

Shut Down the Hopelessly Bankrupt, Neo-Liberal Casino Economy

This is the edited transcript of the Schiller Institute's March 19 webcast featuring Helga Zepp-LaRouche. The video is available [here](#).

Harley Schlanger: Hello, I'm Harley Schlanger from the Schiller Institute. This is our weekly webcast with Helga Zepp-LaRouche, our founder and president. It's March 19, 2020.

We had intended to do this webcast yesterday, but the sheer volume of activity on the internet had made it questionable. Hopefully, we will be able to get through the briefing and discussion today, but please bear with us if there's some shakiness or jumpiness in the picture. These are extraordinary times, and it does require a certain amount of patience and concentration.

We're facing a situation which is a worldwide emergency, and Helga, we'll start with your call yesterday. You issued an emergency call that addresses the problem of the corona virus and the financial crash simultaneously. So, why don't we start with what you said yesterday?

Helga Zepp-LaRouche: I think the need to address the fact that we don't only have the coronavirus crisis, which is a pandemic, but we also have clear signs that the financial system is collapsing. So, that is why I issued the [call](#) to close the markets for a few days, in order to take the absolutely necessary reforms of the financial system, which has to start with the immediate implementation of a Glass-Steagall banking separation. Followed then by the other measures that we have been demanding, namely; a national bank in every country; a New Bretton Woods credit system in order to restart the economy, and to concentrate on the physical economy. Finally, after a quite significant delay, all the govern-

ments of the trans-Atlantic sector are clearly taking some of the necessary measures.

For example, the European Union has suspended the rules of the stability pact, Trump has invoked the National Defense Act. There are many measures being taken. Various "bazookas" have been taken out, giving credit to firms to delay tax payments, even talking about directly handing out money to everybody who needs it. All of these things are necessary steps to just keep the economy going, and necessary to calm down the popu-



The New York Stock Exchange, one scene of the casino economy.

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lation, which is really in a difficult state of mind. And physically, many people have existential worries about their livelihoods.

But this is all missing one essential point. That is, the reason why we are in this crisis has to be addressed. That is something which absolutely only we can bring to the agenda. So, the very first step would be to close the financial markets in order to implement Glass-Steagall. Now, that is something which requires a different kind of approach. It requires the intervention of the most powerful governments in the world working together. And that is the need to have the summit of the United States, Russia, China, and India; then other countries can support that. But you need a decision on the level of the heads of government to end the casino

economy, to go in the direction of a world credit system which enables a world health system.

It should be very clear that this pandemic will not be fought in one country, but you need a health system in every single country of the world, and that is absolutely not possible under the present circumstances. So therefore, the shutting down of the financial markets is the absolute necessary first step, but it must be followed by the whole package.

Lyndon LaRouche Warned of Pandemics

Schlanger: In saying that, and looking at the importance of taking emergency measures, I think it's really important that people step back and recognize what you just said. This is something that's been in the making for many years, and your expertise in this comes from your long working relationship with your husband, who forecast this back in 1971. It was clear to him back then that this is what we were facing; and yet, governments missed these warnings. Why don't you just review for a moment his forecasting on this, and how we missed the boat.

Zepp-LaRouche: My late husband, in 1971, was probably the only economist who with absolute clarity recognized the significance of Nixon abandoning the fixed exchange-rate system and abandoning the coupling of the dollar to the gold standard, and going in the direction of unregulated monetarism. He said in August 1971 that if the world would stay on this course, it would absolutely necessarily lead to a new depression and the danger of a new fascism, or you would replace the system with a completely different one; namely, a just, new world economic order.

At every step of the way, whenever the financial oligarchy moved in the direction of further deregulation, he pointed to the consequences of that. He predicted the crash of 1987, he absolutely recognized the significance of the 1997 so-called Asia crisis as being really the eruption of a global crisis. And he made this famous video on the 25th of July in 2007, saying this is the end of the system, and all which we see right now will be coming to the surface of the total bankruptcy of the system.

The measures that were taken by the central banks and the G-20 after the 2008 collapse, just amplified the problem by pumping more liquidity into the system. Now we are at the absolute end phase of that process.

Lyndon LaRouche warned, and this is on the record,

that the physical economic consequences of this monetarism would lead to the eruption of pandemics. It would lead to the re-emergence of old diseases, and the emergence of new epidemics, pandemics; because you cannot lower the living standard of entire continents over a long period of time without causing such breakdowns of the health system, the immune system. That is exactly the point we are at right now, and that is why we are saying that you cannot remedy it by just controlling this pandemic. Because if you don't remove the causes, the danger is that new viruses, new diseases will emerge. So, we are at an absolute fundamental point that we have to change the whole system.

A Global Shift in Thinking

Schlanger: I think we're seeing some governments beginning to recognize that this is more than just a simple crisis. Macron, for example, announced the suspension of the so-called reforms he was pushing. Macron and others are saying we need to look into what caused the failures of the system. But up to this point, Helga, have you seen anyone addressing the need to reject the whole casino economy and go back to the measures that would feed the physical economy?

Zepp-LaRouche: No. I think that the measures that have been taken by, for example, Germany—Merkel yesterday gave a TV speech in which she really didn't say anything significant. All she said was, "It's up to you to flatten the curve of the spread of the pandemic." Now, I don't think that is the way to go about it at all. The Western governments are now confronted with the fact that the takedown of the health system over the last decades, the privatization, the shutting down hospitals, shutting down other facilities for the sake of profit, is now haunting everybody, because we have a severe shortage of such facilities.

China's approach has been completely different. They did not talk about flattening the curve. In Wuhan and Hubei province, China took very decisive measures. They closed down the entire area of 60 million people and acted in solidarity in the whole country; all of China was supporting that. They were successful in reducing the number of new cases erupting. So, they basically have it under control for the situation in China. That is a successful model. Also, Singapore and South Korea took a similar approach. There is no reason one cannot replicate what China did, if there is solidarity.

In the EU, that has obviously been lacking so far. There has been no solidarity. This just shows you the deficiency in the neo-liberal and liberal model of everything—the markets, the health system, the cooperation among countries. I think that the situation now is very severe. You can see it in Italy, which was the country which, because of its positive relations with China, did apply the Chinese model to a very large degree. But in northern Italy, in Bergamo, in Lombardy, they are now faced with the situation that the capacity simply is not sufficient. So there has been de facto triage, not because they intended it, because the doctors and nurses have been working around the clock and are near the point of breakdown; but they simply don't have enough facilities, so they cannot treat every patient. It is a total catastrophe.

But China, which not only totally successfully contained the virus, is now worried that it may come back from abroad, because other governments did not apply the same rigorous methods. But the Chinese are providing help. They have sent medical experts to Iran, to Iraq, to Spain, and to Italy. They have offered help to any country which wants to take it. They are sending massive supplies to Italy, Spain, and France, who they regard as having shown to have been friends with China. I think the only thing to draw as a conclusion is to stop this anti-China bashing. First of all, it's completely insane; it is not justified. Cooperate. I think this is the moment in which you have to work together as a human species. China has provided the way to go.

You need to learn the Chinese lesson from Wuhan, and that is the best thing the Europeans and others like the United States can do right now.



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Widespread testing of the population was done by China as a crucial first step in attacking the Coronavirus. A medical worker in PPE gear shown here with a patient.

One Planet, One Health System

Schlanger: On the question of the takedown of the public health system and replacing it with totally for-profit health care, which has obviously failed, even the *New York Times* admitted this today. I just want to read a couple of quotes from an article, in which they said that it's now the EU austerity which has left the health care systems unprepared. We're talking about Europe, but the same thing can be said about the United States.

They said, in the southern European countries, they're ill-prepared for a pandemic. They describe the countries as "tragically vulnerable."

Now, we had in the United States, a standard, set with the Hill-Burton system, of 4.5 hospital beds per



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The rapid, around the clock construction of hospitals to create sufficient beds to treat the sick was a clear factor in stopping the spread of the disease.

1000 people. This was taken down starting in 1974. Helga, you were talking about a world health standard. What would it take to get a Hill-Burton standard for the whole world now?

Zepp-LaRouche: First of all, you would need a crash program approach, in which, obviously, those countries which have the capability would have to help



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Leishenshan Hospital was built in Wuhan, capital of central China's Hubei Province, in only two weeks to treat patients infected with the Coronavirus, COVID-19.

China's approach of shutting down Wuhan and all of Hubei Province, testing, and providing hospital beds for treatment, is the model for the world to defeat this pandemic.



those which don't. But all together, it would mean to build 35 million new hospital beds worldwide. It would require having the necessary electricity, which would mean the creation of 358 gigawatts of new electricity, most of which would also have to be built in a crash program. You would need the increase of clean water supplies by 40% of the existing capabilities. So this is a completely different approach and will require a completely different approach in terms of real industrialization of the Southern Hemisphere. That brings you to the absolute point where this went wrong. We are now at the point where we have to make a fundamental decision.

Do we want to continue in the direction of a Malthusian world order, which indeed would mean what the British system has been pushing? Jeremy Warner wrote in the *Daily Telegraph*, a couple of weeks ago, that the coronavirus has a benefit, namely culling older people. That notion of culling, that you treat the human species, as a herd of animals which must be culled, has been the hallmark of the British Malthu-

sian genocide approach for a very long time. We have attacked that danger for many, many years. This is now what is coming to the fore.

We have to make a fundamental decision, that we absolutely reject this idea that there are useless people, which is behind some of the thinking, because the danger is that we come out of this with a Green approach, with a Malthusian approach. We have to absolutely go in the opposite direction, and go for the full industrialization of the world economy. We have to have the industrialization of Africa, and of Southwest Asia. That is the key moral decision which the whole human race has to make at this point.

International Leadership, National Sovereignty

Schlanger: As you said, this would require international solidarity. I think there is still the proposal that you made, and was somewhat adopted by others, that there be an emergency summit of the great

powers. How could they act to bring about not just this new world health standard, but a new financial system?

Zepp-LaRouche: I made this proposal for an emergency summit of the United States, Russia, China,



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First patients are admitted to a newly-built purpose built hospital in Wuhan.

and India, following the assassination of Iranian General Soleimani on the third of January this year, because there was the immediate danger of an escalation which could have gone into a superpower conflict. Subsequently, President Putin called for a summit of the Permanent Five of the UN Security Council to establish the principles for the continued collaboration and survival of the human species. Now in the meantime, all the governments of the Permanent Five have said—the U.S., China, Russia, France, and Great Britain—that they would agree to this. I still think that the absolutely necessary combination is the United States, Russia, China, and India, being representative for the whole world, and then other countries should cooperate.

Geopolitics must be absolutely put aside forever. We have to define the common aims of mankind; we have to agree on those principles which constitute the one humanity. That would first of all mean, to establish a system of new international relations of countries respecting the sovereignty of everyone, of non-interference, of accepting the different social system of the other one. And then agree on joint economic development programs to overcome poverty, to overcome underdevelopment.

The only realistic proposal on the table is what China proposed with the New Silk Road, the Belt and Road Initiative, in which 157 countries are already participating. The Schiller Institute, several years ago, started to publish reports on the possibilities of the New Silk Road, starting with *The New Silk Road Becomes the World Land-Bridge*, which is a comprehensive economic study of how to bring industrial development to every continent on this planet. Some of these projects are in different degrees of realization, but that would be the kind of platform which has to be agreed upon by the top governments in the world. That way you could start a real economic development plan following such a summit right away. It would mean you completely change the orientation.

In a certain sense, it's like the end of the Thirty Years' War, in which people recognized that if they continued the warfare, there would be nobody left to enjoy the so-called victory. That is the point humanity has reached right now.

We have reached a point where we either become rational and cooperate, or we may not only face a Dark Age, but we may actually face a real holocaust for the whole human race.

The Job of the Summit Meeting

Schlanger: I think a lot of people would like to get your assessment of the so-called financial measures that are being taken, beyond those that are emergency funds to provide care, or funds for people who are losing jobs, a moratorium on foreclosures—at least for a month or two. But what we see from the Federal Reserve in the United States, as an example, is a bail-out of the speculators with an extraordinary level of so-called credit, basically, funny money. What's your assessment of that? Obviously, this goes against what you're talking about in terms of the financial bankruptcy reorganization.

Zepp-LaRouche: That just reflects the intention of Wall Street to keep the casino economy going. They bring out what they call the “big bazooka,” I think the Federal Reserve put in \$1.2 trillion in various support actions, buying up bonds, buying up all kinds of debt to keep the derivative bubble going. The European Central Bank has announced 750 billion, and that is not the end of it. If they keep doing that, and there is right now the clear intention to do so, it will lead to a hyperinflationary blow-out of the whole system.

I'm not referring to these temporary measures to keep individual families and firms going, by giving all kinds of support measures, that may be useful in the short-term. But you need to end the casino economy. You absolutely have to have Glass-Steagall, because this would shut down the casino economy for good. You put the commercial banks under state protection, you put a firewall between the commercial banks and the investment banks and all the other operators and players.

If the speculators have no more access to the savings of the commercial banks, and do not get bail-outs from the taxpayers any more, they will have to bring their books in order on their own, and if they can't do it, they have to be closed down. That is the kind of intervention which now absolutely needs to exist. If this thing is continuing, you will end up in a hyperinflationary blow-out like what happened in Germany in 1923. That means the complete expropriation of the life savings of the population, and that would lead to a social explosion such as I don't even want to imagine.

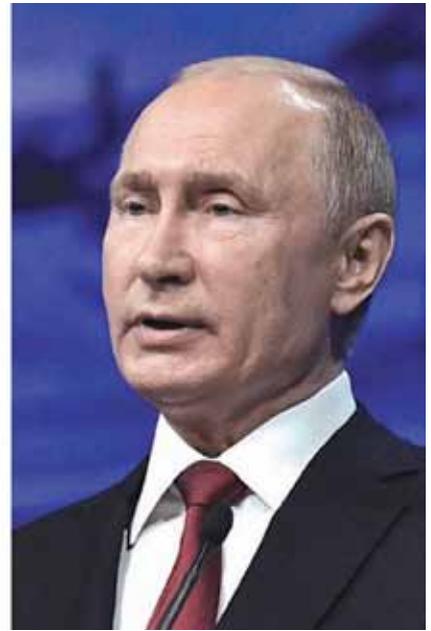
So, I call upon all rational people to support our approach—that you need a summit of the most important governments of the world, and they have to end the casino economy, and they have to adopt a system of in-



Shealah Craighead



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International solidarity and collaboration is necessary if the world is to defeat the coronavirus pandemic. The U.S. must lift all sanctions against China, Russia, Iran and other countries to this end. Left to right President Trump, President Xi, President Putin.

tegrated cooperation for world development. If there is sufficient support for that, it can be done, because there is already motion in this direction. So, I'm calling upon you, that you sign this appeal which will be [posted](#) below this webcast, and that you help us to circulate this idea. Because there is a lot of confusion right now, a lot of panic, a lot of chaos. But you have to elevate the whole discussion on a much higher level, and that has to be one of unity of the entire world. Then we can solve it.

Geopolitics is a Satanic Killer

Schlanger: You mentioned ending the casino economy, I found it somewhat interesting that yesterday the state of Nevada shut down the casinos in Las Vegas. That's a good step in the right direction.

Helga, come back to this question of international solidarity, and why that's necessary. Unfortunately, we have someone who hasn't gotten that message, namely, Secretary of State Mike Pompeo, who continues to rant against China, talking about escalating sanctions against Iran, which is one of the countries that has been badly affected by the coronavirus. What can you say about that? Obviously, this is the opposite of solidarity.

Zepp-LaRouche: I think President Trump has been capable of getting rid of some of his bad advisors in the

past, like Bolton. And I think he would be very well advised to get rid of Pompeo. What Pompeo is doing right now in his anti-China campaign is really dangerous. The relationship between the United States and China has been deteriorating. It's very difficult to assess all of this, because there is a lot of fake news being circulated right now, and one has to be very careful in assessing this.

Let me bring in another element of this. There is a geopolitical dimension in a lot of things that are happening right now. There was, for example, a scenario played out in October 2019, in which the Bill and Melinda Gates Foundation, the World Economic Forum, the CIA, the UN, and a couple of other institutions had a scenario acting out a new pandemic hitting the world with a coronavirus, and they basically came to the conclusion that this would cause 65 million deaths. Now that was the very same day the military games were conducted in New York, on the very same day in Wuhan that the military games started, and subsequently the Chinese Foreign Ministry raised the question, whether the virus had not originated in Wuhan, but possibly came from U.S. soldiers participating in these war games.

I'm not in a position now to assess the validity of all of this. And as I said, there is a lot of psywar fake news, disinformation. But this whole question has now led to a brawl. Pompeo is continuously talking about the

China virus. The Chinese government correctly refuted that as a racist policy. This is going back and forth, and unfortunately, President Trump has repeatedly also used that language of the China virus.

This is very dangerous, and naturally, there is also this question of Iran. The oil price right now is at \$20/barrel for Brent crude [North Sea], and that means the entire shale-gas industry at this point is completely bankrupt. So, there is absolutely the danger that on top of this present crisis, you could have a war in the Middle East, with the intention to drive up the price of oil. I'm just saying that if this present situation is not brought under control in the way I said before, that we could really end up in a complete strategic disaster. This is why I think President Trump is doing a lot of positive things. He has started a very useful cooperation, for example, with Governor Andrew Cuomo of New York state. There are more and more examples of people overcoming partisanship. But there is also this other tendency. So, I think the absolute necessity right now is to go for an international cooperation and address the common aims of mankind as an absolute necessity of surviving for all of us.

Beautiful Souls, an Ecumenical Idea

Schlanger: You mentioned earlier the period of the Thirty Years' War and the end of the Thirty Years' War, which led to the Peace of Westphalia. This actually does give us an opportunity to reflect on the actual nature of man, as opposed to being totally focused on material wealth, greed, and making money. You actually have an opportunity to sit back and reflect on why we're here. And I think it would be very useful, Helga, at this moment of great anxiety and stress, for you to reiterate points to what is that nature of man? And how do we regain this concept of the cooperation among beautiful souls?

Zepp-LaRouche: I think that the medical team of doctors who worked in Wuhan,— they just issued a very beautiful video and message, in which the incredible strain one goes through in such a period was discussed. But then there emerged the idea that what was really needed was love. That each individual human being is mortal, but what is immortal, is love. Love for your loved ones, your family, your nation; love for mankind. And that that is the kind of spirit which needs to be evoked. I think this is really the true tendency you can clearly see.

Those people work for all of humanity. Look at the unbelievable work being done by the many doctors and nurses around the world, and other people who help to make this situation function. And people who grow, who show a humanity which goes beyond anything which was there before. But then you also have the people who are displaying their evil nature. I think in a certain sense, we are now at the point in which we have to shed all the axioms which led to this situation; geopolitics, monetarism, Darwinism, the liberal system that everything is allowed. And we have to replace it with the idea that the human species is the only creative species known in the universe so far. That we have to employ these creative capacities to relate to each other from that standpoint to respect the creative mind of the other; to show the kind of solidarity which has been demonstrated, especially by such doctors in China in Wuhan. That should be an inspiration of how we get out of this crisis.

Schlanger: I would encourage all of our viewers to take the time now, especially if you are off work or you have limited hours, instead of sitting there worrying, or wasting your time watching CNN or MSNBC, go to the Schiller Institute website, go to the LaRouche PAC website, and familiarize yourself with the ideas of Lyndon LaRouche, particularly related to the Four Laws of Economics, and also the Four Power Agreement.

So, Helga, do you have anything else to add?

Zepp-LaRouche: I can only add that a lot of people in Italy are now going to their balconies and singing. You have opera houses playing for free to be transmitted on the internet. Since we are in the year of Beethoven, I can only say that the best thing to get the inspiration is to listen to a lot of Beethoven. Otherwise, I really think that if you go into the archives of our website and study the works of Lyndon LaRouche, that is actually very good advice. Because we have to come out of this present crisis with a completely different approach. I think between Beethoven and LaRouche, you will find a lot of the inspiration needed. So, we will come back with other programs as the situation unfolds. So, stay tuned, and help us to change this paradigm.

Schlanger: OK, Helga. Thank you very much.

Zepp-LaRouche: Till soon.

Schlanger: Till soon.