

ly impossible for young farmers to get started. The median age of America's farmers today is over 50.

It was precisely this type of crisis in agriculture during the 1920s that precipitated the 1930s Great Depression. Initially producers will scramble to produce more, to try to make up for falling prices. But as bankruptcy claims more and more operators, the food glut will turn into a shortage. In the process, *one out of every five jobs* in the rest of the economy, now supported by agriculture, will disappear.

### Labor force

Were the U.S. to turn to reviving the economy, the required skills would be lacking in many sectors. And most importantly, the next generation of the labor force is not being equipped to take this generation's place—a devolution that has accelerated fearfully during Volcker's term in office.

The deterioration in skill level is the most pronounced. According to Department of Labor (DOL) statistics, the U.S. economy needs machinists to fill 22,000 new jobs each year. But each year only 2,300 machinists complete apprenticeship programs. Again, according to the DOL, the economy has job openings for 8,700 tool and die makers each year through the foreseeable future. Only 2,400 tool and die makers complete registered apprenticeships each year. The average journeyman-level craftsman is now 55 years old. If action is not taken soon, within four to five years, the U.S. will face a far more acute skilled labor shortage than it faced at the end of the 1930s.

At the same time, the standard of living of the labor force is falling, which lowers productivity. Since 1979, according to the DOL, the after-tax, inflation-adjusted weekly income of the average American non-agricultural worker with three dependents has fallen by 11 percent—a far sharper drop than the 1973-74 recession or any years since the Great Depression.

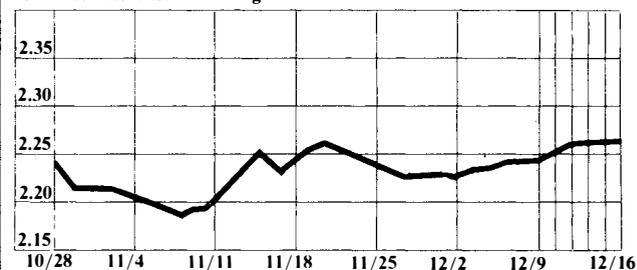
One month after Volcker took office in September 1979, nationwide unemployment was 5.99 million. Two years later it was 7.97 million, an increase of 2 million. Two *months* after that, in November 1981, nationwide unemployment was 9.00 million, an increase of another million workers. Since Volcker took office unemployment has increased by 50 percent. The only previous period of such a rapid increase was the 1930s, when the unemployment figure reached 12 million. By early 1982, official unemployment is likely to hit 10 million and above.

If workers too discouraged to work (1.17 million workers) and workers who have been forced by partial plant closings into part-time work are counted as unemployed (5 million), then the total number of unemployed is now 15.17 million, the highest it has ever been in the United States.

## Currency Rates

### The dollar in deutschemarks

New York late afternoon fixing



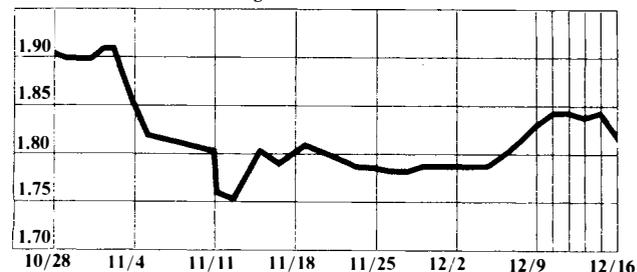
### The dollar in yen

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing

