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Dennis Small

Double or Nothing: The LaRouche Program for Mankind's Durable Survival

Dennis Small is a long-time associate of Lyndon and Helga LaRouche. He is EIR*'s Intelligence Director for Ibero-America. He delivered these remarks to the third panel, "Weimar Germany 1923 Comes Again: Global Glass-Steagall to End Hyperinflation," of the June 26-27, 2021 Schiller Institute conference, "For the Common Good of All People, Not Rules Benefiting the Few!" Subheads have been added. Mr. Small concluded with a short video clip from Mr. LaRouche, the transcript of which is included here.*

Schiller Institute

Dennis Small

Lyndon LaRouche wrote a book in April of 1989, which is 32 years ago now, called *In Defense of Common Sense*. There are two notable things about this book. One is the content, which I'll say something about in a few moments. The second is the fact that he wrote it in the Alexandria prison in particular, where he had just begun to serve what would be a five-year sentence for crimes, which he, of course, never committed, but for which you, American citizens and citizens of other countries alike, continue to pay the price.

During his 1989-1994 incarceration, LaRouche wrote three books of which *In Defense of Common Sense* was one. Another was *Project A*, and the third was *The Science of Christian Economy*. This last was republished by the LaRouche Legacy Foundation in Volume I of the *Collected Works of Lyndon LaRouche* last year. That volume is focussed principally on economic issues. Volume II, which will be appearing later this year, and which is focussed on creative and cultural matters, music and so forth, will include three other essays of LaRouche's that he wrote in prison, including "Mozart's 1782-1786 Revolution in Music" and "On the Subject of Metaphor."

LaRouche accomplished more in jail than most people do in their entire lifetime, but that is not our topic today.

Defend Common Sense

In his April 1989 *In Defense of Common Sense*, LaRouche wrote the following:

> A swimmer is rescued from the sea, moments before his strength had ebbed fatally. This is momentary survival. Is this a paradigm for the successful survival of an entire society? How must we distinguish between merely momentary and durable survival?
>
> That selected moment serves as the time of departure for a continuing journey into the future.
>
> Regard that journey into the future as if it were a kind of mathematical physicist's continuous function. Continuously, cause generates effect, and effect has a causal relationship to the subsequent effects. This function is expressed in terms of increase or decrease of a magnitude termed *potential population-density*.
>
> This is no ordinary or linear sort of continuous function. It is non-linear, but not the less an efficiently continuous function in experimental terms of reference.

That is our topic today.

Today's Crises: Causes and Cures

What economic policies must be implemented in this, the midst of the worst civilizational breakdown crisis we have faced since the New Dark Age of the 14th Century—policies that are required to ensure the successful, durable survival of mankind into the limitless future? As in the 14th Century, a global pandemic is today posing a crisis that is so devastating that it has actually opened up a window of opportunity for a revolutionary change in the entire structure of society, a new paradigm, a renaissance.

The cause of the pandemic, as LaRouche demonstrated over 30 years ago, is a plummeting collapse of

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FIGURE 1
Potential Relative Population-Density

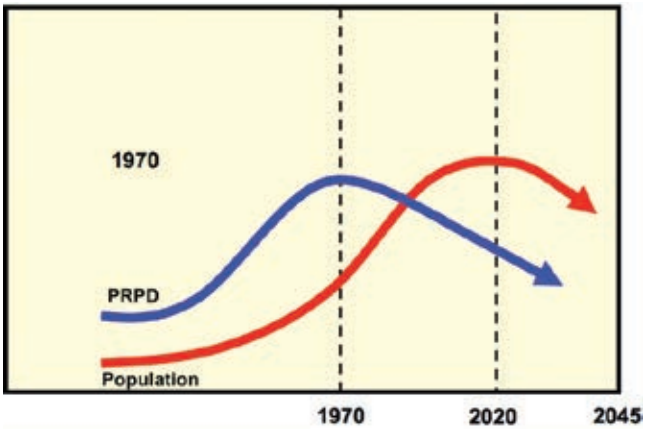

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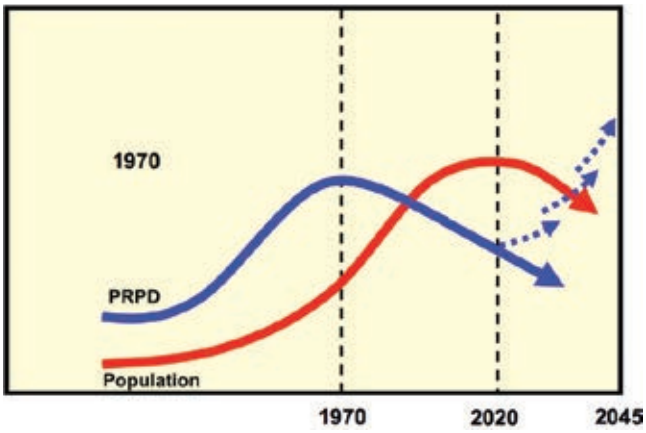
FIGURE 2
Potential Relative Population-Density



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man's potential relative population-density. (See **Figure 1**.) That means that man's power to be fruitful and multiply and replenish the Earth and subdue it has fallen below breakeven, way below breakeven. The anti-industrial economic policies of looting of the last 50 years have left mankind with half the number of productive jobs that are needed, half the food we require to nourish the population, half the hospitals and medical personnel needed to combat the aggressive virus, and half the electricity needed to maintain that infrastructure and productive economy.

Is it really surprising, then, that a mere coronavirus has gotten the better of us and continues to scorch a path of destruction across the planet?

We, of course, need vaccines for all 7.9 billion of us. The latest numbers are that 2.6 billion doses have been administered, but only 0.3% of those have been administered in low-income countries. This is suicidal on the face of it, given what we know about the way the virus is spreading across the planet.

In addition to vaccines, we need modern health systems. We need hospitals. For example, in the developing sector, we estimate that we need 30,000 new hospitals with approximately 10 million new beds, just to reach standards that are acceptable for modern conditions, for example, in Europe today. The number of doctors and nurses also has to increase. We need to provide electricity. We need water. We need the other facilities that are required, transport and so on, to make these hospitals and the rest of the health system function. A global Army Corps of Engineers is going to be needed to bring this about in the developing sector in particular.

The COVID pandemic has merely pulled back the veil on what have been Malthusian depopulation policies over the last 50 years. Lyndon LaRouche countered this immoral, unscientific claptrap of Malthusianism, in that same book, *In Defense of Common Sense*, and he said the following:

> Today, there are more than 5 billion persons that the world as a whole employed to the degree it might have done so. With the levels of technology already available by 1970, not only would the planet's population be significantly larger than it is; the average standard of living per capita would have approximated that of North America in 1970, and the population potential, as distinct from the actual population, would be approaching 25 billion.
>
> The increase of both the actual and the potential population-densities during the recent thousands of years is the outcome of the continued and interdependent generation, transmission, and efficient assimilation of scientific and technological progress.

If we return to the pedagogical indications in that population-density, the potential relative population-density graphic, we can see the way successive technological leaps produce the following kinds of changes in that function. (See **Figure 2**.) This is precisely the sort of non-linear continuous function that LaRouche was referring to in his book. It describes discontinuities in the previous patterns of metrics of the physical economy, but they are caused by a continuous scientific and technological advance that produces those leaps.

FIGURE 3
World Real Unemployment
(millions)

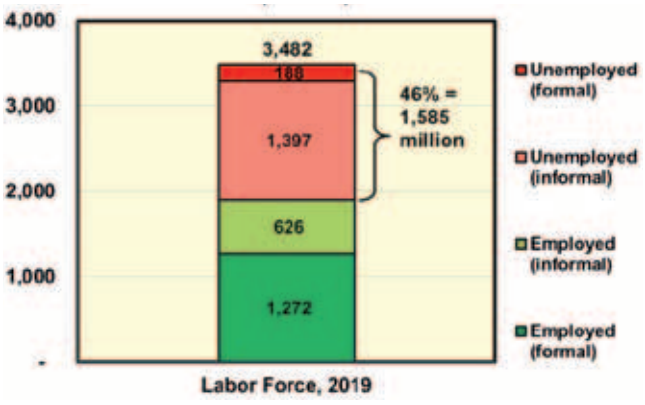

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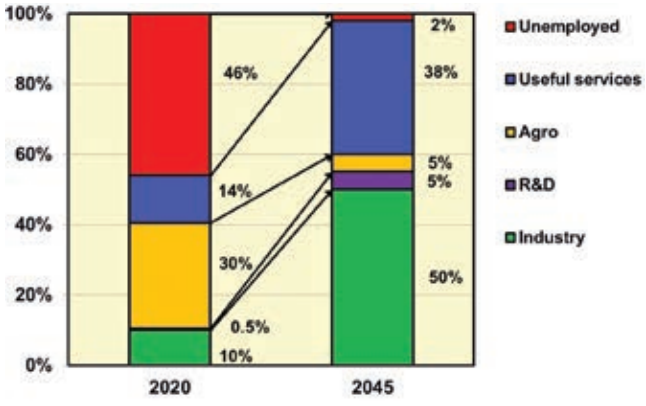
FIGURE 4
Transforming the World's Labor Force
(% id total)



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Stated otherwise, if we want to double employment, double food production, double energy production, double the power that is bringing about these effects, we have to take recourse to the power of human mind that is producing that capability to have those doubling policies. We have to find the location of that power, which is outside the domain of that which is being doubled, that is, in the domain of creative human activity, of technological advance, of classical culture *per se*.

Those of you who have performed exercises in constructive geometry with the idea of doubling the square and doubling the cube, will perhaps have an idea of the kind of process that I'm referring to. An understanding of the principle of physical economy, which was at the very heart of Lyndon LaRouche's fundamental discovery.

1.5 Billion New, Productive Jobs

Today, almost half of the world's labor force of 3.5 billion people is not productively employed. (See **Figure 3**.) Many have no jobs at all. A large number of them—the largest amount—are employed in the so-called "informal sector," where they may make some *money* by hustling, but they are not producing any actual *productive value,* through no fault of their own. But because of the nature of the current system, they are forced to engage in menial labor, in services, in drug running, in all sorts of unproductive and destructive activities.

This is why we have developed a program which begins with the requirement of producing 1.5 billion new productive jobs to employ all of those who are now unproductively employed. They must be employed, in building hospitals, in constructing highways, high-speed rail lines, power plants, schools, new factories; and also employed in tearing down casinos and other dens of iniquity, which is a topic we will come back to shortly.

Over a generation, we will be transforming this world labor force according to the proportions and concepts provided by Lyndon LaRouche as he has recommended them. (See **Figure 4**.) Unemployment will virtually vanish. Fifty percent of the labor force will be employed in goods-producing activities in industry and so on. And a crucial 5% will be in the R&D sector; that is, in that forge of the technology and the science, which through application in the machine tool principle, produces the actual increase in value. The increase of the productive powers of labor.

Double World Food Production

One major problem we have to address is food, or the lack of food. The UN and other international agencies estimate that 690 million people go to bed hungry every night, and that number is rising. A billion people are malnourished. Ten million will die from hunger this year, and hundreds of millions are threatened with death through starvation, if we don't reverse these policies. Four million have already died from COVID, and probably much more than that when the real numbers come in.

Why do we tolerate this? We can easily double food production. We can do this in different parts of the world; in the advanced sector, where yields can be further increased. But especially it can be done in areas of the world which are now not engaged in productive agricultural activity, but can be with the necessary capital goods, irrigation, tractors, infrastructure, and other inputs. We can and we must increase grain production as a metric of food overall from its level today of approximately 2.3 billion tons of grain.

Every living person, all 7.9 billion of us, needs

FIGURE 5
South America Great Rail Projects

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about 1/2 a ton per year. So, we're talking about needing 4 billion tons per year, rising up to 4.8 billion tons over the course of the next generation. And that grain is both for direct consumption and for producing animal protein. Yes, animal protein, which is an absolutely essential part of any healthy diet.

One of the areas of the planet where we can achieve this vast increase in agricultural production is two regions of South America. One is the Colombo-Venezuelan plains, and the other is the Brazilian cerrado, which you see in **Figure 5**. Our estimates are that we can bring 255 million new hectares into production in these areas. That will increase grain production there by 290 million tons a year, above the the 160 million tons today. That's almost a tripling.

But what's crucially required besides the inputs of fertilizer and tractors and so on, is infrastructure: Railroads, which don't exist there now, as you can see in Figure 5, and which have always been a vital part of the dramatic increases of economic activity in the agricultural and in the industrial sector. I refer you to what Lincoln did in the United States with the Transcontinental Railroad.

This vast increase in infrastructure, especially high-speed rail across the planet, is what you see in **Figure 6**. This is the Schiller Institute's World Land-Bridge proposal expanded from China's New Silk Road or Belt and Road Initiative. It is a backbone of global economic development. Today, 140 countries with two-thirds of the world's population participate in the Belt and Road Initiative. The United States is *conspicuously absent*. It should join. It's necessary for the world and it's necessary for the United States economy.

Double Energy Production

If we turn to energy, vastly increased amounts of energy per capita are required and will be needed to build the health system, for starters, and needed for the food, for the transportation, for the railroads, for the

FIGURE 6
The World Land-Bridge Network

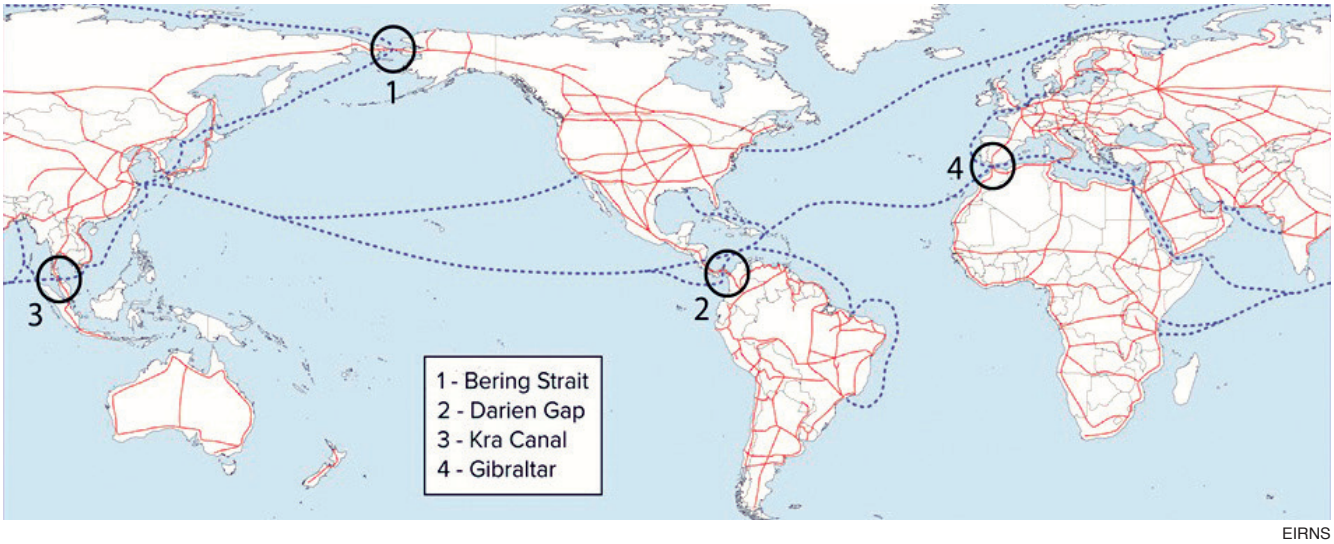

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FIGURE 7

Comparisons: 2020, Needed Today, and 2045

	2020	Needed Today	2045
Population (billions)	7.9		9.5
Productive Jobs (billions)	1.9	3.5	4.2
Grain (billion tons)	2.3	4.0	4.8
World Electricity (TW)	7.0		14.0
U.S. Electricity (TW)	0.7		1.4

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factories, and so on. World electricity consumption today relies on an installed capacity of 7 terawatts. For simply improving the world health system to the levels required to stop the pandemic, we are going to need another 2 terawatts of installed capacity—more than a 25% increase. (See **Figure 7**.)

To get the entire world up to the per capita standard that China now has, as you can see reflected in Figure 7, total capacity is going to have to double to 14 terawatts over 25 years from the level of 7 today; that's a doubling. The U.S. has a vital role to play as a revived engine of global economic development, including in the health area. Its energy production must rise as well, to double its current capacity.

End Bitcoining

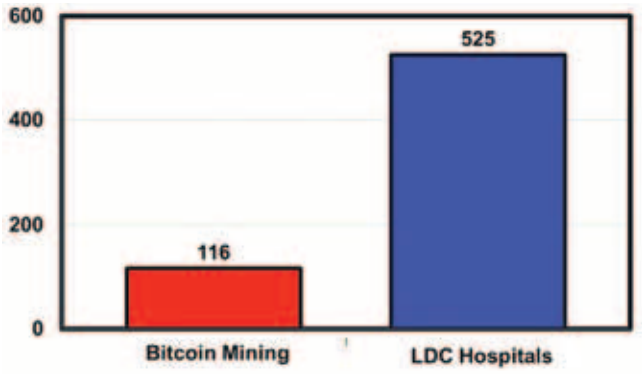
Let's put this in perspective. Bitcoin and Bitcoin mining, as you may have heard, are all the rage in monetarist and speculative circles. They say that we have to stop the fiat money and the quantitative easing, which is being done by the Federal Reserve and other central banks. That's true. They say the way to do it is simply to repeat in a modern form the policies of Milton Friedman and his famous "K-Percent Rule," which is to simply increase the supply of money by a fixed, predictable amount, a limited amount, every year. And that'll do it. It's waving the magic wand.

Well, that policy has been proven to be unscientific quackery coming numerous times from the mouth of Milton Friedman, and it is more so in terms of the Bitcoin, because there's an additional wrinkle with a Bitcoin, which is not simply the issuance of money and that does it, but the way Bitcoin is issued or "mined," has nothing to do with mining per se, as we would know it. "Mining Bitcoin" means putting up arrays of supercomputers which consume inordinate amounts of electricity to work on very complex mathematical puzzles. The first person who solves those puzzles gets a Bitcoin.

Now, you might say, "Well, this is just an adolescent game; it's relatively innocent," except it isn't; because

FIGURE 8

Electricity Use, Unproductive and Productive



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the amount of energy which is consumed in Bitcoin "mining" on a world scale is 116 terawatt-hours of electricity per year. That's more than is consumed in the entire nation of the Philippines, and in the entire nation of Holland. Moreover, put this in perspective: If that electricity were put to actual, productive use, it would be almost one-quarter of all the electricity required to power the 30,000 new hospitals that have to be developed and built in the less developed countries, the LDCs; which is about 525 terawatt-hours per year. (See **Figure 8**.)

I think the point is obvious. It's absurd to use this energy for Bitcoin mining when it could be used for something productive. By the way, the majority of Bitcoin "mining," so-called—65% of it—occurs in China, because there's relatively cheap energy there. I should say "occurred" in China, because the Chinese government is wisely cracking down on it because they think it is totally destructive.

So, the Bitcoin miners are discussing and have decided where they're going to move, where there is also plentiful energy and a welcoming environment. And that location is Texas. Yep, Texas. If you add on to Texas' already overloaded electricity grid, the amount of electricity required for Bitcoin mining, you're adding 22% onto that. That should work out really well for Texans and for the rest of the country as well.

Conclusion: LaRouche's Four Laws

I'd like to conclude with some much-needed help from Lyndon LaRouche personally on the concept of productive and unproductive employment and on his proposal of the Four Laws, the Four Laws you are familiar with, I am sure.

If not, I'll remind you, LaRouche presented the idea of the need to go through a bankruptcy reorganization of the current world financial system through Glass-

Steagall, as has already been discussed; to establish Hamiltonian banking systems to channel productive credit for productive activity of the sort we've been discussing in the case of the world health system; to establish global infrastructure projects where countries can cooperate for rapidly increasing the productive powers of labor, such as the Belt and Road Initiative and, LaRouche says, focus on those areas of scientific advance, of technological breakthroughs, which are, in the final analysis, the motor force that drives real economic development forward through nonlinear leaps of the sort that we have discussed previously.

I want to show you a very short video clip from a town hall meeting in New Hampshire in 1980 during the presidential campaign. You will see here that LaRouche draws a very fine distinction between productive labor and unproductive labor. I believe this is probably the first place where Lyndon LaRouche ever presented the precursor to what later became Lyndon LaRouche's famous Four Laws.

Lyndon LaRouche [video]: I'm going to do what Roosevelt promised to do in 1940-42. What Franklin Delano Roosevelt, of all people, promised to do; I'm going to do it! [Aside:] Somebody in the audience said "End prohibition!" No! Put the drug interests in jail among other things. No! Roosevelt promised to Churchill at the Atlantic meeting and the Casablanca meeting, he said, "No more will the United States fight world wars to save the British Empire in any shape or guise!" [applause]

No more will the United States tolerate the British system, whether colonial or neo-colonial! No more will the United States tolerate the economics of Adam Smith in any part of the world! We are going to take this aching, poor, hungry world and we're going to transform it with American methods; we're going to transform it by export and development of high technology! We're going to have Manhattan Projects and NASA projects and every dirigist, Federally-directed, scientific crash program that we deem necessary!

You know, some people talk about "How many nuclear plants can you build?" [laughter] They don't understand American methods. If I want to build 10,000 nuclear plants by the year 2000, we'll do it! It can be done. If we putter along the way we like to do it, it won't happen. You want to have 50 or 100 nuclear starts a year? We can do it! Just take the table of requirements: we need how many steel plants, how many of this?—Build them all! Right now!—if we have to melt down the neon signs on the whore houses to do it! [applause, laughter]

Daisuke Kotegawa

Valuable Lessons on the Financial Crisis From Experiences in Japan

Daisuke Kotegawa is a former official at the Ministry of Finance in Japan, and a former Executive Director for Japan of the International Monetary Fund (IMF). This is an edited transcript of remarks he delivered to the third panel, "Weimar Germany 1923 Comes Again: Global Glass-Steagall to End Hyperinflation" of the June 26-27, 2021 Schiller Institute conference, "For the Common Good of All People, Not Rules Benefitting the Few!" Subheads are the author's.

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Daisuke Kotegawa

Background

I was in charge of the financial crisis in Japan in 1997. In those days, Japan was the target of critics who believed in the so-called "global standard," and accused Japan of accumulating non-performing loans based upon the Basel Rule agreed to in 1988 by members of the BIS (Bank for International Settlements). That same group of economists at the IMF attacked Asian countries, such as Indonesia and Thailand, at the time of the Asian economic crisis in 1998. The backgrounds of these economists were really undiversified; almost all of them were male and holders of Ph.D. degrees from prominent British or American universities.

A British expert in "Japanology" joined Goldman Sachs and made up a groundless "estimate" of the