

Stuck in the Old Paradigm, European Governments Face Existential Crisis, with No Solutions

This is the edited transcript of the July 12, 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 our webcast this week featuring our founder, Helga Zepp-LaRouche.

This is quite an extraordinary week that's starting to unfold with President Trump's trip to Europe. If you were to read the British press, the *Washington Post*, and *New York Times*—and I don't know that anyone would—but if you do read them, you'll be told that Trump's trip could be the end of NATO, the end of the world as they know it; that Trump is about to sell out to Putin completely. So how better to find out what's actually going on than by speaking with Helga Zepp-LaRouche?

Helga, the NATO conference took place yesterday. There are ongoing meetings. What's your assessment of what's happened so far with President Trump's trip to Europe?

Helga Zepp-LaRouche: He's causing some waves, which is in part good, because NATO lost its purpose for existence when the Soviet Union disintegrated. So I think that if NATO were to dissolve, it would not be a bad thing. There is no real threat from Russia in Europe.

Trump's remarks yesterday about Germany being a hostage of Russia are, I think, more about the interests of American businesses in selling liquefied natural gas from fracking in the United States. The Nord Stream 2 pipeline is, as Trump would normally say, "a good thing," and does not mean European dependency, Ger-



White House/Shealah Craighead

Leaders of six of the twenty-nine NATO member countries at the NATO summit in Brussels, Belgium, July 11, 2018.

many dependency, on Russian energy supplies. I think there he was clearly off in what he said about that. I think that the idea of increasing NATO funding up to 4% of the each nation's GDP, in light of what I just said, does not make any sense either. Hopefully this will all take a different turn very soon. Even though we don't know the full agenda of the July 16 Putin-Trump summit yet, discussion of disarmament is on the table. If the United States and Russia were to come to a reasonable agreement for disarmament and curb the arms race, then NATO would be seen in a different light.

The Upcoming Putin-Trump Summit

The more important meeting is definitely this Putin-Trump meeting. Russia and the United States are the world's two pre-eminent nuclear powers. In a different way, the world's two largest economies—the United States and China—are also strategically relevant dis-

cussion issues; all other issues are really less important, despite the hysteria, on the side of the neo-liberal/neo-con faction of the West. It's sometimes really amusing to see how these Western governments, which are stuck in the old paradigm, are completely unable to think constructively about the future. One very good example of that failure is what is happening to Theresa May's British government right now—her government is clearly falling apart.

So, we'll see. Trump will leave for Great Britain today, primarily to play golf, and also to have a meeting with the Queen—I'm making a little bit of fun of it, but the May government may not even exist by the end of his visit. So there is clearly the need to have a completely different approach.

Schlanger: I think it should be obvious to President Trump that the British are not exactly his friends, given the exposé of the British role in launching Russia-gate, and then also, the May government has made a series of provocations—the Skripal affair and the accusation of Syrian government use of chemical warfare in Douma, which accusation has now been dismissed by the Organization for the Prohibition of Chemical Weapons (OPCW).

So, he's going into England in a very interesting situation. You mentioned the collapse of the government there. Is there anything emerging on the horizon that would be hopeful in Britain?

Zepp-LaRouche: There may be new elections. If Labour Party leader Jeremy Corbyn were to become prime minister, that would definitely be a turn for the better, and that is obviously what many Tories are freaked out about. The recently resigned Foreign Secretary, Boris Johnson, is engaged in a power game. He wants to be prime minister, but Johnson has many ene-



White House/Shealah Craighead

Leaders of six of the twenty-nine NATO member countries at the NATO summit in Brussels, Belgium, July 11, 2018.



CC/Arno Mikkor

Boris Johnson, former UK Foreign Secretary.



Jeremy Corbyn

Jeremy Corbyn, Leader of the British Labour Party.

mies, so that may not go so easily. Five high-level Tories have left May's cabinet. Some people in London are saying that there might be daily resignations until May is actually out.

One of the big issues in the background is what will happen to the City of London. Theresa May is supposed to present a White Paper this afternoon with her specific proposals for a so-called "soft" Brexit. The

"soft" Brexit would mean that the British can pick and choose in which European institutions they want to remain and which they don't, so it's something which for sure will not go so easily with the EU, for the reason that if one country, Great Britain, is allowed to do that, then the appetite of others to do likewise may actually increase. The so-called "hard" Brexit faction is also linked to the City of London, at least in the Tory Party.

So, I think the best thing that could happen in Great Britain would be if the new elections were to lead to an election victory of Corbyn—there would be something closer to a decent policy for the first time in the UK.

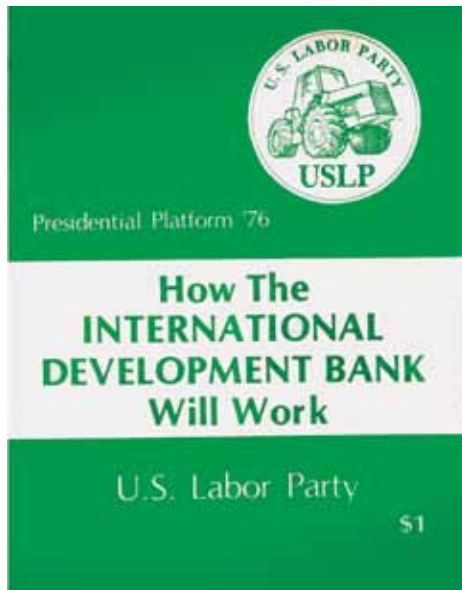
A New Bretton Woods Monetary System

The British role in Russia-gate and in other efforts against Trump to get him out of the White House—either by a coup or impeachment, or by some other means—has been sustained and intense. However, this

is falling apart. The role of the British is definitely weakened. The role of the British has been exposed in Russia, especially. So I think the really important thing is the discussions between Trump and Putin. The world is full of urgent problems: a financial crash could be caused by a hard Brexit, but it could also be triggered by some other banking crisis. Deutsche Bank, for example, is not in good condition; neither is the situation of corporate debt. All of these situations really require a different approach, and therefore our answer to all of this, is to have a New Bretton Woods system, which is urgently required. We have to reestablish stability in the financial system as it existed before 1971. If the Western financial system collapses in an uncontrolled way, it could trigger chaos around the globe.

I know that the Chinese are extremely concerned about fixing the global financial system. We, the Schiller Institute, right now are promoting the idea of going back to the Bretton Woods idea of Franklin D. Roosevelt—a New Bretton Woods in the context of a global reform of the financial system: Glass-Steagall, the separation of the banks in the tradition of Roosevelt; a national bank in each country; new credit mechanisms for long-term lending for investment in industry; and then having clearing houses among the different national banking systems for international long-term investment in the context of the Belt and Road Initiative, the New Silk Road. I think it's very urgent that these things be addressed. The only impetus, as of right now, could come from both a combination of Putin and Trump and the Chinese, if Trump would take up some of the proposals of China, on how to solve the trade imbalance.

We have to elevate the discussion and not fall into a squabble of one country against the other in a zero-sum game. We need a New Paradigm, the life's work of my husband Lyndon LaRouche, for which he has made detailed proposals and interventions going back many years. I think the first comprehensive proposal he made for reform of the financial system was in 1975, when he proposed an International Development Bank to replace the IMF. The Four Power agreement for a New Bretton Woods, as a starting point, which other coun-



tries can then join in with, is the way to go.

It's eminently feasible, because the New Silk Road does exist; it has created a completely different dynamic in the world, and therefore, I would invite all of you, our viewers, to help us to spread this idea, because we need a discussion of how to get out of this crisis.

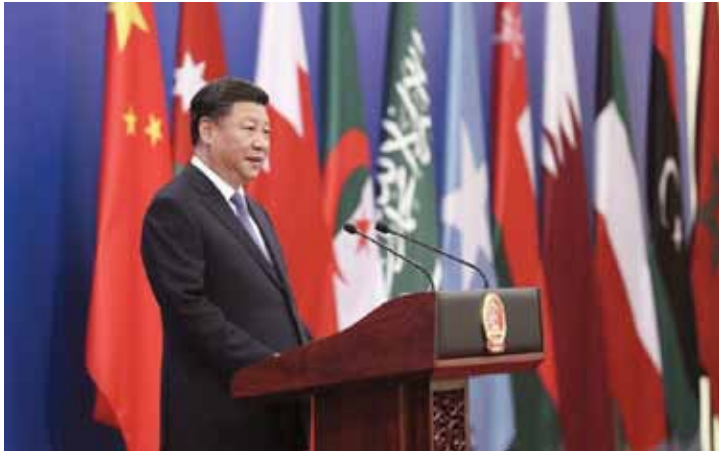
Schlanger: Helga, given your role in fighting for this New Paradigm and promoting the idea of the Four Power agreement, to what extent do you think there is in China, and in Russia, a discussion

process going on about a New Bretton Woods replacing the collapsing financial order of the trans-Atlantic system? Is that implicit or explicit in the discussions that are going on?

Zepp-LaRouche: I'm not entirely sure. I know that President Xi Jinping has addressed the issue of global financial governance on many occasions in the recent month; I know that the Chinese are extremely worried about the present trade tensions between the United States and China going out of control; and I think that the way to get out of that, is definitely not by having successive waves of punitive tariffs, which will not solve the problem.

Protectionism, as implemented under the American System of economy of Alexander Hamilton, was developed against the British Empire. But China is not your typical free trade country; China is not suppressing the wages of its population—to the contrary, they have lifted 800 million people out of poverty—that's not exactly a free trade characteristic—and they are sharing the most advanced technologies with the developing countries to help them overcome their underdevelopment as quickly as possible, by leapfrogging to the highest technologies. China's technology sharing policy is not a free trade policy.

Given the fact that President Trump has a very good relationship with President Xi, whom he continuously calls "my very good friend," I hope that the remaining time before the United States imposes a punitive level of 10% tariff on \$200 billion of Chinese imports, that a



Xinhua/Pang Xinglei

Xi Jinping, President of China, addressing the eighth ministerial meeting of the China-Arab States Cooperative Forum in Beijing, China, July 10, 2018.

solution can be negotiated, by increasing trade as through joint ventures in third countries, which is what China's Prime Minister Li Keqiang has proposed.

I have not yet seen any discussion about the need for a New Bretton Woods explicitly. The Schiller Institute exists, to again and again precisely present such highly-needed solutions, and point to strategic matters that are absolutely crucial. I think that the inclination to create a sound banking system is evident in China's actions to create the Asian Infrastructure Investment Bank (AIIB), the New Silk Road Fund, and the Maritime Silk Road Fund. At the summit with the Arab nations, China just created a \$20 billion fund for the reconstruction of Southwest Asia. Some of the headlines I read this morning indicated that China is extending the New Silk Road into Southwest Asia to reconstruct Yemen, Syria, Lebanon, and Jordan. That is what we have been proposing for many years.

So I think this is a very good thing, but we need to address this question of the New Bretton Woods the way my husband had proposed it many years ago. It's now more urgent than ever.

Schlanger: For people who want to be knowledgeable about this, we now have on the newparadigm.schillerinstitute.com website, [all four panels](#) from our June 30-July 1 conference, where these issues were discussed by people from Russia, China, from Africa, from Europe and the United States. I would like to get your thinking about the presentation by Vladimir Morozov, a speaker at the conference from Russia, who talked about the difference between a "multipolar" and "multilateral" ap-

proach to international relations. To what extent is this kind of discussion important in your view? You've been outspoken about the need to put an end to geopolitics, and I think the multipolar conception is part of a geopolitical formulation.

Zepp-LaRouche: Oh, yes. You can see this in the European Union, which claims that it is necessary to increase European integration to fend off alleged threats coming from Russia, China, or even the United States for that matter. That *is* geopolitics, and that is exactly what creates the potential for conflicts. The other approach is the New Paradigm and a new set of international relations as proposed by Xi Jinping—the idea of a “community of a shared future for mankind.” That idea is one of *multilateral* relationships among sovereign nations, in which sovereign nations are united to advance the common aims of mankind, which advances all the different nations and groups of nations in the interest of all of humanity.

This is a very big difference. Looking at the long arc of history, it is clear that if we do not overcome geopolitics that the geopolitical view of a *multipolar* world could lead—and probably would lead in the short term—to the extinction of civilization. It is the nature of weapons that once you have them, you use them. In the age of nuclear weapons, I think conflict resolution through war should absolutely be forbidden, as should be evident to everyone, because of the consequences of such a war. The idea of a New Paradigm, of a new set of relations in which each nation respects the sovereignty of the others, in which each nation takes into account the idea of the mutual benefit of the other—this was the basis of the Peace of Westphalia, the basis for the UN Charter, and it was also the basis of the Human Rights Declaration of 1948.

We need a deeper discussion about the ontological conceptions underlying the international order, for it to function, and not just set one interest against the other in a rather mechanistic way. We have to address the deeper issues in each culture which allow all cultures to work together for a higher purpose.

Proposal for a Post-Colonial Era

Proposal for a Post-Colonial Era

Schlanger: You had a unique experience this last week in Paris: You were invited to [address the Institut Mandela conference](#), in which you were able to put forward your proposal for how to address, not just the refu-



Xinhua/Sun Ruibo

Test run of Ethiopia-Djibouti railway in October 2016.



Xinhua/Zhang Gaiping

Highway project constructed by the China Road and Bridge Corporation, in Lome, Togo, 2014.



Xinhua/Ding Haitao

Nairobi Eastern & Northern Bypass constructed by the China Road and Bridge Corporation in Nairobi, Kenya, 2012.

gee crisis but for ending once and for all the post-colonial era. Tell us a little bit about the conference in Paris.

Zepp-LaRouche: This was a development based on my proposal to use the Singapore model for a crash program for the development of Africa, as the only human way to address this issue. In Europe, while the total number of refugees has gone down massively—so far this year, there have been only 43,000, as compared to one million in 2015. Nevertheless, the number of people drowning in the Mediterranean is increasing! There were more than 12,000 people who officially have drowned since 2014, I think, and that is probably not the total number, because not everybody who has drowned is accounted for.

I made my proposal, which we discussed last week, that the very successful Singapore summit between President Trump and President Kim Jong-un, should be used to turn a hopeless situation, or an almost hopeless

and dangerous situation, into its opposite, by taking up the many proposals of China to work together with the Western nations in crash development programs in Africa. The Schiller Institute has produced many reports, the World Land-Bridge reports I and II, and *Extending the New Silk Road into West Asia and Africa*.

We have provided blueprints for the comprehensive development of all of Africa—ports, roads, highways, fast train systems, waterways, power production and distribution—as an integrated infrastructure program. I proposed in my “Singapore Model” idea, that once the heads of state of Africa, or those countries that want to do it, were to agree with European nations and China, and then invite Japan and India—you could start building such infrastructure everywhere all at once. You don’t need to be restricted to laying one kilometer after the other of a fast train system in one area, before moving on to another. Once you agree on a comprehensive transport plan, you can start building, with the co-

operation of several countries, in many nations at the same time, knowing each piece will fit together in the general plan, therefore allowing such construction to occur at an accelerated pace—a “[crash” approach](#)

My presentation of this basic idea at the Institut Mandela conference—at which there were many ambassadors and other institutional people from Africa—was extremely well received, for two reasons: The refugee crisis is on everybody’s mind; but more importantly, there is a completely new sense of optimism in African countries. The New Silk Road Spirit has transformed the very idea of what can be done to reach, in the short term, a middle-class society. For example, the representative from the embassy of Ghana at that conference gave a very powerful speech, showing how Ghana is developing a middle class by not depending on merely exporting raw materials as such but more and more producing semi-finished products and finished products for export, and in that way lifting the productivity of Ghana’s entire population. This is actually easy to do, once a government focuses on that approach, and having the kick start involvement of China, which has helped many countries in Africa.

The fact that there is now a peace process between Djibouti, Eritrea, and Ethiopia, is very much a cause for optimism. The new 750 km railway between Djibouti and Addis Ababa has now been functioning for several months, helping to create an environment where a relationship which was historically very difficult is now being transformed, and cooperation is now taking place.

This is obviously very important, because only 40 km across the Red Sea from Eritrea is Yemen, which is in a dire condition, suffering the worst humanitarian crisis on the planet. These are all concerns, but if the New Silk Road is extended into West Asia, and you have development in Africa, there is actually hope that eventually all of these problems can be solved.

So, I think there is right now, in many countries in the world—as a matter of fact, in almost all countries, with few exceptions—there is a complete spirit of change, of historic opportunity, of strategic realignments leading to a much better condition. There is reason for optimism that we can tackle these problems despite the fact that challenges naturally remain very big.

Schlanger: One analyst I speak with periodically made the point that while we’re talking about a global insurgency or an awakening, it’s not so much just an awakening to the fact that there’s some “bad guys” out

there—and people are beginning to pick up on especially the British—but that there’s a solution; that what you call the New Silk Road Spirit is contagious, it’s catching, and it is spreading. You gave me some examples earlier today. That spirit is even spreading into the usually—how can you describe it?—the German media: *Handelsblatt*, for example, published an article about what Germany could learn from China. So I assume you’re even hopeful that this New Silk Road Spirit of the Singapore model could infect more and more Germans?

A Global Insurgency

Zepp-LaRouche: Well, you know, China is now doing everything which used to be German virtues, which Germany has unfortunately abandoned for the time being: Industriousness, reliability, punctuality, all of these things are now happening in China, and therefore, if *Handelsblatt* comes to the conclusion that China is doing something right, and then says what Germany could learn from China in terms of its industrial policy, I think it is quite interesting. The argument of this article says that Germany should pick certain areas of expertise in which Germans can be world leaders.

And Germany is, indeed about to lose that. For example, when a country wants to have a comprehensive infrastructure program, Germany has lost the ability to do these things in a grand style. Germany can obviously still supply many aspects, there are many so-called “hidden champions” in the German Mittelstand (high technology small and medium enterprises), which naturally are a treasure and very important. The idea that somehow the “free market” determines everything, is false. In reality, the European Central Bank (ECB) or other central banks and other powerful financial institutions rig those markets. I think the state needs to play a stronger role in the economy. I think a country has the right to set its priorities in terms of R&D development, in terms of where the future of industry should go. I’m optimistic, and this is why the Schiller Institute conducts conferences, not only in Germany but in many other countries, to bring this alternative to the table. I think this idea is beginning to bear fruit.

The Potential for a Better World

Schlanger: Helga, I know we’ve said a few things about the upcoming Trump and Putin summit. But just because of its importance, maybe in a final comment, could you say a little bit more about the potential, what areas they should focus on? Not the specifics so much,

but for example, the sanctions issue is going to be taken up. What does it mean for the world that Trump and Putin will be meeting?

Zepp-LaRouche: The geopolitical manipulation of the world as we have seen it, by such things as fake news leading to military strikes against supposed chemical weapons use; or the fake news of a use of chemical weapons in Syria in order to disrupt the meeting between China and the United States; or Russiagate, which has now absolutely turned into “Muellergate.” All of these things are happening, because—with a collaboration between the United States, Russia, China, with India now moving clearly closer, with Japan coming into this combination—the possibility to manipulate, in the typical British Empire way, to ally with the weakest against the stronger, or to play one side against the other, and have factions in each country, all of this will go out of the window.

President Putin has clearly managed to come back as a world player, who has demonstrated through his intervention in Syria that there is no solution to the Middle East crisis without the cooperation of Russia; that you cannot address international terrorism without working with Russia and China; and also the pending danger of a financial crisis. All these absolutely crucial issues could be solved were the adversarial relationship between the United States and Russia to disappear. There is now a very deep strategic partnership between Russia and China. Many other countries are realigning. For example, Japan has undergone a tremendous reset of its policy with respect to Russia, but also recently with respect to working with the New Silk Road.

So I think the potential is there that eventually most countries of the world will say, “It is much better to work together for the common interests of mankind, such as joint space exploration, discovering more about the unknown principles of our physical universe, developing human settlements on the Moon, having joint Mars missions and other joint space missions; for example, to defend the planet against the danger of asteroids and comets; and carry out earthquake research together, or similar crash programs. Were the nations to work together instead of against each other, the vast amounts of social capital currently wasted in the military sector could be re-directed into crash programs and projects which would make the lives of people better, such as curing cancer, and other now incurable diseases; by also developing space medicine, and connecting everybody even in the most remote areas of the world to a medical

system which could save many, many lives. There are so many beautiful things we could do!

I’m Very Optimistic

And I’m very optimistic that we have a couple of leaders who are quite different in character—they’re not all the same, they’re not all of one kind—but I think you have a philosopher-king as the President of China—that’s my deepest conviction; you have an excellent strategist in the person of Putin; and you have a person who has been courageous in upsetting a neo-liberal system which, after all, was responsible for many wars which, if you count the people who were killed in wars based on lies conducted by the Bush and Obama Administrations,— I think people forget that it is a good thing that Trump was able to upset this very powerful apparatus, and he has the inclination to try to improve the relationship with Russia and China.

And despite the fact that he sometimes says things which I have to say I disagree with, nevertheless, I have stuck my neck out early on by saying, if Trump succeeds in getting a good relationship between Russia and China and the United States, he will go down as one of the great Presidents of American history; I think that potential absolutely still exists. I really think we are in an incredible period, and those politicians who scream against everything that Putin is doing, or against China, the “big dictatorship,” or Trump, the horrible “erratic” and whatnot—all of these people should think, because these are not the important things. What is important is that we move our planet and our civilization into a safe period, and establish peace on the planet, based on the development of all nations.

And I think that is what the nature of man says: The human species is the only creative species known so far, and we should be able to organize our relations among ourselves to have a truly sustainable development, which means growth, which means developments, which means continuous discoveries of more fundamental physical principles of our universe, and to grow up as a civilization.

Schlanger: By the time we reconvene next week, the Trump-Putin summit will have taken place, and I’m sure people will be very interested in hearing your analysis of what happened.

So Helga, thank you very much, and we’ll see you next week!

Zepp-LaRouche: Yes, until next week.