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## Book Review

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# The absurdities of neo-Malthusianism

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### *The Ultimate Resource*

by Julian Simon

Princeton University Press,  
Princeton, New Jersey, 1981.  
\$14.50 415 pp.

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An unlikely campaigner for the truly American idea that people are the ultimate source of wealth, University of Illinois economics Prof. Julian Simon has just published a refreshing polemic in favor of population growth and a spirited attack on the "antipopulation mafia." His book, *The Ultimate Resource*, is a popularization of a volume he published in 1977 directed at a more technical audience, *The Economics of Population Growth*. It fills a huge vacuum in the popularly accessible literature on critical questions of population growth, resource development, energy supply, and economic expansion.

Simon unconsciously draws his argument that population growth is basically good from two remarkable American economists, Henry Carey and Erasmus Peshine Smith. These two founders of what was called the "American System" of economics during the mid-19th century formulated every rebuttal to the Malthusian ideas of finite resources, overpopulation, and ecological disaster, which Simon has recast in modern terms. Simon's book is a tribute to the vitality of the American idea and provides excellent evidence of the vicious campaign to bury the truly astounding theorists of the anti-Malthusian camp.

Simon's book outlines the same economic thesis about wealth that underlies the American System:

1) Wealth—defined as the utility of material goods—is not a natural property of matter but is created by human labor.

2) The effectiveness of this labor is determined by the capital and expertise (embodied knowledge) that is

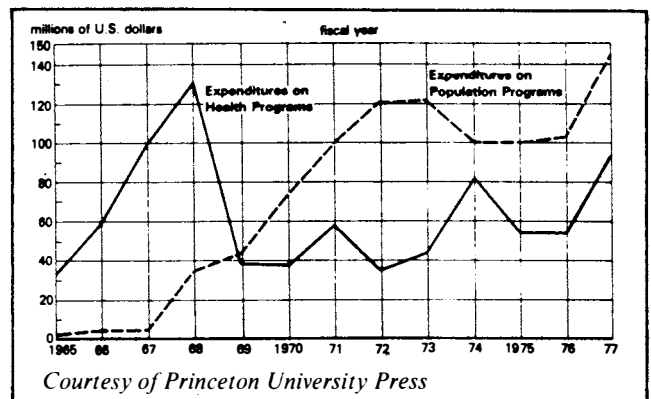
brought to bear in the expenditure of that labor.

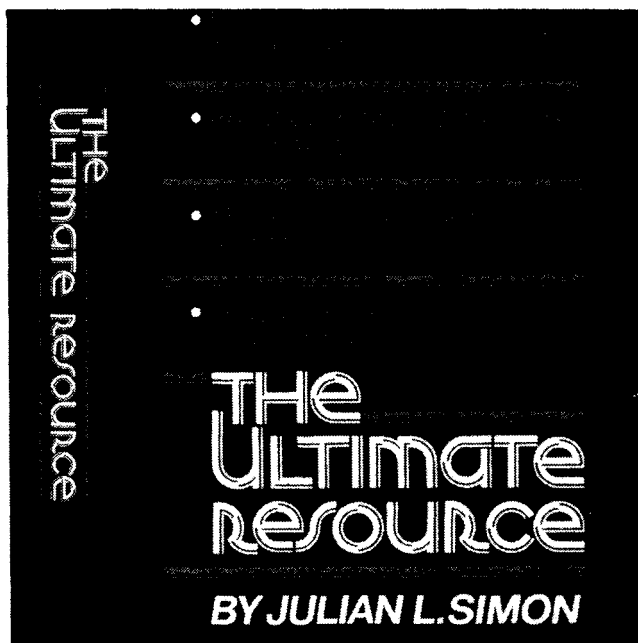
3) All natural resources are man-made. They are never finite in any economic or technical sense, and are wholly determined by the technology used to find, extract, use, or replace that resource as a raw material.

4) The ultimately determining factor in the rate of economic growth, level of consumption, and measure of human welfare is the density of human population.

These arguments were developed in rigorous detail by the early American System economists—indeed, there has been no refutation of Malthus in the last 150 years that is not contained in Erasmus Peshine Smith's 1858 book *A Manual of Political Economy*, or in Carey's 1859 *A Treatise on Social Science*. They have been restated with a mass of useful and surprising empirical data in Simon's book. Did you know:

- That the prices of all raw materials have been falling in real terms over the past hundred years?
- That the price of energy has also been falling in real terms over the past hundred years, and that except for the last five years falling at an accelerating rate?
- That there is absolutely no correlation, in fact, between population growth and underdevelopment?
- That there is a strong positive correlation between population density and economic development? That is, that countries with high population densities tend to have higher living standards?
- That there has been a secular rise in food consumption in all areas of the world over the last 50 years?
- That, in both absolute and relative terms, fewer people are starving today than ever before in human history, and that fewer are on the verge of starvation than ever before?
- That areas of the world where starvation and underdevelopment are most severe, like the sub-Saharan region of Africa, suffer most from a shortage of manpower required to maintain the minimum infrastructure of roads and communications necessary to feed and house a stable population? That Africa is underpopulated?





Simon provides a chilling recounting of the history of the population-control movement's takeover of policy-making in the United States. Between fiscal years 1968 and 1977, expenditures by the Agency for International Development (AID) on health programs dropped from \$130 million to \$90 million, while AID's outlays for population-control programs went from under \$40 million to over \$140 million. According to Simon, this dramatic change in the direction of U.S. foreign policy occurred under the direction of Philander Claxton, Jr., at one time the highest ranking State Department official involved in population affairs under Dean Rusk, now the head of the Futures Group RAPID project and the father of eight children. Simon reports in his book:

Claxton argued that the U.S. government must move from reaction and response to initiation and persuasion. . . . By the time the paper reached the Secretary of State's desk, it had already achieved part of its purpose. All the appropriate State Department and AID bureaus had reviewed, revised, commented, added to, and finally cleared the document. The rest of its purpose was accomplished when Rusk agreed to every single one of Claxton's 10 recommendations. . . . [His] model simply *assumed* that the total national product in an LDC [less developed country] would not be increased by population growth for the first 30 years, either by a larger labor force or by additional productive efforts. Therefore, the model boils down to the ratio of output, divided by consumers; an increase in the number of consumers decreases the per capita consumption by simple arithmetic. In their own words, "The inauspicious showing of the high-fertility

case in terms of improvement in levels of living is traceable entirely to the accelerated growth in the number of consumers that high fertility produces." To repeat: The main mechanism producing their result is simply an increase in the denominator of the output/consumer ratio, where output is the same *by assumption* for the first 30 years for all rates of population growth [emphasis original].

Based on Claxton's shoddy and dishonest scientific work done in 1966, Malthus's arguments for sterilization, abortion, and contraception became official U.S. policy—from the time of Claxton's original report to the warmed over garbage to be found in the *Global 2000 Report*.

Simon has the courage to call the whole of this Malthusian nonsense by its real name. Commenting on the later repudiation by the Club of Rome of their clearly fraudulent *Limits to Growth* report, Simon writes:

The Club of Rome sponsored and disseminated untruths in an attempt to scare us. Having scared many people with these lies, the Club can now tell people the *real* truth. . . . The *Global 2000 Report* . . . is very much in the *Limits to Growth* tradition, done by people associated with that group and with environmental organizations à la Ehrlich. . . . I find the conclusions of *Global 2000* almost wholly without merit and the method used shoddy, largely because of the absence of the very trend data that the authors say is the proper basis for such a study [emphasis in original].

Simon's book, which does not formulate specific policy proposals, should be read as a provocative exposé of the control of American foreign policy by the most unashamedly antiprogress, antidevelopment, antihuman political forces. As Simon rightly concludes, the basic issue is a question of moral values. If one believes that people are basically consumers, devouring resources from a fixed storehouse, if one believes that people are basically irrational, copulative beasts, if one believes that the future benefits to be derived from more people are not worth the wait and effort required to bring these new people to maturity, then of necessity one wants fewer people. One of the most immoral of these, Paul Ehrlich, expresses the emotional and moral quality of this position when he writes:

I came to understand the population explosion emotionally one stinking hot night in Delhi. . . . The streets seemed alive with people. People eating, people washing, people sleeping, people visiting, arguing, screaming. People thrusting their hands through the taxi window, begging. People defecating and urinating. People clinging to buses. People herding animals. People, people, people.