
I. A Pregnant Moment

THE NEW SILK ROAD IS CHANGING THE WORLD

America Must Join

Helga Zepp-LaRouche's weekly webcast for Feb. 1 can be seen at newparadigm.schillerinstitute.com This version has been edited.

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

There have been some quite extraordinary developments in the past days. I think the most important one, to start with, is the State of the Union address on Jan. 30 by President Trump. Helga, what are your thoughts on what Trump had to say and the reactions to it?

Helga Zepp-LaRouche: He did not say what he should have said—that he was adopting the Four Laws of Lyndon LaRouche—Glass-Steagall and a new credit system in the tradition of Alexander Hamilton. But we are not giving up hope that that may still come. Remember, after all, after my husband had campaigned for what became the Strategic Defense Initiative (SDI), President Reagan did not mention the SDI in his 1983 State of the Union address. But immediately thereafter, on March 23, Reagan publicly announced the Strategic Defense Initiative. In the same way, we hope and fight for this necessary turn in policy today—that when President Trump has to confront the question of financing the infrastructure drive he just announced, he will come back to his election promise to restore Glass-Steagall.

Otherwise, the speech was not bad. I think it's quite significant that, according to a CBS poll, 75%

of the people who saw the speech strongly supported it. I think that domestically, he definitely touched on a sense of optimism, even though there are still many problems with the financial system which he did not address. But I think it's on a good trajectory.

I think the strongest indicator that he is doing something good, is the freakout by the Democrats. While President Trump appealed for bipartisan cooperation on the immigration issue and on infrastructure, the Democrats just sat there, demonstratively not applauding. They have made themselves the war party. That has now become crystal clear, because the day before the State of the Union was the deadline for the implementation of sanctions against Russia that the Congress had voted up half a year earlier—but nothing happened! The Trump Administration did not implement these sanctions against Russia. There was a violent reaction by such media as the *New York Times* and think-tanks such as the Atlantic Council, which accused Trump of



White House/Shealah Craighead

President Donald Trump, State of the Union address, Jan. 30, 2018.



ing in the United States, one can not expect perfection. Given the neocon mobilization, and given the really ridiculous behavior of the Democrats, I think he did pretty well.

Schlanger: Responding to Trump’s refusal to impose further sanctions on Russia, various articles appeared saying that this just proves that Trump is a puppet of Putin. But on the other hand, the whole idea of these kinds of sanctions is counterproductive, especially if Trump is trying to pursue a policy of cooperation. And that brings us to the Robert Mueller coup operation under way—there have been a lot of developments on that, including the probable release in the next couple of days of the Nunes memo. What do you make of the situation around this coup?

refusing to do what Congress had mandated. But the simple answer of the Trump Administration on these new sanctions against Russia, was that they were not necessary.

That’s very good, even though Trump called Russia and China “rivals” of the United States, rather than partners or something more positive, in the foreign policy section of his address—to which the Chinese reacted quite strongly: They said it was alarming and provocative. But then the Chinese Foreign Ministry spokeswoman said that the United States and China should work together instead, for a happier future of all of mankind. So their response, on the one hand, expressed displeasure—but on the other hand, they keep reaching out for the kind of cooperation which has already been demonstrated between Chinese President Xi Jinping and Trump.

The Russians responded even less harshly. One of their commentaries said that President Trump’s speech was much milder than those of all of his predecessors—obviously referring to Obama and Bush.

So I think this is not the end of the world. It’s not what it should be, but in the context of what is happen-



Andrew McCabe

Zepp-LaRouche: I think this is reaching very interesting dimensions. As a matter of fact, after delivering his State of the Union address, Trump was asked, as he left the Capitol, if he would release the Nunes memo, and he said “100%.” White House Chief of Staff John Kelly, who was also interviewed, said the White House would release the memo “pretty quick,” because the American people should make up their minds on their own, on what their judgment is. And that is very good.

The German media—which had previously refused to report at all on this controversy, or *if* they reported anything, would only report it from the standpoint of Russiagate, and how soon Trump will be driven from office—now are trying to cover their behinds. They’re still only reporting from the standpoint of the FBI version—but they do have to report the memo.

What happened this week was dramatic: There was the decision of the House Select Committee on Intelligence to release the memo. Then there was the firing of FBI Deputy Director Andrew McCabe, which is very good. Then the ongoing operation by Senator Chuck Grassley and Senator Lindsey Graham who, on the one hand are insisting on a criminal investigation of Christopher Steele—but they have also sent letters to all the leading Democrats, Podesta, the DNC, and various

other Democratic officials, asking them detailed questions: What did they know about the Steele dossier? What contacts did they have with a list of individuals who were involved? Many, many questions.

McCabe is also under investigation, because it seems that he delayed the whole Hillary Clinton emails investigation by three weeks, to try to push it past the November election.

There is a lot of fury: There are people warning that the outcome of this fight will determine the fate of the United States. For example, Paul Craig Roberts, who after all was in the Reagan Administration, wrote a very stern warning, saying the stakes are extreme; if the coup plotters get away with their actions, then the United States will turn into a full police state, where the intelligence services will create a dictatorship, and the government will no longer be accountable. So this is clearly one aspect.

But on the other hand, the hope is that this memo, which is due to come out latest tomorrow, can really be an earthquake. Because if what seems to be in this memo becomes public, I think it will change not only the situation in the United States, but it will also have an earthquake effect internationally.

Schlanger: We have emphasized from the beginning the importance of going after the British role, especially as related to the Christopher Steele dossier and its promotion by Fusion GPS. And now it appears that there are people in the House and the Senate who are moving on this.

But what more can be done? We're continuing to get out the Mueller dossier that we produced. But what more can be done to make sure that people don't get diverted or distracted, but really home in on the role of British intelligence as the key force behind the anti-Trump move?

What You Can Do

Zepp-LaRouche: We are asking you to help circulate our dossier on [Muellergate](#), because it is a question of justice. There is also a personal question involved: This same Robert Mueller was the head of the "Get LaRouche Task Force" in the '80s. He is part of the apparatus which was responsible for sending my husband to jail for five years—even though he was completely innocent—and many of our American associates for even longer periods. And this was one of the biggest injustices.



And it has to be remedied, because I repeatedly said at that time, and I repeat it now: The biggest crime was not only that my husband was sent to jail when he was innocent, but the American people were deprived of his ideas and his solutions. I think that all Americans suffered because of that. If my husband had not been prosecuted and imprisoned by such people as Robert Mueller—and had been free to promote his policies—the United States probably would not be in the condition it is today. You wouldn't have this sort of drug epidemic, and you wouldn't have these kinds of economic problems. The crime was really committed against the American people.

And then there is Mueller's involvement in the cover-up of 9/11. That also urgently has to be addressed and corrected.

But the present operations against President Trump have worldwide implications! This is potentially a question of whether there will be World War III or not. So I think people should just help to get this dossier out widely, and make sure that it remains on the front burner until justice has finally been done.

Schlanger: To go back to the Russian sanctions for a moment, we just saw the completion of a new round of talks in Sochi on the Syrian Dialogue, where the Russians have been taking the leadership, and there are other countries involved. Now clearly, the attempt to push through new sanctions would undermine any U.S.-Russian cooperation. President Putin and Foreign

Minister Lavrov have repeatedly emphasized that they see many of the U.S.-Russia problems stemming from the Obama Administration.

If we could get past this Mueller operation, what would be the potential for U.S.-Russian cooperation?

Zepp-LaRouche: President Trump has repeatedly said that it's better for the world if the relationship between the United States and Russia is a positive one. I think that that is absolutely true, because then we could deepen the sporadic cooperation which we have seen in the case of Syria, and which we have also seen in the background of the North Korea situation—and then, hopefully, we could also start to address the Ukraine problem, which right now is still a very dangerous one. A zillion reasons speak for such cooperation. Anyone who has any sense of world peace, should be able to understand that Trump, in that sense, is a gift from heaven, if you compare him with Hillary Clinton, or with Obama, or with Bush earlier.

So we have to get this problem out of the way, where Trump feels boxed in. He's not totally boxed in, but he's forced to adjust to the pressure. He didn't veto the Russia sanctions you mentioned, for instance, because he knew that his veto would be overridden. Russian Foreign Minister Lavrov has made it very clear that the Russians understand the constraints against President Trump in the United States.

But once these things were to be removed, we could start addressing real problems like nuclear disarmament; like serious efforts to rebuild Southwest Asia; and solving the Ukraine and North Korean problems in a timely fashion. All of these things are impacted by the relationship between the United States and Russia in particular.

Schlanger: And Helga, what report did you get on the Sochi conference? It seems as though things did move forward on this. Is your sense that this is a positive development?

Zepp-LaRouche: Despite the fact that there was a sabotage attempt by some Saudi-sponsored groups that did not attend, nevertheless it was a huge conference,



Xinhua/Ammar Safarjalani
Staffan de Mistura (at podium), UN Special Envoy for Syria, in Sochi, Jan. 30, 2018.

with more than 1,500 delegates, and they established a commission to work on a new Constitution for Syria. I think it's very good, because they will now move on the idea—which is also in the UN resolution—that it is the will of the Syrian people alone which will determine what kind of government they will have. Now, this conference was fully backed by Staffan de Mistura, United Nations special envoy, and so I think it's both a big success for the Astana Process, and it is not in contradiction of the Geneva Process, but is instead an amplification of Geneva. So, I think overall, the result is excellent.

Schlanger: I'd like to move on to the economy, because that was one of the things that, even though the President talked about it a lot, he did not fully follow through with the policy that we put forward—and by the way, people can read our policy in a new pamphlet on the [LaRouche PAC campaign for 2018](#), what's needed for the United States. We're seeing new signs of a financial explosion. Last week, the Carillion company in the United Kingdom collapsed, with 20-30,000 jobs at stake. Now there is a similar report on a British company called Capita, which may mean as many as 50,000 jobs lost.

The U.S. stock market is wobbling, the Federal Reserve is talking about interest rates going up. Where do things stand on the financial situation?

Zepp-LaRouche: One of the potential triggers is

exactly these corporate collapses, because these are large firms, and as many people have warned in the past, right now the corporate debt bubble is much, much bigger than in 2008, and it could be the trigger point. So this may already be the beginning.

Naturally, the behavior of the central banks in light of all of this, is just completely irresponsible, to say the least. In fact the European Central Bank is now considering issuing sovereign-backed bond securities, which is another way of saying junk bonds—as was immediately pointed out by the deputy faction leader of the Free Democratic Party in Germany, who said this is exactly what triggered the 2008 crash.

So I think all the schemes to keep the system going are not going to work. The Federal Reserve has announced that it plans to have at least three interest rate increases this year, which could very well be the trigger for the crash. At this point, we are straddling exactly midway between a hyperinflationary blowout, signs of which are mounting, one being the stock market bubble—and on the other hand the potential of a collapse if quantitative easing should stop. So if we stay in this system, we are in a Catch-22. The only solution is to go back to what Franklin D. Roosevelt did in 1933: implement Glass-Steagall, end the casino economy, and then go to a Hamiltonian banking system—call it what you want, you can call it the Reconstruction Finance Corporation, or you can call it the German Kreditanstalt für Wiederaufbau. Once you make the financial system sound again in this way, there would be absolutely nothing standing in the way of the full cooperation of Western countries with the Asian Infrastructure Investment Bank, the Silk Road Fund, and all the other financial institutions which are backing the Belt and Road Initiative. That is the only way to avoid complete disaster—that is what people should really help to implement.

Schlanger: As a sign of the bankruptcy of the economic reporting, Bloomberg interviewed, of all people, former Fed Chairman Alan Greenspan yesterday on whether or not there's a stock market bubble. Greenspan is famous for his statement that there was no "irrational exuberance," before several different bubbles popped during his tenure at the Federal Reserve. So, it's indicative of the problem that they still keep coming back to the people who caused the problem, to discuss the solution. Bloomberg should obviously be interviewing your husband, who is the one who not only forecast these bubbles popping, but who has a solution.



You just mentioned the Belt and Road; there are some other very significant continuing developments in the expansion of the overall process of the Belt and Road Initiative: What can you tell us that's been going on in the last days and weeks?

Big Changes Underway in the World

Zepp-LaRouche: I think that the number of new projects which are being announced on a daily basis is just breathtaking. China is building a new deep-sea port in Nigeria. They're involved in many projects in Latin America—as a matter of fact, I think the New Silk Road Spirit has caught on in Latin America now, in the same way as it earlier had in Africa, where even countries which were previously more in the "Washington Consensus" orbit, like Brazil, are now very interested in Chinese investments in their infrastructure projects. This is also the case in Argentina, where the Chinese are visiting with a large delegation.

So the opportunities for countries to get the kind of credit they were denied before, is a winning dynamic. There recently was a very interesting speech in Washington by a leading Indonesian economist and military person. That speaker said that the American model of democracy as it was pushed in the past, is just not convenient for developing countries, which have many more benefits when they go along with the New Silk Road, the Belt and Road Initiative.

And that viewpoint is now widespread. I think this

is the leading development. Even in Europe, there are more and more countries which are open to this viewpoint. For example, the Chinese are building a high-speed railroad between Oslo and Stockholm. This is very good, because once it becomes a pattern that the Chinese are building high-speed railroads in Europe, I think it will catch on. We just had this debacle in Germany, where the first high-speed rail connection between Berlin and Munich took *26 years* to build! It was only 550 km long: The high-speed rail system between Beijing and Shanghai, which is more than 1,300 km long, took only four years! One of my colleagues in Germany made the funny calculation, that given that the Chinese want to have 45,000 km of high-speed rail by 2030, if Germany should build that 45,000 km at the pace at which they built the Berlin-Munich connection, it would take them 2,340 years, and be finally completed in the year 4500.

This shows you what the difference really is, and very concretely how the New Paradigm of the New Silk Road works. It is something which is absolutely doable, but it requires a certain intention to get the result, and only then do you get it. But where that intention is not there, as in Germany, which is becoming the laughing stock of the world at this point. If you look at the new Berlin Airport, which will probably never be finished, it's a sad sign of what is going wrong in the Western countries.

Schlanger: Someone else who seems to have caught the New Silk Road Spirit is Japanese Prime Minister Shinzo Abe. He's been very much involved in interesting talks with Russia, China, and even with South Korea. Is Japan coming into the New Silk Road?

Zepp-LaRouche: Yes. I would definitely say so. The Japanese Foreign Minister was just in China meeting with Foreign Minister Wang Yi, and they had very extensive discussions on cooperating in third countries. Today the Chinese Foreign Ministry issued a statement saying that the new Chinese-Japanese cooperation has implications far beyond the two countries, opening the perspective of joint ventures in third countries. This is very good.

It's one sign that a major industrial country like Japan, which historically used to be completely in the Anglo-American orbit for quite some time, can actually recognize where their own interests lie. Japan is a country which has few natural resources, and is totally dependent on large markets—and now the only available

large, expanding market is that created by the Belt and Road Initiative. I think this is *very* profound: Because if Japan can in that sense find its own interest in collaboration with China, so hopefully can the United States, and hopefully also Germany, which has been sort of a holdout, sticking to the old paradigm. But hopefully that can change just by looking at Japan as a model.

Schlanger: Last week, Helga, we extensively covered the mobilization by geopoliticians, neocons and others, to build up hysteria against China in the West, which is continuing. Now, you're one of the leading Western experts on China as it really is, as opposed to the nightmare visions of the neocons. What is it that Americans need to know about what's driving China?

Zepp-LaRouche: There is a very interesting new book, the diary of a girl named Ma Yan, *The Diary of Ma Yan: The Struggles and Hopes of a Chinese Schoolgirl*. She describes how she grew up in the very poor northwest region of China, which is prone to droughts and other disasters, and how, through very hard work, she became, not wealthy, but prosperous with a good living standard. This is a very good example, because there is so much propaganda about China and its supposed intentions and so forth, but what people don't want to look at, and should, are the values which govern Chinese society. It is very much the idea of the common good. There is a central government which keeps absolute control, which is absolutely correct—if you have a country of 1.4 billion people, you have to have stability. And the country is absolutely transformed: You see the fruits of the focus on the common good, as compared to the exaggerated, individualistic hedonism which characterizes the West.

The Chinese people are devoted to accomplishing things. For example, recently, Chinese workers upgraded and remodelled a railroad station in only nine hours. What took ten or more years in Germany's "Stuttgart 21" project, China did in nine hours. And that is because they deployed 1,500 people to do it—and then they got results. They build railways by building the railway outwards simultaneously from many points, and in that way finish quickly.

In the West, at least in Europe, the infrastructure is in terrible condition, and then, on top of that, there are big delays at construction sites. These construction sites last for years—maybe you see two workers there for five days a week—and that's just not the Chinese

approach. The Chinese say, “we have to accomplish that, and we’ll get it done. We’ll do it with a large workforce,” and then you see quick results.

I think it is really important that people change their view of China’s intention. Look at the countries which are cooperating with China, and look at how their people are becoming happier and more optimistic. I strongly believe that the Chinese are being totally truthful when they say that their aim is not to compete for hegemony of the world, or have some new kind of global system. I think that the Chinese offer of an alliance of perfectly sovereign countries working together for the common good and for the joint destiny of mankind, is absolutely truthful. We need a political discourse in the United States which is not tainted by geopolitical interpretations and wild fantasies, whereby people do nothing but project their own intentions on China or Russia, or both for that matter.

I think we need a real discussion of what the future of mankind should be. Can we have a foreign policy which respects the UN Charter, which respects sovereignty, and which respects other social systems, without nations trying to export their own systems? If we can do that, we can have a peaceful world. I think that

as long as Trump is in the White House, and as long as Muellergate is being defeated, the chances that we will get there are actually very good.

Schlanger: Helga, you said, “this is an unstoppable dynamic—except, perhaps, by thermonuclear war.” The Chinese don’t seem to be greatly taken aback by the hysteria coming from the neocons; it’s part of what they expect, and they’re still continuing to move ahead, aren’t they?

Zepp-LaRouche: Yes. Their response is, let’s join hands with the United States for a better future. So, they don’t react, even to provocations—which they recognize—but they take the high ground, and offer their model. I think this is very good, and is a reflection of the Confucian philosophy, which underlies the Chinese paradigm.

Schlanger: OK, thank you very much, Helga. I think that brings us to an end today, and we’ll be back next week.

Zepp-LaRouche: Yes, till next week.

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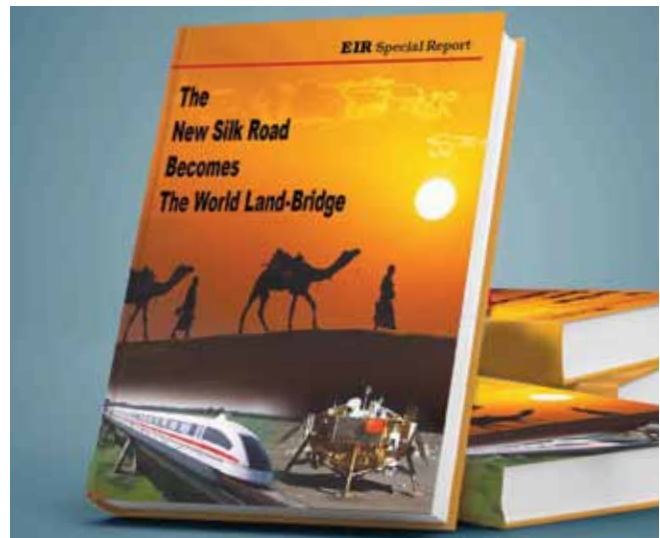
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