

Flood Catastrophe Shows Need For New, Just Economic System

by Helga Zepp-LaRouche

The following statement was issued by Helga Zepp-LaRouche, founder of the Schiller Institute, on Dec. 29, 2004.

The biggest aid operation of all times is now beginning, to face up to a gigantic task: to recover over 100,000 bodies, in order to prevent the spread of diseases that would multiply the number of victims; to supply about 2 million homeless; and to reconstruct 60,000 villages, infrastructure, and agricultural areas. Just to restore the conditions existing before the flood, will require minimally billions of dollars in the double digit range. The initiative of German Chancellor Schröder for a debt moratorium for Indonesia and Somalia is a step in the right direction.

But something much more fundamental is needed, if a repetition of catastrophes of this magnitude is to be prevented. We have to distinguish between those aspects of natural disasters that cannot be prevented, and the effects of the inadequate development policies of the recent decades. Before the present flood wave, the most dramatic tsunami in history was that which was caused by the explosion of the volcano Thera on what today is called Santorini Island, in 1628 B.C., destroying the Minoan culture. Therefore, we have to assume that more tsunamis, as large as that one, or as the one just suffered in Southeast Asia, are possible. An early warning system for the threatened areas can be installed relatively simply, and is not very expensive. Not to mention that a phone call from the U.S. State Department—which had been informed of the quake as soon as it happened—to the governments of the countries threatened by the tsunami, would also have been very cheap. What, for heaven's sake, prevented the U.S. government from sharing this information with the relevant governments? This question will preoccupy the world intensely!

But the decisive point, for which the leading international financial institutions bear a massive guilt, is the scandalous dimensions of the neglect of development in recent decades. The tourist boom in countries like Thailand, Sri Lanka, or the Seychelles, which has granted a windfall of profits for tourism enterprises and international resort chains, cannot cover up the reality that the living conditions of the indigenous populations have not really improved, and that the countries involved have not really developed economically. Quite the contrary, especially the “holiday paradises” have proven themselves to be death traps for many so-called “natives,” and for tourists.

The fact that under the system of globalization, one-third of humanity is permanently undernourished; that a billion of those are children living in poverty; that every day, 50,000 human beings die of starvation and preventable diseases; and that whole continents are threatened in their very existence, is proof of the absolute failure of the present world order. Just because the G-7 governments—Germany, France, Great Britain, the United States, Canada, Italy, and Japan—have submitted to the dictates of the international financial oligarchy which profits from globalization, and because the majority of the population demonstrates an unbelievable moral indifference toward the poverty of 4 billion people, does not mean that the present world order has not failed.

The entire scope of the moral failure becomes obvious, when this attitude is compared to the totally different attitude predominant in the 1950s and 1960s. Then, it was a general axiom of thought, that the undeserved underdevelopment of the developing countries, which was regarded as the result of centuries of colonialism, must be overcome, as soon as possible, by development programs. In the UN, people talked

about “development decades,” within which a certain progress, raising the standards of living and life expectancy, was to be accomplished. And for Pope Paul VI, underdevelopment was so unbearable, that he lashed out against poverty in his ardent appeal to the world population, his encyclical *Populorum Progressio* (“On the Progress of Peoples”), as a situation “whose injustice cries to heaven.”

But with the paradigm change that has, since the late 1960s, turned societies in the G-7 nations away from being producer societies into consumer societies—away from the production of real goods, and toward speculation and a pure money economy, away from the common good, and toward a society that is egotistically competitive and rampantly pleasure-seeking—with this shift, the attitude toward the so-called “Third World” changed, too. Now, it was considered good, if everything there were as cheap as possible, because a stay at a five-star resort on the beach was less expensive, since these “natives” got oh-so-wonderfully-low wages.

In more than one way, the fantasy world of our consumer and pleasure-oriented society has suffered a reality shock. In its typically cynical way, the *Frankfurter Allgemeine Zeitung* asked, on Dec. 29, what an Indian fisherman and a German tourist have in common? Normally, nothing—but now, they share the same mass grave. . . . If we can read any meaning at all into this horrible flood catastrophe in Southeastern and Southern Asia, then it is only by viewing it as a sign from heaven that man cannot violate Creation’s order, for a long time, by treating the larger part of humanity as a second class of human beings, without provoking Nemesis.

The system of globalization is presently in the end phase of its systemic collapse. The free fall of the U.S. dollar is only one symptom of this. When the leading “analysts” speak of a Hiroshima for the financial system, these days, of an Armageddon, of a coming avalanche, of the end of the system—then, everyone should know what hour has been rung: The great crash of 2005 has come.

But, there is a way out.

1. The G-7 nations must, together with Russia, China, India, and other nations of the world, effect a total reorganization of the hopelessly bankrupt global financial system, and replace it with a New Bretton Woods system in the tradition of Franklin D. Roosevelt.

2. Not only the debts of Indonesia and Somalia should be eliminated, but those of the whole developing sector—because they cannot be paid anyway.

3. The derivatives and currency speculation, which, according to the most recent report of the Bank for International Settlements, has reached the unbelievable volume of \$2,000 trillion, must simply be wiped out, and be made illegal by agreements among governments. Fixed exchange rates must be introduced, in order to make speculation against currencies and national wealth impossible.

4. The creation of new credits for productive investments

must be taken away from the control of supposedly “independent,” i.e., private, central banks, and brought under the control of sovereign governments.

5. Part of the New Bretton Woods agreement, must be the creation of some \$2 trillion in new, productive credits for the G-7 nations, to provide for full employment in the context of the building of the Eurasian Land-Bridge, i.e., the infrastructural integration of Eurasia.

6. In order to embark on the urgently needed overcoming of the underdevelopment of vast parts of the developing sector in Asia, Africa, and South America, in the context of the building of the Eurasian Land-Bridge as an engine for the reconstruction of the world’s economy, an “International Development Bank” must be part of the agreement, which will provide at least 500 billion euros annually for clearly defined development projects.

7. Lyndon LaRouche and the international movement named after him, have, since the early 1970s, worked out concrete development programs for Africa, South America, the Pacific Basin, India, Southwest Asia, and for Eurasia, programs which, taken together, could provide a concrete basis for a New and Just World Economic Order—immediately!

Only if the interiors of the nations of Africa, Asia, and South America are developed to a dignified level, will we be able to reduce the effects of future natural disasters to a minimum.

When you think about these questions, which will decide the future of the 21st Century, don’t think just about yourself. Think about that which you can contribute, so that humanity becomes worthy of its name!

Join our movement for a New and Just World Economic Order!

Tsunami Hits a Stupefied Washington

by Laurence Hecht

As the worst natural disaster in our lifetimes, perhaps in all human history, struck the Indian Ocean Basin Dec. 26, no one in the government of the world’s largest superpower was able to give effective warning to the nations lying in the path of the deadly tsunami. How is it possible that a nation which is capable of conducting a remote-controlled assassination of its enemies by drone aircraft from a military command center in Florida, 6,000 miles from the target, was not capable of warning its friends of this looming disaster?

In truth, at least three U.S. government agencies, and al-