

Human Creation, Source and Measure of the Real Economy

by Jacques Cheminade

June 14—Introductory Remarks before Panel IV

God laughs at those who deplore the effects of causes they cherish.

Bossuet's curse of the Seventeenth Century has the merit of striking today at the countries of Western Europe and North America, where people are stirred up with the statistics and apparent forms—the increase of unemployment, lack of social equality, drug consumption, and money and weapons trafficking—without uprooting that which would allow them to bring them to an end.

Oligarchies keep peoples in a state of voluntary submission in effect, and fake the environment in which they operate. To increase the Gross Domestic Product of the EU member states, the European accountants demand that from now on, countries must include in their statistics the revenue generated by all sorts of trafficking. By the magic of the markets, prostitution, for example, is no longer a human tragedy or a burden on society, but becomes a profit appearing on the balance sheets. The precept of Mandeville, according to which the sum of private vices is a public virtue, dominates the entire scope of western behavior, up to the point of making human labor an “adjustment variable,” and making profit generated to the detriment the exploitation of human labor, the supreme reference for the markets.

Our trans-Atlantic region is in this way dominated by an incestuous relationship between banks from Wall Street and the City, and the large cartels of cyberindustry, nicknamed the seventh continent of GAFAs, meaning Google (G) for cartography and databases, Apple (A) the internet provider, Facebook (F) the social networker, and Amazon (A) the bartender of culture.

That system gambles without producing, and does so at the speed of light. High Frequency Trading (HFT) outside any legal control, operating on alternative platforms of global shadow banking, has reduced the insti-



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Jacques Cheminade

tutions of Nation-States to the servitude of debt, and individuals to the enslavement to the desire to possess, by finding out not merely what we do, but by attempting to predict what we will do, and even to know it before we do, thanks to a multitude of data about us accumulated without our consent on the web.

The Pathology of the System

This predatory society makes up a modern version of the British Empire, but with the same destructive impulses as those resulting from the fusion of the British monarchy and the East India Company. It carries within itself war as rain clouds carry the storm, because its predatory character makes it incapable of producing the resources required for future generations. Hence, for one euro or dollar produced, it creates at least four Euros of debt and an accumulation of debt titles without historical precedent.

We know the official figure of financial derivatives, which are gambling claims on future prices which are traded independently of the possession of the underly-

ing asset: 800 trillion dollars, or more than ten times the entire world's annual production. The real figure of all these accumulated money claims, which nobody can determine with certainty since the cross-engagements among financial institutions are managed by computers operating at speeds counted in billionths of seconds, is undoubtedly far in excess of two quadrillion (million billion) dollars!

We have really come to "mad finance" in the primary meaning of the term, but also the madness of a pathological killer. It destroys the human capital on which the entire society is based. Countries such as the United Kingdom, the United States or Germany feign to have fewer unemployed, but have in reality suppressed them by statistical manipulation and organized hardship.

Under these conditions, a climate of war has been born, which the Pope rightly denounced in Sarajevo. We are living in an "Empire that kills," he said already some months ago. The folly of finance is genocidal. More and more officials, from China to the United States, and especially Russia, compare the current situation with the 1962 Cuban missile crisis; the only difference being that this time, it is the United States, the United Kingdom, and NATO which have deployed their forces and nuclear missiles on the borders of Russia, violating everything they promised at the time of German reunification.

Two factors make the situation in which we are now, infinitely more dangerous than in 1962. The first factor is the fact that the majority of citizens do not mobilize any longer against the coming war, or against the looting of their existence. And when they do mobilize, they do it because they have their backs against the wall of their exploitation and exclusion, as in Greece or in Spain. They reject what should be rejected, but have no project to achieve what is necessary.

Yet, if we want to re-establish a world of real growth and mutual development, we have to offer to the impetus of the BRICS countries and their associates, an accrual of power and a larger horizon. We cannot simply say we're going to get on the train of the BRICS and wait till they take us to a good place! That's already better than remaining on the platform, or obstructing them as the oligarchs desire us to do, but it isn't up to the level of the challenge, our challenge and theirs.

We have to contribute the best of ourselves, since it is the economic orientation of the entire world which we have to change. It is not this or that element of the

current system which leads us to disaster, but the entire logic of the system itself. We have to change the system. That change is the precondition of a future peace, a capacity to create the conditions of a harmonious mutual development based on the win-win principle, as underlined repeatedly by the Chinese President Xi Jinping.

What a Real Economy Is

Therefore, we really need to understand what economy really is. It is in reality the conception of what a human being really is, which we have to rediscover in ourselves. Human beings are not geopolitical animals trying to occupy territories or control resources to the detriment of other human beings, but instead those who define themselves by their capacity to discover the principles of the universe they inhabit, and to modify the environment through the application of discoveries to allow themselves and their fellow humans to grow and multiply towards a better existence.

That means economy doesn't mean buying cheap and selling dear, and having a financial gain, but the construction of platforms of mutual development to produce more and better with less, thanks to technological applications derived from discoveries. It means increasing our productivity per capita, per surface area and per unit of matter employed in these processes. These platforms incorporate the means to guarantee this dynamic: human infrastructure, education, health and R&D and physical infrastructure, transportation and production units. U.S. political statesman and economist Lyndon LaRouche called this capacity of the human individual, the potential relative population density, relative to the technological and human platform which has been set up.

This notion of potential, of capacity per human being, has been taken up by the Russian friends of LaRouche. The Russian scientist Pobisk Kuznetsov proposed to call it the "La," an economic unit measuring the applied and verified impact of human creation. You now understand why I called my intervention, "Human Creation, Source and Measure of the Real Economy."

It is crucial to underline that with their conception of "one belt, one road," of the terrestrial and maritime New Silk Road, the Chinese experts and leaders are expressing the same conception of the human being. As far as my understanding goes, the concept of the *shi* evaluates the potential to be developed. We no longer require any longer a pre-established detailed plan, but consider situations as a mine to explore, whose veins

we're going to exploit with a transformative idea, operating in such a fashion that at the point I engage my action and my combat, I've already won, since I've prepared the conditions to win over my enemy, by transforming him into my partner. Indian Prime Minister Narendra Modi showed that he fully understood this principle when he declared at the conclusion of the BRICS summit in Fortaleza last July:

The uniqueness of THE BRICS as an international institution [is that] for the first time, it brings together a group of nations on the parameter of future potential, rather than existing prosperity or shared identities. The very idea of BRICS is thus forward-looking. I believe they can offer in this way new perspectives and ways to function for the existing international institutions.

This conception of the economy is radically the opposite of Aristotle's formal logic based on the "principle of non-contradiction," according to which an enemy is an adversary to be destroyed. While for us, an adversary is some one to win to your cause, on condition of elevating the debate. As Nicolas of Cusa underlined the matter, creation supposes the "coincidence of opposites," which makes knowable and controllable at a higher level of conjecture, what on a relatively lower level appeared as unknowable and uncontrollable.

Confucius, with his conception of the *ren*,—i.e. the advantage given to the other, allowing him to acquire the mandate of heaven by instructing him,—develops an approach of a similar nature. Contrary to the current Malthusian nonsense which pretends that "the history of a finite world has begun," Jean Bodin, in his *Six Books on the Republic*, in the footsteps of Cusa, states that, "There is no wealth nor strength but man,"—provided that that a leader makes "accords from discords," an aspiration for unity in diversity whose principle runs as a red line through Chinese civilization.

What We Have To Share

Hence it is clear that we Europeans and Americans have a lot to share with the BRICS, and even to contribute to them. In France, the reign of King Henri IV, with Sully, Laffemas and Olivier de Serres, in Germany, with the Enlightenment of Lessing and Mendelssohn



Lyndon LaRouche elaborates his Triple Curve pedagogy in a speech in 1998. EIRNS

and the concept of National Economy of Friedrich List, and in the United States, with the Hamiltonian conception of political economy. It is there that there appeared most clearly a sense of economy and of a society driven by a vector of scientific progress and not by the submission to a tradition.

In two of his four founding reports of the "American System of Political Economy," Hamilton shows that public credit, organized by a National Bank, is the foundation of an economy, since it represents a "bet on the future," on the capacity of future investments to produce the means to reimburse the debt incurred. The future of the United States, he understood, was in manufacturing, i.e. industry supported by public credit, and not in agriculture as wanted by Jefferson, since it is industry which can increase the quality and the quantity of human labor. It is the increase of the density of the flows of energy and technology which permits this "physical surplus," allowing reinvestment in still a higher level of future human creation.

In his "Report on a National Bank," Hamilton demonstrated in particular, to the great astonishment of the other founding fathers, how debt can be transformed into money, allowing the emission of public credit. The National Bank was conceived of as a receptacle for de-

posits coming from various income of all origins, including from titles of the federal debt, which could be capitalized and lent to investors.

In that way, the debt served as a guarantee to circulate money credit and avoid the control over the American economy by foreign interests, emphatically British. Needless to say, these deposits could not be seized and the debts could not be transformed into shares of the bank as many would like to do today in Europe, in order to bail out speculative bankers. This was all about the real economy, dealing with projects that produced productivity, and not financial gambling to expand private banks to the point they become systemic, which means that their size allows them to blackmail the government to prevent their bankruptcy, and to demand help from the state in case of difficulties, to the detriment of peoples.

This reference is essential today in dealing with the issue of the current Greek public debt. In respect to the criteria defined by Hamilton, and in respect to the debt cancellations granted to the German Federal Republic in 1953, we have to add the separation of reimbursable and legitimate debts from those debts that are not. Scarcely ten percent of the debt incurred by Greece was in the interest of the people and the economy; the rest only benefitted the internal compradors, and even more so, the external financial speculators, who unduly demand their “pound of flesh” today. If there is negotiation, it should involve this point, and not the tourniquet imposed on the Greek population and the economy by the “institutions,” in the form of an austerity that amounts to bleeding a body that was already made sick.

In short, what is needed is: A platform for taking off and development, great infrastructure projects, public credit, energy and technology flux density, inspiration and support. Charles de Gaulle, in a speech given in Lille on Oct. 1, 1944, said, when speaking about ending the war:

We want to pool everything we possess on this Earth, and to succeed in doing so, there is no other way than what we call the directed economy. We want the state to lead the economic effort of the entire nation for the benefit of all, and to ensure that the life of every French man and woman becomes better.

Earlier, in Algiers on May 1, 1944, he said:

Great human affairs can not only be settled by

logic. One needs the atmosphere that can only be created by the agreement of sentiments.

You also need a lot of courage, which, fortunately, is contagious. This is what Franklin Delano Roosevelt had to say in New York’s Madison Square Garden on Oct. 31, 1936, about his enemies, who were the same as ours are today: “They are unanimous in their hate for me—and I welcome their hatred.”

A direction, an inspiration, and a sentiment: that was the “detente, entente and cooperation” among peoples of General de Gaulle. This is what Valentina Matviyenko, President of the Russian Federation Council, calls today “a certain format of cooperation between the five BRICS countries that have a common agenda,” including:

defense of their national sovereignty, the protection and promotion of their national interests on the basis of the principles of equality, non-interference into their respective internal affairs, and the refusal of a unipolar world.

That is what is prompting China to agree with India and Russia, to open access to its Asian Infrastructure Investment Bank (AIIB) for investments in infrastructure in Japan and in the United States, in spite of historical litigation and unfriendly actions of both of them. That is also what has prompted Chinese interests to open a trans-oceanic canal in Nicaragua, to invest 50 billion dollars in Brazil, and to finance a railroad, again a trans-oceanic one, between Brazil and Peru. And this is what has inspired the Russian Central Bank to propose a new bank clearing system similar to the Western Swift system.

Are We Capable of Change?

Let us consider for a moment the economic changes for the past 100 years. China was the only country which did not sign the Versailles Treaty in 1919, because it had been stripped of its territory. China was not even invited to the San Francisco Conference after World War II, although it had fought with great courage against Japan. Once we are aware of what China has had to suffer worldwide, we can better understand the sympathy it has for Greece today, and for Russia.

Because what we are inflicting upon Greece today, we of the European Union, is what we inflicted yesterday on China. Are we capable of changing? Are we ca-

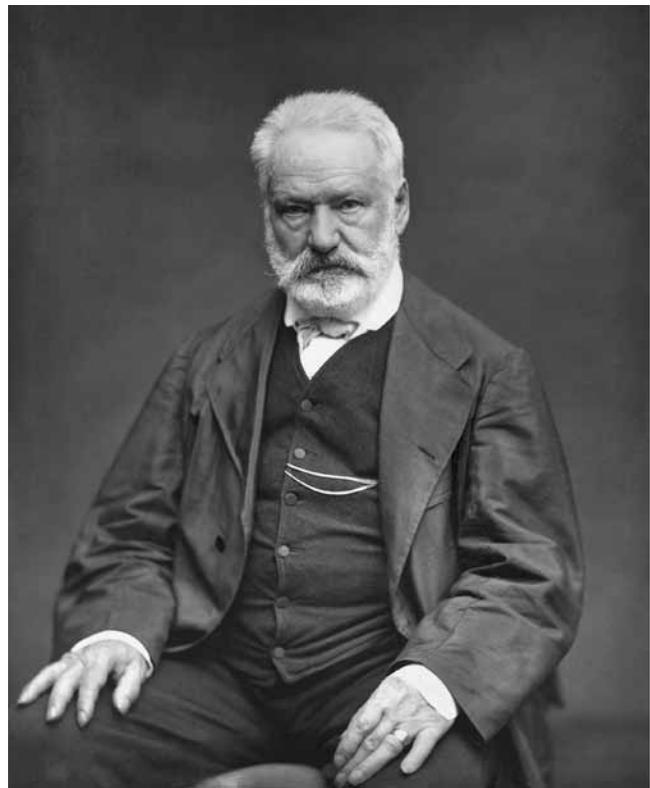
pable of understanding that what is happening to Greece today, can happen to each of us if we do not change policy? Voices are being heard in Germany, as we heard, to ask for Russia to be invited back to the G8. That is more in our interest than in Russia's interest, because the latter is linked to the BRICS, that is to say, to more than half of mankind. Are we able, as Europeans, to avoid a new war? The test will be what we can do for Greece, and de facto for ourselves.

Economics means to recreate the conditions of a will to live together, by bringing together our creative competences and making the whole greater than the sum of its parts. Today, in the skies of Eastern Europe and above the South China Sea, if two planes come too close to each other, everything can degenerate. Today, the depopulation policies have started. And faced with the waves of migration, the only idea which our countries can come up with, is bombing the ships transporting the refugees, and starting a new colonial expedition. Are we so stupid as to accept going down into a barbarism which is deadly for the others and suicidal for ourselves? Economics means recovering the creative goodness of Aeschylus' Prometheus, offering to all the possibility of growing and multiplying thanks to a greater mastery of science, beyond everything known, and finding new vigor by reminding ourselves of our best accomplishments.

Economics means doing for peace through mutual development in the Twenty-First Century what we did for war in the Twentieth Century, i.e. radically changing, overnight and from top to bottom, our way of thinking and conceiving the world.

A new economy will be the smart cities of the future, digital technology freed from financial domination, and not a fatal destruction of jobs as anticipated by the experts, but the foundation of a new economy associated with new, higher forms of energy density, such as controlled thermonuclear fusion power. No solution can lead us back to the past. It is only by re-establishing confidence in their own creative powers, and rejecting their exploitation by their oligarchic masters of the trans-Atlantic zone, that our fellow human beings will rise to the level of the challenge of our epoch. Space exploration and colonization will necessarily play a fundamental role as a common objective for mankind, to escape from our earthly cradle.

However, all of this will not happen through mere fate or mechanically. The reality is subjective. We have to recover the courage of Victor Hugo, who, in 1861,



Victor Hugo (1802-1885) as photographed by Étienne Carjat.

denounced the sacking of the Summer Palace in Beijing, the garden of vortexes of clear water and the gardens of perfect clarity, constructed by the Qianlong Emperor and the Jesuits:

One day two bandits entered the Summer Palace. One plundered, the other burned. Before history, one of the two bandits will be called France; the other will be called England. Mixed up in all this is the name of Elgin, which inevitably calls to mind the Parthenon. What was done to the Parthenon was done to the Summer Palace, more thoroughly and better, so that nothing of it should be left.

For having done that, we owe to China that we enter with her into the future, not to destroy but to rebuild the world in the BRICS era. Let me nevertheless tell you that I'm proud of the fact that Hugo's letter is on the official Chinese websites and on the internet, translated into Mandarin. Now I myself want to speak about what we are doing to Greece and the refugees coming from Africa, with the same anger, as inspired by that of Victor Hugo.

However, there remain reasons to be optimistic and

reasons to hope. First, because it is the BRICS which from now on will define the tuning of the world orchestra, and a new drive towards political change is manifest in Europe, including in those countries where the physical economy remains relatively robust, such as in Germany as we have seen yesterday, and also in the United States with our own political movement and the candidacy of the [Martin] O'Malley, who took a stand against the bandits of Wall Street, and is calling for a new Roosevelt-style Glass-Steagall.

Looking into this room, I see we have friends and fighters for this idea from the entire world. So we can hope that the Silk Road will arrive among us, and that we can make it a common objective for mankind in its way of conceiving the world by walking the unknown path, both in our own heart, as well as in the growing mastery of what is taking place inside the solar system and our galaxy, because it is there,—yes clearly there,—as the next speakers will demonstrate, that lies the economy, the real one,—that of our future.

Since I evoked Victor Hugo, let's ask him for more. Confucius teaches us one has to tease and challenge our friends to oblige them to rise above the contradictions of a given situation. It was also in June, 130 years ago,

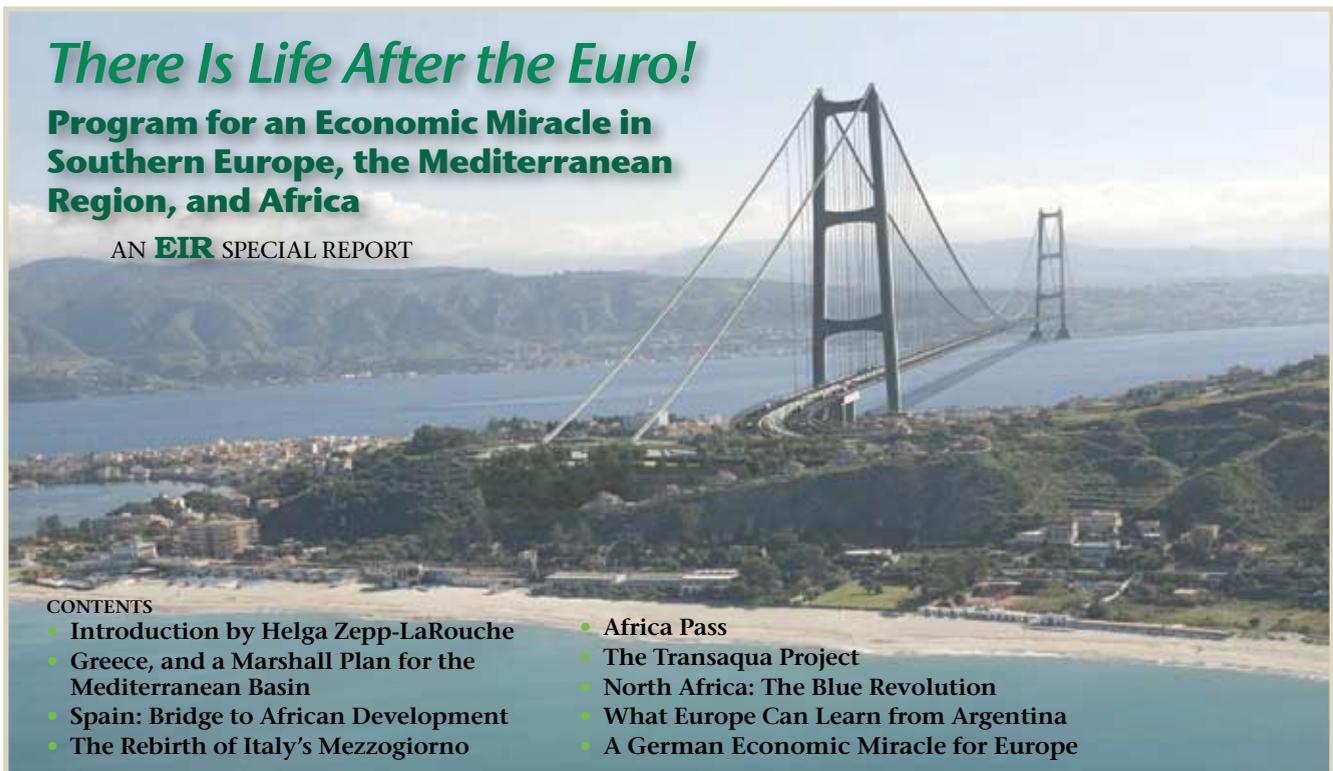
that he entered our Pantheon. Let's listen to what he wrote in *Lux*:

O vision of the coming time!
 When man has 'scaped the trackless slime

 Upon the sky-line glows i' the dark
 The Sun that now is but a spark;
 But soon will be unfurled—
 The glorious banner of us all,
 The flag that rises ne'er to fall,
 Universal Republic of the World!

Simone Weil, our great Platonic philosopher, once said that in all labor resides a part of poetry, since real human labor is always creative. Here's the labor before us.

To someone who asked me why Helga Zepp-LaRouche and the Chinese leader had both hit upon what he thought was the strange name, "the New Silk Road," I answered: it was only natural for them, since the economy is based on creative human labor, and work is pregnant with poetry. And that is what we tell the world which gives its verdict.



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