

The New Name for Peace Is Economic Development

by Helga Zepp-LaRouche

July 7—*This is an edited transcript of Helga Zepp-LaRouche's keynote address to the [Food for Peace Conference](#) in New York City today.*

Dear conference participants, I feel very honored to address you, even if it is by video, because I think we are all aware that we are involved in the historically, extremely important process of trying to improve the relationship between the United States and China, in the context of the Belt and Road Initiative.

It is especially important in the area of agriculture and food production, because this is an extremely urgent question. Because, while at the G-20 meeting in Hangzhou last year, China and all the other participating nations devoted themselves to eradicate poverty by the year 2020, we have not yet reached that goal. Just a couple of days ago, the UN Food and Agriculture Organization put out a report that world hunger is on the rise, and that the situation, especially in Yemen, is terrible. Half or more of the population is in acute danger of starvation. But also in Nigeria and South Sudan and many other areas, the situation is worsening.

Today, there is also the G-20 summit in Hamburg, and the outcome will be a surprise, either way, because compared to last year's G-20 in Hangzhou—which was very harmonious and characterized by a great optimism for the future of mankind—this time the tensions are very high. In the last couple of days, however, there has been a sort of prelude in the form of a summit between President Putin and President Xi Jinping, in Moscow, which was really extremely important, and each characterized it as the most important event of the year for his nation. They deepened the strategic partnership, they established an even deeper level in their personal friend-



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ship, and they declared that the time of the unipolar world is over, because of the strategic partnership, especially.

It is certainly true that the time of the unipolar world is over, but multipolarity is still not the solution, because it still implies geopolitics, which was the cause of two world wars in the 20th Century, and this geopolitics is still in operation, around North Korea, around Syria, around Ukraine.

We must therefore find a higher level. We must get the world to what President Xi Jinping always calls “the community for a shared future of humanity.” One big step in that direction

could be the meeting between President Trump and President Putin, who are meeting today for the first time as presidents. Obviously, this is a very important step, because a very positive relationship has already been established between President Trump and President Xi Jinping already. So whatever comes out of this Trump-Putin meeting is very, very crucial, because the questions we have to solve are urgent and dramatic.

The Many-Sided Crisis

The food crisis, the hunger crisis which I mentioned, is only a symptom of the fact that the old economic model is not functioning any more. We are sitting on a powder-keg crisis which erupted in 2008, which could come back with a vengeance—only much, much worse. Because even a slight increase in the interest rate, moving away from quantitative easing, could lead to a blowout of corporate debt. The firms which got the zero-interest-rate liquidity from the central banks, the quantitative easing, did not use this money for productive investment, but for so-called financial engineering, by buying up their own stocks to make their books look better, having more nominal value, but also increasing

the corporate debt, which could now blow out if there is an increase in the interest rate.

And that is only one aspect of the systemic crisis that we still have. Another one is the so-called Level 3 derivatives that many European and other banks are sitting on. Level 3 derivatives are those that have no market price because no one will buy them, and the banks still keep them as assets, which really is a sort of mega-fraud.

So the problem is that just yesterday, the fourth largest bank in Italy was taken over by the government, and the take-over was combined with a bail-in, whereby the customers could only sell their bonds and stocks at 18 cents to the euro, and that is a threat that is hanging over the entire banking system.

Now, what could be done to solve this? Well, let's look at one other aspect of the crisis: Just a couple of days ago, in one single day, 12,000 refugees arrived from Libya in little boats and were picked up by NGOs in Italy. Twelve thousand people in one day over-stretches the capacity of any country, and Italy has already taken in so many million people. But when Italy requested that other countries on the Mediterranean, such as Spain and France, should take some of the refugees, these countries rejected the proposal.

Now that obviously shows there is no unity in the European Union on this question.

The One Solution

Now how could you address this whole series of problems? What should actually be on the agenda of the G-20 in Hamburg?

Well, if you were to put a global Glass-Steagall bank separation on the agenda, doing exactly what Franklin D. Roosevelt did in 1933—by separating the commercial banks and the investment banks, putting the commercial banks under state protection, writing off the non-performing debts and the derivatives of the investment banks, and then going to a Hamiltonian credit system by setting up national banks in every country and issuing large-scale, low-interest rate credits—then we could solve the problem.

Mr. LaRouche has defined Four Laws to remedy the financial crisis, and the Fourth Law is a crash program for the realization of thermonuclear fusion power. And there the good news is that China has just accomplished a major breakthrough in this respect, with its tokamak in Hefei [the Experimental Advanced Superconducting Tokamak (EAST)], which reached what is called “steady-state H-mode operation” for 101.2 seconds. This is a major step towards the realization of thermonuclear fusion.

If such a reorganization according to these Four Laws—Glass-Steagall, national bank, credit system, and crash program for fusion and space technology—were implemented, then the trans-Atlantic countries could cooperate with such banks as the Asian Infrastructure Investment Bank (AIIB), the New Development Bank, and others, together with China, and build up, for example, Africa. China is so far the only country which has done something to fight the root causes of the refugee crisis, by investing on a large scale in rail lines in Africa, in dams, in power plants, in industrial parks, and in agriculture. And this is actually the only way to solve the refugee crisis in a human way.

China and the U.S. Can Make It Happen

One promising step in this right direction is that President Xi Jinping and Chancellor Merkel agreed yesterday to collaborate in building the planned hydro-power complex in Angola, and stated that that could be a model for cooperation between China and Germany in Africa in general.

Because of what China has been doing, in building up huge industrial complexes for the first time in Africa, Africans have a new sense of self-confidence, and they are telling the Europeans, “We don't want your sermons on good governance, we want to have investments in infrastructure, in manufacturing, in agriculture, as equal business partners.”

Can we expect the G-20 to do this, to go in this direction of a global reorganization of the financial system, and then go for a real intervention in the development of Africa? Well, I'm afraid they will not.

But this will remain the task that has to be accomplished. The Four Laws of Lyndon LaRouche, and getting the United States and European countries to cooperate with China in the Belt and Road Initiative—in the New Silk Road—is indeed the approach by which you can tackle all problems in the world. But this conference, this Food for Peace conference is a very important step in that direction. As a matter of fact, to get the United States and China to work together on the New Silk Road perspective, in the New Silk Road spirit, is in my view the most important aspect of this process: Because if the two largest economies can work together, I think we are on the right path to win for all of civilization.

Therefore, let's work together to join the Chinese dream, and to revive the American dream, because the American dream needs to be revived—it has almost been forgotten. But together, we can accomplish the dream for all of humanity.