

Parson Malthus goes to Tokyo

Two weeks ago in these pages we published a secret memorandum prepared in the U.S. Treasury and State Departments under Treasury Secretary Blumenthal's direction. The memo outlined the U.S. position for the June 25 Tokyo economic summit, calling on the United States and other industrialized nations to surrender themselves to the International Monetary Fund's "surveillance" powers—such as those used to reduce Turkey to a strife-torn hellhole (see MIDDLE EAST).

Since that incriminating "leak," the pro-IMF conspirators in the Administration have come out openly with the strategy of forcing a global energy shortage and a slowdown with the Organization of Petroleum Exporting Countries that they will use to force IMF demands on Japan, West Germany, France and the United States when the heads of those governments and the United Kingdom meet in Tokyo next week. Moreover, through U.S. Energy Secretary James R. Schlesinger, the IMF clique in the Administration has voiced the theoretical model upon which that strategy is based: Parson Malthus of early 19th century Britain.

In a speech to the International Association of Energy Economists in Washington, June 5, Schlesinger declared: "Neoclassical models of economics no longer work. . . . The neo-Malthusian model is more relevant to the problems we face today."

In its theoretical garb, Malthusianism says that growth of population will always outrun the growth of food and other needed resources. In practice, Malthusianism means suppressing the scientific advances that have historically invalidated Malthus's position. It means eliminating people—by famines, epidemics, and wars.

The irony is that, indeed, the "neoclassical" models of Lord Keynes, Milton Friedman, and all other approaches employing the incompetent measuring-stick of Gross National Product, do not work. GNP fails to distinguish between productive economic activity and revenues from gambling and prostitution. For this reason *Executive Intelligence Review* has presented, and will over the coming weeks be publishing key applications of a "Riemannian" economic model developed by presidential candidate Lyndon H. LaRouche, Jr.—a model uniquely based on criteria of technologically-advancing economic growth.

Adoption of the LaRouche model is crucial both for those forces in the United States committed to recapturing the White House for the progress-oriented American System, and for the Western European leadership that has thus far stopped short of a potent intervention into the Washington debacle.

It is true that the leaders of

France and West Germany, with the likely support of Japan, will arrive in Tokyo with an alternate agenda in hand. The West European press reports all-out "war" between the Franco-German partnership and Washington, a war that erupted into the open with visiting French Foreign Minister François-Poncet's attacks on the Carter Administration's \$5 per barrel oil subsidy and "Camp David" war policy for the Middle East.

As our INTERNATIONAL report details, the European strategy has the backing of Mexico's Lopez Portillo government and the Saudi leadership. Yet, both Chancellor Schmidt and France's President Giscard have undermined their negotiating position by giving lip service to the "energy conservation" line that ultimately traces back to the theories of Parson Malthus. If they are to succeed in reversing the Tokyo agenda, there is no choice but to take up the only competent alternative model—ours.

—Nora Hamerman

The Week in Brief

Which way for Italy now? Last week, this column reported **promising initiatives** from Italian Prime Minister **Giulio Andreotti** and his collaborators in the **Italian Communist Party**, whose informal ruling alliance has made Italy a focus of a potential **independent European policy** against a London-Washington-Peking Jerusalem war axis. But the **fraud-tainted elections** June 3-4 delivered a heavy blow to the prodevelopment Italian forces by delivering substantially **diminished returns to the Communists**, shifting the balance in the Christian Democracy away from Andreotti's

faction, and giving a **larger voice** to the marginal small parties such as NATO-run "**Social Democrats**" and the openly fascist Radical Party of Marco Pannella. The European Labor Party is mounting a national campaign to **demand new elections** and latest reports are that a number of Christian Democrats may join the drive. Moreover, **Andreotti surprised everyone** June 6 by demanding a **continuation of his mandate** until at least September, as well as of the **antiterrorism program** which was the mainstay of the Catholic-Communist alliance. This could work—if the ELP

exposure of election tampering continues to gain ground. See EUROPE report.

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Apparently seeking a distraction from the growing reaction against the mismanagement of Iran's economy, (see INTERNATIONAL) Iran's Ayatollah Khomeini has added a dangerous new element of instability in the Persian Gulf region by launching provocations against Iran's neighbors and against internal opponents of his regime.

On June 5, Khomeini's newspaper, "The Islamic Republic," issued a call for the overthrow of the Iraqi regime, supposedly in response to alleged Iraqi support for anti-Khomeini groups among Iran's Arab populations. "Islamic Republic" accused the Iraqi government of trying to "open a path for their (Soviet) masters to warm water ports in the Persian Gulf" and to "prevent their suppressed peoples from encountering Iran's Islamic ideology.... Such provocations and conspiracies will cause a deep distress among our Muslim brothers over the border which, in turn, will lead to the overthrow of the regime."

Simultaneously, Khomeini issued a scathing diatribe against those Iranian republicans and leftists who oppose his "Islamic" dictatorship. Khomeini exhorted his faithful hordes to "deal with them as we dealt with the Shah."

The impetus behind these adventures comes in large part from the devastated state of the Iranian economy. Sources have labeled Iran "an industrial cemetery," with nearly \$75 billion in civil and defense contracts now on the chopping block. Unemployment is reaching alarming proportions, a fact which may encourage Khomeini's forces to begin shipping the population out to the countryside, in the style of Cambodia's Pol Pot.

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One week after the Organization for Economic Cooperation and Development (OECD) slapped Turkish

Prime Minister Bülent Ecevit with an offer of \$1.45 billion in aid conditional on his compliance with an IMF austerity program which he has resisted for months (see MIDDLE EAST), the Soviet Union has reached agreement with the Turks on a wide-ranging program of 20 major development projects with the whopping price tag of \$8 billion. The first: a Soviet-built nuclear fission power plant.

What's more, the Soviets are backing up the program with \$4 billion in credits. The tab for the other \$4 billion in the package remains to be spoken for; if the Europeans pick it up, they will deliver a blow to the IMF, and give Turkey badly needed maneuvering room to repair its beleaguered economy.

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Mexico has placed itself firmly on the side of those nations opposed to spot market speculation being carried out by the major oil companies with the support of U.S. Energy Secretary James Schlesinger. Minister of Natural Resources and Industry Jose Andres de Oteyza told Textile industry executives May 31 that "our country made a firm commitment, and it has held to it, not to speculate with our oil on the international market.... Speculative practices are risky and damaging, even immoral."

Oteyza indicated that Mexico would take action against oil majors who speculate with Mexican oil. "Just as we sell our oil to international companies under specified conditions... with periodic revision and within well-defined rules of the game, so they must supply us petrochemical products under the same conditions. And if this does not happen we will take appropriate countermeasures."

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Drug-peddling is treason, says a national group called "Stop Drugs at the Source." The group has a goal of collecting 150 million petition signatures to demand a federal action charging dope pushers with treason,

and has also proposed that those financing, transporting and politically aiding them be considered coconspirators.

"Stop Drugs at the Source" organized hearings in the State Legislature of Georgia—where the group has gathered 1.2 million signatures so far—where they were sponsored by State Senator Culver Kidd. Kidd, a Democrat, called on the United States to re-implement in Colombia and Jamaica the "Mexican model" for collaboration in cleaning up drugs, by offering agricultural production instead. "The whole social structure is now in jeopardy," Kidd said. "An international conspiracy is involved in undermining the welfare of an entire generation. The perpetrators are traitors to our nation and to our people." For those found guilty of pushing illegal drugs, Kidd proposed (1) a minimum \$250,000 bail bond; and (2) a change in the method of sentencing, starting with a five year minimum sentence for pushers.

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Attendees at the National Conference of Energy Economists in Washington, D.C. were greeted with a memorandum circulated by U.S. Labor Party team outlining USLP Chairman Lyndon H. LaRouche's Riemannian economic model, titled: "LaRouche Model Discovers New Unemployment Problem: You"

The memorandum was circulated following Energy Secretary James Schlesinger's call for "Neo-Malthusian" economics, and came at a conference dominated by Gross National Product"-based thinking which regards oil price increases as beneficial—or at least not detrimental—to the economy, because they contribute to a larger GNP (see INTERNATIONAL REPORT).

Circulation of the Labor Party memorandum to the "energy economists" is part of a drive to demolish quack economic theories.

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