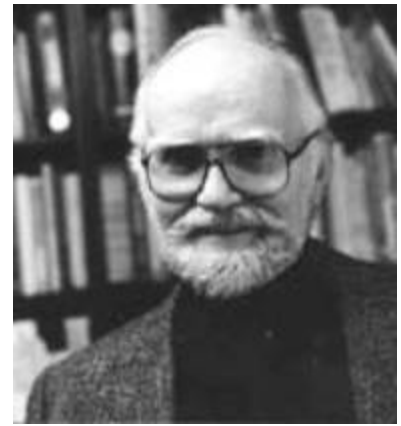


The \$38.5 Trillion Elephant in the Living Room



By Dennis M. Howard

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With the United States and the world facing the biggest financial crisis since the Great Depression, everyone is asking: "How did we get here? And how and when will get out of it?"

As the only writer who was warning as early as 1994 that such a crisis was exactly what we could expect based on ongoing demographic trends, it pains me to say, "I told you so!"

Today, there are loud voices on both sides predicting either a new boom or an unprecedented disaster. None were predicting anything significant in 1997 when I wrote my report titled "*The Abortion Bomb: America's Demographic Disaster.*"

In it, I wrote: "I see little hope that we can avoid an eventual crash on Wall Street that will make the 1930's look like cashing in your cards after a bad game of *Monopoly.*"

CNBC's Larry Kudlow, who is brilliant when it comes to interest rates and a few other financial indicators, is talking about a "V-shaped" recovery and a big boom ahead in spite of the fact that the stock market has already risen 80% from its lows a year ago. The market made its dramatic 1,000 point reversal just a few days later.

My forecast, of course, was not based on short term market factors like interest rates, but on fundamental long term market factors like changing demographics. In other words, the real economy in which families and small businesses live and work. That economy always boils down to people times money. Families are the basic economic unit of society because they are the primary source of all future supply and demand.

In the '90's, it was not that hard to see that we were heading into a major demographic crisis as the Boomer generation began to retire and the smaller Baby Bust generation was starting to take its place as the peak earnings group in the economy. That's why I wrote: "I see little hope that we can avoid an eventual crash on Wall Street that will make the 1930's look like cashing in your cards after a bad game of *Monopoly.*" However, few were paying attention.

I even gave percentages as to when a crash was likely: "I'd give it a 50% chance of happening with the next recession or by the year 2000, an 80% chance by the year 2010, and a 100% chance of happening by 2020." I also predicted that "it will last longer than the Great Depression, and if it takes a war to get out of it, as happened with World War II, America as we know it may not survive."

That was in 1997, three years before the market top in 2000, but Wall Street wasn't interested in listening to a messenger bearing bad news. Wall Street was booming. Even Alan Greenspan, who coined the term "irrational exuberance," only raised it as a question. Sadly, my forecast

proved correct. Wall Street took a tumble in 2000 right on schedule and tanked again in 2008. Now we find ourselves in a new world financial crisis that could easily last until 2020 unless we can reverse the fundamental trends that caused it.

How could I be so right about such a momentous event and everyone else so wrong?

First, the mainstream media were blind-sided by their own politically correct bias in favor of abortion and aggressive contraception. A great many weather-vane politicians, including many nominal Catholics, went whatever way the winds were blowing. Although the Popes spoke out clearly in many statements, a majority of pastors and bishops remained “one, holy, Catholic, and half asleep.” It was left to a handful of pro-life leaders – Catholic and Evangelical – to sound the alarm about the morality of these issues.

Nevertheless, few thought that the abortion boom had anything to do with a possible economic decline. When I raised the issue with Dave Andrusko of National Right to Life in 1994, he simply dismissed it. I sent my first ad campaign out to 20 pro-life leaders in 1993, but only one responded – the late John Cardinal O’Connor. That was all the encouragement I needed.

Fortunately, I stuck to my guns. I had been tracking the economic impact of abortion since 1992 based on data going back to 1970. Later, I also did studies showing the difference in state-by-state recovery rates from the 1989-91 recession. That study revealed major discrepancies between states with high abortion rates and those with low abortion rates.

Indeed, states with low abortion rates suffered virtually no recession at all; while those with the highest abortion rates – mainly Democratic "blue states" – were still in recession five years later. The same phenomenon persists today. The highest unemployment rates persist in large industrial states with the highest abortion rates

Initially I used losses in downstream tax revenues as an index of the cost of abortion, but that only showed government losses. So I switched to using per capita GDP as a measure of total economic cost. If all those babies had not been aborted, what would they have contributed to the economy in hard, reliable numbers like total GDP? The results were astonishing.

I found that the 51.4 million abortions since 1970 have cost the U.S. an astonishing \$35.6 trillion dollars in lost GDP. The number of abortions has since risen to 52.7 million, and the cost to \$38.5 trillion. It is still climbing by \$2.5 trillion annually. However, if you include all the babies lost to IUDs, RU-486, sterilization and abortifacients, the loss climbs to over \$70 trillion and keeps climbing.

No matter how you slice it, aggressive "population control" exacts a huge price in future economic growth that can never be recovered. It is also a loss that reverberates through all future generations. Without a brand new Baby Boom, that lost growth will never be regained.

We don't have a debt crisis. We have a death crisis.

Far too many people still look on abortion and aggressive use of contraception as some kind of free lunch. You pay your money, the deed is done, and that's it. Still others want the government to pay for it. We have become a society in denial of the consequences of our own behavior. It amounts to a near-total collapse of personal responsibility.

We just happen to be terribly wrong. The collapse of the former Soviet Union is a dramatic example. The main reason for their collapse was demographic: 300 abortions for every 100 live births for decades. Their future is still grim. There are simply not enough younger women disposed to having babies in Russia today to reverse their population decline. Indeed, they are expected to lose another 40 million people between now and 2050.

The same kind of population decline is in the cards for Italy, Spain, France, Germany, Japan, and even China. Meanwhile, the Muslim world is going in the other direction with rates of natural increase 5 to 6 times greater than ours. They will own the second half of this Century unless we reverse course. And it won't be their fault; it will be ours.

World population control became national policy under Richard Nixon when he approved the Rockeller Commission as one of the first acts of his presidency. He later authorized the top-secret NSM-200 study by national Security Director Brent Scowcroft, who served as an adviser to Republican presidents from 1968 to 1992. And he compounded that by naming Harry Blackmun to the Supreme Court in 1970.

It was a coup for the liberal wing of the GOP, yet few Republican conservatives spoke out against it. Pat Buchanan, where were you when we needed you? This is one bad deal you can't blame entirely on the Democrats. Nearly all of it was done by edict. Most Americans didn't know what had happened to them.

Solving this crisis now requires fundamental short and long term measures. Yes, we need to arrest the immediate crisis, but we need to do so without sliding down the slippery slope to government control of our whole economy. Tweaking interest rates and regulations won't begin to solve the underlying problem.

Instead, we need to restore real power to the people by making government more responsive to the needs of people and families. We need to reign in the "winner-take-all" global economy that is destroying American entrepreneurship. We need to empower every American to make a productive contribution to a new growth economy.

But the most important change is recognizing that families are the fundamental social and economic unit of society for the simple, but profound reason that they are the source of all supply and demand. If we don't heed this message, it could become the epitaph of a once great civilization: "As the family goes, so goes the nation."

This column has focused national attention on the enormous toll taken by abortion on the nation's economy since 1970. It has made the economic impact of abortion a red hot story. And now Dennis Howard is carrying the message to radio talk shows all over the country. You can make your voice heard in this effort by supporting our 2010 Campaign for Life.

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