

# Optimism and Human Productivity

by Robert Ingraham

Nov. 20—The election of Donald Trump as the next President of the United States has now placed the human race at a moment of great, unprecedented potential change. Since the United States, constitutionally, is governed by a Hamiltonian Presidential System, much will depend, in the weeks and months ahead, on the actions and initiatives to be taken by the new President. Yet, our job, that is, the responsibility of what it means to be an American citizen, must be to define—and to fight for—a clear approach as to what the nature of this change must be. Ultimately, what shall be decisive in this battle will be the willingness, among a growing number of Americans, to study and think through the implications of the principles set forth by Lyndon LaRouche in his “The Four New Laws to Save the U.S.A. Now!”<sup>1</sup> as well as their willingness to take up the challenge posed by Mr. LaRouche to study, discuss and master the principles set forth by Alexander Hamilton in his four great *Reports* of 1791-1792.<sup>2</sup>

Let us be very clear. The American election which took place on November 8 did not represent a victory of the Republican Party over the Democratic Party. Any truly honest assessment recognizes that the unlikely Trump victory signified a near-violent repudiation of the leadership and elites of both parties. It was a vote against the four-term Bush/Obama policy of endless wars, Wall Street bailouts, confrontation with Russia, and the economic rape of the American people. In achieving the Republican nomination, Mr. Trump cam-

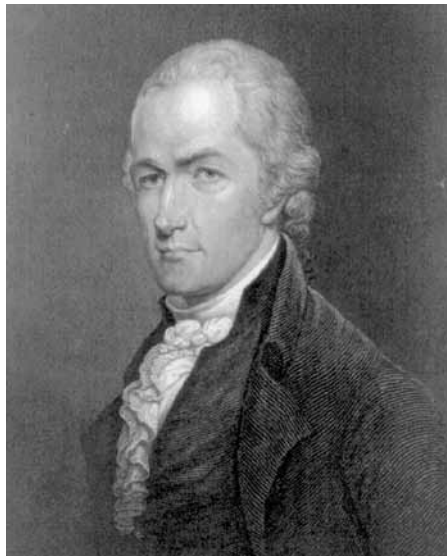
paigned against the leadership of his own party, and during the general election campaign many of those Republican Party elites, including members of the Bush family, either openly or covertly rallied in support of Mrs. Clinton’s candidacy, a candidacy also fanatically backed by Barack Obama. Emphatically, the vote which took place on November 8 was a vote to expunge the

entirety of the policies and the leadership of the last sixteen years of both George W. Bush and Barack Obama.

During the campaign, Mr. Trump repeatedly signaled his intention to rebuild American industry and infrastructure, while he also emphatically endorsed a return to the principles of Glass-Steagall banking regulation and a revival of the U.S. space program shut down by Obama. All of these proposals are laudable. Since the election, many others have weighed in with proposals on how these and like objectives should be achieved.

How is the educated American, or anyone else for that matter, to

navigate these seas, to be able to discern the difference between crackpot schemes, which will only worsen the banking and economic crisis, and sound economic practices which will engender a true economic recovery? This is where the issue of Alexander Hamilton and the principles enunciated in LaRouche’s “Four Laws” come into play.



*Alexander Hamilton*

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## I. Hamilton, Hamilton, Hamilton

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If one wishes to differentiate between those who merely pay lip service to Alexander Hamilton and those who are striving to implement a verifiable Hamiltonian policy, the only means by which to do so is to

1. [www.larouche.org/lar/2014/4124four\\_laws.html](http://www.larouche.org/lar/2014/4124four_laws.html)

2. E-book: <https://www.amazon.com/Vision-Hamilton-Hamiltons-Reports-LaRouches-ebook/dp/B01MEG8J96>

Paperback edition: <http://bit.ly/HamiltonsVision>

read Hamilton himself. No “interpretations” of Hamilton by so-called “experts” or historians will suffice. This is the reason why the singular most important initiative which could be undertaken at this moment is to recruit Americans—20,000, 100,000, one million, or more, into Hamilton reading groups. To discover and to talk through the basis upon which a future-oriented economic recovery might be built.

In his 1792 *Vindication of the Funding System*, Hamilton denounces “land-jobbers,” “stock-jobbers,” and “jobbers of any other kind.” In modern usage, simply substitute the word “speculator” for “jobber.” In his two *Reports on Public Credit*, Hamilton defines the basis for a sound legitimate banking and credit system. He defines not merely the specifics of his proposal but the principles upon which it must be based. He makes short shrift of all unsound and hare-brained schemes. In one sense, his is a system of sound conservative (non-speculative) banking. Far more important, however, is his insistence as to the role to be played by that banking system. He does not deny to anyone, including the bank investors, a modest honest profit, but the paramount intention of the Credit System which he prescribes is to provide the means for a rapid industrial, agricultural and scientific advancement of the nation. That is its true purpose.

In his *Report on Manufactures*, following a discussion of the benefits that



White House/Chuck Kennedy

President Obama and Michelle Obama (right) host George W. Bush and Laura Bush in the White House, May 2012.

the singular objective for all great economic and banking policy, and it is this that must become the guiding principle today.

## II. A Global Policy

Wall Street and its failed policies were repudiated in this election. Fortunately, America does not need to “begin from scratch” in the creation of a new financial and economic system. This is already underway. On November 17, 2016, Mrs. Helga Zepp-LaRouche delivered a speech,<sup>3</sup> titled “The New Silk Road Concept, Facing the Collapse of the World Financial System,” to the 23rd National Congress of the Association of Economists of Peru. Since the entirety of that speech is reproduced elsewhere in this issue of



A decaying former factory in Newark, New Jersey.

3. See the transcript of the speech in this issue of *EIR*, page 5.



<http://www.gwadarport.gov.pk>

*Pakistan's strategically important Gwadar port, being developed by China as part of the \$46 billion Economic Corridor linking the two countries.*

*EIR*, it is not necessary here to delineate all of the crucial elements that Mrs. Zepp-LaRouche discusses. However, since our current topic is the urgent necessary actions which must now be taken in the United States, referencing a few of the implications of that report will be most helpful.

As Mrs. LaRouche emphasizes, Americans must realize that what we are now dealing with is not an “American” crisis, nor is there merely an “American” solution. Economically, hundreds of millions around the world are facing poverty, hunger, lack of health care, underemployment, homelessness, lack of fresh water and other extreme conditions. At the same time, the financial/banking crisis is gripping the entire trans-Atlantic world, including Wall Street, London and the entirety of the European Union. Exemplary is the case of Deutsche Bank, one of the world’s largest banks, which has a derivatives exposure of 42 trillion euros, four times the Gross Domestic Product of the entire European Union. JPMorgan Chase, Citigroup, and Wells Fargo are all in similar, if not quite as extreme, circumstances.

At the same time, just as the problem is global, the

solution is emerging globally. If one looks at what China has initiated over just the past four years, the pathway out of this crisis begins to emerge. In 2014, at China’s instigation, 57 nations joined to form the Asian Infrastructure Investment Bank (AIIB). The bank began operations one year later. During this same period, China also played a key role in the creation of both the BRICS New Development Bank (NDB) and the Silk Road Fund. These three institutions, combined, have a market capitalization of \$240 billion, and, together with several of China’s state-owned financial institutions, what they have accomplished over just the past 24 to 36 months has been staggering. As of today, it is estimated that the total amount of

new investment in the physical economy, throughout the spheres of both the BRICS nations and the “One Belt-One Road” regions, including rail lines, electricity generation, port development, highways, communications, hydro-electric power, is already twelve times larger than the post-World War II Marshall Plan. It is massive, and it is continuing to grow.

What is already underway is an unprecedented historic breakthrough of global physical economic development. If one studies the economic projects discussed by Mrs. LaRouche in her speech, which themselves represent only a small portion of what is now being built, the picture is breathtaking. Global economic development is now taking off in a way never before seen in history. The possibilities are limitless. Greater projects than one can imagine are within reach and ready for realization. It is already happening. Will the United States remain out in the cold, missing this opportunity? All President-elect Trump has to do, to fundamentally change the course of human history, is to have the United States join in this process as a full partner.



tech.sina.com.cn

China's Experimental Advanced Superconducting Tokamak (EAST).

### III. Human Productivity vs. Monetary Productivity

The absolute pre-condition for the United States to make this turn in policy is the immediate re-enactment of Glass-Steagall legislation. However, it must be mandatory that what is enacted is the *full Franklin Roosevelt Glass-Steagall Law*, not some watered down version, labeled as a “new” or “modern” Glass-Steagall or some other such sophistry.

The era of unbridled financial speculation—gambling—must end immediately.

The regulated commercial banking system must be returned to its Hamiltonian intention.

In this regard there are three terms which should be examined: “productivity,” “risk,” and “leverage.”

For many modern Wall Street “investors,” productivity is defined purely in monetary terms, and that is the way it is normally discussed in the nation’s financial publications. If a factory, or any other enterprise, can be made to produce more or cheaper goods, with the same labor force, the same expenses and the same level of

investment, this is labeled as an increase in *productivity*, i.e., a greater monetary return. Such results can also be accomplished through maintaining the current levels of production or sales while decreasing labor costs, R&D, capital investment, etc. The result is the same: a larger monetary return.

In his *Report on Manufactures*, Hamilton defines productivity in opposite, scientifically precise, terms. Productivity is measured by an increase in the “labor power” of the individual worker, or, more precisely, by an increase in the productive powers of the nation as a whole. Objects of production—including the people—are never destroyed or looted to in-

crease monetary profit. Rather, investments in science, technology, as well as in such things as education, are prioritized so as to produce a greater cognitive and scientific power within society. This is not mystical. All one has to do is to look at, for example, John Kennedy’s Apollo Project to begin to grasp the type of approach which is needed.

True productivity is always long term. It is defined as an investment in the future, and often many of the benefits will not be realized for one or two generations. None of the investments will return short term monetary profits. This is why get-rich quick financial shysters must never be allowed anywhere near key policy-making influence. It is the responsibility of government to deploy and utilize its awesome power to ensure the necessary upward breakthroughs.

Crash science projects, such as fusion energy or the Chinese mission to the far side of the Moon, are the epitome of this notion of investing in the future, transformative investments and accomplishments which will radically enhance mankind’s power over nature and mankind’s understanding of the universe. It is pre-

cisely a commitment to these “frontier” endeavors which defines a true understanding of productivity. This is why, today, any “infrastructure” program which concentrates on fixing roads or upgrading our water and electricity grid, while denying or denigrating the urgent necessity for a massive Apollo-style space program, would represent an horrendous error.

Fundamentally, the crucial issue in economic policy is an intention to develop the potential for the emergence of genius within the population, the emergence of true creativity—the development of the *Human Mind*. In this way, human culture advances and the actual nature of the human species becomes manifest.

## Risk

China’s current economic policies are routinely attacked by many among the London and Wall Street fanatics as “unsustainable,” and many point to the volume of non-performing loans that have been extended by Chinese banks. There is a great deal of talk of dangerous financial *risk* in the Chinese banking system.

In truth, there are hundreds of billions of dollars in “non-performing” loans that Chinese banks have extended to various manufacturing and other business enterprises. At the same time, Chinese banking investments in various industrial, agricultural, energy and other physical economic projects now total 44 percent of China’s Gross Domestic Product, a figure far higher than anywhere in the trans-Atlantic world. Chinese officials, however, have repeatedly stated that they view the issue of Risk far differently than their counterparts in the west. From their standpoint, investment policy is aimed entirely toward increasing the productive power of the nation. That is why China has built more than 20,000 kilometers of high speed rail lines, none of which will produce immediate monetary profit. If the nation is being developed, and if the people are being uplifted, this is not a Risk, from the standpoint of China’s leaders. It is a scientifically grounded faith in the future.

Throughout this credit expansion, China has maintained relatively high interest rates, now standing at 7 percent. Compare this to Wall Street institutions, investment banks, hedge funds, vulture funds, equity funds, where investment is computed as to its immediate monetary return, and the speculative frenzy has been financed through interest rates standing near 1 percent.

At the September 4 Hangzhou summit of the G-20 nations, Chinese President Xi Jinping stated, “Facing the current challenges, we can’t rely on fiscal and monetary policies. We must envision an all-dimensional, multi-tiered and wide-ranging approach to innovation which is driven by innovation in science and technology, but goes beyond it to cover development philosophy, institutional mechanisms, and business models, so that innovation will be shared by all.”

## Leverage

A Hamiltonian Credit System *is* a credit system. It utilizes the power of banking to finance useful enterprises which otherwise would lie dormant. The multiplier effect of properly regulated credit is, in one sense, human creativity being deployed to advance the human condition. The problem today is that since the repeal of Glass-Steagall, or going back further, to the policy changes made in the 1970s by Richard Nixon and Jimmy Carter, the true purpose of nationally-directed public credit has been lost. People have become so mentally damaged that speculators, vulture capitalists and asset-strippers who use highly leveraged loans to maximize monetary profits, are oftentimes viewed as financial geniuses through their “creative use” of monetary multipliers.

The same problem is seen in the fad of Public Private Partnerships (PPPs). There is nothing wrong—and it is sometimes very beneficial—to bring private corporations into a partnership with the government on particular projects, under strict government leadership. The reality, however, is that PPPs have primarily functioned as sweetheart deals to secure huge financial windfalls for the companies and investors involved, while also, as in the cases of “privatization” of key public necessities (roads, electricity, water, etc.), resulting in an abandonment by the government of its responsibility to defend the General Welfare, and the imposition of onerous increases in the cost of the related commodities for the citizenry.

People today simply do not understand what Public Credit is.

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## IV. LaRouche’s Four Laws

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All of the above cited problems might be avoided and a successful transformation of American policy toward

entering into the New Global Paradigm accomplished, through a faithful adherence to the principles defined by Lyndon LaRouche in his “Four Laws.” That document is readily available on the Internet. There is no reason to not read it, to not study it, to not discuss it with friends and associates. It is the modern-day Hamiltonian solution to this crisis. Wall Street suffered a devastating defeat in the Presidential election. It is LaRouche’s “Four Laws” which now define what the new policy must be. If you haven’t studied it, you are simply not competent to speak to what must be done in the United States at this time.

Here, we quote a few short sections.

- Immediate re-enactment of the Glass-Steagall law instituted by U.S. President Franklin D. Roosevelt, without modification, as to principle of action...

- A return to a system of top-down and thoroughly defined National Banking... For the present circumstances, all other banking and currency policies, are to be superseded, or, simply, discontinued... Banks qualifying for operations under this provision, shall be assessed for their proven competence to operate as under the national authority for creating and composing the elements of this essential practice, which had been assigned, as by tradition, to the original office of Secretary of the U.S. Treasury under Alexander Hamilton.

- The purpose of the use of a Federal Credit-system, is to generate high-productivity trends in improvements of employment, with the accompanying intention, to increase the physical-economic productivity, and the standard of living of the persons and households of the United States... to create a general economic recovery of the nation, per capita, and for rate of net effects in productivity, and by reliance on the essential human principle,



FDR Library Photo Collection

*President Franklin Roosevelt inspecting the construction of the Boulder Dam, Sept. 30, 1935.*

which distinguishes the human personality from the systemic characteristics of the lower forms of life...



NASA

*During President John F. Kennedy’s visit to the spaceport Nov. 16, 1963, he speaks with George Low (far left), NASA’s chief of manned spaceflight, and from Kennedy’s left, Mercury astronauts Gordon Cooper and Gus Grissom, and G. Merritt Preston, chief of the Manned Spacecraft Center.*

- Adopt a Fusion-Driver ‘Crash Program.’

These quotations are brief, and they do not represent—in any way—the full import of what Mr. LaRouche writes. Nevertheless, they give some indication of the change in paradigm which is needed in the United States at this moment.

It is also critical to confront the inescapable reality, that unless the national government acts to shut down the speculative bubble, by enacting Glass-Steagall and returning to national banking methods grounded in the *Reports* of Alexander Hamilton, a wrenching collapse, and all of its accompanying horrors, is a certainty.

Barack Obama and George W. Bush have served the interests of the City of London and Wall Street. Our entire banking and financial system was corrupted, changed from its purpose as defined by Alexander Hamilton and exemplified in the policies of Abraham Lincoln and Franklin Roosevelt. There is no need for the national government to make deals with speculators or to “entice” private investors into participation in rebuilding the nation. The Constitutional Government sets all the rules. It must now lead. China, Russia and many other nations are waiting for America to join the New Paradigm. All that is required from the United States is a return to Hamiltonian principles.

It is also in the concluding section of his “Four Laws,” called “Vernadsky On Man & Creation,” that Lyndon LaRouche enunciates the most scientifically precise discussion of *Actual Human Productivity* that has been given by anyone up to this moment. It is here that LaRouche defines the actual *Potential* of the human species for developing its creative powers. Any discussion of “productivity” or economic investment policies which does not proceed from the principles therein presented by LaRouche is incompetent and will fail. Read the “Four Laws.” Study them.

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## V. Unifying the Nation

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In his *Vindication*, Hamilton writes,

With some men the hardest thing to forgive is the demonstration of their errors,—the manifestation that they are not infallible. Mortified vanity

is one of the most corroding emotions of the human mind; one of the most unextinguishable sources of animosity and hatred.

At this moment, the hatred and animosity of which Hamilton speaks, is palpable. The elites of the Democratic and Republican parties are going wild. George Soros is gnashing his teeth. A great deal of confusion and fear is being deliberately spread in the news media. The muckety-mucks of the British Empire and the controllers of the trans-Atlantic financial empire are apoplectic.

Yet, amidst this ongoing warfare and all of the chaos, seemingly paradoxically, this is a moment at which a true sense of national unity might be accomplished within the nation.

Xi Jinping has called his “One Belt-One Road” initiative for global economic development a “Win-Win” policy. Were the majority of Americans to witness, at this moment, a return to a Hamiltonian outlook and policy orientation, unfolding over the coming weeks and months, growing numbers of these same Americans would begin to experience their own “Win-Win” revelation. As with Lincoln’s addressing the “better angels of our nature,” or Roosevelt with Glass-Steagall and his other great national measures, or John Kennedy with the Apollo Project, a transformation of the psyche and the culture of America becomes possible if certain key steps are taken.

Take the ending of the war confrontation with Russia, the abandonment of the Bush/Obama policy of permanent warfare and the mass killing of civilians, and the start of a rebuilding of the U.S. physical economy. With certain bold actions, the nation begins to heal and to look, hesitantly, with optimism toward the future.

Things now seen as pie-in-the-sky impossibilities become real. Fusion energy. A return to the Moon. The large scale economic development of Mexico, Central America, Africa and other impoverished areas. The revival of Classical Culture. Optimism, a belief in the future, is the key.

This is the future LaRouche defines in his “Four Laws.” This is the future made possible through a return to Hamiltonian principles. And this is a future *already present* in the New Paradigm of Xi Jinping, Vladimir Putin, and their friends and collaborators in nations all over the world. Shall we join with them?