
The LaRouche-Riemann Model

There is an alternative to MAD-ness in economic policy

by Christopher White

1984-85 is a turning point in the economic history of the United States, but not for the reason that most of those who have been through the programs of economic faculties of advanced sector universities would assume. This is the year in which the last fag-end of what was called the baby-boom of the 1950s and early 1960s comes to an end. By now the cohort of the population born between 1960 and 1965, has either graduated college, or entered what is now called the work force. From here on out the demographic decline of the U.S. population, if not reversed, is going to accelerate.

This reality has been charted out by economists at the Hubert Humphrey Institute in Minneapolis. They have calculated the number of work places that will no longer have to be created, because the work force will begin to decline in size. They have estimated how much the nation's energy supply can be reduced, as a consequence of the declining number of work places. And they have figured how many fewer housing units the country will require, because the population which needs to be housed is shrinking.

Underneath all the hokum about the Recovery, the reality is that the United States as a society is committing the moral equivalent of suicide. We are now beginning to suffer the chain-reaction effect of the policy shift that was imposed on the country between 1957 and 1963. This shift was then consolidated during the years of the Johnson administration's Great Society programs.

It is a further measure of the degeneracy of our economic policy-making that outside of Lyndon LaRouche, the economist and former Independent Democratic candidate for President, there is not one economist, or institution teaching economics in the country, that considers the present demographic breakdown crisis to be a problem that has to be addressed. Still less do they consider it to be a problem to be solved in the domain of economic policy. The neo-Malthusian current, typified by the Humphrey Institute, misanthropically and criminally welcomes such indications, as portents and omens that what they consider to be the root cause of all the world's problems, namely the existence of people, is being solved. The maniacal monetarists insist for their part that all be left to "the magic of the marketplace." Like their English-language predecessor Adam Smith, they insist that

it is beyond the purview of mere human beings to seek to change the influence of the "invisible hand."

This kind of thinking has to be changed, otherwise there will be no nation, and there will be no human population in the world.

Studies of the real U.S. economy

Over the course of the year, LaRouche commissioned a series of studies of the U.S. economy, which both highlight what blinkered conventional, Harvard-miseducated wisdom, purlblindly ignores, and point the way to what has to be done.

The LaRouche approach proceeds from his conception of potential relative population-density. Man, unlike lower forms of animal and plant life, progressed from the baboon-like hominids of the late Pleistocene, to a current population level worldwide of about 4.5 billion people, by changing the physical universe of which man is part. Such changes are measured by correlating the number of square kilometers required to support a population of a certain size, at a given level of technology.

It is shown that human existence, to remain human, requires progress, in increasing the per capita and per hectare flux densities of energy consumption, which reflect humanity's increasing power to master and transform nature to sustain human existence for an increased population at expanded levels of material and cultural progress. If man does not progress, he dies.

From this standpoint those areas which define the life or death crisis the United States has entered were identified.

First, the declining birth rate. The youth population of the United States is now lower than it was in 1960. The total population of the country has been growing twice as fast as the youth population. The population over 65 has grown twice as fast as the total population.

Second, the declining rate of increase in energy production. While total production doubled during the 1960s, the growth rate declined to 25% in the 1970s. But, with Jimmy Carter's appointment of Paul Volcker

to head the Federal Reserve Board in 1978, the amount of energy the country produces began to decline in absolute terms.

Third, the shifting composition of the country's labor force. In the 1950s over 50% of the country employed labor force was employed productively, to produce what enabled the country to function. Now that ratio is down in the range of 25%. Seventy-five percent of the labor force of the economy is employed in overhead functions.

Fourth, the infrastructure deficit. Under present conditions it is calculated as \$3 trillion that was not invested to maintain or replace the nation's decrepit and decaying transportation grid, energy production grid, and collapsing urban infrastructure.

Fifth, the crisis in food production, engendered by the deliberate destruction of the independent farmer-producer, resulting, thus far, in milk shortages, escalating prices for fruits and leafy vegetables, and the destruction of the nation's capacity to produce.

Underneath all the hokum about the Recovery, the reality is that the United States as a society is committing the moral equivalent of suicide. We are now beginning to suffer the chain-reaction effect of the policy shift that was imposed on the country between 1957 and 1963. This shift was then consolidated during the years of the Johnson administration's Great Society programs.

In each of these areas, which have been documented extensively over the year, what do the so-called experts say? On the last, they claim that we are over-producing food, even as entire continents in the so-called developing sector face the threat of starvation. On the fourth, for them the collapse of infrastructure does not count as a problem, even though the \$3 trillion dollar deficit mocks at Volcker's claim to have solved the problem of inflation.

On the third, we hear every month that the number of

unemployed is decreasing, that more and more jobs are being created. But unemployment is, in reality, at levels of over 20% of that portion of the population which should be employed. The economic experts do not consider what kind of work people do, or whether their employment is a cost to the economy as a whole, or a contribution to meeting overhead cost.

And on the second and first we hear the same deafening silence.

This kind of economics has nothing to do with economics as such. Modern economics, as LaRouche has emphasized (*So, You Wish to Learn All About Economics?* by Lyndon LaRouche, New Benjamin Franklin House, 1984) begins with Gottfried Wilhelm Leibniz's work on the heat-powered machine, as a branch of physical science, and is transmitted through the American System school of Benjamin Franklin and Alexander Hamilton. Out of the work of this school we inherited the institutions, and the power, of the modern industrial nation state, as the vehicle for the traditional maxim of republican statecraft, "to govern is to populate."

The economics of nuclear MAD

What our insane, or worse, criminal experts call "economics" comes from an opponent tradition of statecraft and morality. In this recent period, what we have been induced to tolerate as economic policy, has been, in fact, a branch of strategic doctrine, known as Mutually Assured Destruction, or MAD-ness. In this view enunciated by Leo Szilard and Bertrand Russell in the 1950s, the threat of thermonuclear destruction was employed to turn back the clock on human progress. It was argued insanely that nuclear missiles made war obsolete, because there would be no winners in such a war. And that therefore the logistical support for war-fighting capabilities, in terms of skilled work force, industrial and infrastructural capabilities were no longer needed either, and could be dismantled. Such considerations fueled the policy shift of the period 1957-63, which was consolidated during the Johnson Great Society years, and fueled the cultural pessimism and despair which bred on the nation's dismantled industrial and technological capabilities. The demographic crisis we now face is the consequence of that spread of embittered pessimism.

Now we reach the point of crisis where ever more of our population will need to be supported by an ever declining work force. The combination does not function. What needs to be done to reverse the trend is clear from the studies LaRouche commissioned. Great infrastructure development projects are required, new cities must be built, the composition of the labor force must be shifted back so that productive labor, technicians, and scientists, and the associated cultural values, again predominate over the morality of the salesman and clerk. Otherwise for this society, as for the bestialism of Ancient Rome, the writing is indeed on the wall.