

# Selected Dialogue with LaRouche

**Moderator Debra Freeman:** The first question that I want to ask you, comes from someone in Russia, whom you have been engaged in an ongoing dialogue with on these very questions. For people who have been following this on the website, this is the third in a series of questions from one of Russia's leading bloggers on economic issues, who has asked Lyn in the past to explain what he meant by various elements of the recent Russia-China economic agreements. And Lyn has answered those; those answers are public, and as I said, you can see them on the site. But as Lyn answers, he has more questions.

He says: "Lyn, you say, without an essential change from the present world British-run monetarist system to a credit system, all of the currencies of the world would become worthless very soon. This point is, at the very least, it seems to me, disputable.

"If we look at, for instance, the Russian economy, we will see that it does not have as huge an internal debt, and so many financial bubbles as we see in America. So, even if the dollar collapses, it does not necessarily mean that the same will happen with our ruble. All that we would need to prevent such a scenario is to leave the foreign exchange market, and start using the ruble in international trade. If someone needs energy supplies from Russia, he will have to offer something useful to us—technology supply and industrial modernization, for example. Please comment on this.

"Secondly, you say, the U.S. dollar's ties to China's economy mean that an increase in per-capital value and output of the Chinese economy engaged in the presently agreed China/Russia agreement, would mean a revival of the value of the presently collapsing U.S. dollar through the increased value of the U.S. debt to a rising Russia/China economy. I will put my question to

you in slightly different form. Do you agree that Russia and China are able to perform this project even if the dollar collapses?”



*“You’re in a globalized system. What’s a globalized system? It’s an empire!” LaRouche declared. There are no independent nations on the planet, because no nation has sovereignty over its food supply. “If you’re not prepared to destroy Cargill, you don’t have independence.” Shown: picking cucumbers in Belarus.*

## You Need the U.S. To Defeat Globalization

**LaRouche:** On the latter question, no. Without the United States, Russia and China’s collaboration would not be successful.

This other question to consider here—the deeper one—is, there is no such thing as an autonomous economy on this planet today. There is no self-sufficiency; nor is there any pair-wise self-sufficiency. If two nations decide to try to cooperate, and tell the rest can go to Hell, they’ll go to Hell first. They’ll be delivered the next day, in fact, to that destiny.

Now, you don’t have a “rules” system; you don’t have national economic systems any more. You don’t understand globalization. The problem in Russia today is largely a result of the failure to recognize the menace of globalization. Because that was what was done to Russia, was globalization. Russia’s potential does not lie very much in its own existing industries, that is, on the scale of those industries. And trade within that country, or trade with other countries, or a few countries, is not going to solve anything. You’ve got to increase the productive powers of labor of each country and all countries, and you can only do it with cooperation, because of globalization.

For example, take the case of grain. Helga [Zepp-LaRouche] went through this in her presentation just a few weeks ago, on this question. *There is no such thing as any independent nation on this planet! If you’re not prepared to destroy Cargill, you don’t have independence.* If you don’t look at the firms that control your food supplies on this planet, and go in there, if necessary, with troops, and straighten them out, you’re not going to have a food supply. You need an authoritative international force, composed of sovereign nation-states, but an effective force which is powerful enough to go in and shut down Cargill. Otherwise, you don’t



have a chance!

You’re in a globalized system. What’s a globalized system? It’s an *empire!* You tolerated Cargill! You tolerated similar kinds of firms. You tolerated globalization, and you thought you were smart. You had legislators who did that in country after country. You talked about globalization; the Tower of Babel back again, with similar results promised, for now. That’s the issue!

What we need is a consent of the people, consent of nations. Now, we know that Europe presently, under the euro, has no sovereignty! Continental, western, and central Europe no longer have real sovereignty. *It doesn’t exist in any of those countries!* We have to take a bunch of nations which do have enough *power* to represent sovereignty, which is largely the United States, Russia, China, and India, and a few neighboring countries, which will share their emotions in this matter, and that will constitute a representative body of the human race. And that representative body of the human race is going to go out and *crush* the imperialists.

*I’m declaring war!* And, as Franklin Roosevelt said: *I hate war!*” But that’s why I got to declare it.

That’s the solution here.

We have to create an economy. No economy presently exists, no sovereign national economy presently exists anywhere on this planet. You want to talk about trade within and among nations? You don't have sovereign nations anymore. There's no nation on this planet that's sovereign; it's all under globalization. It's under the empire.

What's the empire? The empire is the British Empire; the enemy is the British Empire! And the British Empire does include Buckingham Palace (or, there's another name for the place, but I won't use it here). And there is Threadneedle Street—that exists. But the Empire is international; it's an international monetarist system. The system which is typified by the globalizers—the ones that control the food supply of the world, that control the mineral supply of the world, that control the industries of the world. These bastards have to be shut down, in order to get our national sovereignties back. And what we have is, we have a nasty pact of nations who say, we're going to take our national sovereignty back.

We're going to eliminate globalization. We're going to have equitable treaty agreements among cooperating nations. We're going to think in terms of 50-year projects—in some cases, 100-year projects. The development of northern Siberia is a 100-year project, which is extended across the Bering Strait, through a tunnel through the Bering Strait, into Alaska, into Canada, and down into the United States. We're going to take the Arctic region of the continents, and we're going to start to develop them, because they contain essential resources, and we do know how to deal with them, at least some of us do.

We're going to deal with Africa. We're going to build a modern type of railway system which unites the world. We can devise it, we've reported on this repeatedly. We can today, create the equivalent of a high-speed rail system, including a magnetic levitation system, with a high degree of automation in it. We can create an entirely new transportation system for the entire planet. We can connect all of Eurasia with Africa and with the Americas, with, effectively, a single stroke—one continuous set of railway systems, going down into Africa, and transforming Africa. And you can't do it without railway systems.

Look, for example, take Africa: Africa has a great amount, especially in the Southern Shield, of the mineral resources of Africa as a whole. Well, why aren't the Africans rich? Take a picture of this helicopter study,

which was done from helicopters, travelling over various parts of Africa, and looking down at these parts in daytime and at night. What's the condition of Africa? Africa is a British crime against all humanity. Africa has one of the greatest agricultural areas of the world. Why don't they have farms, for food? Why is there no light at night in most of Africa? Why is there no mass transportation system? Why is there no effective system of disease control? Why is there no development? Why is Africa only *raped* of its raw materials, and not developed? Why is the water system of Africa not developed? Why was the Nile River system never completely developed?

That's the problem. And therefore, we have to have ground rules for nation-states. Our basic point is *nation-states*, because nation-states involve the concept of culture.

Now, the power of creativity, which does not exist in monkeys, but should exist in people, even among some politicians. The power of creativity is unique to mankind. All processes on this planet and beyond, are creative. Inanimate nature is creative.

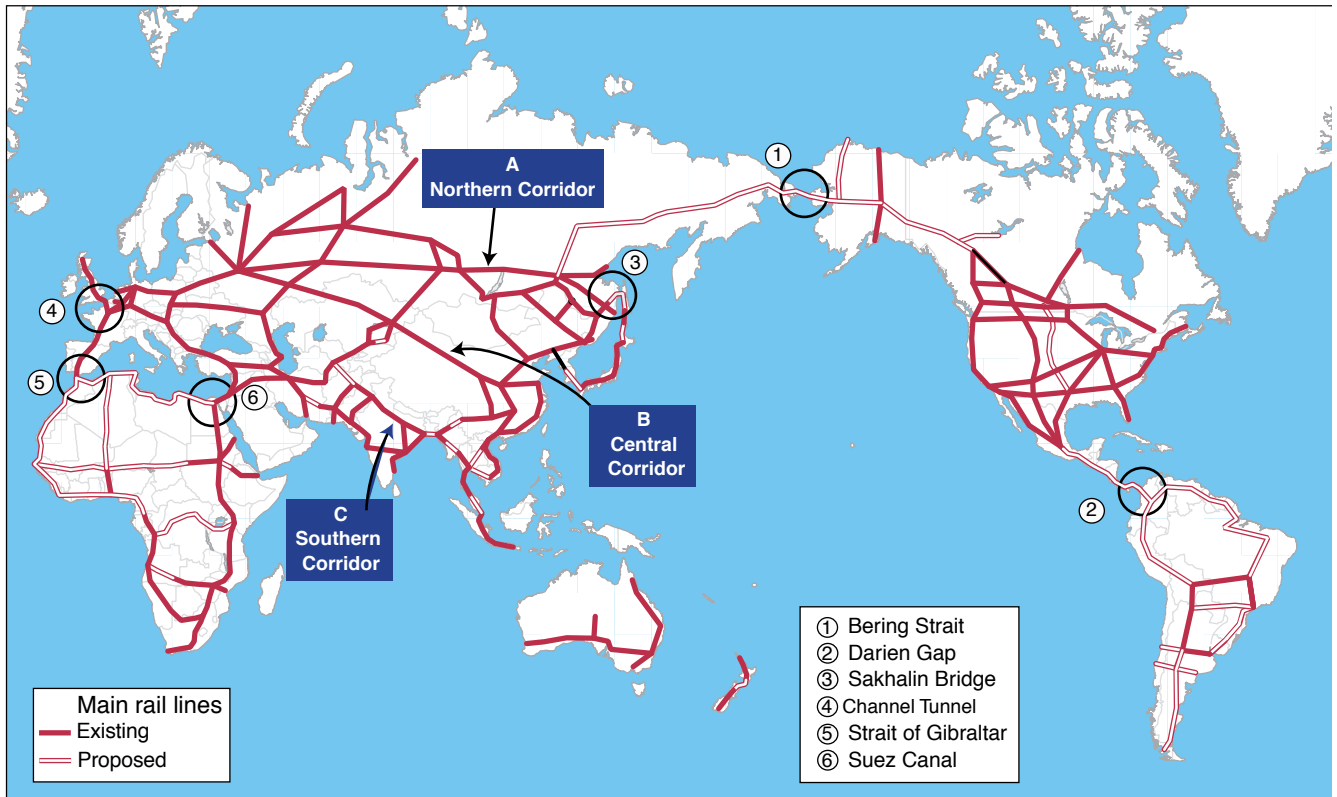
Look what happened: You had a Sun; the Sun is sitting out there, it's all by itself. It's spinning around rapidly, not knowing where to go, in this neck of our galaxy. You got that little Sun. And the Sun spun off some things. It created; it just spun out there, and it began creating the Periodic Table; the complete Periodic Table, which keeps growing and developing all the time, through isotopes, some of which are generated by the aid of life, living processes. And so, suddenly, the Sun suddenly became a whole solar system. And all these kinds of developments occurred.

So, the Sun itself is creative; the universe is creative, inherently. Animal life is creative. But none of them can think; none of them have the ability for voluntary transformation of the universe. Only human beings have the mentality for the voluntary creation of new states of organization in the universe. And we need more people who are creative. We need to get rid of this uncreative nonsense, which was introduced in the post-war period.

We have to develop populations; therefore, we have to realize that when you're dealing with a language culture, which is a very complex thing—it involves not just the language, but a whole lot of other things: If you're dealing with a language culture, you have a certain depth of a faculty called *irony*, which exists in every language culture. Which is generally expressed

FIGURE 1

**Proposed World Land-Bridge**



EIRNS

*“We can connect all of Eurasia with Africa, and with the Americas, with, effectively, a single stroke—one continuous set of railway systems, going down into Africa, and transforming Africa.”*

in the music and the poetry, the art and so forth of that culture. And therefore, when you touch that aspect which is deeply imbedded in national culture, you are getting close to where the creative powers of the individual lie.

So, what our objective must be in a nation-state, is based on the idea of nation-state culture. You must bring into play the creative potential of a people through its culture. Therefore, you want them to represent themselves in terms of the fulfillment and enrichment of their own culture. Therefore, we want the consent of humanity—we don’t want a consent of piggens, we want the consent of different cultures, because creativity lies within the culture. Therefore, we want an *assembly* of peoples which are respectively sovereign peoples, in order to mobilize their cultural potential, for becoming truly as human as they can become.

And it’s the consent of these sovereign cultures, which we must bring into play, in order to finally

achieve what Franklin Roosevelt intended, when he designed the idea of the United Nations: to eliminate all elements of oppression from this planet, and to create a system of sovereign nation-states, of developed sovereign nation-states, which will then take over the entire territory of the planet, leaving no room for empires, or similar kinds of phenomena. And bringing that together, that should be our purpose. So therefore, we have some nations which have, together, the power—sufficient power—to free the slaves among other nations. And our job is to free the slaves.

Europe is a bunch of slaves; South America is largely a bunch of slaves. *We must free them*, and those nations which have the ability, the power, and the determination to do that, must join, on behalf of *humanity as a whole*, because we’re going to create another thing. We’re going to go to Mars! Not this week, but we’ve got to get there. I won’t be there. I will be there in spirit, and you never know what I’ll be able to do as a spirit. I’ll do the best I can.

So, therefore, mankind has a destiny. All nature is creative. Inanimate nature is creative, as we see when we study the inanimate processes of physics, of physical science. Living processes, all living processes are creative. Look at the emergence of species, new species and varieties which have come out of the existence of life on the planet. Life itself is creative. The human mind is creative, and the human mind is the only *willfully* creative power on this planet. And that's what our purpose is.

Therefore, we, as mankind, must look to the future, and the future is not what might happen next week. The future is what we can *cause* to happen, which is a higher state of existence of mankind than has ever existed before. For that reason, we know we must go to Mars, and there are a lot of problems which some friends of mine and I are working on, on this question of how we're going to get to Mars. We're very serious about it; we're determined to get there. I may not see it in this incarnation, but—Nonetheless, it'll take us about four generations to do that, and we can solve, in that time, we can solve the problem.

So therefore, our objective here is to bring nations together, recognizing that no nation has sovereignty—not now. But we're going to have a system of sovereignty on this planet—of sovereign nations—because we *need* it, because human culture demands it. Therefore, we nations which are strong enough to do this, who represent enough power to pull this off, have the obligation to exert that power we have, when we're acting jointly to get rid of the British Empire. And when you think that way, you're thinking strategically. Get away from those lower forms of thought, which are petty ones. We're going to change this planet; to make it a respectable planet, that other planets don't have to be ashamed of.

### **Currency Has No Intrinsic Value**

**Freeman:** We have, actually, almost identical questions coming from someone on the professional staff of the Senate Foreign Relations Committee, and then from someone at Brookings. What one of the questioners says is:

“Mr. LaRouche, I have found your discussion of this new China-Russia venture to be most interesting, and I agree with you that it can serve as a stepping-stone for very significant developments. Not that it's going to solve all of the problems in the world, but again, that it at least puts us in the right direction. What I do not un-

derstand, and which I wish you would explain a little bit more, is, in some of your recent comments that I've seen on your website, and that your spokesman has discussed with us, you have said that what the Chinese are doing is, essentially, by investing hundreds of billions of dollars into this project, i.e., their investment is essentially denominated in U.S. dollars, that they are in effect giving those dollars more value than they have under current circumstances. That they are taking what is U.S. debt, and turning it into an asset. This is what I do not understand, and I wish that you would explain it in a little bit more detail.”

**LaRouche:** People believe in fairy tales, and the fairy tale is that value lies in a currency. A currency has no intrinsic value; no currency has an intrinsic value. See, what's the value here? The question is typical, though. It's typical from Russia, it's typical of some people from China, it's typical all over the world. They don't understand money! They think they do, and that's the biggest mistake. And I would like to take money out in the backyard and shoot it, and then give it a new name—not money—and then people might understand it.

But, the essence of human existence, and of economy, is increase in the productive powers of labor. There is no intrinsic value in any substance or any currency, especially currency. It has *no intrinsic value!* A currency is simply a convention. It has no intrinsic value! The intrinsic value is physical, but it's physical in a general way, not in simply a way that's something tangible.

What is an investment, you presume? You invest certain assets, like physical assets. Don't talk about money, just talk about physical assets. A guy wants to start a business. He wants to start producing something, and he needs the following machinery, he needs these other physical assets, and these skills and so forth. He's going to put these together, and he's going to try to do, what? He's going to try to produce more, as a result of combining these resources, than he put into it. He's going to get more value, in terms of physical reality, out of production than he contributed to start funding the production. Sometimes it's called profit. Profit is a lousy, dirty word, but you can use it sometimes, with my permission, under my strict supervision, because people abuse it very much.

Therefore, the value of a currency, insofar as it represents purchasing of something useful, is expressed by





Transrapid

*By investing a trillion dollars, or what it can buy, in terms of the development of the economies of Asia, in physical production, which involves a factor of growth of values, you increase the wealth of the world. Shown, the Transrapid maglev in Shanghai, China.*

its profitability, its *physical* profitability, not necessarily its monetary value.

So therefore, if I take a trillion dollars of U.S. obligations to China, a trillion dollars worth of obligations which are denoted in Chinese assets, and they're just sitting there. No use, nothing's happening to them. And I come along, and I say, let me buy, or guarantee, or pledge myself to support a trillion dollars' worth of Chinese activity, pledging these funds, these trillion dollar debt funds, for this purpose. Now why am I going to do that? Because by investing that trillion dollars, or what it can buy, in terms of the development of the economy of Asia and other things, I'm going to produce more than a trillion dollars' worth of value, and therefore by investing that in *physical* production, which involves a factor of *growth* of values, I'm increasing the wealth of the world. The wealth of the world does not lie in those dollars, or those other currencies. The wealth of the world lies in the activation of the productive process.

You see, most people say their accountants make money. They make money, unfortunately, which is why we have to put them in prison at times! Right?

What we invest in, we invest in the power of labor, the power of human labor when equipped with certain means, to produce more value for human beings than that labor and those resources represented beforehand. So, if I take a trillion dollars that the United States owes to China, and instead of letting it sit there, as a debt, waiting to be collected by China—which never will happen—

we say we're going to take that debt, and we're going to tell the United States that we're going to invest that debt it has to us in this investment, then everybody benefits. Because we bring together the means for creating the wealth.

You get this *hakem-makem* crazy stuff that goes on, and people talking about money, money, money, money. Investing money, investing money. Stop it! Get it out of Russia. I mean, the Russians are poisoned by this stuff about investment in money. They're brainwashed into thinking, ever since Gorbachov—they're brainwashed into thinking that investing in money, that money is the secret of wealth. *It is not!*

As we should know, money has been destroying the real wealth of the world. Money can be slavery. No, the key thing here is this wealth is, to the degree that it's invested, or its equivalent, what is represented by it, is invested in a way which results in an increase of the amount of real wealth—not money wealth—*real wealth*, and therefore, if you have a sane system of economy, the money value of wealth should conform to and follow the actual physical wealth increase. In other words, if there's an increase in profit, without an actual increase in physical wealth, it's a fraud: typical of what goes on in the United States these days. You get less than what you pay for. By investing in things which result in a greater gain for humanity, in terms of efficient physical values that you're investing in, and if you're investing in improving your nation in physical terms, you're profitable. If you're investing in money, you're a parasite.

### **The Power To Smash the British Empire**

**Freeman:** This next question is from a member of the Stanford group who is now assigned with leading a new section that's dealing with some international questions, and his question—he phrased it as relating to the question of gold, but I think it goes a little bit beyond that. He says:

“Lyn, if we've learned one thing, it would seem—and, as I'm sure you're aware, this was at the heart of President Clinton's drive for a new financial architecture—it is that we must abandon the system of floating

exchange rates and interest rates in favor of a fixed currency and fixed interest rate. And that unless we do that, we are not going to have any hope of ongoing economic cooperation. It's the only way that, it seems to me, we can proceed, where you don't end up with one currency as dominant, but with a common agreement among different currencies.

"The question that I have in all of this is the role of gold. Some of my colleagues here have argued that the 1944 Bretton Woods system was based on a gold standard. Now, I'm not at all sure that that is even true, but in any case, I see a problem with using gold as a standard of value, and without going into the details of why I say that, I think you could probably figure it out. My question is, couldn't we use production as a standard of value?"

"So, what I'm asking you is, number one, in terms of discussing a new financial architecture, how do you see the role of gold? And, number two, concretely, if you agree with me that we wish to use production as a standard of value, how would that work?"

**LaRouche:** Well, you've got several problems, including some historic ghosts in this question. Go from April 12 to April 13, 1945. You had, in the previous year, you had the Bretton Woods conference, and in this conference, Franklin Roosevelt had denounced the policies, the British policies, of a monetary system, the Keynesian system. This prevailed until the 12th of April, 1945, when Roosevelt died. The following day, Harry Truman was President, and Harry Truman went with Churchill to a Keynesian system, as opposed to a Roosevelt dollar, a fixed-exchange-rate dollar. And then we produced a monster, which was an attempt to return implicitly to the gold standard, rather than a fixed-exchange-rate system, based not on a monetary standard, but a credit standard.

So, if you think about the gold question as a credit system, not a monetary system, most of your confusion is eliminated. But the confusion comes, once you ignore the fact that there was a revolution against the United States, a virtual act of treason under Truman, on the 13th of April 1945. Where Roosevelt had denounced monetarism at Bretton Woods, had fought against it and suppressed it, defeated it, as soon as he was dead, Truman, the traitor, brought Keynes in, and the world



Franklin D. Roosevelt Library

*When President Roosevelt died, his successor, Truman the traitor, went with Churchill and the British policy, of a monetary, or Keynesian system. FDR had denounced the British system, and confronted Churchill over the Empire's colonial policies. The two are shown here at Casablanca in January 1943.*

system, since that time, was Keynesian, not U.S. That was the beginning of the return of the British Empire, was that event.

Now, there should be no gold standard, for the same reason that Roosevelt opposed Keynes: The use of gold is as a denominator of a credit system, saying that a uniform price of gold will be a reference point, but for a fixed-exchange-rate system; and therefore, the gold is simply a mechanism to facilitate a fixed-exchange-rate system, as a credit system, not as a monetary system.

The thing is to concentrate on the essential question. It comes up in this question of law. We're going to tell those idiots in the Congress to vote up a law, and the crooks in the back room are going to fix that law so that by the time what comes out is going to have no resemblance to the initial intention of the members of Congress. We call it the "dis-Members" of Congress, often for that reason.

The problem is, that we don't go by the idea of production values, and in a fixed-exchange-rate system, the motive is production values. And what happens is, we absent ourselves, by the way we allow crooked behavior in the Congress generally. We allow crooked behavior. We allow people in the Congress to go behind doors and devise laws, which are *cheating* on what the

public thought the intent of that law was. It's happening right now. What are legislators? Legislation is a form of lying! You don't know what you're getting. It's like getting a krait snake in your bedroom, you know? It's not what you intended. So, that's the problem here.

And therefore you have to go at the question of how the *system* will operate.

You know, the other aspect of this in respect of law, is our lawmaking is increasing law-*less*. The U.S. Constitution, which is the only decent constitution in the world, really—when it's respected—was based on certain principles. It was not a farrago of this and that, with a multitude of different kinds of nooks and crannies, not like a British parliamentary system. But we've been corrupted by adopting the habits of practice of a parliamentary system, not a constitutional system based on credit, and therefore we put up with this nonsense.

But there has to be a general overhaul of our system of law, and the behavior of the legislatures, because our legislative process, over the centuries, has become increasingly corrupt. For example, the Hill-Burton standard of health care. Why should anyone ever change it? The change was a piece of thievery and robbery. It's a fraud! So we talk about health-care reform! Why don't we just go back to Hill-Burton and end the HMO system, which was a fraud from the onset?!

What's being proposed by the President is a fraud! It's mass murder of our citizens! There's no excuse for it. We have legislative doubletalk all over the place. This is *mass murder*! What President Obama is proposing is nothing other than what Hitler enacted in 1939, in September-October '39. We called it genocide, later. And this creature, this Obama, wants to practice genocide against the American people, the same way Hitler did, and the same way that's being done in Britain by the sponsor of Obama, Tony Blair.

This is what's happened to our law. The constitutional intent has been betrayed. You see, our conception of law is based not on trading, not on parliamentary horse-trading. Our conception of law is based on a principle of respecting the nature of man. The rights of man. Our Constitution was the greatest constitutional instrument of any part of human history, and it's been made a shambles by these prostitutes called Congressmen, and others, who sell themselves for their own convenience. We don't have people like John Quincy Adams. We don't have men like Abraham Lincoln. We don't have these types of people. We have imitations, cheap imitations, and that's the problem.

So, the problem here is *not* in the question of gold. Roosevelt's intention was clear; it was clear in 1944 in Bretton Woods. He wasn't there, but he made the remarks. And the intention of Truman was different. Truman was not an American patriot. I would [come to] consider him a scumbag very soon. I was in Kanchrapara, I was on my way going from India, up into northern Burma, where I spent the concluding war years, and some soldiers at Kanchrapara, American soldiers, came up and said they wanted to talk to me at night. I said fine. So they came up, and they said, we wanted to ask you what's going to happen to us now that President Roosevelt is dead. And my answer, which was memorable to me because it was short (that helps sometimes, doesn't it?), I said, well, I haven't thought much about this until now, but I can say this: We were governed by a great man, Franklin Roosevelt, and now our President is a very little man, and therefore I'm afraid for our people. And I was right. And as soon as I got back to the United States, I really knew I was right. This guy was a menace, and he's typical of the political corruption.

The problem we're going to have to deal with in this, is to recognize that these problems exist. They lurk all around in the institutions of government, and we're going to have to clean the mess up. But we're going to have to do this by a radical move of this Four Power agreement. The assembly of four of the most powerful nations on this planet, nations which are of a diverse cultural character with respect to one another, but which therefore are more suitably representative of humanity than a group of nations which simply agree with each other in their cultural characteristics.

We're now representing humanity, rather than a bloc or a group, and we're taking the most powerful group, and assembling around them to have a powerful enough group to *smash the British Empire*! To destroy the British Empire, once and for all, in order to free mankind of Satan. Want to get rid of Satan? Close down the British Empire.

So therefore, this is the kind of situation we're in, and therefore, we *do* have to establish a law for mankind again, which is not essentially different than what the intention of our Constitution was. We're going to have to do it in terms which are understood, as Roosevelt would have agreed, among nations which have different cultural characteristics. We're going to bring nations with different cultural characteristics together for a common understanding of the aims of mankind, and that's what the thing is. And we're going to have to



realize that we're cleaning up a mess, we're cleaning up the outhouse, in the process of doing this kind of negotiation, in reforming the United States. And presumably, we'll have an angry group of Congressmen who will do something, who will no longer go along to get along, but will do the job which their conscience should require of them. That's where we are, and these problems will occur. Don't worry about them, as long as we're doing something to fix them.

### Measuring the Increase in the Productive Powers of Labor

**Freeman:** We have another question here from the Stanford group: "Mr. LaRouche, as you know, we have labored over the distinction between a monetarist system and a credit system, both from the standpoint of historic function and from the standpoint of an urgently required restructuring. Utilizing your Triple Curve Function, it became apparent to us that what had been a decades-long process of economic disintegration, reached a new and more dramatic phase in approximately the middle of 2007, when the price of monetary aggregates, as opposed to regular financial aggregates, began to skyrocket.

"At the same time, net physical income for physical consumption began to spiral downward. The result was a collapse in the market for products, especially for products of production, and as that occurred, employment also began to move in a rapidly accelerating downward spiral. But, the volume of monetary aggregates soared, contrary to financial transactions related to the real economy. This process grew even more critical with the effort to prop up and sustain these monetary aggregates, at the expense of America's physical economy.

"The Obama Administration, contrary to its promises, has adopted policies that have not only continued this, but actually have accelerated the process. And it's our conclusion that this series of facts is absolutely indisputable scientifically, and we're prepared to defend it.

"Now, in terms of a transition to a credit system, when you discuss a return to a Glass-Steagall frame-



ICRC/VII/Ron Haviv

*True economic value is not measured in money, but in how many people we have; what is their life expectancy? What is their health condition; their productivity, education, etc.? How creative are we? Shown: A doctor tends to patients in South Kivu, Democratic Republic of the Congo.*

work, and putting the current system through bankruptcy reorganization, it seems very apparent to us that what you are discussing and what former Federal Reserve chairman Paul Volcker is discussing, are two very different things. Our question to you is, aren't you really talking about eliminating the monetary curve entirely? It would seem that then, the primary measure of economic value becomes the interaction between the financial curve and the curve which represents the physical economy, and that that is the basis of what you refer to as a credit system. Are we correct in concluding this? And if not, could you please shed more light on where we are making a mistake?"

**LaRouche:** Okay, got you. Well, no, there is a little discrepancy here. The discrepancy is simply this: I do not believe in monetary value. I believe in an assigned monetary assessment of value, but that is not mathematically interchangeable, as value is physical. Monetary value is not physical; it's a conventional value, not an actual value.

See, you've got to go back to the question of what is an economy. Money has nothing to do with a real economy, as such. That is, in terms of the essential value terms. Money has nothing to do with real value. Money is a convention; it's a piece of workable fakery, in terms of, like, promissory notes. And the promises are what they are, and the outcomes are not necessarily in accord

with the promises. I've referred to this before; let me put it to you in this way.

What's involved here is, first of all, the increase of the productive powers of labor, as measured in the level of population density and productive powers of labor of the population as a whole. That's value. This value is determined by a rate of growth, which is not necessarily a simple increase, but it's an increase in productive powers of labor. It's an increase in productivity. That the idea of profit itself, real profit, as opposed to nominal profit, is located in: Is there an increase in the physical productive powers of labor, as measured per capita and per square kilometer? That's your fundamental measure. That's your measure of value. And it's a measure of value of *development*, not of a fixed value.

There's no such thing as a fixed value of money. It does not have fixed value. If money sits there and is not invested, it deteriorates. If somehow the process becomes more productive, it suddenly appreciates. It has no intrinsic value. It's a convention we use in society in order to organize trade and investment; that's all. Nothing wrong with that; but we have to keep it in its place. Don't make it a god! The monetary ideas are the ideas which are the typical poison.

So therefore, what we're talking about is the increase in the productive powers of labor.

You've got two problems here. Let's take the planet, the Biosphere, which includes the Lithosphere. We're on this planet Earth. Now, are we increasing the potential population density for human beings on the planet Earth, or are we not? That's the number one estimate of value. Are we increasing the potential population density of this planet, of human beings? Are we, or are we not—value! What's that got to do with money? Nothing!

Are we increasing man's power to increase this gain? Aah! Now, we're touching upon money. It came up earlier, when we discussing this thing about China's investment, a trillion dollar investment. If I take a trillion dollars of Chinese claims against the U.S. dollar, and if it sits there, it has one value, which is pretty much that of dung. If I say, this same \$1 trillion of credit is going to be invested in a science-driver program to transform the productive powers of labor throughout much of Asia, well! And you get a lot of growth of value. Aah! Then, that trillion dollars is worth something, isn't it?

So, value is based on these kinds of considerations.

There is no such thing as an intrinsic monetary valuation, except among people who believe in the fairies, or something. So, that's the difference.

As we do with the Triple Curve, what we're looking at, is we're looking at a physical relationship to a monetary process. In one case, we're looking at it from the standpoint of the money system; in another case, we're looking at it from the standpoint of a credit system, a financial credit system. And we're looking at it, thirdly, from the standpoint of a physical system. So therefore, the success of the process means that the physical system is increasing, in terms of man's power to exist in the universe; that's the physical part. The monetary part is simply fictitious; it's imperialism. Then, you have in between, the credit system, which is the credit uttered for the purposes of promoting actual productive activity in sales and so forth of real goods, which are invested as consumption to support people, which is good, or as investment to increase the productive powers of labor as such.

So therefore, the real values are these relations, which are essentially physical, mental relations. They're physical in the sense that mankind is physical; they're mental in the sense that they deal with the creative powers of the human mind, and the development of the creative powers of the human mind. Those are the real values.

And the function of government, if it's sane government, is to regulate finance, economy, government, according to these understandings. Their objective is to increase the productive powers of labor, through developing the mental powers of mankind—and improving their health, of course, at the same time. And everything else is simply things we take into account in managing the productive process. But money is *not* the productive process. Money is a convention which we use, presumably under policies which govern the way we use money. And it's the policies that contain the value, and the expression of those policies, *not* the value as such.

So, if you just stick with the Triple Curve, and realize that by eliminating the monetary curve, which is the imperialist curve, and going to only a credit system, which is what is in the U.S. Constitution—the U.S. Constitution proscribes a monetary system, and prescribes a credit system; and that's explicit. It's explicit under Hamilton's initial efforts, and it's explicit in the Constitution. We have been corrupted by the intervention of the British system, which is a monetarist system,

an intrinsically imperialist system of at least 3,000 years in existence. So, that's the distinction.

What we would do, for example, if we cancelled this several trillion, \$20 trillion or so of monetarist debt. Sshwish! Gone! Get thee gone, devil! If we do that, what happens? We say, "Aah! Aah!" And then we say, "Ah! But we now can create a number of tens of trillions of dollars of credit," which is no longer this monetarist crap! We are now going to assign credit to rebuild our industries, for rebuilding our infrastructure, for developing our health-care system, and so forth. And this will produce *real physical value*.

And therefore, the end result is the real physical value, and the end result of physical value is determined by how many people we have; what is their life expectancy, how long is it? What's their health condition? What's their productivity? What's their education? What's the rate of improvement of life among a population in general? *These* are the real issues that we deal with. How creative are we? How smart, how creative are our people? How many inventions have they made? How many things have they done that are brilliant?

Those are the real values. And we have to simply take the process of government, and use the instruments of management of government, and self-management of government, to bring about these results. What we really are talking about is increasing the productive powers of labor, which is another way of talking about increasing man's power as man.

What we are talking about is immortality. We're talking about a process in which mankind is a creative species, the only willfully creative species on this planet Earth, or any other planet we know of. And we're defending the essential immortality of man, or what should be the immortality of man. Animals? We're born and we die. We have animal bodies; they're born and they die. We try to make that as comfortable as possible, and as happy, and as long as possible, but that's not what man is. Some people call it the soul.

But, you look at the factor of creativity in human existence and culture, you realize that when a person makes a creative contribution to society as a human individual, it doesn't end there, or begin there. What happens is, the process of humanity as a whole, is generating creative products of the mind. Culture is being developed, the powers of mankind are being increased. This has no beginning that we know of; this is humanity; this is culture. This has no end that we know of. As long as there's progress, it goes on indefinitely, and as

we may come and go, be born and die, we are a participant in a process which we can call creativity. And creativity was there before we were born, and will be there after we die. And we have, in a sense, immortality in time, by virtue of participating in this phenomenon called creativity.

And that's what the moral purpose is. And the moral purpose should dictate government. We want to produce people who are more powerful in terms of their development, who are maintaining the heritage of the people before them, the great ideas, so that when people die, what they have done does *not* die; it's embodied in what happens to society later. And what came before them did not die, either, because it is embodied in them. And you have a sense of a human interest as being the interest of mankind, who, on one side, is merely a mortal creature like an animal, who is born and dies. But the *role* of mankind in this process is not that of an animal. The role is a process of creativity from earlier generations to the future.

So, you live not as an animal; you live as a creative part of humanity. You live eternally in what you came out of. You live eternally in what comes out of you. You are really mankind, and you *are* mankind by being a creative process, by being a creative part of this process which is specific to mankind, as not to any form of beast. Be man, not beast, to be a participant in that great force of creativity which is unique to humanity, which began before you were born, and lives on as creativity after you die. And you have a permanent place in space time, in physical space time, in that creativity. And that's what you have to think about.

### **Looking Ahead 50 Years—to Mars!**

**Freeman:** We have time for one more question, which comes from a friend of ours who generally thinks on a pretty high level, but who sometimes slips into pragmatism, and who I kind of beat up yesterday, so I thought that I'd ask his question.

He says: "You know, ultimately the United States is a large and powerful country. In fact, I would say that it is probably the most powerful financial entity in the world, and I think, given that, if we chose to, we could employ our work force in a useful way—if we chose to. The reason why I say this, is that I don't really believe that the major obstacles that we face are themselves economic. We do have major economic problems, but I believe that the economic crisis is solvable, if we wish to solve it. I think the more difficult question is really



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*“The Mars colonization program is something mankind has to do, practically. But, the fun is getting there! The morality is getting there, because this forces us to examine ourselves creatively, and to identify the obstacles to realizing that objective. And to facing the problems.” Shown: Curiosity rover low-angle self portrait from the Martian surface.*

almost a moral question. It’s a question of what our overall objectives are, of where we want to be 30 years from now, 40 years from now, 50 years from now. And how we get there.

“Ultimately, while we do have to solve the immediate problem of unemployment, problems regarding our health care system, and other such issues, I think really, it’s only at the point that we can agree that it’s not a question of how we return to full employment in five years, but really how we solve the more fundamental problems that we face, in a way which gives us one to two generations of steady progress, and really, in that light, what I’d like to ask you, Lyn, because I think it would be useful for people who are trying to understand what it is you’re proposing and why you’re proposing it, is where you’d like to be 30, 40, or 50 years from now.”

**LaRouche:** *Me?* It may occur to some of you that I’m 87 years of age, and while I do have a certain vigorous view, a fairly long view of what humanity must be doing over the coming years, I don’t know how long I’m going to be in it. But I do enjoy the question very much.

Where should we be? First of all, we have to really—well, let me go back, put it the other way. Let’s take this question of the Mars colonization program. And as I

said earlier, the Mars colonization program is something mankind has to do, practically. But, the fun is getting there! The morality is getting there, because this forces us to examine ourselves creatively, and to identify the obstacles to realizing that objective. And to facing the problems.

I mean, can a human being ride in a craft which is being accelerated, as I’ve indicated, in a short trip—and maybe a short round-trip—between Earth orbit and Mars orbit, in a matter of days? Now, if I take that as a challenge, and say that we must mobilize the world economy to feature that mission as the principal objective around which we organize all the other things, then I think we’ll have met the moral challenge. Because we will have posed a problem and proposed getting a solution which would solve a great problem for mankind. What is the human race’s future in the universe?

That’s a pretty good goal. It’s a pretty general goal, and it subsumes a lot of other questions. But what’s most important is the state of mind it requires of you, is what’s most important. Because that impels you to adopt a state of mind, a creative state of mind, which exemplifies what a human being is. And it’s a concrete way of saying, “I’m a human being, 50 years from now, 100 years from now, I’m a human being. And even after I’m dead, I’ll be there, because I was part of this process.