

Editorial

The world depression is here

According to the latest monthly report of the International Institute for Steel Industry (IISI), the worldwide production of crude steel in January 1999 was 7.0% lower than one year ago. And by far the largest year-on-year declines in steel production did not occur in Asia, but in both western and eastern Europe. In Germany, the biggest European steel producer, January output figures were down by 20.4%. Most of the other European Union countries faced similar drops in January crude steel production: Denmark -27.3%, Italy -12.4%, Netherlands -10.1%, Sweden -16.8%, Britain -15.5% (European Union average -11.7%).

In the United States, January crude steel production went down 10.2%. Production in Japan is also collapsing.

What is the significance of these figures? To the lunatics, it's just more "confirmation" that we have entered a post-industrial society where steel is "not needed." Let them live on computer chips.

But to anyone with a head on his shoulders, these figures should provide a much-needed jolt. What we are looking at, even with just this one parameter among many, is the evidence of the ongoing *devolution* of the area of the most advanced industrial productive capacity in the world. In a world where the lack of adequate transport infrastructure, water infrastructure, and energy infrastructure—to name only a few, all of which require steel for their construction—the means for meeting that need are being shut down.

It gets worse, when you look at other sections of the world, of course.

In eastern Europe there was an overall steel output decline of 31.4%. For example: Bulgaria -30.7%, Croatia -15.0%, Czech Republic -16.7%, Hungary -24.1%, Poland -30.2%, Slovakia -31.5%, Yugoslavia -73.3%. By contrast, the South American nations weren't quite so bad: Mexico -14.0%, Argentina -14.5%, Brazil -14.2%, Venezuela -27.3%.

Nor is the depth of the crisis reflected simply by the absolute decline in production. A competent ap-

proach to physical economy, as developed by economist Lyndon H. LaRouche, Jr., requires measurement of output per household, and per square kilometer. According to that standard, the level of collapse, particularly in the developing sector nations, is even greater. The deficit for beginning to rebuild is expanding dramatically.

When combined with the devastating shutdowns in the agriculture and extractive industries, triggered by a decades-long low in the prices for those materials on the market, this collapse in basic industrial products adds up to nothing less than a global world depression. And, given the rate at which capabilities are being dismantled, and people are being killed, it's not going to stop there. A world depression at this rate, translates rather quickly into a New Dark Age of depopulation and death.

Having recognized the actual problem, the solution is not so hard to fathom. It's been outlined clearly again and again by Lyndon LaRouche, and not just for one country at a time. What is needed on a *global* scale is the approach which was taken by Franklin Delano Roosevelt, most recently, in the United States in the 1930s. The first step is to accept the principle that the physical and social needs of populations—their general welfare—has got to come *before* the requirements of the "markets" or other financial arrangements.

From that standpoint, FDR not only arranged to put a floor under living standards, but also started to put people, farms, and factories to work again, producing for human need. Today, this needs to be done even more urgently. Debt moratoria, emergency cheap credit issuance, and great projects—especially the Eurasian Land-Bridge—have to be put into effect with the greatest energy imaginable.

It's time to stop denying reality. We're in a world depression that only an adoption of LaRouche's approach is going to get us out of. Any other set of measures, ignoring the truth, is built on a foundation of sand.