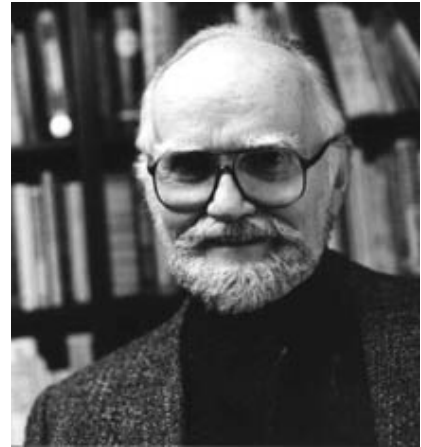


The \$50 Trillion Elephant in the Living Room



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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 when will we 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 slow recovery or a further 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 1930s 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 other financial indicators, has talked about more growth ahead in spite of the fact that the stock market has already risen 100% from its devastating lows. Economic conservatives like Kudlow recognize the challenge presented by \$16 trillion in national debt, but often dismiss the bigger long-term drag on the economy represented by the unprecedented cost of so-called social issues.

My forecast was not based on short-term market factors like interest rates, but on more fundamental long-term factors like changing demographics and the mounting cost of our national social decline. In other words, the real economy in which families and small businesses live and work. That economy always boils down to: *people times money.*

The eco-conservatives often overlook the reality that families are the basic economic unit of society because they are the source of all future supply and demand. When the family is in decline, as it has been for over 40 years, America is in trouble.

In the mid-1990s, 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 relatively smaller Baby Bust generation began replacing it as the peak earnings cohort in the economy. I gave my first warnings when I saw that declining birth rates had to seriously damage future demand.

I even gave percentages as to when the 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. However, Wall Street was still booming and was not listening to messengers bearing bad news. 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 growing world financial crisis that could easily last until 2020 and beyond unless we reverse the fundamental trends behind it.

How could I be so right about such an 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 at times, a majority of Catholics 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.

Few thought that the abortion boom had anything to do with a possible economic decline. When I raised the issue with 20 pro-life leaders, they simply dismissed it. The one exception was the late John Cardinal O'Connor. He gave me his blessing and agreed to a full-length interview that we later published as "*A Nation in Need of Healing.*"

I had been tracking the economic impact of abortion since 1992 based on data going back to Roe V Wade. Later, I added state data from Colorado, California and New York, which had legalized abortion as early as 1967. That added 2 million more abortions to the toll.

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.

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 still occur in states with the highest abortion rates.

Initially I used losses in downstream tax revenues as my index of the cost of abortion, but that only reflected declines in government revenue. So I changed to using GDP per capita as a measure of total economic cost. Data on that parameter were also readily available.

I asked: 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.

Currently, 55.3 million abortions since 1967 have cost the U.S. an astonishing \$50 trillion in lost GDP. That number is still climbing by \$2.5 trillion annually. If you were to add the babies lost to IUD's, RU-486, sterilization and abortifacients, the loss would exceed \$65-\$70 trillion.

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. Even with a brand-new Baby Boom, the losses can never be regained.

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

Far too many people still look on abortion and contraception as some kind of free lunch.

Even Nancy Pelosi has argued that by getting rid of babies, you save money on health care. What she ignores is that you also lose the value of all those human resources that are the wellspring of all future demand and all future innovation.

Still others want the government to pay – not just for contraceptive pills, IUDs and other abortifacients, but inexpensive condoms. We have become a society in denial of the consequences of our own behavior. For men, it's the Viagra generation. It amounts to a total collapse of personal responsibility.

That this is suicidal is underscored by the collapse of the former Soviet Union. The main reason was demographic: 300 abortions for every 100 live births for decades. Their future is still grim. There are simply not enough young women around to reverse their population decline. Indeed, they expect to lose 40 million more people between now and 2050.

Similar declines are in the cards for Italy, Spain, France, Germany, Japan and China. Meanwhile, the Muslim world is growing with rates of natural increase 5 to 6 times greater than ours. Thanks to population control programs in the West, the Muslim world will own the second half of this century – unless we reverse course.

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

This was a coup for the liberals in the GOP like Nelson Rockefeller, but few conservatives spoke out against it. Pat Buchanan must have been asleep at the switch. This is one bad deal you can't blame entirely on the Democrats. *What's strange is that they are the last ones defending population control policies initiated by Richard Nixon!*

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

Instead, we need to restore real power to the people by making government responsive to the needs of people and families. We need to rein 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.

However, the most vital change is recognizing that families are the fundamental social and economic unit of society for the simple, but profound reason that they are the ultimate source of all supply and demand and of the human resources that are critical to future economic and social development.

If we don't heed this message. We will soon be writing the epitaph to a once great civilization: "As the family goes, so goes the nation."

Make your voice heard by passing this message to as many people as you can and by sending your most generous donation today to:

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