
I. The New World of the New Silk Road

HELGA ZEPP-LAROUCHE

We Can Enter a New Era for Mankind over the Coming Days

This is an edited transcript of an [Oct. 19, 2017 webcast](#) by Helga Zepp-LaRouche.

Harley Schlanger: Hello, I'm Harley Schlanger from the Schiller Institute, and I'd like to welcome you again to our weekly webcast with Helga Zepp-LaRouche.

There's an absolutely extraordinary event underway in China right now—the 19th Congress of the Communist Party of China. In an address yesterday, President Xi Jinping laid out a bold strategy for the next 35-40 years on how to expand the development of the Belt and Road Initiative (BRI), which has already lifted millions of Chinese out of poverty. This is being treated in the Western media as an opportunity to attack China, to deride the economic model, to talk about how it won't work, even to characterize Xi Jinping as a new Stalin. But while that's the nonsense coming out in the Western media, the Chinese press has been featuring Helga Zepp-LaRouche for her analysis of what's occurring. Today, we have the great benefit of being able to hear directly from Helga. So, Helga, let me turn it over to you.

Helga Zepp-LaRouche: Okay. I recently made a comment to *China Daily*, where I emphasized one aspect of President Xi Jinping's three-and-a-half hour speech, something he mentioned about fourteen times, his emphasis that the aim of politics and of the efforts of the CPC [Communist Party of China], is to create a better and happier life for the people. That is a thought which, when I look at the various politicians in the West—I haven't heard them talking about that. But if you really think about it, that is what politics should be all about. It's no accident that this idea was actually in the American Declaration of Independence: One of the



Feature coverage of Helga Zepp-LaRouche in [ChinaDaily.com.cn](#)

inalienable rights mentioned there is “the pursuit of happiness.”

I have been in China several times recently, and I have seen that its people are happy; they are optimistic about the future. Look at Xi's speech. He has an incredible perspective which makes total sense, it is realistic, given the fact that China has already lifted 700 million people up out of poverty. If you look at that success story, then you have every reason to believe that the Chinese government will be able to fulfill Xi's vision

for the year 2050.

Since this has not been reported very much in the Western media, let me just repeat some of what he said. He said the goal of China is to eliminate all poverty by 2020. In China there are still, I think, 42 million poor people, which is not much, if you remember that China is a country of 1.4 billion. But China wants to uplift all its people so that nobody is left in poverty by 2020. The next goal is that by 2035, China will become a moderately prosperous, modern, functioning socialist country. Then, by the year 2050, China is to become a strong, democratic, civilized, harmonious, and beautiful country, fully modernized. I think this is an incredibly beautiful goal. In his speech, Xi emphasized that, following the century of humiliation for China, which was characterized by the Opium Wars and similar events, China decided not to take any foreign model, but instead develop its own model of “socialism with Chinese characteristics.”

I think that the West would be well advised to actually look into what these Chinese characteristics are, because the secret of the success of the Chinese economic miracle, I think, has to be found and can be found in the 5,000 years of Chinese history. President Xi emphasized that in these 5,000 years, China has contributed many things to the development of mankind, and it intends to continue to do so. One of the big contributions of China was not only that Confucius was born and became one of the great teachers of all time, but that Confucianism was actually the state philosophy of China for the better part of 2,500 years, with the short exception of the Cultural Revolution—the ten years from 1966 to ’76. Therefore, Confucian thinking and the ideas of Confucius are very deeply ingrained in the Chinese model. I have stated many times that I personally, from studying the speeches of Xi Jinping, have come to the conclusion that Xi himself thinks in Confucian terms.

In his speech, Xi also emphasized that China intends to become an innovation-based society, that the spirit of science must have a very important role. I have seen many times that this is actually what China is doing, by always trying to leapfrog to the newest state-



Xinhua/Zheng Jiayu

The Three Gorges Dam project in Hubei Province, central China.

of-the-art technologies. In that way, China has already become a world leader in several categories. All these slanders against China—that it just steals Western patents and Western technologies—may have been the case at the beginning of its “opening up to the West.”

By the way, everybody else also takes advantage of foreign technologies. I know of many European business leaders who are convinced that the National Security Agency (NSA) steals. That was just an aside. In any case, China’s plan is to become a science-based economy by the year 2025. I think that is very beneficial for all the countries touched by the Belt and Road Initiative (BRI), in the New Silk Road, because China has explicitly offered to share its scientific and technological advances with developing countries. I think this is of great benefit for mankind.

I think this 19th National Congress of the CPC is not just relevant for China. I think the conclusions reached there will radiate throughout the rest of the world, because inevitably everybody looks at this model and asks why is it so successful. Maybe there is something we can learn from it. So we should make sure that everyone really pays attention to the substance of what is going on, and not just to the media accounts which are mostly negative. I always use the example of Hegel, the German philosopher, who wrote in his *Phenomenology of Mind*, that the servant who helps the world-historical individual get dressed, only sees the underwear, and doesn’t understand the vision in the mind of the world-historical individual. That’s the image I have of the

journalists who are writing these ridiculous articles; they are just valets, the servant who helps the great man to get dressed.

Schlanger: It's clear that the Western media is much more interested in underwear than in these physical processes of development. You describe this as a dynamic, global process, and the Western media keeps saying it's going to fail. In particular, they're saying that China is creating a great credit bubble that will collapse. What's the reality there? Why are they wrong, Helga?

Zepp-LaRouche: I think it's ridiculous, because while China has taken credit and has debt, all of this debt is backed up with physical assets. China has this debt because it finances infrastructure projects, industrial parks, hydropower, and all kinds of physical investments—so that, were there a crisis, these physical investments would still be there. They are real, tangible wealth, which is in complete contradiction to the trans-Atlantic financial system's idea of "wealth," which is entirely speculative, and therefore is a complete bubble. It's just funny, because today is the 30th anniversary of Black Monday of 1987. My husband, Lyndon LaRouche, had forecast the bursting of that bubble at the time, and we have seen a worsening of the situation ever since, because nothing was ever done to correct it. Instead, Alan Greenspan undermined the Glass-Steagall Act, and then finally Larry Summers eliminated Glass-Steagall altogether in 1999. Ever since, there has been incredible deregulation of the financial markets, which then eventually led to the Crash of 2007, which again was forecast by my husband a week before it happened. Finally, the Lehman Brothers-AIG crash of 2008. On this anniversary, many commentators are actually making the point that this crisis, which started in earnest in 2007-2008, is far from over. All the parameters are in fact worse than in 2008; and there are some commentators—even one from the London School of Economics—who say the bullish character of the assets is actually showing characteristics exactly like those



British Guardian articles warning of a new financial crash.

before the crash of 1987, and that a big financial explosion could come at any moment in October or November this year.

So, we are all sitting on this powder keg, and it's ridiculous that people are blaming China, the only country which is investing in real goods, for the crash, when these circles themselves are sitting on this powder keg. I think this is something we should urgently address with our campaign to reinstate and implement Glass-Steagall, and our program to return to Hamiltonian economics.

One final word: The attacks on Xi Jinping are coming from people like former *Washington Post* bureau chief in Beijing, John Pomfret, who compared Xi Jinping to Stalin. Such people are just projecting their own evil thoughts onto China; they will not prevail, because they have nothing but words to offer, which mean very little, while China is building a new financial and economic model which brings benefits to all countries that participate. Therefore, China's approach will prevail.

Schlanger: It's clear that the irony here, is that it's a sign of the bankruptcy of Western thinking that we have the biggest bubble in world history in commercial debt, in financial debt, student debt, and car debt—every category of debt is at record levels. Leverage is over the roof. Yet these critics are looking at China, and talking about the China debt. One element of this is that, as you said, it's not just China; there's now a growing interest around the world, because the Chinese have been *doing* something. It's not just something they're talking about doing in the future. Can you just fill us in a little bit on

what's happening around the world with the Belt and Road?

The Tide Can Shift Suddenly

Zepp-LaRouche: Most interesting is what's going on in the United States. We are now about two weeks away from President Trump's trip to Asia. He will visit five or six countries, but the most important one will be the state visit to China. I have the feeling that this will lead to some major forms of cooperation between the United States and China—maybe even an official statement that the United States will join the Belt and Road, and work together with China to support the projects of not only the Belt and Road, but also projects in the United States.

The mood in the United States is changing. We had a couple of conferences over the past few weeks, which we either organized ourselves, or conferences we participated in. Many business leaders told us "It doesn't matter what the U.S. government says, because the Belt and Road Initiative is the only way to go. Either we jump on the train of the Belt and Road Initiative, or we will see the lights of the caboose from behind, and we will be left behind." That is exactly the mood which we find in Germany, where, despite the fact that the German government is still stepping on the brake in line with the EU and Brussels, nevertheless, all the other countries of Eastern Europe, of Central Europe, of the Balkans, of Italy, Spain, Portugal, Switzerland, and Austria—they are all moving in the direction of becoming a hub of the New Silk Road. They see its benefits.

The best example, just to give one of many, is what is happening with Greece. Greece was tortured by the Troika—the International Monetary Fund (IMF), the ECB, and the EU Commission—which imposed the most brutal austerity, characterized by the UN Human Rights Commission as a violation of human rights. Such policies of the Troika have reduced the Greek economy by one-third, shortened life-expectancy, increased the death rate, and led to an incredible emigration of young, skilled labor. This was the policy of the EU. China, on the other hand, now has introduced the Belt and Road policy.

China has built up the Greek port of Piraeus, and is now building a railway northward from the Greek ports



White House

President Trump meeting Greek Prime Minister Alexis Tsipras, Oct. 17, 2017.

to Belgrade and to Budapest—a project opposed by the EU for no good reason. China's initiative has greatly improved the self-confidence of the Greek people. Greek Prime Minister Tsipras was just in Washington, meeting with President Trump. He was accompanied by a large delegation of cabinet members and others. Contrary to the EU, Trump promised reasonable debt relief, real investment in the real economy, and strong cooperation between Greece and the United States. This is a completely different attitude. One outcome is that the United States will be a featured guest at the big trade fair next year in Thessaloniki. These Chinese and American initiatives have increased the self-confidence of the Greek people, who now say that we are no longer at the rim of the EU, but we are now in the center of the Eurasian development.

The spirit of the New Silk Road, which we talked about last time—this is the new thinking that mankind can work together for the common good. It doesn't have to be the case that the geopolitical interests of one group must prevail against the geopolitical interests of another group, but that "win-win" cooperation, where each country benefits, is actually the spirit of this new era. So, this is going on, and I think if you take that together with the developments in Africa and in Ibero-America, this Spirit is marching forward. I am absolutely confident that it will characterize a completely new era of civilization.

Schlanger: You mentioned the Tsipras meeting with

Trump, where Trump spoke about responsible debt relief. This is the second time in a couple of weeks that he's brought up dealing with a debt problem. He talked about doing away with, or cancelling, or writing off Puerto Rico's debt. Now he's talking about the Greek debt needing to be written down, which is obvious except to the bankers who are holding the debt. Obviously this is a big part of the reason, along with his strategic initiative towards China and Russia, that there's still a "Russia-gate" attack against him. There are some developments in the last week against that. I wonder if you have some thoughts on it.

Zepp-LaRouche: There is now a very important letter by nineteen Congressmen to the head of the Senate Judiciary Committee, Senator Chuck Grassley, demanding that Special Counsel Robert Mueller be investigated for being biased and having a conflict of interest. I think that is very interesting, and in a certain sense the tide can change very quickly. This was also mentioned by Russian Foreign Minister Lavrov, who at the beginning of the Valdai Forum, which is now taking place in Sochi, Russia, said that the nine months of investigation of the phony Russia-gate story has resulted in absolutely no evidence that there was any collusion of the Trump team with Russia. And he noted very positively, that this has not deterred President Trump from his election promise that he would improve the U.S. relationship with Russia. I think this is very interesting, because, as I have said already in the past—but let me restate it, because it's not self-evident for many people: If the three large countries—the United States, China, and Russia—come to agreement with each other, and stop thinking that it is necessary to have a nuclear buildup and nuclear deterrence and geopolitical maneuvers to outdo one another—we will have the precondition for world peace.

This goes to the whole question of how to deal with the rise of China. Will we believe the line that there is a "Thucydides trap"; will that lead to World War III? Some journalists are retailing that line, saying that is the only future. But I think that if you look at the strate-



U.S. newspapers demonstrating their anti-Xi Jinping stance.



Chinese President Xi Jinping. (Photo by Andy Wong/Associated Press)

gic partnership between Xi Jinping and Putin, and if Trump defeats Russia-gate and continues to seek cooperation with Russia, and at the same time, we see a potential big breakthrough in the context of his state visit to China two weeks from now—then the world will enter a new era, a new stage of development, and the whole world will benefit from it.

For the people of the United States, it's very important not to be caught in the small issues defined by the yellow journalism of the *Washington Post*, the *New York Times* and CNN, who are competing with each other to spread fake news. But you should understand instead, that were the United States and China to work together on the New Silk Road, and if President Trump continues to seek a positive relationship with Russia, then that is in the interest of everybody.

Schlanger: Helga, there's one other area where Americans really have no clue of what's going on, largely due to the media, and that's what's happening in Europe. I refer to the Catalonia separatist vote and the continued flak over that, and the election in Austria where the ruling parties took another big hit, just as they had in Germany. Can you give a sense of what's happening in Europe and how this is part of the same dynamic? Obviously, the Brexit issue is not resolved. So, what's happening in Europe?

Zepp-LaRouche: It is exactly the same dynamic which led to the election victory of President Trump. There are many Europeans who have the feeling that their politicians don't care about their well-being, quite contrary to what Xi Jinping emphasized in his

speech, and contrary to what is practiced in China. For example, look at the present negotiations in Germany to form a so-called Jamaica coalition—Jamaica because the colors of these parties are the same as in the flag of Jamaica; it's the conservative CSU/CDU, the liberals of the FDP, and the Greens. I have not heard any substantial grand design or vision for the future in these discussions; it's all about appointments and minimal agreements. The feeling is that the political class has condoned the fact that the poor become poorer, the middle class becomes more threatened, the rich become richer, and the well-being of everyone is abandoned. Many can't make ends meet. Many feel that the political class has moved entirely away from them. That is reflected in the Brexit, and in the rise of the *Alternative für Deutschland* (AfD), the right populist extremist party in Germany. It's expressed in the right-wing election victory in Austria. And it is expressed in the Catalonia separatist movement, which right now is really moving in a very dangerous direction.

Why is all this happening? The separatists of Catalonia, which is the richest province of Spain, nevertheless feel that they are getting poorer under the present EU regime; and therefore, they want to have a certain independence—a northern autonomy. This is against the Constitution of Spain; the Spanish government of Prime Minister Mariano Rojoy has taken a hard line.

This Catalonia issue is actually a very dangerous development. It's being steered by outside forces. Some Spanish newspapers have accused George Soros of having financed the separatists. Russian media point to a video being circulated by the separatists in Catalonia, which has exactly the same script as a similar video used in the Maidan coup against the Ukrainian government of President Viktor Yanukovych in 2014. It shows women standing in the street, and says that thousands and thousands of people are taking to the streets; then pictures of police violence are shown; then demands that people should support the separatists and spread the word, and so on. Exactly word for word the same video. I would say that the existence of this video points in the direction that it's the same apparatus which was behind the original Maidan, then the "Maidan" against President Trump, and now in Catalonia. What we're dealing with here is really an oligarchical conception. We have long reported that the oligarchy prefers a "Europe of the regions," and not a Europe of strong nation-states that would work together in the tradition of

France's Charles DeGaulle—an alliance of the fatherlands. But destroying the nation-state, and only having regions of perhaps three million inhabitants, would give the oligarchy's supranational structures much greater power, leaving the people without power. So, this is a very dangerous development; it is really the last rearguard battle of the oligarchy.

I think that the other dynamic that I described earlier, the New Silk Road dynamic now becoming stronger in all of Europe, is the one which is advancing more quickly. But it's a turbulent time, and again, I would like all our viewers, listeners, and readers to contact us. The Schiller Institute is providing knowledge about the New Silk Road; we are continuously researching it. We are always putting out more reports about it. We will make more literature available, because you need to know that there is a happy and prosperous alternative to that which the oligarchy has in mind for you.

It is my experience, and I think you, Harley, can confirm it, that once people know about the New Silk Road, they get completely excited. They get optimistic; they say "I have a future. It is worth it for me to study if I'm a young person. I can become a scientist, I can become an astronaut, I can become a teacher. I have a future." That is so important, especially in the United States for example. This terrible opioid epidemic keeps getting worse, and people are full of despair. Or in Europe, where you have many youth in Italy and in Spain who neither have a job, nor are in school. A young person who is neither working or studying, is prone to become either a terrorist, a criminal, violent, or drug addicted, or some other terrible thing. So therefore, the knowledge that there is an alternative strategy whereby we can, together, form a better future is so important. So, please help us to spread the news!

Schlanger: And this is the whole point of these webcasts: To bring to you a picture of the Spirit of the Silk Road, and to give you the capability to ask the right questions and to get the right answers. Again, come to us and engage in a dialogue in an organizing process with us.

Helga, there are going to be a number of events over the next days with China's 19th Party Congress continuing; we'll look forward to hearing from you again on this next week.

Zepp-LaRouche: Okay. Bye-bye.