
I. The World Stage

ZEPP-LAROUCHE WEBCAST

The Worm Has Turned: Will Obama Administration Join Leading Brits on Trial as the Real ‘Collusion’ Is Exposed?

This is the edited transcript of the May 24, 2018 Schiller Institute New Paradigm webcast, an interview with the founder of the Schiller Institutes, Helga Zepp-LaRouche. She was interviewed by Harley Schlanger. A [video](#) of the webcast is available.

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

We are in the midst of a series of unfolding developments, and we’ll address them in the context of the discussion today. There are a number of things happening, each of which is very significant, and we don’t have full readings yet. But we want to start with what I think is something most people are not aware of—the coming earthquake that is hitting Europe, in this case from the Italian election. The new government is being put together, and there’s a strong, negative reaction from the European Union, for good reason. Helga, what is the significance of these Italian developments, in the context of the overall strategic situation?

Helga Zepp-LaRouche: We have now a new prime minister, Giuseppe Conte, who is a politically unknown law professor. But the gentleman the EU ministers find most disturbing is the mooted new Finance Minister, the 81-year-old Paolo Savona, a well-established economist. In the beginning, Savona was completely for the euro, but when he saw the consequences for Italy of the single currency, he became

completely anti-euro, and he has demanded a “Plan B” for Italy, meaning leaving the euro. He has also called the euro a “German prison” for Italy, and has given it some even worse names.

So the negative reaction is quite incredible. All kinds of people, politicians, and media have threatened Italy with financial warfare. One guy said the markets will teach Italy a lesson and bring it back to the path of virtue. One of the key anchors of the 2nd TV channel in Germany, Claus Kleber, a real specimen of his profession, to put it very diplomatically, said one should use



Xinhua/Jin Yu

*Sergio Mattarella,
British-controlled EU
lackey-President of
Italy.*

*Giuseppe Conte, new
Italian Prime Minister.*

*Paolo Savona,
Finance Minister
designate of M5S/
Lega coalition
government.*



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the gag bit—a torturous bit for horses which no good horseman would ever use, because it really tortures the horse—to discipline Italy.

This is incredible. Here are people who are constantly making the hugest complaints about China lacking democracy and what not, but in this case they're openly calling for regime change and advocating the use of warfare techniques against one of their own European Union members.

Now, I think if Savona indeed becomes finance minister, people are in for some surprises, because he is a very experienced person; he's not a lightweight, as the media are saying about Prime Minister Giuseppe Conte. This is not an isolated phenomenon. It's not Italy that is causing the financial crisis. Italy's election result is only the latest in a long arc of revolt against the neo-liberal policies expressed in the Brexit, in the election of Donald Trump, in the "no" to the Italian referendum changing the Constitution last year, in the Austrian election, and now in the Italian election. All these cases express in some fashion the will of the populations to no longer submit to unjust austerity regimes that only benefit the banks, the speculators, and the rich, at the expense of the masses of the population.

Therefore this is a very important moment, and rather than being completely shocked about it, and having hysterical tantrums. I think the opportunity should be exploited to take advantage of the positive elements of the new government in Italy, where both coalition partners, the Lega and the 5 Star Movement (M5S) have in their party platforms, and now also in the coalition contract, two of Lyndon LaRouche's basic laws: namely, the implementation of Glass-Steagall, and secondly, the creation of National Banking to channel investments into the real economy. So, rather than being hysterical about this, one should take it as a

golden opportunity to get rid of the extremely dangerous speculative excesses and go for a unified Glass-Steagall separation of the banks as a first step and start to save the system in this way.

In one sense, this crisis in Italy can provide an opportunity to make an urgent change in this direction.

Schlanger: Helga, I would just like to make a point of something you brought up, which is that the people who are arguing against these policies are essentially saying that the voters have no right to express an opinion if it goes against the policies of the bankers. The line from the media is that we're in the midst of a robust recovery, things are improving, the European economy is improving. But the voters are voting to show that they don't believe that. And there are other important developments, for example the continuing problems with the Macron government in France, and Deutsche Bank's continuing to be at the top of this list of the world's most endangered banks. I'd like you to just emphasize that the crisis of the real economy is what's behind the revolt, and that's why the Four Laws concept of Lyndon LaRouche is so crucial.

Zepp-LaRouche: A May 17 editorial carried by the website <https://www.MauldinEconomics.com> warns of the consequences of the corporate debt bubble, which is much, much worse than in 2008. They're warning of a new financial crisis of "biblical dimensions." Now, I don't know—"biblical dimensions," that's the Deluge, or some other fundamental crisis like that. And then you have the ongoing crisis around Argentina; Turkey's lira is falling, forcing the central banks to reverse their interest rate policies. So this is all extremely fragile.

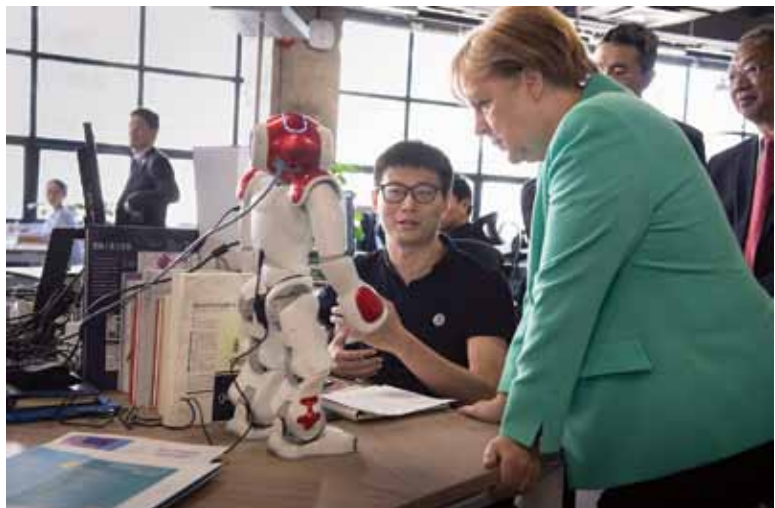
What just happened at Deutsche Bank (DB) is very indicative that there is an understanding that some

changes must be made. Two years ago, when Deutsche Bank was already in a severe crisis, my husband, Lyndon LaRouche, demanded that Deutsche Bank change its entire policy since 1989, since the assassination of its director, Alfred Herrhausen, and go back to Herrhausen's model of industrial banking. At that point, many people thought that this would never happen, that Deutsche Bank was a hopeless case. But while I don't want to make a final judgment on it, it is a fact that last month, the leadership of Deutsche Bank kicked out its CEO, John Cryan. And then, in *Handelsblatt*, the chief economist of Deutsche Bank, David Folkerts-Landau, gave a long interview describing how it was a big mistake, over the past two decades, to have shifted the entire investment profile of Deutsche Bank into only investment banking, going into derivatives trading. He makes some correct points, namely that Merrill Lynch was brought in, and a team which basically allowed a reverse takeover of Deutsche Bank, so that it became completely foreign controlled and directed, oriented to high-risk speculation—I think it still has a portfolio of something like \$46 trillion in derivatives outstanding, making DB the largest derivatives bank in the world.

At a Deutsche Bank shareholder meeting today they also apparently tried to kick out Paul Achleitner, the supervisory board chairman of Deutsche Bank. The only thing I can say about Folkerts-Landau is that, as several insiders told us, he was one of the people who was involved in changing the bank's profile to make it solely an investment bank. He did not criticize that change for the last two decades, and *Spiegel Online* even says that Achleitner's recent criticism of the policy he formerly held was to put on a *mea culpa* show of self-criticism so that he would not be kicked out.

I think that's true. The new chief executive is Christian Sewing, who has been at the bank since 1989. It's being rumored that Sewing will totally concentrate on making investments in the real economy inside Germany a priority, thus turning Deutsche Bank back into a commercial bank at the service of industry. We have to see if that actually happens, but I think the shares were already below 10 euros, the red line when Deutsche Bank is in danger of going bankrupt.

Anyway, I'm just saying that we are on the verge of a new financial crisis. We are sitting on a volcano. A couple of weeks ago, the Vatican's Congregation for the



bundestkanzlerin.de

German Chancellor Angela Merkel in China, May 26, 2018.

Doctrine of the Faith put out a [paper](#) saying that derivatives are a ticking time-bomb and condemning derivatives trading as morally and economically completely unacceptable, because it just makes the rich richer and makes losses for everybody else. Warnings are also coming from Thomas Hoenig, President of the Federal Reserve Bank, Kansas City (1991-2011) and Vice Chairman of the FDIC (2012-2018); Sheila Bair, Chairman of the FDIC (2006-2011); and many others.

The Italian developments, as I said, have provided a new opportunity to get rid of the excesses of the derivatives trading; go instead for banking separation, and the more such action is taken in a coordinated fashion, the better, and it must occur really quickly.

Schlanger: Speaking of Germany, the Chancellor of Germany is in China. Any chance that the weakened and beleaguered Angela Merkel will come back with a New Silk Road Spirit?

Zepp-LaRouche: Well—[laughs] I don't think so. The Chinese, as they did with the Trump Administration, will promise more opening up for finance, for cooperation concerning e-cars and similar things, such as automatic driving cars; so I think they will come back with some kind of a package. Merkel made the statement, quoted everywhere, that she regards the rise of China as the biggest challenge for the remaining years of her being in office as Chancellor. As long as she retains that attitude, she won't get much.

She is typical of the people who on the one hand see that without China nothing functions any more in the

world. But on the other, she is a really hard-core geopolitician in her attitude towards Russia, and she also always regards China as a rival, so it's a mixed situation. I would be very happy if she comes back brimming with the New Silk Road Spirit, but I have my doubts.

Schlanger: Now we come to probably the most complex of the situations, which is that in the United States. President Trump has just announced this afternoon, that he is cancelling the summit with Kim Jong-un. But this is occurring at a very interesting time, in which the British role in Russiagate, in the attacks on Trump, is in the open. Why don't we start with that? Because this is something that we have been fighting for, going back to the dossier that we put out on Robert Mueller. Based on the investigations that we launched, we insisted that Christopher Steele must not be seen as an isolated case, but as part of a British-directed assault against the United States:



White House/Pete Souza

President Obama and his CIA Director John Brennan.

This situation is moving fairly quickly, isn't it, Helga?

Zepp-LaRouche: Yes. As a matter of fact, President Trump's recent tweets are quite to the point, namely that "Russiagate" has turned into "Spygate"; that there has been absolutely no proof of any collusion on the part of the Trump campaign or Trump Presidency with Russia, but it is instead the very people involved in the coup attempt who have woven a spiderweb of collusion among the heads of the intelligence agencies of the Obama Administration with British intelligence, and that there has been an ongoing effort by British intelligence figures, even before any investigation officially started, to connect with all kinds of

persons in the Trump election team, to try to somehow involve them in some kind of a connection with some Russians. All of this is coming out now.

So, long before the Trump election victory, or even the nomination, there was a clear effort by British intel-



DIA/Staff Sgt. Jonathan Lovelady

Anti-Trump cabal of Obama Intelligence chiefs testifying before House Permanent Select Committee on Intelligence: (l. to r.) James Comey, FBI Director; John Brennan, CIA Director; James Clapper, Director of National Intelligence.

ligence to lay leads, to create paper trails, to manufacture and orchestrate the situation, in order to hang a made-up “collusion with Russia” on the Trump campaign, and Trump himself. And this is all now coming out.

This is now subject to public discussions. For example, on Monday, Trump met with several Justice Department and intelligence officials—Deputy Attorney General Rod Rosenstein, FBI Director Christopher Wray, and Director of National Intelligence Dan Coates, in the White House, to review “highly classified and other information he had requested” related to the Russia investigation. And today, as a follow-up, Trump’s Chief of Staff John Kelly is meeting with the CIA, the FBI, the Department of Justice, together with congressmen—for example, Rep. Devin Nunes, Sen. Chuck Grassley—and they’re now getting access to all the documents, including Rosenstein’s memorandum defining the scope of Special Counsel Robert Mueller’s investigation. All these documents will now be made available to the respective investigative committees in the House and Senate. The activities revealed in these documents constitute criminal violations of law and the Constitution, so this is big!

I think Trump may absolutely be right when he tweeted yesterday, “SPYGATE could be one of the biggest political scandals in history!” It is now clear that there was a task force involving an institutional group of people who orchestrated all of this, in a presidential election campaign. Trump said that what was done against Bernie Sanders also was done on a much larger scale against him.

When all of this comes out, I think the world will really be a different place, and I think when President Trump is freed of this spiderweb, he will be in a much better position to carry through with his intentions than you have seen so far.

Schlanger: What you’re describing is technically called “entrapment,” that the FBI—or, actually, John Brennan, James Clapper, and then James Comey later, were all involved in colluding with the British intelligence services, the GCHQ, MI5, and MI6 to create Russiagate. The key people in that operation are being named now, such as Stefan Halper, Joseph Mifsud, and Alexander Downer, the current Australian High Commissioner to Great Britain—all tied to MI5, MI6, and



various private agencies. This was brought up by Sen. Rand Paul at the hearings, when he asked CIA head nominee Gina Haspel whether or not the CIA was involved in getting evidence from Britain. So a lot of this is coming out.

To what extent, Helga, is this then connected to the financial crisis? Make the connection for people, because there’s still some confusion about how the financial crisis is then intersecting this operation against Trump because of Trump’s willingness to work with Russia and China.

Zepp-LaRouche: The big concern, pro and con, is China’s rising, its strategic partnership with Russia, and that the New Silk Road now involves 140 nations. And, as many statistics have shown, the New Silk Road dynamic is already creating a completely new paradigm: economic growth and a dynamic in science, technology and innovation. So the real momentum in many, many fields is with the alignments among Russia, China, now India, Japan, the Shanghai Cooperation Organization, the BRICS, the China-Latin America CELAC connection, and the Chinese investments in Africa. So, this has created a completely different dynamic in the world.

Now look at the condition of Wall Street, the condition in the City of London, and the absolute turmoil in the European Union. Seeing the rise of China, the geopoliticians are absolutely desperate to keep their model. But they’re incapable of recognizing the causes for the loss of their grip on the world and are therefore unable to correct their policies.

As I said earlier, the Italy attackers right now, completely fail to even ask, why is it that the two euro-critic parties had the best electoral results? It is the same

reason—and I want to repeat this—it is the same reason Britons voted to have the UK leave the European Union, the same reason the people in the Midwest voted for Trump and against Hillary Clinton, and the same reason there is an absolutely hysterical effort by people who have made gigantic, virtual fortunes—sometimes it’s not so virtual, but sometimes it’s, indeed, just virtual fortunes—with this highly speculative system, the neo-liberal system connected with wars based on lies, with so-called “humanitarian interventions,” regime changes, and color revolutions. That whole model is really not functioning any more.

President Trump won the election because he promised that he would no longer have the United States engage in senseless foreign wars. The neo-cons in his administration have never let up in their efforts to lure him back. And therefore, I think Trump’s canceling, or postponing, the summit with Kim Jong-un is really unfortunate, because it would have been far better to make one clear step for peace. Obviously, there were difficulties, in terms of the procedures for the denuclearization, for example, but Kim Jong-un had released three Americans, one of whom had been detained since 2015. Today the international press was invited to see the destruction of North Korea’s nuclear test site. So North Korea has made a number of goodwill gestures. Therefore, I think it’s very regrettable that this meeting was postponed. But hopefully it will come back on the agenda.

But the real connection is the fight between the dysfunctional old paradigm, and the New Paradigm, which is focussed on the common good of the people and on general economic growth. And just as an additional element: China has just completely abandoned its two-child per family policy, saying that there has been a change in the view about population—that in the past, when they adopted the one-child, and then two-child policies, the thinking then was that additional children are a *burden* in an economy with limited resources. But now they have changed their view and see each new child, especially every young person, as a tremendous *asset* of creative power, of additional richness of the entire society.

Looking at the difference in these two world views, you can readily see that this is a fundamental fight going



Xinhua/Cheng Dayu

North Korean nuclear test site of Punggye-ri, destroyed by the North Korean government on May 24, 2018, as one of the confidence-building measures preliminary to the Trump/Kim Jung-un summit.

on for mankind’s ability to govern itself in a reasonable way. However, the danger of a financial collapse still hangs over the world, at least concerning very much the trans-Atlantic part. So I think LaRouche’s Four Laws policy is the absolutely urgent policy of the hour.

Schlanger: In terms of these two paradigms, look at what just happened near my old home town of Houston, Texas, where another one of these mass shootings has just occurred in Santa Fe High School. School shootings have almost become commonplace in the United States; whereas in China, there is a total emphasis on education, on science.

This goes back to one of the fundamental economic breakthroughs of your husband: the concept of potential relative population-density, a concept opposed by people such as Prince Philip, the genocidal Consort of Queen Elizabeth (if he’s still breathing), his whole life.

Helga, in this sense, I assume you see this change in China as an absolutely significant recognition of, again, the difference between the two paradigms, but also your husband’s view of this concept of potential relative population-density.

Zepp-LaRouche: Yes. The Chinese have clearly totally changed, starting with Deng Xiaoping and his reforms after the Cultural Revolution. Especially in the last five, six years with the leadership of Xi Jinping, there has been an absolute understanding about the fun-

President Trump Should Hold Early Summit with Russian President Putin



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By Edward Lozansky and Jim Jatrass - Monday, May 21, 2018

ANALYSIS/OPINION:

damental issues of life—he has given the task to the Chinese scientists to find out how the human mind works, determining the origin and importance of life in the universe; and discovering the laws of the universe. He has especially encouraged an emphasis on innovation, on creativity, in education as the sources of wealth. And now as they see the connection between qualitative advances in knowledge of physical laws and the ability to have more people, and more people again, leading to more creativity, I think they are absolutely on the right track.

Schlanger: Well, we didn't have a whole lot of time to talk before the program, so if there's something else that you wanted to bring up, you have a chance. Is there anything else on your radar screen?

Zepp-LaRouche: Yes: there is a petition on the website of the White House, initiated by Professor Edward Lozansky, founder and president of the American University in Moscow, and Jim Jatrass, a former U.S. diplomat and foreign policy adviser to the Senate Republican leadership, calling for an early summit between President Trump and President Putin. They make essentially the same point that we have been making for the last several months. President Trump is still so much up against neocons in the Republican Party. He's really

done a remarkable job under the circumstances, with the entire intelligence apparatus against him, not only what is called the "deep state," which is really an incorrect characterization, because of the role of British intelligence acting on behalf of the British monarchy against the United States.

In order to cut through all this—given the fact that the entire Russiagate operation was intended to prevent a good relationship between Russia and the United States, which Trump all the time said would be a "good thing and not a bad thing," and he tries to do it—the Trump/Putin summit should go forward soon, which the [petition](#) urges.

So, I call on all of you who are listening, or watching, to sign this petition urging that such an early summit take place. I think this petition is an absolutely important initiative, and if it gathers more than 100,000 signatures by June 20 (within 30 days of its posting), then the White House will have to, and will,

respond to it.

Otherwise, there are many, many other things. I again invite you to join us, join the Schiller Institute. Make sure this webcast becomes more known and is spread more widely, because we are in an urgent need for a political discourse: Where should mankind go? How can we organize the world so that it's safe and beautiful for everyone to live in?

Schlanger: That's good advice. I'll second that. Joining the Schiller Institute is an absolutely crucial expression of your own human sentiments. Many of our listeners have joined, but we want to have a big membership drive, and expanding this webcast is one way to do it. So, over the next days, I urge everyone to think of what you can do to make sure this movement advances and succeeds, in bringing the New Silk Road Spirit into every household throughout the trans-Atlantic region, which otherwise is left with nothing but pessimism, depression, and collapse.

Thanks for joining us, Helga. We'll be back next week.

Zepp-LaRouche: Yes, good-bye.