
I. Strategic Directions

ZEPP-LAROCHE WEBCAST

Our Opportunity at This Moment To Change History Forever

Helga Zepp-LaRouche's weekly webcast of Jan. 25 can be seen at newparadigm.schillerinstitute.com. This transcript has been edited.

Harley Schlanger: Hello! I'm Harley Schlanger from the Schiller Institute. Welcome to this week's Schiller Institute international webcast, featuring the founder of the Schiller Institutes and President of the German Schiller Institute, Helga Zepp-LaRouche.

This has been another week of extremely fast-paced developments, from the Swiss Alps to the Pacific region, through Latin America, and I think it's crucial that we evaluate where we stand now with the State of the Union address coming in the United States next week, and President Trump speaking in Davos tomorrow.

Helga, there were some very strong financial warnings at Davos, even while the global elite seem to be celebrating this fake news of the great global economic recovery. What's the real story?

Helga Zepp-LaRouche: William White, the former chief economist of the Bank for International Settlements, who is now in a leading position in the OECD, gave a very interesting interview to Ambrose Evans-Pritchard from the British *Daily Telegraph*, warning that the next financial crash is inevitable. Now, I think this is absolutely true. We have said it many times, but it's good to hear it from at least one prominent economist. He blames "quantitative easing" for that coming crash, saying that this policy of pumping out money has created a "Catch-22" situation, since the central banks really cannot continue

forever with the zero interest rate policy and quantitative easing. There are already very clear global inflationary pressures. That just makes the bubble bigger. The longer you wait, the worse it becomes, until it finally explodes.

On the other hand, if they want to end that, which they do—then even the slightest increase in the interest rate could trigger a crash. And White pointed to the fact that there are many fracture points in the global financial system. He said in effect that the crash is inevitable.

Now that is obviously a subject which is so grave that it deserves full attention at the Davos World Economic Forum, because somewhere around 2,500 to



courtesy of Institute for New Economic Thinking

William White, Chairman of the Economic Development and Review Committee of the Organization for Economic Co-operation and Development (OECD).

3,000 top bankers, government officials, and corporate CEOs, are there. You would think that they would have to come up with solutions.

But the speeches made so far—including German Chancellor Merkel, Indian Prime Minister Modi, and French President Macron—all said various things, but nothing to address this fundamental question.

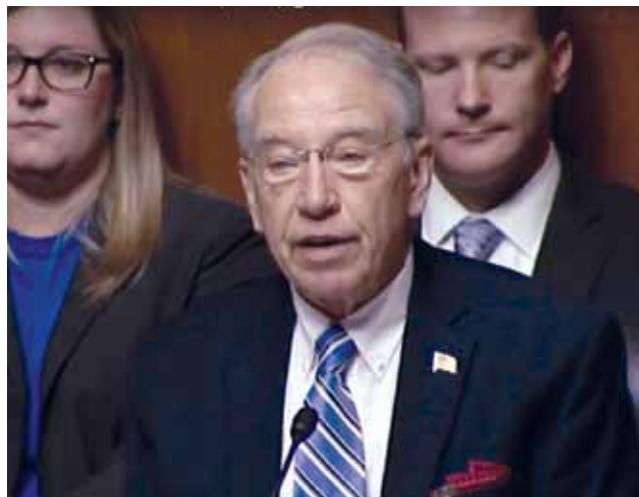
The one exception was the Chinese representative Liu He, a key advisor to President Xi Jinping and a new member of the Political Bureau. He is said to be probably the most influential advisor to Xi Jinping concerning the structural reforms inside China and gave a decent speech warning of the problems in the financial system.

In German, there is a proverb which goes “*ausser Spesen nichts gewesen*”; I don’t know if this exists in English, but it means that other than a lot of bills to be paid, nothing much is coming out of this Davos meeting. So, I think the problems really remain, and unless Trump, who is supposed to speak tomorrow, makes a miracle speech—which I don’t think is to be expected—this meeting will come to an end without solving the urgent financial crisis.

And just to add to the insanity of this, you have so-called economists like Professor Kenneth Rogoff from Harvard, who says “Yes, the next financial crisis will be centered in China and China will be the trigger point.” Nothing could be further from the truth. The Chinese economy is the only sound one, it’s unbelievably efficient—it’s quick, it’s modern, it moves with speed, it’s pulling other countries into the Belt and Road Initiative—so it’s the only sound, real economic dynamic on the planet. It just shows you that the blame-game is on, but the willingness to go to the root of the problem, which would require Glass-Steagall and a Hamiltonian banking system that we have been organizing for—was missing.

Schlanger: One of the points that William White has been making is that you have a number of “zombie companies” that have been kept afloat by means of low interest rates or zero interest rates. They need all the liquidity they can get just to cover the interest on their debt. That’s part of the unsustainability. We’re seeing some of these companies blow out, like Carillion in Britain, which could lead to 50,000 layoffs!

Now, Helga, the other thing that I think characterizes the urgency of the strategic situation is the report that Robert Mueller, the “legal assassin,” is moving to



Senator Grassley’s office

Senator Chuck Grassley, Iowa, Chairman of the U.S. Senate Judiciary Committee.

get some kind of obstruction of justice charges, clearly a defensive reaction to the explosion of evidence of the corruption of his own staff. What’s the latest you have on that?

Zepp-LaRouche: This is becoming a very, very interesting story. But there is one author, whose name I have just forgotten, who compared the imploding “Rus-siagate” investigation with Russian wooden nesting dolls. He says this Russiagate story is like opening one doll, and there’s another doll inside, and another inside that—but in the center there’s absolutely nothing! This is now coming out, and it’s backfiring.

Senator Chuck Grassley, and Senator Lindsey Graham, surprisingly enough, are now demanding that the FBI and the Department of Justice open a criminal investigation against Christopher Steele. There are many inconsistencies in what he has said in different locations. There is also a big demand now to get to the bottom of what happened to the 50,000 SMS text messages which miraculously were “lost.” This is incredible: These were text messages exchanged between Peter Strzok from the FBI, and his FBI paramour, Lisa Page, covering the period between December 2016 and May 2017.

To lose 50,000 text messages, as former high-ranking NSA analyst William Binney points out, is virtually impossible, because the FBI and also the NSA had exactly the same records of the text messages, and to make them disappear simultaneously would not only require a willful action to erase it, but also, any hardware recording device would also have to be destroyed.

Senator Grassley has said that he will do everything in his power to somehow find a technical way to retrieve these missing texts. This is really like Watergate, where the cover-up was worse than the initial crime.

But from the texts that are already in the hands of the investigating committees in the Congress, it is now clear that Strzok and his paramour talked about a “secret society,” which met repeatedly to plot to defeat the election campaign of Trump. After he did win the election, they plotted how to get him out of the White House.

Now, another senator, Ron Johnson (R-Minn.), says he has an independent informant who confirmed that “secret society” meetings to plot against Trump *did* take place, and this is all coming out now. As many Republican Congressmen have said, such corruption will lead not only to firing some of these people, but in all likelihood, to criminal charges.

Schlanger: Of course, we have to emphasize the British role in this, including circles around “former” British Intelligence officer Christopher Steele—this is beginning to emerge. What do you think the Congressmen should be looking at, in order to really get at the bottom of who initiated the plot and why?

Zepp-LaRouche: The initial reports came from British Intelligence, and the fact that Christopher Steele is supposedly a “former” MI6 agent, is also worth looking into. Because this dossier was probably outsourced to British intelligence, or to a cooperative effort between the Obama Administration and British intelligence. That is an area where some people have used the word “treason,” and I think this is exactly what it amounts to. This is a bigger crime, in my view—bigger than Watergate, and probably the biggest criminal political action since the assassination of John F. Kennedy and its cover-up.

In any case, I think it is something which will not go away. There is no way that the questioning of Trump which Mueller is now trying to do, will derail the matter of the missing texts one bit.

Neocons Pushing Us to War

Schlanger: And I think the other side of the British question is in the [dossier](#) we provide on Mueller’s history, showing that the initial investigation of your husband by the FBI was also initiated by British intelligence.

Now, the other issue is the leading British role in the escalation by the neocons for confrontation with Russia

and China. We see that developing through a series of memos and discussion papers coming out. The Russians are responding very sharply, as are the Chinese now—so, catch us up on where that stands.

Zepp-LaRouche: The “Summary of the 2018 National Defense Strategy of the United States of America” was just issued, which calls Russia and China the worst security problem of the United States, worse than terrorism. It uses Cold War language. That has all kinds of implications. I find it quite interesting that some of the Chinese, and also Sergey Lavrov, the Russian Foreign Minister, reacted very, very strongly. I think we mentioned last week, that Lavrov made a very clear distinction between Trump’s intention and what his opposition are trying to force him to do, because Trump is looking at the Senate where he can expect that all his vetoes on policy will be overridden.

It is quite noteworthy that the Chinese Ambassador to Washington, Cui Tiankai, just made a statement re-emphasizing that from China’s standpoint, the relationship between the United States and China is one of “partners,” and that this partnership is absolutely key to solving all the crucial problems in the world. So, I think it’s really good that China is not responding in the same menacing language.

In a terrible contrast to that, there was a Federal press conference in Berlin, and the journalists asked the German government spokesperson, “What is the German attitude to this new U.S. defense paper?” And the spokesperson said, “Of course, for us, the United States is our most important ally, and we fully back up everything they do.” It was totally outrageous, as if Germany had no interest in avoiding a conflict between the United States and Russia. It just shows you that Germany, at least as far as its official representatives are concerned, is still completely occupied—at least in the mind of the spokesperson. You could see the occupying forces clearly coming out of her mouth. It’s terrible.

Schlanger: And even while we’re seeing these kinds of security statements, defense documents, and so on coming out, President Trump is still insisting that he wants good relations with Russia and China.

Zepp-LaRouche: I think that Trump absolutely still intends to do what he promised in the election campaign, but he is surrounded by a lot of neocons in the Republican Party—and actually, the Democrats are really the



https://youtu.be/Nka36_a_WiO

Nazi Azov Battalion in action in Ukraine, Feb. 25, 2017.

war party. They're obsessed with this Russiagate operation, and they're driving the confrontation continuously, so Trump is really having a very difficult time.

Schlanger: One of the leading areas of confrontation, which is developing in a very dangerous way, is Ukraine. What's going on there?

Zepp-LaRouche: Ukraine could easily become the number-one conflict and hot-spot on the planet. The Rada [parliament], which, as people probably remember, has a lot of Nazis sitting in it as parliamentarians, established a new law which effectively calls for retaking the Donbas, the pro-Russian part of eastern Ukraine, by military means, and by implication also taking Crimea. President Petro Poroshenko has not yet signed this bill, but they already have built up a military headquarters in order to prepare such a military action, and that could very, very clearly lead to a war between Russia and NATO. This is a very dangerous development, and it's outrageous.

There is now a report that AirTronic, a Texas-based military weapons firm, has delivered heavy weapons to Ukraine's nazi Azov Battalion. On the website of the Azov Battalion you can actually see that they're using the same grenade launchers which the United States gave them, and that U.S. military personnel are training them.

That same report also mentions that the Azov Battalion is training right-wing extremists from all over Europe, including in the use of heavy weapons, and in driving tanks. I remember that President Putin, quite a while ago, warned that if the Nazi coup in Ukraine were not neutralized, that there would be the danger of fas-

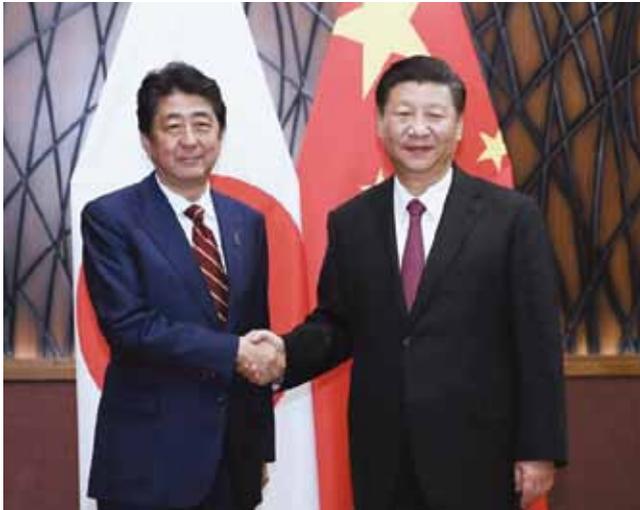
cism spreading all over Europe. If these right-wing military forces are being trained by the U.S.A., there must be an investigation. I remember that the U.S. Congress banned any arming of the Azov Battalion in 2015, and it would be very good if these congressmen would start to investigate this present outrage right away.

Schlanger: The same networks that helped to organize the neo-Nazi coup in Kiev, that overthrew a democratically elected President, are still very prominent. These are the same networks, the National Endowment for Democracy and others, that are behind the aggressive language being used against China and Russia.

Zepp-LaRouche: Yes, I think that we need to publish this, and people have to be aware that the war danger is *extremely* acute. I can only remind people again, of what former Secretary of Defense William Perry said in respect to the Hawai'i so-called "false alarm" of a ballistic missile attack. He pointed to the fact that we are only minutes away from thermonuclear Doomsday, because the nuclear weapons systems are on "launch on warning." A change of this policy is urgently required.

Schlanger: In contrast to this war talk, we're seeing interesting developments from Japan and also between North and South Korea. You mentioned this before, when we were talking before this broadcast. What's going on with Prime Minister Abe of Japan?

Zepp-LaRouche: This is one of the more enjoyable developments, because, as you know, Japan used to be closely allied with the United States, irrespective of



Xinhua/Lan Honguang

China President Xi Jinping (right) meets Japan Prime Minister Shinzo Abe in Da Nang, Vietnam, Nov. 11, 2017.

which President was in power. And while Abe is still a friend of Trump's—and he has said that repeatedly—he is also pointing out, again and again, how crucial it is to have cooperation between Japan and Russia. They're working very well together in the development of the contested Kuril Islands. That will be the basis for a long-awaited World War II peace treaty between Russia and Japan. Abe wants to conclude such a peace treaty while he is still in office, so that is in the foreseeable future.

Abe has also repeatedly emphasized that Japan is now cooperating fully with the Asian Infrastructure Investment Bank, founded by China, and with the Belt and Road Initiative of China. So here you have the case of a statesman who really changed for the better. He dropped a rather confrontational line towards China and Russia, while maintaining a good relationship with Trump. He was the first foreign leader to visit Trump after his election victory—but at the same time, he also emphasize the need to cooperate with Russia and China. I wish that some of the European leaders would follow in Abe's footsteps and take the same approach, because that would create a completely different dynamic. That also would help neutralize the warmongers in the United States. With the warmongers isolated, people would act

differently, rather than slavishly following whatever stupidity comes out of those circles that are pushing confrontation.

Time to Seize the New Opportunity

Schlanger: Abe also announced that he's going to go to South Korea for the Winter Olympics. What do you make of the developments of the last week between North and South Korea?

Zepp-LaRouche: That is actually also one of the better developments. Interestingly, it is not reported much by the mainstream media. The same media were very happy to report Korean developments when things were going badly. What happened is that the North Korean leader Kim Jong-un, in his New Year's address, had called on all the Korean people for a peaceful reunification of the two Koreas, and repeatedly said that they should not give in to challenges coming in the way of such an effort for reunification.

The North Korea delegation of Olympics planners and a group of musicians have arrived in Seoul. There is a big pop star from North Korea there, with her pop music orchestra, and they will play. They have created a joint women's ice hockey team, where North and South Korean women will play Olympic hockey together as one team. So I think this is all very good. And



Xinhua/South Korean Unification Ministry

Women's ice hockey team of North Korea arriving in Paji, South Korea, Jan. 25, 2018.



Xinhua/Xu Rui

China Foreign Minister Wang Yi (right), Heraldo Muñoz (center), Foreign Minister of Chile, and Hugo Martínez (left), Foreign Minister of El Salvador, at the Celac Forum Jan; 22, 2018.

after all, President Moon Jae-in of South Korea thanked Trump for his efforts which made this possible. He did not refer to the sometimes hawkish statements by Trump—but I think he was pointing to the fact that there were absolutely crucial back-channel discussions between the United States and North Korea, and also Russia and China and North Korea.

So this seems to be going in a good direction, and hopefully, given the fact that Abe will be there, this is one of the spots where dialogue is showing clear superiority to confrontation.

Schlanger: And in the background of this, you have the continuing momentum around the Belt and Road Initiative. I want to point out to our viewers that there was another article written about your intervention and your support for the Belt and Road, and your active involvement, that people can see on the Schiller Institute website. Otherwise, we have a report from CELAC, the Community of Latin American and Caribbean States, where a top Chinese official, Foreign Minister Wang Yi, was just there in Chile and Uruguay talking about the Belt and Road, to great acclaim from leaders there. What's happening with this?

Zepp-LaRouche: CELAC is now

officially working with the Belt and Road Initiative of China, and this has boosted the mood in all of the Caribbean and Central American and South American countries, that there is a real perspective for doing exactly what Africa is doing.

You have two continents, which, in our past decades of efforts for a new world economic order, I always used to compare, namely Africa and Latin America. Because many years ago, when you looked at the map of these two continents, you would see absolutely no infrastructure. If there was a little bit of infrastructure, it would go from the port to the natural

resources, and then stop dead at the place where the minerals or other resources were being exploited. That limited infrastructure was just for colonialist exploitation and never for the development of the interior of the continent, or commerce among nations. And this is now changing.

What China is now doing, both in Latin America, and in Africa, is realizing the kinds of development plans spoken of by Alexander von Humboldt in the Nineteenth Century, and by my husband Lyndon LaRouche over the past 40 years. He worked with José López Portillo in the beginning of the 1980s on exactly



Xinhua

Workers from China at a construction site for residential housing by CITIC Construction Co. Ltd. of China, in Venezuela.

such a development plan, which we called *Operation Juarez*. It was based on the idea that the entire Latin American continent should be integrated through infrastructure—where most countries speak Spanish, except that Brazil speaks Portuguese—but in a certain way this is much easier to integrate than the European continent, which has so many different nations and languages and cultures.

So what China is now doing is effectively the implementation of the kinds of plans which we had pushed at the beginning of the 1980s. This is a very good development: There are many countries such as Ecuador, Bolivia, and Chile, that are completely onboard. The Chinese model of economic transformation, of turning poor countries into countries where people have a future, and also a future orientation in advanced areas, like joint space exploration and space research—this is a very positive development. It is the leading dynamic in the world, and nothing will derail that, unless some people cause nuclear war. But short of nuclear war, I don't think anything will stop this.

Schlanger: And Helga, the Chinese can raise living standards, can raise 800 million people out of poverty in China, and now are doing the same thing in Africa and in South America—why can't we do that in Europe and the United States?

Zepp-LaRouche: In our last Schiller Institute conference, in Frankfurt, Nov. 25-26, we passed a resolution calling on the European nations to do what the Chinese are doing. China has now officially said—also mentioned by Liu He at the Davos conference—that China has only 30 million poor people left, while Europe has 90 million. Why can't Europe say, like China, that poverty is going to be eradicated by 2020? Obviously, for the United States, that should be done as well: Why should we live with a condition in which—I think in Germany, 45 individuals own as much wealth as half of the population; I think eight people in the world own as much as half of the world population. This is just totally crazy: Nobody can use that much money. It is just completely unjust and it should not be like that.

I think we have to have the commitment to have a decent living standard for all human beings on this planet. This is not just a question of justice, this is also the question of human potential which is being wasted when people are hungry. People are impeded from de-

veloping their creative potential when they are impoverished, and may have to hold down three jobs for their livelihood. We have to have the idea that we need a new paradigm of completely different thinking, given the human potential which can be developed once everybody has a decent living standard.

What is the meaning of life? Is it to eat five tons of caviar in your lifespan and have 20 Porsches and 5 yachts and 3 jets? Obviously not! Obviously, it is much more sensible to have a meaningful life, being a scientist, or an artist, or a good teacher. To have fulfillment in your life by contributing to the continued development of mankind as a whole, with whatever potential you have, in whatever share you can contribute.

We need a rethinking: this mindless thought that money controls the world, and that money is what makes you happy, has to be replaced by other ideas, like the Leibnizian idea of the pursuit of happiness, which is in the Declaration of Independence of the United States; and Leibniz did not mean making a lot of money. What Leibniz meant by happiness was the idea that the creative potential of each person has to be guaranteed and must be realized. And I think this is the New Paradigm being developed with the Belt and Road Initiative. Xi Jinping has said many, many times that this is not just “infrastructure,” but that there is a cultural dimension to the Silk Road, and a space dimension to the Silk Road, and all this pertains to the creative potential of human beings. And I think people have to start discussing that!

We need to have a political discourse on what the future of humanity should be in 50 years, in 100 years from now. Do we not want to become adult, as a species, where people treasure other things than just material things? I think people should think about the fact that we are at the crossroads, where, if we do our job right now, and bring the United States and European nations into collaboration with the New Silk Road, then we can have a completely new era of civilization, probably in our lifetime. I appeal to our listeners, to you, to contact us, join us, help our efforts, and make what we are saying more known.

Schlanger: And as you've said so beautifully, that's what will make people happy, being able to do that. So, Helga, thank you for joining us, and we'll be back again next week.

Zepp-LaRouche: Yes, till next week.