Nor even the 23 years or so since the ill-fated Richard Nixon took the dollar off the gold standard in 1971. It is necessary to go back to the aftermath of the assassination of President John F. Kennedy to put right what has gone wrong.

Look at the idiocy. Here we are, in the middle of the biggest financial collapse in human history, and we've still got idiots solemnly informing us that what is going on is merely a "correction," which is usual when the "markets" make the "transition" from interest rate-driven cycles to earnings-driven cycles. (Oh, for the days when "cycles" came with training wheels on the back!)

You see, productivity, measured as dollars of output per worker, is increasing faster than ever. Some even go so far as to insist, "It's not a recovery anymore, it is a boom."

Productivity is not asset-stripping

And, no one seems to know what productivity is anymore. Of course, dollars of output per worker can be going up, because the number of workers producing the output is going down. That doesn't mean there is any growth going on, or that the "earnings" which proceed from such increases in so-called productivity, also known more properly as looting or asset-stripping, are something real. They aren't.

In whole classes of production, we are producing 30-50% less than we did during the four years from the assassination of President Kennedy to the end of 1967. We used to grow our own food; now we import whole ranges of products, from tomatoes to broccoli, from Mexico and other places. We used to make our own shoes, now we have the Chinese and Brazilians do it for us. We used to make our own clothes. We used to have a capital goods industry which could produce the machinery which permitted other branches of manufacturing to function, and we prized the workers who were thus employed. We used to build roads, and power plants, and maintain the internal waterways of the navigation system. We used to build schools and hospitals, and maintain the cities in which our people lived so that they could function, and have the hope that their children would do better in the future than they had.

Then productivity increases meant increasing the growth of the whole economy through technological improvements which would cheapen the cost of labor, and would create more jobs.

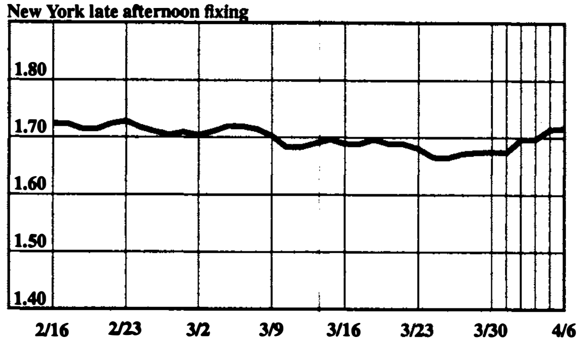
And that is what we must get back to. What is going on in the so-called financial markets is going to make that kind of shift possible, because it is going to wipe out the institutional power which over the last generation and more has imposed usury, looting, and speculation on everybody else. It will help send those who sound off about the "transition from interest rate-driven to earnings-driven recovery" to the kind of place such people really belong, a funny farm all of their own.

But, making Greenspan the scapegoat for mismanaging the mess isn't going to do any of that.

Currency Rates

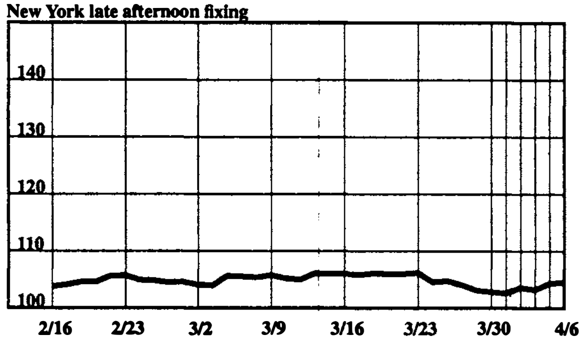
The dollar in deutschemarks

New York late afternoon fixing



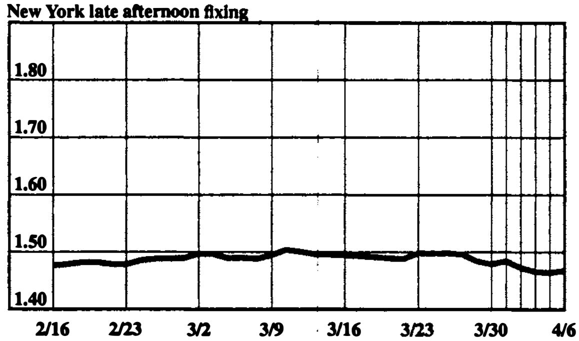
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing