# I. The Cadre Conception

### THE THIRD OF LAROUCHE'S FOUR LAWS

# Increasing Productivity and Potential Relative Population-Density

by Bill Roberts

May 21—It is up to those of us who are capable of doing so, to organize the base of support for launching an economic revolution within the United States. On the one hand, large swaths of the American population have come to distrust the leadership of both political parties, especially because of their incestuous relationship with Wall Street, and the domination of those parties by pro-war fanatics.

At the same time, however, if President Trump is going to move the country away from the control of the London and Wall Street monetary interests, he must have a knowledgeable base of supporters to do so. To mistrust and reject the seemingly powerful financial interests that have been running U.S. policy is one thing. To understand the rudi-

ments of an economic science not predicated upon a belief in the intrinsic value of money, is an entirely different attribute, one found less frequently among the American electorate.

The third of the three pledges of the <u>LaRouche PAC</u> 2018 Campaign to Win the Future is the following: "I will implement LaRouche's Four Laws for Economic Recovery."

Although LaRouche's Four Laws represent a topdown programmatic blueprint for economic recovery and cannot be taken as separate policies, each of those four laws requires the reader to dive deeply into the implications of these measures. Probably the best starting point for acquiring such an in-depth understanding, is the voluminous writings of the author of the proposal,



cc/Tim Evanson

First U.S. Secretary of the Treasury Alexander Hamilton established 'The First National Bank of the United States' in 1791, chartered by the U.S. Congress, to improve the nation's credit.

Lyndon LaRouche. In particular <u>So You Wish to Learn</u> <u>All About Economics</u> and a video presentation produced to accompany that text, <u>The Power of Labor</u>, are both excellent places to begin.

In particular, let's dive into the third of the LaRouche Four Laws prescription. Laws one and two call for the reinstatement of the Glass-Steagall Act and the creation of a National Bank to issue credit for economic development. Glass-Steagall enjoys broad popular support. President Trump campaigned on it, and it is part of both the Democratic and Republican Party platforms, although there is presently no serious effort among the majority of either party to reinstate the law, as it is obvious that such an effort will represent an all-out crusade against the City of London and Wall Street. Not depending upon private

sources of money for economic development, but rather returning to "a system of top-down, and thoroughly defined, National Banking," is less popular as a policy. It has its supporters, even if many of those supporters really wouldn't have a clue how to organize credit properly. Which brings us to LaRouche's Third Law:

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 standard of living of the persons and households of the United States.



Speaker of the U.S. House of Representatives Paul Ryan.



Xinhua/Yin Bogu

U.S. Senator Bernie Sanders.

What do you suppose would be the most common objections to using the power of the federal government to issue credit for infrastructure and for various capital investments in industry, for the purpose of generating "high productivity trends in improvements of employment"?

Speaker of the House Paul Ryan wouldn't want the Federal government to spend any money on infrastructure if he could avoid it. Senator Bernie Sanders and progressive Democrats want to raise the minimum wage to \$15 per hour, but they couldn't care less how those people are employed, or even what proportion of our workforce is actually engaged in productive work. There is no base of support in any faction of any political party in Washington, D.C., for investing credit in such a way as to make possible increased employment in manufacturing, or increasing the productivity of the workforce associated with the agro-industrial economy. The most meaningful expression of support for such a policy by any elected official is President Donald Trump's call for returning to the "American System" of Alexander Hamilton to build large-scale infrastructure and build up manufacturing.

Looking at those who object to credit allocations being directed to the necessity of building up the productivity of our workforce; let us ask the question: What is their underlying belief structure that leads to this objection?

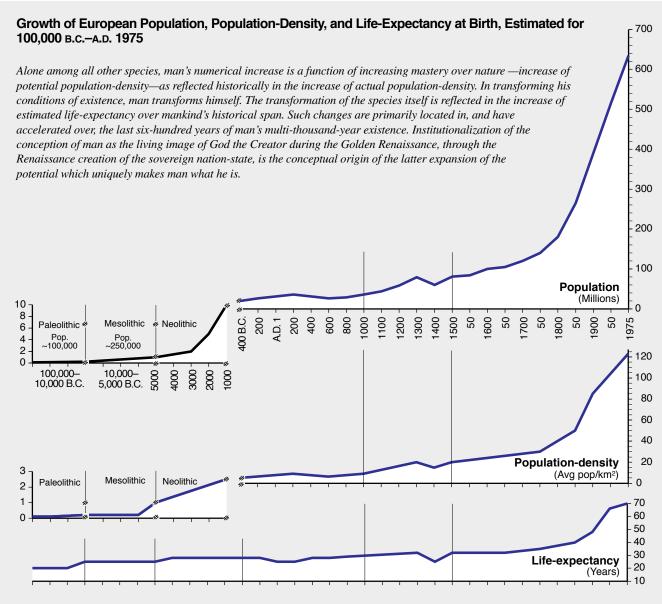
Whether any individual objector is aware of his or her underlying beliefs or not, what shapes such thinking about economic policymaking is an implicit belief in the idea that mankind exists in a fixed relation to nature, a zero-growth state, a state of equilibrium. Either mankind does not actually create any really new economic potential without drawing down or destroying some other aspect of our productive potential (as the radical environmentalists tend to believe), or else the means by which governments are able to organize such trends in overall economic growth are not knowable to mankind in a hard and fast scientific way, as the free market libertarians believe.

In sum: He or she believes that man is nothing other than another animal species. Any improvement in the standard of living of one group of people, in some way has a corresponding negative effect on other populations or on man's relationship to "nature."

#### **Anti-Entropy vs. British Economics**

Lyndon LaRouche's economic ideas start from no such assumption, but rather proceed from a fundamentally different question: How does society reproduce itself at a higher level? Each generation produces the means of existence of the next generation by doing something new, by doing something better, by planning out the future. Perhaps it has been the lack of commitment to *this* that is responsible for the impoverished, drug-addicted state of our people. Perhaps the horrible conditions our people are living in, are not simply a result of a lot of bad individual choices.

Let's look at why, in his economics, Lyndon La-Rouche emphasizes that this is the fundamental question. What determines the long-term successful survival of society? What is the metric of the fitness for survival of a nation? It is certainly *not* any sort of monetary measurement. There is obviously a tremendous amount of fakery involved in Wall Street and related monetary-profit measurements.



All charts are based on standard estimates compiled by existing schools of demography. None claim any more precision than the indicative; however, the scaling flattens out what might otherwise be locally, or even temporally, significant variation, reducing all thereby to the set of changes which is significant, independent of the quality of estimates and scaling of the graphs. Sources: For population and population-density, Colin McEvedy and Richard Jones, Atlas of World Population History; for life-expectancy, various studies in historical demography.

Note breaks and changes in scales.

According to LaRouche, the measure for the economic progress of a society is what he calls Potential Relative Population-Density.

We now exist at population potentials more than 400 times greater than what can be sustained by the most basic, hunting-and-gathering society. If we consider how many individuals of a particular species can be sustained on an average square mile of land, there is no animal species physiologically comparable to man

that has ever undergone such an upward transformation in average population density. The population characteristics of man since the European Renaissance, but even more dramatically since the development of chemistry as a modern science in the 1700s, have allowed the human population on this planet to increase at a hyperbolic rate.

One of the greatest leaps, if not the greatest leap, in mankind's ability to support increased numbers of

people, is the mass production of chemical fertilizers. With chemical fertilizer, the productive capacity of agricultural land is not limited to the characteristics of the land as mankind finds it, but man is able to chemically design what is necessary to generate the greatest crop yield possible.

The introduction of heat-powered machinery into industry in the 1700s enabled a shift away from animal and human labor to *artificial labor*. Now one person operating a machine could accomplish, at a lower energy cost per unit of product, the labor of many men.

Let's look at a very basic example of how this works: The difference between subsistence agriculture, as against agriculture within an advanced industrial economy. That is, let's look

at the difference between farming using only animal and human labor with no added chemical fertilizer, as compared to farming with mechanized tillage, planting, cultivation, chemical fertilizer, and irrigation if necessary.

The first thing we notice is that the nature of the energy consumed shifts from human and animal labor, to energy used to produce fertilizer and run mechanized equipment. The second thing that is apparent, is that the

total energy applied per unit of land area increases slightly. However, the crop yields per unit of land area increase to a greater degree than the energy consumed per unit area. What this means is that while food produced per land area increases substantially, the total energy consumed per ton of food is lowered significantly.

Considering the effect of such a transformation on society generally, the following occurs: (1) given the increased productivity of any given farm, less of the population will be required to produce the food requirements of society, and (2) more people are going to be able to live off of the same amount of land.

This is perhaps the most basic example of how technological progress, leading to increases in the productive



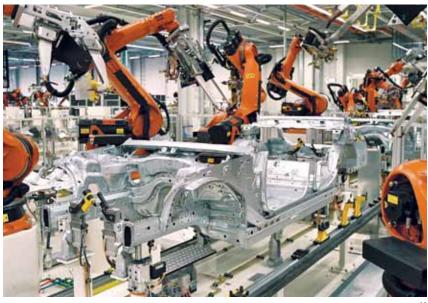
Chad Douglas

Multi-row corn harvester in Ohio, Oct. 17, 2017.

powers of labor, is directly measurable in terms of how many people potentially can exist for any given square mile of land.

## Population Control: The Death of Mankind

Consider something further: What happens when we limit changes to the current level of technology? At any fixed level of technology, as time goes on, that



Computer-controlled spot welding in a BMW plant in Leipzig, Germany, using industrial robots manufactured in Germany by KUKA (Keller und Knappich Augsburg).

CC

economy's set of resources (petroleum, sources of chemical fertilizers) will be drawn down and depleted. The amount of energy, or cost to society, required to acquire the same resources, just to maintain current levels of production, will necessarily increase as that draw-down occurs. In other words, at any fixed technological level, the economic potential of society will wind down. There is no such thing as a society existing in a fixed relationship with nature. A zero-growth society is not possible. Without endless technological progress, society is doomed.

In his 1984 video presentation, *The Power of Labor*, LaRouche describes why our standard for measuring economic progress is not merely potential relative population-density, but rather the rate of increase in potential relative population-density:

One of the unavoidable byproducts of technological progress is that the division of labor in production becomes increasingly complex. As a result, the size of the population must be increased. This means that the precondition for the survival of society is an endless increase in the potential relative population-density.

What this means for us today, is that it is both possible and necessary to increase the standard of living of our workforce, increase the productivity and profit of our economy overall, and increase the size of our population. While this conception of progress, what we might call the "general welfare principle," was referred to by American System economists from Alexander Hamilton onward, Lyndon LaRouche's work on the anti-entropic nature of human economy is the strongest refutation of British economics, with its zero-growth axiomatics.

#### **Embedded in the American Mind**

America's founding fathers were quite aware that such a process of continual growth and advancement only happens in a society which fosters individual human creativity. The United States was born out of a



Reconstructed forge with bellows of the Saugus Iron Works, dating from the 1600s in the colonial era in Massachusetts.

conscious project to create an educated society, a society free of the disease of oligarchism, capable of reproducing itself. Long before the American Revolution, as far back as the early days of the Massachusetts Bay Colony in 1645, the colonies in North America were developing iron furnaces and mills, to have the ability to develop labor-saving tools of all types, including for agriculture. In fact, by 1776, the newly independent United States was the third-largest producer of iron in the world, after only Sweden and Russia.

A critical issue hampering the self-advancement of the American colonies was population control. One of the chief causes of gdependence against the British Crown, was that gain.

Support for the necessity for the Federal Government to issue credit for the promotion of high productivity trends in employment within the economy, should be considered a basic indication of competence for candidates running for City Council or County Commissioner, let alone the U.S. Congress.

The continued survival of the United States, necessarily in peaceful cooperation with the other major-power nations, requires a new political configuration capable of expressing this quality of productive American identity, informed by Lyndon LaRouche's identification of the secret, actual source of economic value.