

Keynes proceeds to attack the "American System" of investment in technological progress, whose documented success, both in the United States and continental Europe, refuted Malthus's lies:

"Europe [before World War I] was so organized socially and economically as to secure the maximum accumulation of capital. While there was some continuous improvement

in the daily conditions of life of the mass of the population, Society was so framed as to throw a great part of the increased income into the control of the class least likely to consume it.

"The immense accumulations of fixed capital which, to the great benefit of mankind, were built up during the half century before the war, could never have come about in a society where wealth was divided equitably. The railways of the world, which that age built as a monument to posterity, were, not less than the pyramids of Egypt, the work of labor which was not free to consume in immediate enjoyment the full equivalent of its efforts."

Keynes chooses to ignore the essential point, that in contrast to unproductive pyramid-building (which Keynes later recommends as the path to "full employment"), the construction of railroads in the United States and Europe increased the per capita productive powers of labor; and this increase in turn permitted both an increase in living standards *and* an increase in the wealth invested in expansion and improvements of the means of production. Keynes completes his lying attack on the American System as follows:

"Thus this remarkable system depended for its growth on a double bluff or deception. On the one hand the laboring classes accepted . . . a situation in which they could call their own very little of the cake, that they and Nature and the capitalists were cooperating to produce. On the other hand the capitalist classes were allowed to call the best part of the cake theirs and were theoretically free to consume it, on the tacit underlying assumption that they consumed very little of it in practice. The duty of 'saving' became nine-tenths of virtue and the growth of the cake the object of true religion.

"And so the cake increased; but to what end was not clearly contemplated. Individuals would be exhorted not so much to abstain as to defer, and to cultivate the pleasures of security and anticipation. Saving was for old age or for your children; but this was only in theory—the virtue of the cake was that it was never to be consumed, neither by you nor by your children after you. . . . The cake was very small in proportion to the appetites of consumption, and no one, if it were shared all around, would be much the better off by the cutting of it. Society was working not for the small pleasures of today but for the future security and improvement of the race—in fact for 'progress.'

"If only the cake were not cut but was allowed to grow in the geometrical proportion predicted by Malthus of population, but not less true of compound interest, perhaps a day might come when there would at last be enough to go around, and when posterity could enter into the enjoyment of *our* labors. . . . One geometrical ratio might cancel another, and the nineteenth century was able to forget the fertility of the species in a contemplation of the dizzy virtues of compound interest. There were two pitfalls in this prospect: lest, population still outstripping accumulation, our self-denials promote not happiness but numbers; and lest the cake be after all consumed, premature-

In memoriam: Minoru Toyoda

The editors of *EIR* are saddened to report that Mr. Minoru Toyoda passed away on Dec. 15 at the age of 79. Throughout his life, Mr. Toyoda was actively involved in developing the Japanese automobile industry, and the Toyota automobile conglomerate and associated industrial spinoffs. Mr. Toyoda believed that it was necessary for Japan to also play an active role in fostering the development of fundamental science, and that his country had an important role to play for humanity as a whole.

In 1989, when Martin Fleischmann and Stanley Pons announced their discovery of cold fusion, Mr. Toyoda invited them to Japan, and a friendship developed. And when the international science community turned against the two chemists, Mr. Toyoda offered them a laboratory where they could continue their researches. On the morning of his death, Mr. Toyoda had met with a group of his associates, who briefed him on the latest developments in cold fusion. He was happy and interested in all of the progress.

EIR Science and Technology Editor Carol White wrote of his singular contributions in her Dec. 11, 1992 *Feature* on the Third International Conference on Cold Fusion. White observed on Dec. 28: "While I never met him personally, I felt his death as a very personal loss. He was an extraordinary human being, and by all accounts a joyous man, whose friendship was cherished by all those who were privileged to know him."

He was the honorary chairman of Technova Inc., a think tank that he founded in May 1978, as he explained, because, "For a long time, I have held the strong belief that equitable growth in the world economy during the 21st century will only be achieved by the harmonious development of science and technology, through international cooperation." In July 1985, Mr. Toyoda established an international R&D laboratory near Nice, France, called IMRA Europe.