

LAROCHE FRIDAY WEBCAST

Human Productivity Has Value—Money Has None!

The following are Lyndon LaRouche's opening remarks to his weekly Friday [Webcast](#) of Jan. 18, 2013. A discussion period followed.

It is now to be understood that we are reaching the climactic point in this new term of the Presidency. There are certain things that are generally understood, especially by more well-informed people, and thinking people, but there are some other things that have to be taken up, and I shall take up some of these tonight, in these remarks now.

Most of the discussion comes now on the question of *money*. And unfortunately, what most people *think* about money, is, in one sense or another, wrong, even absurd. The general assumption is that there's something magical about money, inherently, on which we are supposed to depend. But I look at this money, and on the one hand, it's *paper*—a special *kind* of paper—but it's paper! And you can put the denomination of the paper on the bill, and it could be \$100, it could be \$1,000, it could be \$5—whatever you want. What makes this stuff worth *anything*? It's simply like a message, a note, a promissory note, isn't it? That's all it is.

Now, we have some *other* kinds of money: copper, silver, gold, platinum. All of these are forms of money. Now, these do have some intrinsic value in them, because you can take the platinum, and you can sell it as

platinum, for the amount of purity and weight of the platinum. You can do the same thing with gold; and so forth, and so on.

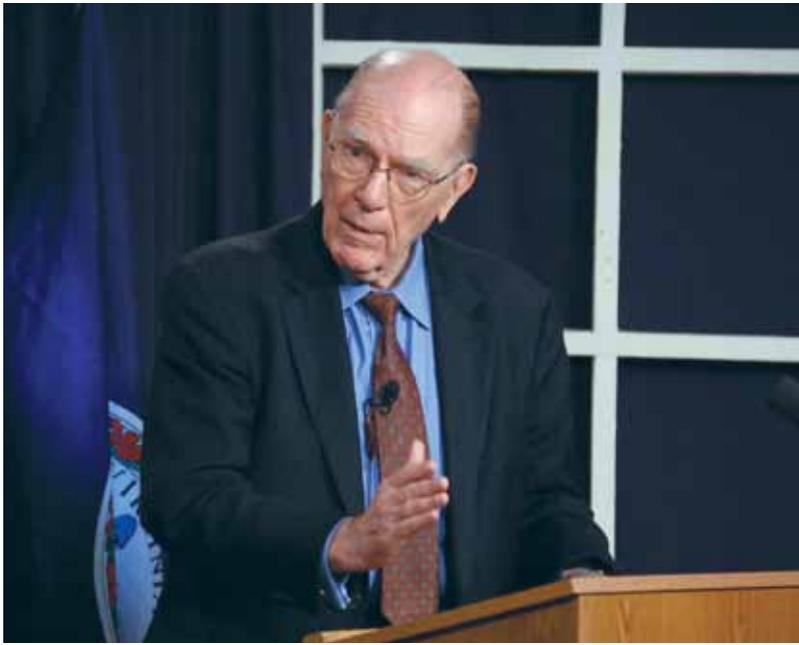
What Is Value?

Why are we so excited about printing a few notes, or weaving them or whatever else you do, and saying “This has value”? Why are you so caught up about *money*?...

Now, we're on the verge of the highest rate of inflation in U.S. history—that's what's about to happen. We have a similar situation in Europe—it's also a panic situation—and it's beginning to creep in on China, and will creep in on India and elsewhere.

So, what does money mean? What is it? How does it affect us? Here we're on the edge of some disaster that's going to occur to us, based on *money*! But money *has* no intrinsic value, except in the metallic form. Even the metallic form is not really intrinsic value, but the fact that it has some value *other* than a money-value, is what makes it significant.

Yet, the issue here is not really what money is; the issue here is, what is the growth in *value* of money? What determines the growth in value? Obviously, it does not lie in the so-called paper money (whatever form the paper is), nor does it really lie in the terms of platinum, or gold and silver, and so forth. So, where does the *value* lie?



Lyndon LaRouche: “What has value, is the power of a human mind to create a method, or a design, which increases the value of the productive efforts of a human being, or a group of human beings.”

Well, the value lies in the case of humanity. Animals have a certain kind of value—better growth, better quality, and so forth—but in human beings, the creativity and value lies in *the mind*. It lies in the actions of the mind. And now I give you a material to work, produce—a metallic material, or some other kind of material—and what makes it increase in value, over what it was the year before, or the year before then? The actual value, if you measure it by any physical standard, or any standard of comparison, of the quality of life, and so forth, all these things? It has nothing to do *really* with money intrinsically—nothing at all!

So, what’s the problem? What’s the root? Where’s the mistake? The mistake lies in the fact that people generally—including leading economists, *especially* leading economists—haven’t the foggiest idea in the world—none!—of *what makes value in money*.

Now, some people can get a correlative, can explain that this happens, that that happens, this happens, and they can say “Well, this is an increase in the value of something.” Why do we consider that something has increased in value? Why was the Massachusetts Bay Colony more progressive in terms of economy than England, which was supposed to be the power *over* the Massachusetts Bay Colony? Well, it’s because they were more intelligent!

As a matter of fact, the greatest achievements of

England came as the result of Benjamin Franklin’s visits during the course of the early 18th Century.¹ He taught them how to make coal, how to make it function, how to deal with iron and other kinds of things, and the English—suddenly, some of them—learned how to *produce* things on a modern basis, or what was for that time a modern basis. But without Benjamin Franklin, and without the Winthrops and Mathers before Franklin, none of this would have happened in that period.

Then, we got crushed a little bit, because the British Empire emerged during that early part of the 18th Century. But then the British, with a political, *physical* power, were able to subordinate us. But nonetheless, because of something *about* us, whenever we had the chance, we would always beat the British in terms of *rate* of improvement. And that could be the case still today.

The problem is that people try to assume that the exchange of labor, the exchange of this, the exchange of that, somehow has an intrinsic value as a *cause* of improvement of the physical conditions of life, and intellectual conditions of life of humanity. So, people are talking about *monetary* policy; but monetary policy as such *has no intrinsic value*.

What has value, is the power of a human mind to create a method, or create a design, which increases the value of the productive efforts of a human being, or a group of human beings. And therefore, when we talk about “money,” or monetary things, or we talk about money from the standpoint of an accountant: The accountant, as an accountant, has no idea what the hell he’s doing, in terms of the economy. He may be a smart accountant, but it’s not as an accountant that he’s actually increasing the value of his product.

Accountants and Greenies

And so, we’ve got to realize now, that our problem is the greenies! The greenies are not the *only* problem we have, but they typify the problem. The existence of the human race, the existence of all living species, de-

1. See Anton Chaitkin, “Leibniz, Gauss Shaped America’s Science Successes,” *EIR*, Feb. 9, 1996; Richard Freeman, “America’s Machine Tool Design Sector Has Shrunk by Two-Thirds,” *EIR*, Feb. 7, 1997.

pend in some way or another upon the increase in the *productivity*, or the equivalent of productivity, of that species' behavior. It's not a matter of money. An accountant can't give you an increase in productivity—can't do it by accounting practice. The accountant can contemplate what was done by some *other* means, but not by accounting methods, by sitting there with numbers and figures and playing with them; it doesn't do anything!

So, this is our problem, particularly for the greenie phenomenon which came on in the United States and in Europe—the idea of value, today, and increasingly since the assassination of President Kennedy. There has been some development—for example, the space program, other technological improvements—but it was not the *money* side of the thing that made the growth where it occurred. What made it was something else: creative powers, tantamount to *scientific creativity*; that is what produces wealth.

Now, what did we do in the aftermath of several things, like this war in Indo-China? Except for certain scientific programs, in general, we of the United States have lost our productivity factor. We are worth less today than our ancestors were a couple of generations back. And so, when we talk about money, when we talk about *monetary* policy, we shouldn't be talking about monetary policy as such; we can talk about monetary policy as a *footprint*, but not the motion of the foot. The *footprint*: What you want to know is what made the *footprint*. You didn't want to take the footprint to bed with you!

And so, our greatest problem now, is that we have lost the connection, as a nation—and I speak *as a nation*—we've lost a connection to *reality*, to any actual, economic reality. We now *want* more, we would like to *have* more, we would like to feel more comfortable, we would like to be better fed. But the things we're doing, and have been doing since Jack Kennedy was murdered, the trend has been—despite the space program, despite those things which have *been* progress—the trend overall, per capita of the productive powers of labor, has been on the *downslide*. And that's our problem. That is the problem that got us here, because of government and similar kinds of policies. And also, the effect of that kind of policy made us, in general, more *stupid*. Most people are not employed in producing *anything*, except spiritual experiences or something. There is no real understanding.

Change the Policy

So, we've come to this point. Europe and the United States, for example, are now in a period of hyperinflationary explosion. That's what's happening in the United States, and it's just a matter of a *moment*, almost any day now, when you'll have an explosion of hyperinflation, under Obama. As long as Obama remains President, in effect, we're in hyperinflation, and it's going to carry us down to destruction.

Only taking Obama out of the Presidency—which can be done by an impeachment process, and there's plenty of evidence on which to apply that: Throw this bum out of office, send him someplace where he won't annoy people, and we can have a chance. But we're going to have to change the policy.

We in the United States—partly through what our small organization is doing, and the factor that we represent in terms of increasing an understanding of how to rebuild this economy, and how to correct the errors that are destroying us—we represent that chance. There is a whole layer of people in the United States who are highly skilled in this matter, who understand what an economy actually does. Their understanding may not be perfect, it may be inadequate, but they are capable of exerting their mental powers to produce that effect.

Now, we can do that, and we *must* do it. And the reason I say what I've just been saying, is that we in the United States must not worry, for the moment, about whether Europe is going to solve its problems or not. We may be *concerned*, morally concerned, but we're not going to be hampered by any failures of Europe to do what *it* should do, in the same way *we* should do it.

There's no way in which all of the nations of Western and Central Europe could have an equal rate of productivity; it's just not possible. So, the idea of the euro was an *insane* conception, because you have nations which have different characteristics of economic progress, *real* economic progress. And you try to run them together on a single policy, destroy their sovereignty, destroy their identity, and you are destroying their productivity. Each nation is different, and therefore you have to recognize their traditional difference as sovereign nations.

Restore their sovereignty, because if they don't have sovereignty, they don't have the power to control their ability to produce. You can not arbitrarily impose a rate of productivity on them; they're different. They *should* have the same productivity, but they *don't* now, because the structure of what *had been* these nations has very significant differences in their ability to produce. And

also the character of what they *can* produce effectively is not the same among these nations. So, we have to recognize their differences.

The United States actually has a *superior* capability, historically, for progress, for growth. And therefore, what we have to do now—to come to my point here—what we have to do now, is we have to, for a moment, *forget everything else*, in terms of making our policy. We are the United States. Our organization is working in a milieu which is part of our government, the people who compose our government. We're not *in* the government necessarily, but we all work together; we are *determined* to work together.

So, let us look only at what we the United States have to do right now. What we have to do with *our* potential productivity, how to bring it back into functioning, when we've lost it now.

The greatest danger we have, especially in Europe and in the United States, is the greenie policy. If you do go to a green policy in terms of the economy, in terms of productivity, you will destroy the human species. The green policy is a dive downward in productivity. As long as we have a green policy dominating the United States, as it has increasingly since the middle of the 1960s, we are doomed. We've reached that point *largely* because of the influence of the green policy on the United States economy. And a similar thing has been going on in Europe. We are *degenerating*, we are *self-doomed*, unless we change our direction. We have to grasp what the *physical principle* of productivity is—to go back to high-technology approaches in every respect, in every aspect of our technology.

The Case of NAWAPA

We, the United States, must charge ahead for the moment on our own, in these weeks, now. Because it's in these weeks, now, that the survival or destruction of the United States will occur. It will occur on the basis of whether or not we are again a productive nation. Because if we're not a productive nation, all the fantasies about paper money and similar kinds of fakery don't mean a thing, except that you're wasting your time, when you're in a desperate state of affairs.

We in the United States must launch a high-technology-driven program of progress. We must, for example, launch [NAWAPA](#). I'll explain what NAWAPA means. The NAWAPA program is a unique program. It covers most of the western areas of the United States, and part of Canada and Mexico. This is a water system.

We can increase the productivity of water and its byproducts by probably about 70%, by this program. It's not going to happen at once; it can be done in two generations, in 40 years. And we can increase the rate, so we can produce more water, in terms of effect, than we consume.

Water circulates through the United States (the total territory), and Canada, going up into Alaska and part of Mexico. When the water is used, it doesn't go away, not exactly. What it does is it goes as moisture, and becomes new rainfall. What we have done was a mistake in recent times in our agricultural policy: We have had a water policy, where NAWAPA should have been applied. The land area in the central plains of the United States has been subsiding. That's one of the reasons for the great problem we have. We need a high-tech water-management system which would circulate the moisture which falls once as rainfall, then evaporates, goes back to form new clouds, and comes back with more rainfall, so that you get up to 1.7 times the amount of moisture than you would think from the rate of rainfall you get. You're re-using the same moisture several times in the course of its transport across the territory of the United States.

We also have to increase the physical productivity of mankind, in the same way. We need certain large projects which will develop our nation. We must do this immediately.

The next step then is to turn to our friends in Europe and elsewhere and say, "You see what our policy is. Isn't it the policy that you need too? Why don't you use the example we're presenting to you, so that you too can enjoy the same kind of benefits we're seeking for ourselves?"

That's the way we have to think. We have to think in terms of the physical principles of economy. In these terms, not in terms of paper money. No accountant can ever create reality for you, like bookkeeping: Somebody has to do something; somebody has to make a physical improvement of something. And it's that physical improvement, done by high-skilled people, more and more skilled people, scientifically trained people, and others, which increases the productive powers of labor.

The condition of mankind could never be improved, except by the policy I've just stated. That is the history of mankind, in one way or another. And the going backward, to the green policy, is actually a route to the extinction of the human species.

That's the subject which I want you to keep in your minds for this hour or so.