

Helga Zepp-LaRouche on China Radio: We Can Have a New Era of Mankind

China Radio International's "People in the Know" program interviewed Helga Zepp-LaRouche during her recent trip to Beijing. The [interview](#), conducted by host Zheng Chenguang, was posted on March 14, and aired on March 17. The website has posted the following biography of Zepp-LaRouche. A transcript of the discussion begins immediately following that.

"Helga Zepp-LaRouche is the founder and President of the Schiller Institute, an influential economic and political think-tank with headquarters in the U.S. and Germany.

"During her many years as a political activist, Zepp-LaRouche developed an acute sense for world politics. She has been a strong advocate for such policies as the "Oasis Plan," a Middle East peace agreement based on Arab-Israeli collaboration on major water projects.

"She also strongly proposed the building of a Eurasian Land-Bridge, which she believed was vital in transforming the newly freed Eastern European nations into a thriving engine for global economic development. Zepp-LaRouche has also had multiple dealings with China.

"As early as 1971, she traveled for many months through China as one of the first European journalists to work in the country.

"So what are Zepp-LaRouche's thoughts on some of the world's most pressing issues today? How does she interpret the many ideas that she has been trying to promote over the years, such as the Eurasian Land-Bridge?"

*Nihao.*¹ You're listening to "People in the Know," bringing you insights into the headlines in China and around the world. I'm Zheng Chenguang in Beijing.

In this edition of the program, we speak to Helga Zepp-LaRouche, the founder and President of the Schiller Institute.

Zheng Chenguang: Mrs. LaRouche, welcome to the program.

Helga Zepp-LaRouche: Thank you.

Zheng: We understand that you founded the Schiller Institute, which has become a rather influential economic and political think-tank both in the U.S. and in Europe. What prompted you to establish this institute in the first place?

Zepp-LaRouche: It was, in general, the realization that foreign relations among nations are not on the right footing. If you go beyond diplomacy and media news in the West, the reality is many times rather subversion, manipulation, and even coups; and I said no: We have to have relations among nations which are on a completely different basis. Each nation should relate to the best traditions of the other one, and vice versa. And only in that way, can we have peace. And that is why I gave the effort the name of Friedrich Schiller, who, as you know, is the German "Poet of Freedom," and he has an image of man which is very beautiful. And I thought that we need to have such a humanist conception defining foreign relations.

Now some people may think this is idealistic, which it is, but I think what distinguishes human beings from animals is that we are capable of having beautiful visions to shape the future. So I'm optimistic that the work we have been doing for many decades now—and the Schiller Institute will have its 30th anniversary this year—that we can eventually win with our ideas.

Glass-Steagall To Bankrupt Wall Street

Zheng: We understand that you and your husband [Lyndon LaRouche] are strong advocates for the revival of a global Glass-Steagall and also for the building of the Eurasian Land-Bridge. Why are these things so vital to you, and do you think that they are realistic goals for our human community to achieve, given the growing political differences among the world's major powers?

Zepp-LaRouche: Well, Glass-Steagall is the only way you can stop this present "casino economy." As you can see, after the collapse of Lehman Brothers in 2008, what the G20 countries did was to just bail out the bankrupt banks, pay the speculators for their losses, and transform private gambling debt into public state debt.

1. Mandarin Chinese for "Hello."

2014-03-17 A Conversation with Helga Zepp-LaRouche

2014-03-14 17:11:38 CRIENGLISH.com Web Editor: Lu Cheng



People in the Know host Zheng Chenguang meets with Helga Zepp-LaRouche, founder and President of the Schiller Institute. [Photo Source: CRIENGLISH.com]

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And that has now reached a point where the additional measure of quantitative easing, which was simply pumping money into the system, is no longer functioning.

So now they are talking about “bail-in,” which is the so-called Cyprus model, that we would just take a “hair cut” of all the accounts in the banks. And if you would now do that, which is actively planned by the U.S. Federal Reserve and the EU Commission, you blow out the system. You would have a sudden, traumatic social explosion, a collapse of the financial system, and unforeseeable consequences coming out of that.

So therefore, what we propose instead, is to do what Franklin D. Roosevelt did in 1933, when he also had to deal with the Depression and the crisis of the 1930s. And he did the Glass-Steagall Act, which was the separation of the banks, which then, together with the New Deal, led to the economic recovery of the United States from the Great Depression.

Now we want to do the same thing today. We have already organized more than 80 Congressmen, 11 Senators, and 26 states out of 50, pushing Glass-Steagall with resolutions and bills. And we want to bankrupt Wall Street. Because this casino economy has to stop, because

it has increased the gap between rich and poor in an unbelievable way. Recently a report was published showing that 85 individuals own as much wealth as 3.5 billion people. And that is obviously not just that the rich people have the privilege, but 2 billion people in the world are going hungry every day, and we just think that this is not tenable.

Zheng: You talk about the QE [quantitative easing] measures fueling inflation, or even hyperinflation, in the U.S., but lately we have seen that the Federal Reserve has decided to taper these measures, and [Fed chairman] Janet Yellen, in her first testimony, also said that the Fed will stick to the QE tapering measures. Would you say that this is a wise move for the U.S. to do? And do you think that tapering of QE actually signals the start of a steady recovery in the U.S. economy going forward?

Zepp-LaRouche: Earlier, there was a debate in the Federal Reserve and elsewhere, that it would be impossible to do the tapering because the quantitative easing has created a gigantic bubble, and if you stop feeding this bubble with more liquidity, it pops. So there were people who were saying that you can’t top quantitative easing, because you run the risk of complete disintegration of the financial system, and that is exactly what we are seeing right now. And the tapering started to go back from \$85 billion per month liquidity injection, to \$75 billion, to \$65 billion.

Now you see that the emerging markets are collapsing. You have a capital flight from these emerging markets back to the United States and back to Europe, and this is the immediate threat of a blowout of the system. This was even mentioned in a report by the Bank for International Settlements, who warned about this. This is just the tip of the iceberg. The too-big-to-fail banks are hopelessly bankrupt. And one of the proponents of Glass-Steagall, Thomas Hoenig, who is the vice-chairman of the FDIC, said—and I fully agree with him—that if one of the too-big-to-fail banks would collapse now, it would not be one bank, but that the whole system would blow out. And we are on the verge of exactly that.

Shut Down the Casino: Create a Credit System

Zheng: Do you think that the financial industry, the bankers and the financiers in Wall Street, have actually learned their lesson from late 2007, when the financial crisis started?

Zepp-LaRouche: No. I think they are incapable of learning, because they are so driven by their greed and by their possession of power, that I don't think they are salvageable. The only way you can solve it is by closing down the casino, implement Glass-Steagall, and write off the virtual money. The former Italian Economics Minister Giulio Tremonti once said that what you own virtually, you cannot lose, because you never owned it in the first place. So if you write off the derivatives and the "creative" financial instruments, you are not losing anything.

However, then you must go into the second step, which is creating a credit system in the tradition of the American System of Economy, going back to the tradition of Alexander Hamilton, who created the First National Bank in the United States; in the tradition of Lincoln, of [Franklin] Roosevelt, of John F. Kennedy; and then you can create a new credit system extending credits to well-defined projects. You are no longer creating money just for gambling or for other virtual activities, but credit will be issued only to restart the real economy. And we have worked out very concrete proposals for how that can be done immediately.

For example, for the United States we have proposed the North America water-management program, NAWAPA, which is the largest water project in history, ever. It would take the water which is now flowing unused into the Arctic Ocean in Alaska and Canada, and it would bring it through a system of canals along the Rocky Mountains all the way to Mexico. And that way, you would create new vegetation, agriculture, forestry, in an area which is now desert.

And, as you know, in California and in Texas, there is a tremendous drought which is threatening the food supply for the American population, and therefore, such water projects are extremely urgent for the United States, for China, for Africa, for large parts of Central Asia, for the Middle East.

So we really want to create credit for productive purposes and no longer for the profit of a few speculators.

Zheng: How about the European economy, across the Atlantic? Last year we've seen some encouraging signs in Europe. Several European Union countries have implemented the program, and Britain is reported to be taking the lead in the recovery, and it is expected that this country is going to become the largest economy in Europe, as some British economists believe.

What do you think? Do you think that the European economy is finally out of the woods?

Zepp-LaRouche: No, not at all. I think the euro crisis is just hidden, because if you look at the condition of the southern European countries: Look at Greece. They have 65% youth unemployment; Spain, over 65% youth unemployment. And the only country which is relatively still functioning is Germany; but the famous export champion, Germany, is only an export champion because it can export to Asia.

For example, normally, the majority of German experts would go to the European Union, but the South is collapsing. France is in a terrible condition. So the only reason why Germany is doing relatively well is because it could compensate the losses to the European Union through exports to Asia. But it's totally volatile.

Zheng: Before the Second World War, I think the European countries were constantly at odds with each other, fighting with each other. That was why the European project was first brought up by Robert Schumann [father of the EU], in an effort to make European countries at peace with each other. So, do you think that the EU project really works in terms of avoiding wars, and bringing peace to the continent?

Zepp-LaRouche: No. I think there is a fundamental difference from what people in the immediate post-war period intended. For example, the cooperation between Adenauer and de Gaulle, which did overcome the war and the hostility between the French and the Germans. This was very good, and we want to go back to that kind of tradition, of collaboration among the European fatherlands.

But what we have now, since the Maastricht Treaty, we have a supranational structure which has taken on a life of its own, which is in fundamental opposition to the interests of its member-states.

China in Transition

Zheng: Let's now take a look at the Asia-Pacific region. Let's talk about China. We understand that you first visited China in 1971, and at that time, I think, many Chinese people were still wondering where their next meal is. But today, I think, people are wondering what car to buy, or which fancy handbag to purchase, so I think that China has undergone profound changes in the past decades.

As we speak at this moment, China is also facing a new transition period. We understand that GDP growth

is slowing down. Consumption is growing as a driver of growth—this is gaining strength. What do you make of the Chinese economy going forward? Do you think that this will continue, the economic miracle that it has created in the last two decades?

Zepp-LaRouche: I think what President Xi Jinping has announced with the New Silk Road is the promise that China can do that. However, there will be, in the immediate future, the problem that if the U.S. and European export markets collapse—which they will if we do not get Glass-Steagall—then, naturally, China will have severe consequences from the collapse in the trans-Atlantic system. So, therefore, it is all the more urgent to go in the direction of, not only Glass-Steagall in the United States and in Europe, but to also think about a new credit system, a new credit system in the tradition of Bretton Woods.

For example, the New Silk Road idea, which is really identical with our Eurasian Land-Bridge proposal of 24 years ago, would have large projects, building corridors, building fast-speed railways, building waterways, building, for example, water projects to overcome the deserts. And these are projects which would be international. So you need to have international mutual credit agreements among different nations, to build these over the long term. Meaning that you cannot expect profit in two months, but you would plan these projects over 10, 20, 40, even 50 years, and you make credit arrangements among sovereign countries to accomplish that.

So, I think we need to think about how to replace the present collapsing financial system, with a new system of credit among sovereign nations. And then I think China can have a fantastic future, because China is on the right course. I mean, the present difference between the trans-Atlantic world, which is collapsing, and the Asian world, is gigantic. Because Europe is becoming green—totally Malthusian population reduction—while if you look at China, and Russia, India, Korea, these countries may have problems, but they go in the right direction. They go in the right direction of having higher energy-flux densities in their production.

For example, the recent landing on the Moon by China with the Jade Rabbit [lunar rover] is a very prom-



Embassy of the People's Republic of China

Chinese President Xi Jinping's New Silk Road concept has also been promoted for many years by the LaRouche movement. Here, Xi and Kazakhstan's President Nazarbayev in Asana, for a meeting of the Shanghai Cooperation Council, Sept. 7, 2013.

ising sign for the future of not only China, but of the whole world, because the intention to mine helium-3 on the Moon for a future fusion-based economy on Earth—that is exactly the right policy. And therefore, I think if China sticks to this, then the future of China can be very bright.

Zheng: You give us a very promising economic prospect in Asia. But I think strategically, in security terms, the crisis is looming in the Asia-Pacific region, especially with this territorial dispute escalating between Japan and China, and Southeast Asian nations like the Philippines. In April, U.S. President Barack Obama is going to visit Asia, and he will go to *Japan*, and the Philippines. Both are entangled in territorial disputes with China. Do you think that China should be concerned that it is being encircled strategically by the United States?

Zepp-LaRouche: Yes. I think so. Because we are right now, as a matter of fact, on the verge of the danger of a deterioration of world relations into a world war. For the Pacific is, unfortunately, the Asia-Pivot policy of the United States, and the Air-Sea Battle doctrine, which is the same utopian conception that it would be possible to take out the second-strike capability of

China. And also, China has made very clear, this is unacceptable and foolish. The danger of both the U.S. missile defense doctrine and the Air-Sea Battle doctrine is that they are inviting the other side to go for a first strike, because if you wait, it may be too late.

So, we are sitting on a volcano which is extremely dangerous, and this is why we are fighting very hard in the United States to cause changes inside the United States—that the United States goes back to their Constitution, and does not pursue these kinds of policies.

The Legacy of World War II

Zheng: I think one more immediate risk is the potential dispute or conflict between China and Japan. And the beef that China has with Japan, is that China thinks that Japan has never apologized sincerely for its wartime atrocities. I think in this sense, Germany and Japan were in the same position historically, but Germany was really sincere in terms of apologizing for what it has done in the Second World War. What do you make of Japan's unwillingness to admit what they have done during the war? And also their latest rhetoric, to whitewash the Second World War atrocities?

Zepp-LaRouche: Well, this is obviously very stupid, and very dangerous. But I think you cannot take what Japan is doing out of the context of its alliance with the United States. Because it is really the U.S. expansion into the Pacific which gives room for Japan to do that. We hope that there are some people in Japan, who, in time, will come to their senses, and go in a different direction. Because Japan, like Germany, is a country which has almost no raw materials. And it's highly dependent upon exports. So therefore, the only way we can solve all of these things, is by a conception like the World Land-Bridge, where you have economic cooperation among all countries, which is so much more to the benefit and interest of all, than the local conflicts.

We have some good friends and contacts in Japan who want to have a good relationship with China, and we are hoping that they can become the dominant force.

Zheng: I think U.S. leaders, including Secretary of State John Kerry, have said, more than once, that the U.S. welcomes the rise of China, and the U.S. would accommodate a stronger China in the Asia-Pacific region. Do you think that actually they mean what they are preaching?

Zepp-LaRouche: It's very difficult to judge, be-

cause Mr. Kerry has said the opposite many times, and it leaves you to an interpretation of what is actually policy. I think actually, if Kerry is acting on his own, he probably means it, but unfortunately, in the United States, you have a big faction fight right now, between those people who say that the principle of sovereignty should be respected. Like, for example, General Dempsey [chairman of the Joint Chiefs of Staff] is a very positive factor, who has said many times that the rise of the China should not worry people. He said the rise of China today should not be a worry leading to war against China. He said that many, many times.

I know that there are many patriots of the United States like him, who really believe that the future of foreign relations must be in the tradition of John Quincy Adams, who advocated the alliance of perfectly sovereign republics around the world, where none would be dominating the other one.

But unfortunately, there are also other people in the United States who believe in the Blair doctrine, which is the idea of the "responsibility to protect." They have even a whole office in the United States where they have all the human rights violations around the globe, and people like [National Security Advisor] Susan Rice and others—unfortunately Obama, as well—they believe that they should intervene with the pretext of humanitarian reasons, militarily, around the globe. This is the doctrine of Tony Blair, which he announced in 1999 in Chicago, and we strongly hope that the patriots in the United States will win this battle.

Zheng: So, you are saying that China-U.S. relations are growing increasingly complicated, especially in the Pacific region. What kind of concrete steps do you think that these two nations can take to avoid miscalculations, and build the Asia-Pacific region into a region of peace and cooperation, rather than confrontation, going forward?

Zepp-LaRouche: Again, I think we need to concentrate on the common aims of mankind. We are sitting right now on a powderkeg of potential extinction, so if we continue on the present course—with globalization, with imperial extension, with TPP [Trans-Pacific Partnership] and TTIP [Transatlantic Trade and Investment Partnership]—this is a nightmare.

First of all, the system will never get there, because it is collapsing now, but their idea is to eliminate national sovereignty, for the advantage of the large corporations which then would basically rule the world. Now,

if this is happening, I think we are crashing against the wall. This is a terrible danger.

So, therefore, we must now, in front of the danger of the potential extinction of civilization, agree that we have common interests as human beings. That there are many, many problems we should focus on to solve together. One is: We have to get rid of nuclear weapons. We have to get a missile defense system, *including all nations*, so that security can be established, and that we declare nuclear weapons obsolete.

Secondly, we have to think about what are the threats: drug production. Even the fact that this terrorism problem is real, and it threatens the security of all countries—we should have international cooperation to wipe out drugs, to wipe terrorism, and to go for development. Because if you don't put an alternative on the table for real economic development—improving the living standard of the population—we cannot stop this problem.

So, my proposal has been for a long time, that if you want to have peace in the region of the whole Middle and Near East, Southwest Asia, the countries of Russia, China, India, Iran, and hopefully, the United States, and hopefully, some European countries—that they work

together to develop this region. Because the poverty in this area is such that it nourishes terrorism.

There are also other common aims of mankind. For example, right now, we are not set up to protect the planet against the danger of asteroids. So, why not concentrate on issues like defense of the planet against objects from space? Earthquakes and tsunamis and volcano predictions? There are so many areas where we could, in a useful way, work together.

So, then, many areas of such cooperation, which I believe we are now at a point where either we go into a completely new paradigm, which corresponds to the dignity and creative identity of the human species, or we will not make it. So, we are confronted with a total choice: We must have a new era of cooperation. And then I'm very optimistic, and I think that we are still at an embryonic point, where if we get our act together, and behave like human beings, we can envision a future which is completely different than what we had in the past.

Zheng: Mrs. LaRouche, thank you very much indeed for sharing with us your insights.

Zepp-LaRouche: Thank you.

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