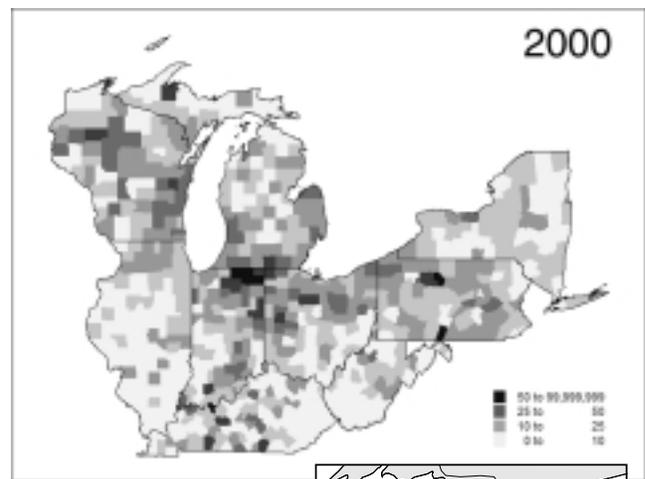
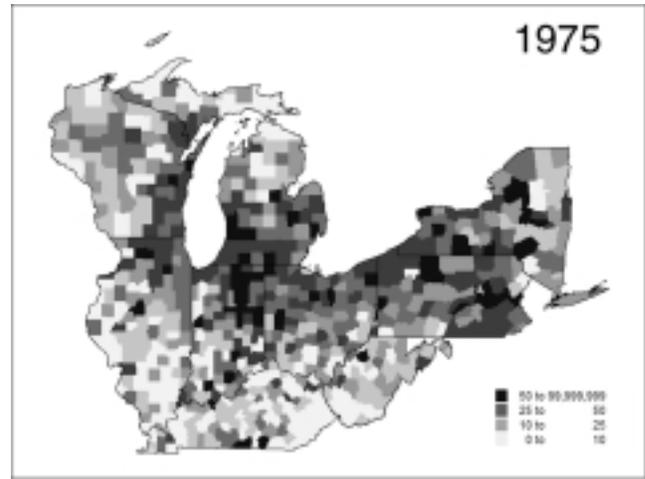
Nationwide, as of 2005, manufacturing employment, in absolute numbers, is back where it was in the 1940s (**Figure 11**). During this decline, well-paid manufacturing work has been replaced by service employment at lower wages, where households are forced into dependence on several such jobs to try to survive. **Figure 12** shows both the declining numbers of manufacturing workers, and the rising number of “leisure” sector workers, from 1939-1999. Another way to look at this degrading of the economy, is in **Figure 13**, showing the number of service workers per manufacturing worker, during this 60-year period.

Agriculture Too

Going right along with this, is the contraction in agriculture, both nationwide under decades of “global sourcing” for food and fiber; and in the industrial auto belt of the

FIGURE 10

Decline in Manufacturing Workers As a Percentage of Workforce, by County, Upper Midwest, 1975-2000



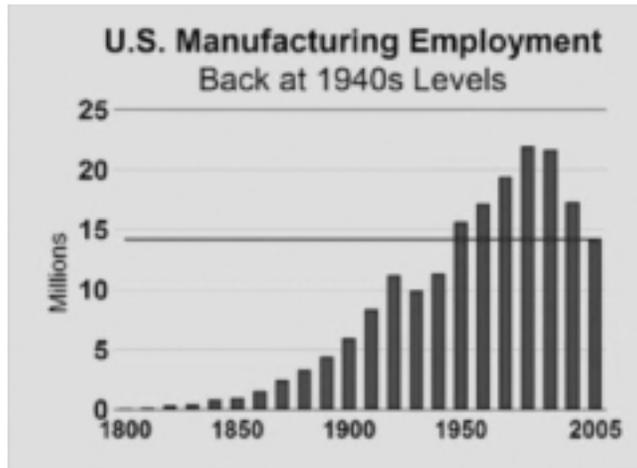
Source: Bureau of Labor Statistics.

Upper Midwest.

As of the 1960s, the farm counties of this region were highly developed, producing for both regional food consumption needs, and the national food chain. For example, in 1965, Michigan, New York, and Pennsylvania were among the top six apple-producing states in the country. Illinois is a leading corn and soybean state. New York and Pennsylvania were among the top five dairy states. Michigan was among the top five states in fresh field tomatoes. In fact, next to California, Michigan ranked second in the nation—and does so still today, in the *diversity* of farm commodities produced (from orchard fruits, to produce of all kinds). The research and extension services at Cornell University, Penn State, Ohio State, Michigan State,



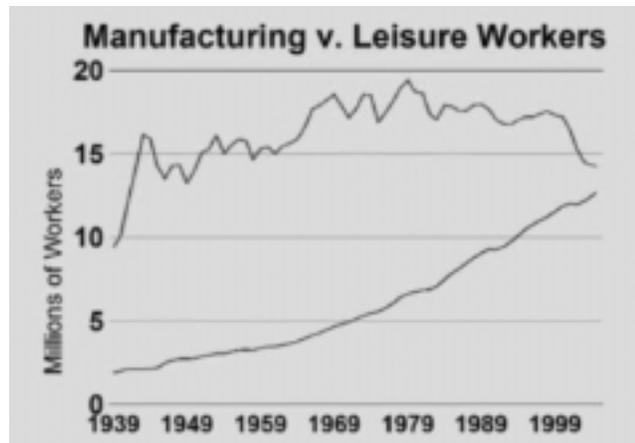
FIGURE 11
Workers in Manufacturing Jobs, 1800 to 2005



Source: Bureau of Labor Statistics.

Since 1980, the total number of workers in manufacturing has fallen. By 2005, manufacturing jobs had descended to 15 million, the same level as in the 1940s.

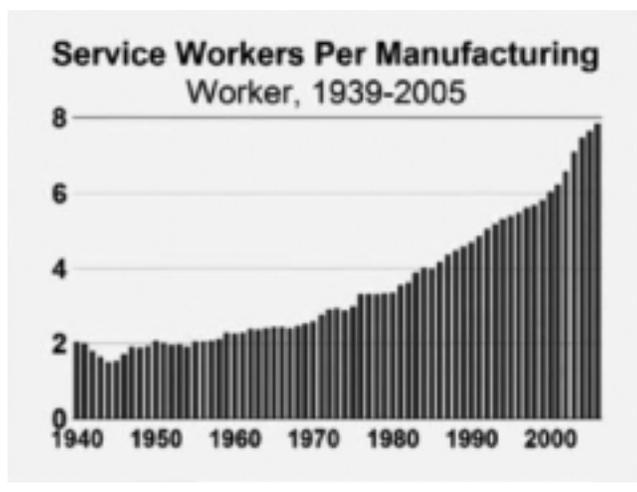
FIGURE 12
Decline in Manufacturing Workforce (Top Line); Rise in Leisure Sector Jobs, 1939 to 2005



Source: Bureau of Labor Statistics.

Leisure jobs refer to the various retail and services functions, in the non-manufacturing and non-infrastructure categories of work.

FIGURE 13



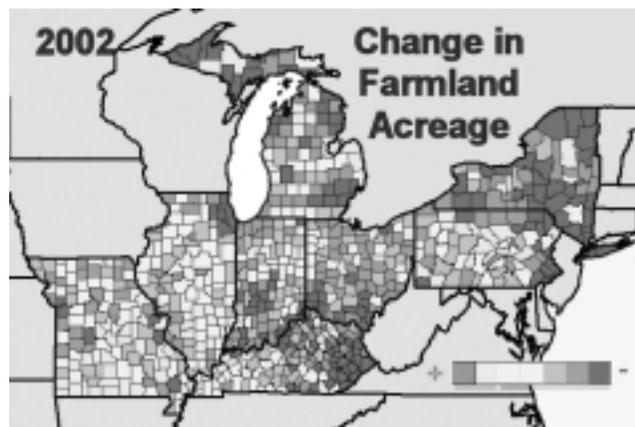
Source: Bureau of Labor Statistics.

Until the 1970s policy shift into “post-industrialism,” the ratio of service workers to manufacturing workers remained in the range of three or under. The number then rose to nearly eight over the past three decades of manufacturing outsourcing, neglect of infrastructure maintenance and construction, etc.

and Purdue, were world centers of agriculture science.

Since the 1960s, all this has been undermined. One simple marker for the process, is the shrinking area of what is called “land in farms.” That term is used by the U.S. Department of Agriculture, for its five-year Census of Agriculture, and refers

FIGURE 14
Decline of Upper Midwest Land in Farms, by County: 2002 Acreage in Farms, As a Percentage of 1969



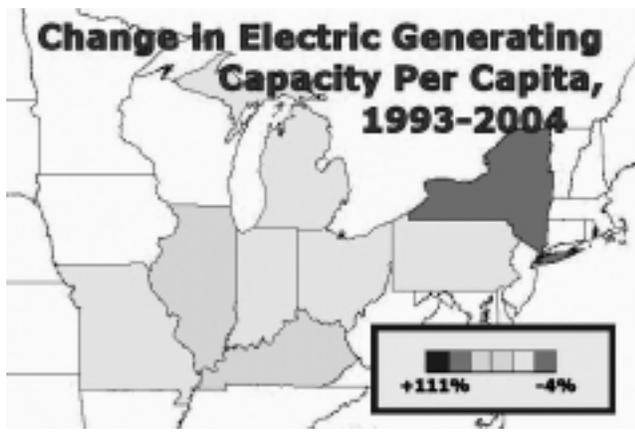
Source: U.S. Department of Agriculture; Census of Agriculture.

The darkest tone shows a loss of 25% or more of farm land acreage, with most extensive areas of loss in New York State and northern Pennsylvania, eastern Kentucky, and upper Michigan.

to the acreage—whether in cultivation, wood lots, pasture, livestock pens, etc.—that belongs to actual farms, and historically, has been under the watch of family farmers to decide on its care and use. It is to the benefit of the nation, for high-tech farmers to oversee land practices that maintain fertility

FIGURE 15

Declining Electricity Production



Source: Energy Information Agency

The darkest tone—New York State, has seen a decline of more than 4%. In previous decades, electricity generating capacity per capita increased, especially during the late 1960s, when nuclear power plants came on line. For example, per-capita capacity increased over 100% when several nuclear generators went operational in Pennsylvania and Illinois (hence the 111% increase on the legend, to span these earlier periods of growth, shown on the color animation).

and agriculture potential for now and the future.

However, in recent years, family farms have been displaced, and large amounts of land in farms has been lost to everything from shopping malls and suburban sprawl, to second homes, golf courses, super-highways, and Wal-Marts.



USDA photo/Lynn Betts

A Natural Resource Conservation Service worker checks cherries at an orchard in Van Buren County, Michigan. Michigan is the top producer of sour cherries (for pastry, beverages, etc.) in the United States. The area of orchards, as well as all land in farms, has been declining throughout the farm counties of the Upper Midwest.

FIGURE 16

Upper Midwest: Rail Lines in 1970, Abandoned by 2000



John Sigerson / EIRNS 2002

Source: U.S. Geological Survey.

The dark lines show parts of the rail grid present in 1970s, which by 2000, have been shut down. See, for example, the rail ferries which once crossed Lake Michigan.

Whereas in 1974, there were 1,017 million acres (412 million hectares) of land in farms, by the end of the 1990s, this area had fallen by over 8% to 931.8 million acres (377 million hectares).

At the same time, household food consumption has become more and more dependent on food imports, regionally and nationally. Many famous name food-processing firms, originally based in this region, have moved operations abroad to cheap-labor, low-infrastructure sites. For example, H.J. Heinz, based in Pittsburgh, moved its ketchup operations to Tijuana, Mexico. Wrigley Co. stopped making its chewing gum in Chicago—home base since 1911—and in 2005, moved operations to China and Mexico. Brach’s candy manufacturing, started in Chicago in 1904 by the son of German immigrants, closed its Chicago factory in 2004, and moved it to Mexico.

The change-over to long-distance supply lines for food staples, has been directly associated with increasing rates of disease. For example, in Butler, west of Pittsburgh, an outbreak of hepatitis in 2002 sickened over 700 people, killing three young adults, traceable to tainted imported green onions from Mexico, from a low-infrastructure, export-farm operation.

Figure 14 shows the loss of land in farms, county by county, as of 2002, compared with a baseline of the acreage in farms in 1969, for the Upper Midwest. Extensive areas have been removed from agricultural activity. In Michigan, for example, Macomb County, near Wayne County, in the Detroit region, lost 17% of its land in the 1990s. As the *Detroit News* reported in April 2003, “Sprawl Swallows Farmland.”

Infrastructure Deficit

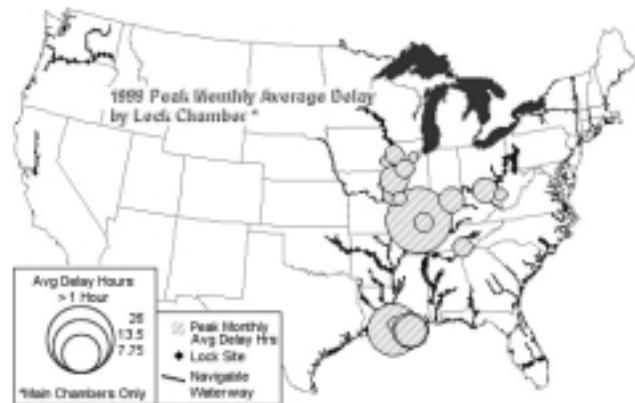
At the same time as the downgrading of industry and agriculture, vital infrastructure in the Upper Midwest has atrophied to the point of breakdown. This applies across the board, from transportation—lake ports, Ohio River locks and dams, railroads, airports—to all other essentials, including power and water supply systems, hospitals, and educational facilities.

Power Supply: **Figure 15** shows the decline in per-capita electric-generating capacity, by state, from 1993-2004 (from an animation giving previous decades). Many of the once-high-tech coal plants are now aging, are sited near depleted mines, and need to be superseded. While this area was home to the first commercial nuclear power plant in the nation, at Shippingsport in western Pennsylvania (opened in 1957, and since decommissioned), no new nuclear generator has been built in 30 years.

In the eight-state region shown, there are four sites, on pre-existing nuclear power campuses, where more generating units were intended, but never constructed. These include: Fulton, Missouri; Clinton, Illinois; Oak Harbor, and Cleveland, Ohio.

Under the infamous Enronomics policy of deregulating electricity—passed in 1996 in Pennsylvania in the dead of

FIGURE 17
Peak Monthly Average Delay on Major Locks of the U.S. Waterway System



Source: U.S. Army Corps of Engineers.

Barge tows can wait over 24 hours to go through several major locks, during peak months of the year, because of the lack of repair and upgrade of the waterway installations. The 1999 map shows the most congested point to be at the confluence of the Ohio and Mississippi Rivers. The next worst location was at New Orleans, which as of 2005, with Hurricane Katrina hitting on top of inadequate waterworks, is now far worse.

night, one month after California did so—the entire region’s electricity-generating and distribution systems were undercut. In August 2003, beginning in Ohio, the largest blackout in U.S. history occurred.

Rail Grid: **Figure 16** illustrates how extensive the loss of rail grid has been in the Upper Midwest, historically once

FIGURE 18a and 18b
Michigan Water Withdrawals Decline Per Capita, by County, 1985 to 2000

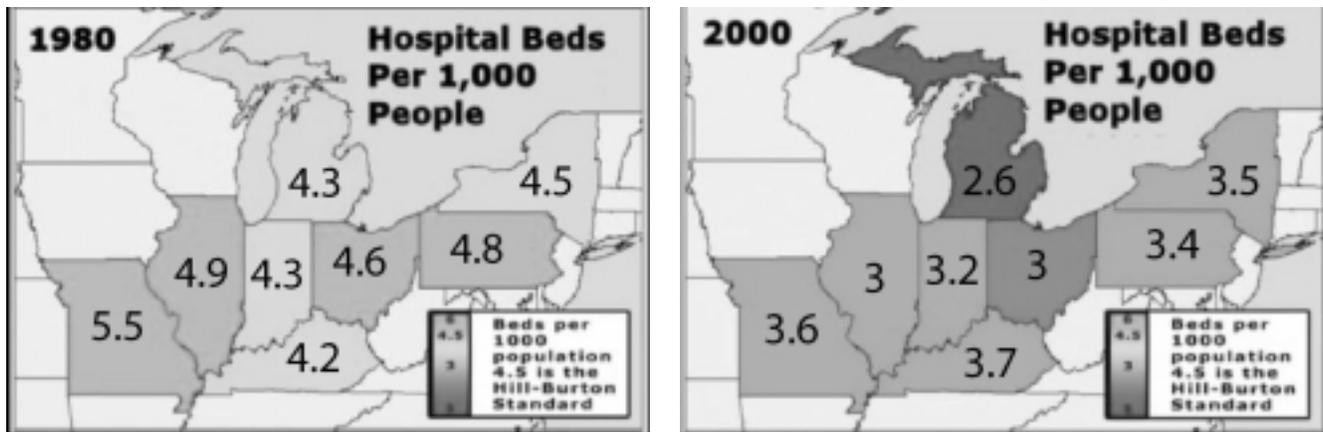


Source: U.S. Geological Survey

The darkest tones correspond to the heaviest volume of water withdrawn for use, by county, shown in per capita terms. Withdrawals refer to water for all uses—residential, manufacturing, commercial, agriculture, cooling of electric generating plants, etc. The patterns evident—as counties “go lighter”—during the 15-year period, is that less water is being withdrawn for use, as manufacturing is outsourced, food supplies are globally sourced, etc.

FIGURE 19a and 19b

Decline in Ratio of Hospital Beds per 1,000 Residents, from 1980 to 2000



Source: U.S. Statistical Abstract; American Hospital Association

During this 20-year period, the intensifying dark tones indicate that there are progressively fewer public hospital beds per thousand residents. In 1980, most of the counties in these states were at or near the 4.5 beds per thousand benchmark ratio, mandated in the 1946 Hospital Survey and Construction Act (“Hill-Burton” law). But as the “post-industrial” era continued, so many hospitals were downsized or shut, that the statewide ratio has fallen to the range of 2, and many counties have lost their sole hospital.



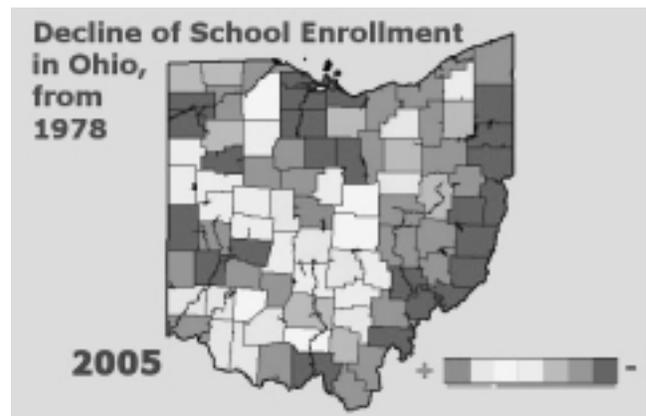
EIRNS/Sharon Stevens

This modern facility, Greater Detroit Hospital, was closed in 2000, under the financial squeeze of reduced payments from Medicaid, Wayne County, and generally.

the most dense in the nation, thanks to the early east-west routes of the Baltimore & Ohio and Pennsylvania railroads, transiting what used to be called the “Northwest Corridor” between the Great Lakes and the Kentucky Appalachian uplands, across Ohio and Indiana, to connect the Eastern Seaboard with America’s Mississippi Valley, Great Plains, and Pacific coast. Now, barely one passenger train a day connects the once hub cities of Cleveland, Pittsburgh, Chicago, and the rest of the country.

FIGURE 20

Ohio School Enrollment: Students in 2005 Shown As a Percentage of 1978



Source: Ohio Department of Education

Darkest tone shows loss of 25% or more in 2005, compared with 1978 enrollment. Most of the gray tones—though their original color animation shades are not distinguishable here in black-and-white—refer to loss of enrollment, not gain, as Ohio’s total population has remained static over the past five years.

Waterways: The waterway transportation systems serving this region are likewise in urgent need of upgrading, from the lake ports, to the locks and dams of the Ohio River, and the Illinois River/Upper Mississippi.

Figure 17, done by the Army Corps of Engineers, shows the river, canal, and intracoastal routes of the national waterway system, indicating by proportional circles, the hours of time-delay experienced by barge tows, on average, for the peak month of the year, at major locks in 1999. It is far worse today.

Water supply: Water systems—purification, sewage treatment and distribution—which serve millions of people, are long overdue for overhaul. The states of Pennsylvania, Ohio, and New York ranked as the worst in the nation, for what hydrological engineers call “CSOs,” Combined Sewer Overflow incidents, in the late 1990s, and the very worst area nationally is the ten-county district centered on Pittsburgh. This reflects the fact that water-management rehabilitation and new installation projects have not been carried out.

Furthermore, volume of water supplies for residential and commercial use would by now—without their treatment and piping systems having been upgraded—be appearing as scarce, throughout parts of these eight states, were it not for the fact that outsourcing of industrial and agricultural activity off-shore, has “freed up” supplies of water for domestic use!

Figure 18 shows an aspect of this fact. A contrast of the county maps for 1985 and 2000, shows that the volume of water “withdrawn” for all uses, per capita, is decreasing. The darker tones indicate larger volumes of water withdrawn per capita. More counties are clearly turning lighter in 2000. This reflects the fact that *all kinds of water-using activity have been declining*: from heavy manufacturing, to food processing, light industry, farming, use in hospitals, and for other public services.

Hospitals: **Figure 19** shows the downgrading of hospitals—the cornerstone of adequate public health care. In 1980, the eight states of this region were characterized by having achieved the desired four-plus ratio of licensed hospital beds per thousand residents. This reflects the impact of the Federal 1946 law, “Hospital Survey and Construction Act,” known as the Hill-Burton Act, for its bi-partisan sponsors, Senators Lister Hill (D-Ala.) and Harold Burton (R-Ohio), whose goal was that all 3,069 U.S. counties should have adequate ratios of health-care facilities for the density of their population.

However, as shown in the 2000 map, the loss of hospitals over the past 20 years of HMO policy, resulted in a drop in supply of hospital beds per thousand residents, down below the mandated Hill-Burton standard of 4-5 beds per thousand, to below four, or even three. In the last five years, some counties have lost their only hospital, reverting back to 1920s status.

Education: All other vital social services have been hit in the same way as health care—for example, education. Cities and school districts have been hit by shifting and falling enrollment, as shown for Ohio in **Figure 20**, while school funding crises are common, because of diminishing govern-

ment revenues caused by loss of manufacturing, farming, and infrastructure building.

The darkest counties in **Figure 20**, are where the school enrollment has dropped in 2005, as a percent of that of 1978, by 25% or more. In sum, over the 27 years from 1978-2005, 58% of Ohio’s 88 counties lost school-age children, as the state’s economy was taken down. The breakdown of the 88 counties, by size of decreasing enrollment is:

- 37 counties (or 42%) lost 20-50%.
- 14 counties (or 16%) lost 15-19%.
- 25 counties (or 28%) lost 1-14%.

The population of Ohio itself has been static over the past four years, with so many young adults moving out of state.

This demographic downgrade characterizes the entire region. In Detroit, a gesture was made to counter the outflow of youth, by starting a “Cool Detroit” propaganda campaign. This only spotlights the fact that the real, underlying cause of the crisis, is the de-structuring of the entire regional economy—from loss of manufacturing, farming, and cultural institutions, to lack of decent housing, transportation, education, and health care. No appeals and slogans can compensate, as youth move away to seek jobs and a future.

For each five-year period since 1975, there are nearly 500,000 fewer young people, between the ages of 15 and 29, residing in the former industrial-powerhouse Upper Midwest states. Over the past five years, this has worsened—a drop of more than 800,000 youth. Even allowing for the demographic “bulge” of 20-something-year-old Boomers in the 1970s, the subsequent decrease in young persons is dramatic.

Cities, Counties De-Structured

A summary of the crisis situation is provided in **Figure 21**, for three representative cities—Cleveland, Buffalo, and Detroit. Over the 34-year period shown, the cities lost over a third of their population; the size of their workforce in manufacturing jobs declined; and the percent of their residents in poverty increased.

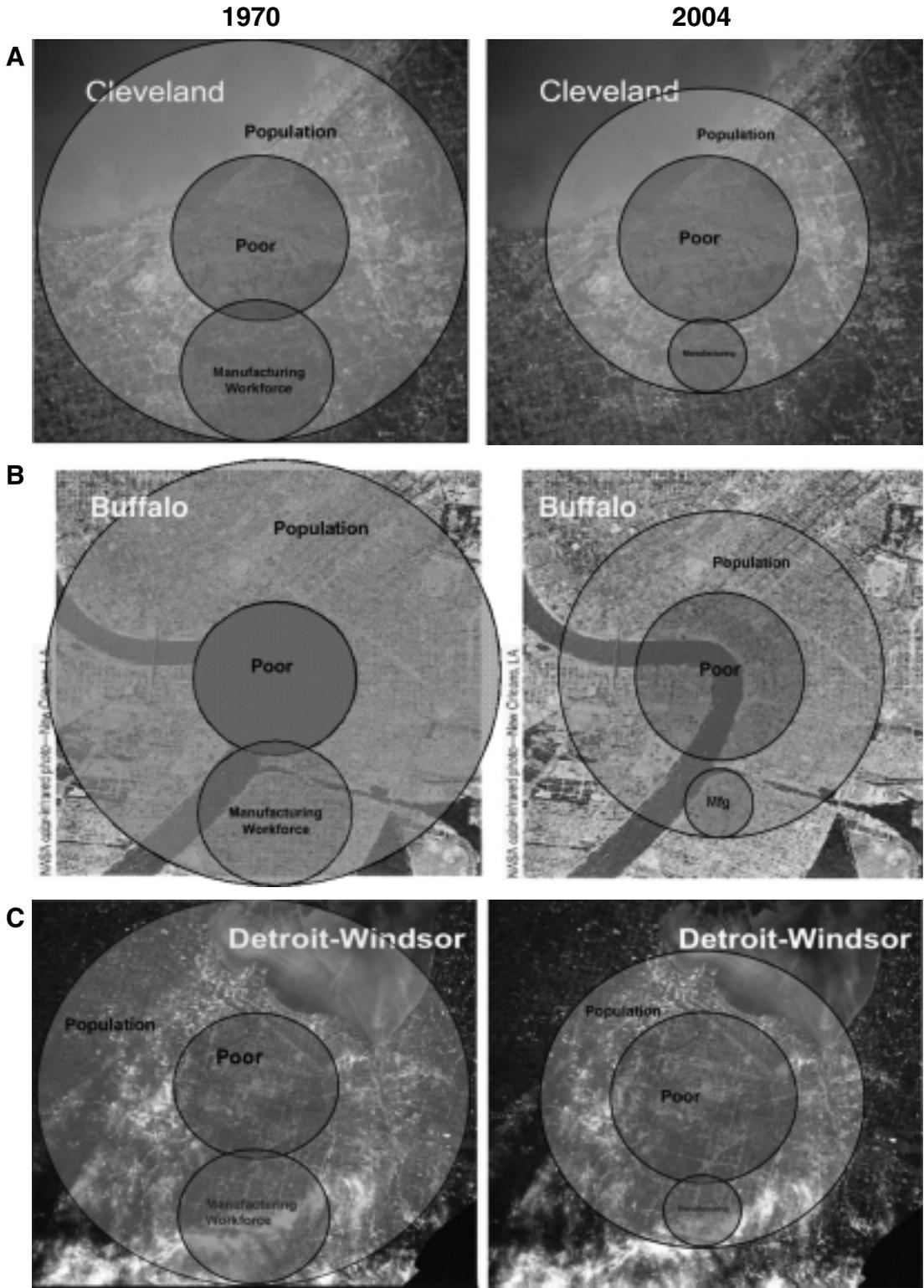
The condition of these urban centers is emblematic of the devolution throughout the entire region, affecting over 80 million people, across 719 counties. The totality of the picture illustrated by all the graphics together, is that the *very means of existence have been undercut, in terms of the fall on a per-capita, and per-unit-area basis, of energy, water, social services, quality of land use, mobility, and so on.*

The nails in the coffin are shown in **Figures 22 and 23**, the “invasion” of the once-world class industrial belt, by Wal-Mart, and by legalized gambling.

In 1972 there were two Wal-Marts in Missouri. Today, there are over 350 Wal-Marts in the eight-state region, with waves of new ones under construction in western Pennsylvania, shutting down the last vestiges of townscapes and local economic activity. As of 2004, Wal-Mart became the largest

FIGURE 21

Deindustrialization Destroys Cities—Population, Manufacturing Workforce Shrink; Percentage in Poverty Grows, 1970-2004



Deindustrialization has shrunk and drastically impoverished the major cities of the upper Midwest since 1970. The figures could be shown for dozens of cities in the region, with the same effects throughout.

Source: U.S. Statistical Abstract.

FIGURE 22a and 22b

Wal-Mart Invades the Upper Midwest: Number of Store Locations, 1972-2002.

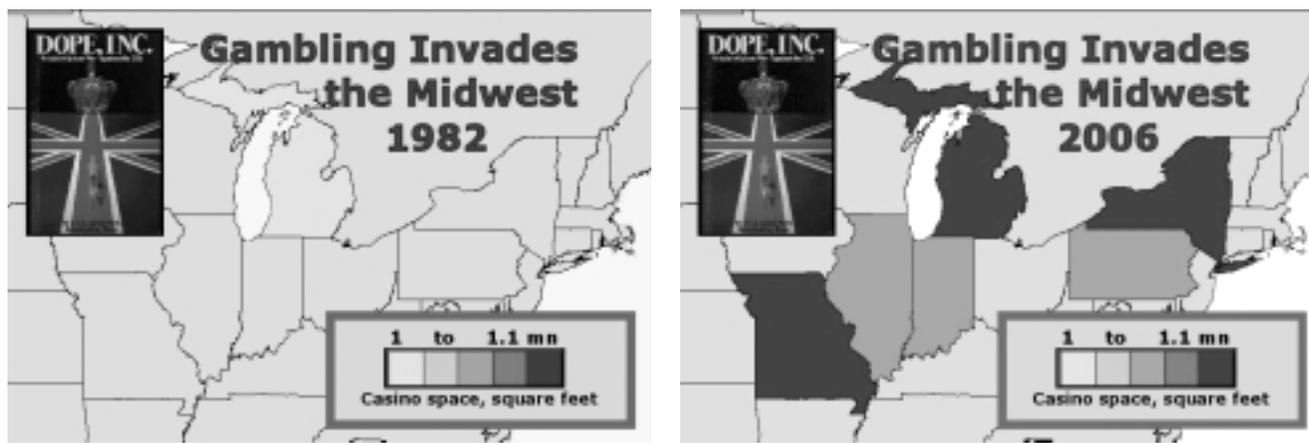


Source: Wal-Mart annual reports.

FIGURE 23a and 23b

Legalized Gambling Invades the Upper Midwest: Casino Floor Space, 1982-2006

(Millions of Square Feet)



Source: Industry reports.

In 1982, only Michigan had casinos out of the eight states. Now, all but Ohio have some form of licensed gaming, including millions of square feet in Michigan, Missouri and New York. In Pennsylvania, a new battle is raging in Gettysburg, for and against putting in a casino next to an existing Wal-Mart, to accommodate 3,000 slot machines.

employer in Pennsylvania.

Nationally, in 1982, there were 491 Wal-Marts; by 2005, the number totalled 3,617 in the United States, with many more under construction.

Organized gambling shows the same pattern (see **Figure 23**). In the early 1980s, only Michigan had succumbed to casinos. Since then, only Ohio has held out: Casino ballot initiatives failed in 1990 and 1996. However now, a new fight is brewing to allow slot machine and video-lottery casinos at

Ohio's seven race tracks, and two other sites.

In Pennsylvania, where slot machines were recently approved, a battle is raging in Gettysburg, where a consortium funded by the Morgan Stanley investment bank, intends to open a 3,000-slot-machine "Gettysburg Gaming Resort and Spa." In deference to Abraham Lincoln, the lives lost at the Civil War Battlefield, and local opposition, the backers have offered to drop the name, Gettysburg, and call it "Crossroads" Gaming Resort.