

## ‘New Silk Road Is Best Policy on the Planet’

*Schiller Institute founder Helga Zepp-LaRouche gave this interview to China Radio International’s “People in the Know” [program](#) on Sept. 4, 2014, during her recent visit to China. The host is Zheng Chenguang.*

**Zheng Chenguang:** The world is now undergoing some profound changes. Nowhere are these changes more prominent than in the global financial order, as well as regional and world security.

The BRICS countries are now taking the initiative to establish their own development bank, as reforms of the governing structure of the IMF and the World Bank still leave a lot to be desired.

The infamous rise of ISIS in Iraq, which has drawn in a large number of fighters from the West, notably Britain, the U.S., Australia, and Belgium, has prompted U.S. President Obama to order airstrikes to halt its further advancement, while Britain has become the first major Western country to raise security levels on their home soil.

In Ukraine, the meddling of the U.S.-led NATO has precipitated a strong reaction from Russia. As of Wednesday [Sept. 3], Russia and Ukraine have reached a long-term ceasefire deal over the fighting in eastern Ukraine, but the future is still far from certain.

In the East China Sea, the growing assertiveness of Japan militarily is now putting itself and China on a collision course.

So what risks are these highly fluid issues posing to regional and global security? How can we contain the potential crisis that arises from them?...

You were here almost half a year ago. Tell us what have you been doing in the past six months, especially with the Schiller Institute?

**Zepp-LaRouche:** Well, in these six months, tremendous developments have taken place. You had the strategically extremely important summit between President

Xi Jinping and President Putin in Shanghai in May, and then in July, the equally important BRICS meeting in Brazil, which was followed by a summit between the BRICS countries and the heads of state of Latin America. And what has emerged out of this series of meetings is a fantastic development, namely, the shaping of a new financial order and a new economic system. And this is extremely important, because this has given tremendous hope to many other countries to finally go for the kind of development which is in their self-interest. Like, for example, Egypt: The new government of al-Sisi is making a new widening of the Suez Canal; they’re building agro-industrial complexes, new cities, a nuclear plant on the coast for power and irrigation.

Also many other countries are now building projects, like China is helping Nicaragua to build a second Panama Canal through Nicaragua. Many countries have agreed to cooperate with China, Russia, and India on the development of nuclear energy. It’s almost like a tremendous revolution is taking place, where countries who have been intimidated by the IMF and the World Bank *not* to do these things and to fulfill all kinds of conditionalities, they somehow say, “No, we are not afraid anymore, we are now doing finally what is in our self-interest.”

What the Schiller Institute has been doing in this period: First of all, we were extremely happy, because if you look at our earlier reports from the 1970s and early ’80s, these were all projects that were on our books, and now, it’s happening! We were so enthusiastic, about the New Silk Road, about the BRICS coun-



*Helga Zepp-LaRouche on Chinese TV, April 15, 2014. During her August trip to China, she brought the Schiller Institute’s perspective on world affairs to many audiences.*

tries, and what we have been trying to do is to convince the United States, Germany, France, Italy, to join the BRICS and to support this development and not be hostile to it. Fortunately, there is some hope that that may be possible, because, for example, German industry right now would like to join these developments.

## New Financial Institutions

**Zheng:** You singled out the establishment of some new global financial institutions as one of the major developments in the past six months, and I assume you're talking about the AIIB [Asian Infrastructure Investment Bank] in Asia, and the BRICS Development Bank worldwide. But how would you look at the feasibility, and especially financially speaking, for these banks to really get off the ground? We have had the IMF and the World Bank in existence for several decades: How would you see the future relationship between the financial institutions spearheaded by the BRICS countries and all these already-established institutions?

**Zepp-LaRouche:** First of all, there are many people in Europe and in the United States who are pointing to the fact that the so-called "too big to fail" banks are today more bankrupt than in 2008, before the Lehman Brothers crisis. They have 40% more debt, they have outstanding derivatives of \$2 *quadrillion*, which is a sum which is so unbelievably big, it never can be paid. These banks are in terrible shape. The critics of the AIIB and the New Development Bank are saying it's too small, it takes too long, who should pay all of this? But that is wrong thinking, because it is sovereign governments that create credit for production. And what is so good about the AIIB and the New Development Bank is that they are entirely devoted to the financing of projects, *not* speculation, and that will prove in the future that they are the superior financial system.

And we are trying to get the United States to go back to its own American System of economy, which was established by the first Secretary of the Treasury, Alexander Hamilton, who created a National Bank, and that National Bank had the power to give credit for production.

**Zheng:** You also talked about Europe. Are you



Agência Brasil/Marcelo Camargo

*Brazilian President Dilma Rousseff greets Chinese President Xi Jinping at the BRICS summit in Brazil, July 17, 2014. The Schiller Institute is trying to convince the United States and Europe to support the BRICS' drive for a new world economic order, Zepp-LaRouche said.*

saying that Europeans should also establish another bank to help with other projects? We understand the IMF is controlled by the European side.

**Zepp-LaRouche:** Yes, the problem is that this present financial system, which is associated with globalization, is finished. They are so bankrupt! What is happening right now is a swindle. You can see it in the case of the fight between Argentina and the vulture funds. Now, the NML [Capital] vulture fund bought, in 2001, Argentine bonds for a dumping price, of, I think, altogether \$48 million. And after six years, they want to have \$850 million from the Argentine government, which would mean a profit of 1,608%, which is usury! I mean, they have not worked for that money, they have just invested in speculation, and they're now trying to bankrupt Argentina. And fortunately, Argentina—which is inspired by the BRICS development and by the summit which took place in Argentina, and also the visit of President Xi Jinping—Argentina is insisting on its sovereign right to pay the debt according to terms which allow the survival of Argentina. So this is very good.

But it is interesting that the same vulture funds have bought up similar bonds in Portugal, in Spain, in Italy, and they're trying to give the European nations the same treatment as they are trying to do with Argentina.

So, I think this will head to a confrontation and a dramatic change, because there is no way the nations

can survive if they capitulate to these vultures!

## Countering the Rise Of ISIS

**Zheng:** Let's talk about global security and the political situations: We are seeing many things taking place in today's Arab world—it's really worrisome. Notably, the rampant military groups and terrorism; the rise of ISIS, which is not just comprised of Arab terrorists, but also people with Australian, British, and American passports! Many entities are blaming the U.S. for these existing problems in the Arab world because of the Iraq War and the interventions, say in Syria and Libya. What is your take?

**Zepp-LaRouche:** This is the curse of the evil deed, that it must permanently create more evil deeds. It was the war initiated by Tony Blair and George Bush against Saddam Hussein, which was based on lies. There were no weapons of mass destruction, there was no threat to cities around the world in 45 minutes, it was all based on lies which were produced, under the guidance of Tony Blair, by MI6 at the time, and this was part of the effort of regime change against any country which would not be submissive to the idea of globalization.

Now, that war has caused tremendous hardship, not only for Iraq, but look at the long series of wars, look at Afghanistan today, look at Libya, look at the situation in Syria, look at the Gaza Strip, look how this terrorism has spread to most of Africa: Northern Africa into Central Africa. You can say that that entire policy, even from a narrow American interest, is a complete failure.

So now, the problem exists: ISIS has American weapons, you know; where do they have these American weapons from? It is at least a good hypothesis, that these were the weapons which were given by the CIA from Libya to the Syrian opposition, and then they fell into the hands of these even more radical elements, more radical even than al-Qaeda, and now it's a big problem.

So I think that this shows that the present confrontation, which is pushed by NATO and the U.S., and the EU against Russia, is very stupid. Because there must

FIGURE 1

## The Ancient Silk Road



be international cooperation between Russia, China, India, Iran, the United States, and Europe; they all have to work together to solve such a problem. So I think that when Xi Jinping talked about that a security order must be *inclusive*, that you cannot have peace for some countries and chaos in other countries, that is absolutely correct: There must be an *inclusive* security architecture.

**Zheng:** So far, for all these Western governments, the only available solution to solve the ISIS problem is just bomb them, but that will not solve the problem at its roots. You were talking about some more cooperation and coordination from different countries to solve the problem. Can you put your finger on some of the more concrete efforts that can be made to contain it?

**Zepp-LaRouche:** Well, already in November 2012, the Schiller Institute organized a conference in Frankfurt, where we presented a comprehensive peace and development plan for the entire region, from the Caucasus in Central Asia to Afghanistan to the Gulf, to the Mediterranean. This entire region must be taken as one, and the Silk Road must be extended to all of these countries. And if Russia, China, India, Iran, hopefully the United States, the European countries, cooperate and declare a war on the desert—if you look at the map you can see that from the Atlantic coast of Africa, the Sahel zone, Sahara, the Saudi Peninsula, Iran, to China, you have one big strip of desert. This is practically not livable for people; there is no agriculture, no cities.

So we have prepared a development plan, which basically would extend the Silk Road, or as we sometimes

call it, the Eurasian Land-Bridge, into this area. to develop the desert by three methods: You can use the water from the aquifers, you can redirect some rivers, you can make dams, but most importantly, you have to have peaceful nuclear energy for large-scale desalination of ocean water, and then use this desalinated water to green the deserts. That way, you can have agriculture and industry. You need to build up infrastructure in this entire region, as densely as it is, for example, in Germany. Germany is a very good example of well-coordinated infrastructure, where rivers, canals, high-speed rail, and roads are integrated, which is very good for industry and cities.

So if you have that kind of approach, you give a perspective of future economic prosperity for the young people in this region, because many of them would not be joining the terrorists if they had some economic hope for the future.

The solution has to be peace through development. And the only hopeful thing I can say, is that the present policies of Egypt are very, very quickly moving in this direction already. So, between Iran, Egypt, there are already poles of hope in this region.

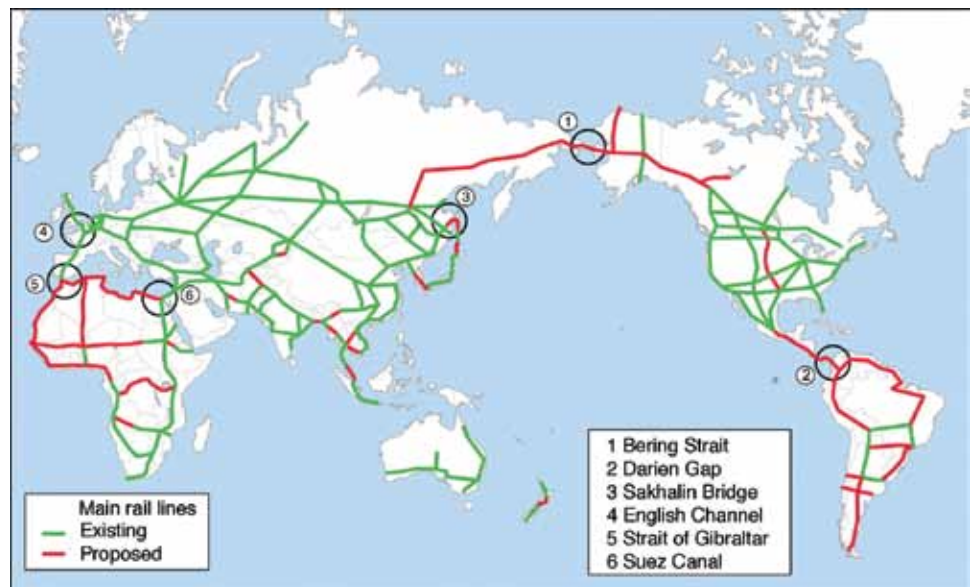
## The New Silk Road

**Zheng:** ... This Eurasia Bridge was proposed a long time ago. Last year, Chinese President Xi Jinping also proposed this New Silk Road economic belt, connecting China all the way through Eurasia, and then to East Europe and perhaps to West Europe, taking Rotterdam as the final sea outlet.

How would you look at this proposal? Do you think that this has some similarities with the Eurasian Land-Bridge?

**Zepp-LaRouche:** Absolutely! I think the New Silk Road is the basis for a peace order of the 21st Century. As you know, we proposed the Eurasian Land-Bridge when the Soviet Union collapsed, because then the Iron Curtain was no longer existing, and we proposed at the

FIGURE 2  
The World Land-Bridge



time, to combine the population and industry centers of Europe with those of Asia, through development corridors. Therefore, we were extremely happy when Xi Jinping announced the New Silk Road last year, because this is what we have been fighting for, for 25 years! And in the meantime, we not only had hundreds of conferences and seminars about it, but we developed it further to become the World Land-Bridge. I know China has already expressed interest to contribute to building the tunnel under the Bering Strait, and other projects which are part, really, of a World Land-Bridge—like the Second Panama Canal in Nicaragua, that is part of a World Land-Bridge.

So the way to think about the New Silk Road is not just some connection through Central Asia, but it is the next form of the evolution of mankind, by bringing infrastructure to all the landlocked areas of the world, and in that way, uplifting the productivity of the population in that region. So it is really something which needs to be done for mankind to reach the next level. We really are of the opinion that China is doing the best policy on the planet right now.

## The West's Confrontation with Russia

**Zheng:** One thing very potentially destabilizing in the region is Ukraine. The conflict in Ukraine has inflicted a huge loss and pain on the Ukrainian people, and the crisis seems nowhere near the end, and the EU

is threatening more sanctions against Moscow.

Where do you see that this crisis will end? Is this crisis a reflection of today's political schism, or confrontation, between Russia and the West? And do you think the West should accommodate the interests of Russia, because they are all interconnected: Russia is the major provider of energy sources which will produce heat to help the Europeans get over this cold Winter?

**Zepp-LaRouche:** These sanctions are extremely damaging, not only to Russia, but to Europe! They hurt Germany's industry, which is why there is a rebellion among not only German industry, French industry, Italian industry—the European Business Association just came out absolutely warning against it.

I blame entirely NATO and the EU for this crisis. Even the Council on Foreign Relations in the United States, and many articles now have appeared, which have the same opinion, say that this crisis was caused by the breaking of the promises which were given to Gorbachov and Yeltsin, that NATO would never extend its troops up to the Russian border; this was promised in 1991 to Russia, and that promise was broken. In '91, there was no reason to create a security architecture which was exclusive of Russia; it would have been very easy to integrate Russia into any kind of security alliance. But because at that time, you had in America the neo-cons, and [in Britain] Margaret Thatcher, and they decided to go for world empire—globalization is only another word for world empire—they step-by-step decided to extend the borders of NATO closer to Russia, to expand the EU, to encircle Russia, and to make the “color revolutions.”

There was recently a security conference in Moscow, where the Russia military stated very clearly that the color revolutions are a form of war, even if it's not declared. If you are trying to buy, with money, activists in a country, with the aim to topple the government, it is a form of war. The toppling of the Ukrainian government in 2004, the so-called Orange Revolution, was already war, and what they did with trying to make an ultimatum to Ukraine last November, with the EU Association Agreement, was really an effort to make Russia indefensible. Because if you kick the Black Sea Fleet out of the Black Sea and Crimea, Russia is not defensible.

And therefore, this policy is very dangerous and what they will try to do this week, with the NATO summit in Wales, is to try to turn NATO into a complete war machine against Russia.

## **Break Wall Street's Hold on the U.S.A.**

**Zheng:** Now, let's get down to talk about China-U.S.: Last year, when the Chinese President and the U.S. President met at Sunnylands [in California], they agreed to establish this new model of major country relations, and overall the relationship can be regarded as stable. But there are a few hiccoughs: For instance, the U.S. issued an arrest warrant for Chinese military officials, accusing them of launching cyber attacks against the United States—even as the Snowden case is still being talked about extensively here in China and beyond. Another thing is the U.S. is recently intensifying its reconnaissance operations, along the Chinese borders, which has prompted strong opposition from the Chinese side. And more important are China-Japan relations: It seems to many Chinese people, that the U.S. is abetting Japan to take on China! Do you think that the U.S. should act as a more responsible player, to stabilize the region, rather than destabilizing or rocking the boat, in the region?

**Zepp-LaRouche:** Yes! I think that the model which was proposed by China for the new relationship among major powers is a wonderful model, where each country should respect the sovereignty of the other one, respect the different social system, non-interference.

I think the United States right now is pursuing a course which is dictated by Wall Street, so it's not in the American interest. Because Wall Street historically was always a dependency of the British Empire. If you go back in history, Wall Street was financing the Confederacy against Lincoln! So Wall Street right now is not really an American institution, but it is part of this empire faction of globalization.

But there is right now big motion in the U.S. Congress to implement the Glass-Steagall Law which was implemented by Franklin D. Roosevelt in 1933, in reaction to the world financial crisis of the '30s. And there are many Congressmen and Senators right now, who are moving in this direction. And the LaRouchePAC movement is mobilizing the whole country to do that, before the crash occurs. Because if the financial crash occurs, which could happen at any moment, we could have a blowout of the financial system worse than 2008. So it really is a race against time.

I think there will be a big battle in the United States right now: Will the United States go back to being a republic, and obey the Constitution, or does America want to be an empire together with the British? And that battle will decide if there will be world peace or not.