
II. Reflections on LaRouche's New Bretton Woods

ZEPP-LAROUCHE WEBCAST

Time Has Come for a New Bretton Woods, Based on LaRouche's Four Laws

This is the edited transcript of the Schiller Institute's August 23, 2018 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 with the Schiller Institute. Welcome to this week's strategic webcast featuring our founder, Helga Zepp-LaRouche.

Helga, the big news according to the "Get Trump" media and the anti-Trump fanatics was the dual events yesterday, the conviction of former Trump campaign chairman Paul Manafort on eight felony counts, and the plea bargain agreement, also of eight counts, of Trump's former attorney, Michael Cohen. Those media outlets are saying this is a slam dunk, that this is the end of Trump. LaRouche PAC put out a statement today, saying it's not true; it's not true at all. Trump's response was, there's still "no collusion," there's no crime.

I'd like to start with the status of Russiagate now, in the aftermath of these two events. Where do things stand?

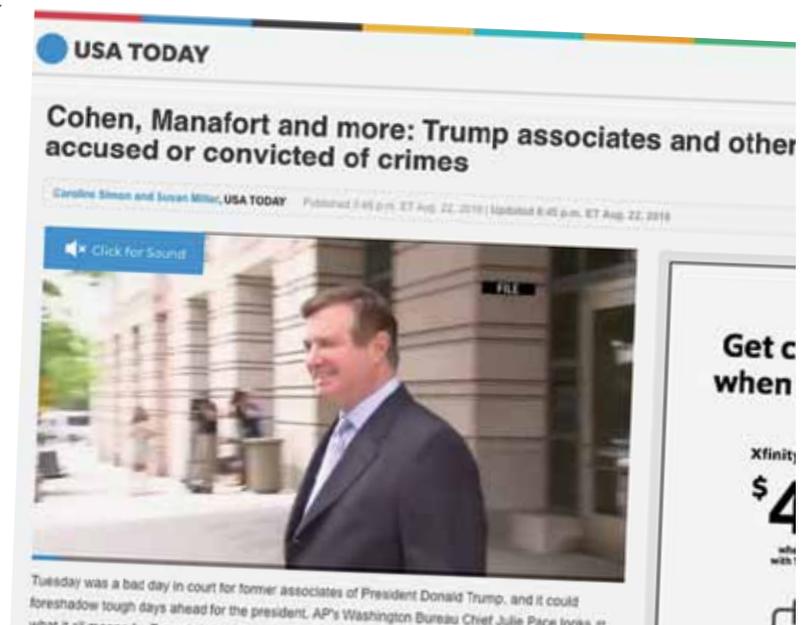
Russiagate Update

Helga Zepp-LaRouche: This is a very, very dangerous situation. The aim, as you said, is key here. There is absolutely no connection between what Manafort did before he became associated with the Trump campaign. What Michael Cohen is doing is highly dubious. The Federal judges, T.S. Ellis,— said that the whole purpose of this witch hunt is to terrorize Manafort or Michael Cohen in such a way that they, threat-

ened with many years in jail, would turn against Trump and start "singing"—singing like canaries. The defendants, rather than reporting the truth, would start to "compose" just to get out of this. And this is obviously what Michael Cohen has done.

There is the payment to these women and the allegation that this is a campaign finance violation. Campaign finance violations happen in major campaigns all the time. Obama had to pay very large fines for violations. Former Presidential candidate John Edwards was accused of something similar and then was acquitted.

So this is all hyped up to proportions that bear no relation to Mueller's supposed mandate, which is ostensibly to prove that there was collusion between the Trump campaign and Putin and Russia. One might think that these two prosecutions, at this moment, are designed to increase the turnout of the Trump haters in



the upcoming midterm elections—to elect a Democratic majority to the Congress, at which point there would be enough forces to bring impeachment proceedings against Trump.

There is no substance to any of this. The ongoing investigations in the Congress into the collusion between the heads of the Intelligence services of the Obama Administration and British Intelligence, are not stopping. You have what is almost a countdown between these two processes. Look at the efforts by various British cabinet ministers coming to Washington, who are trying to reestablish the “special relationship” with the United States, which Trump had clearly cancelled, or basically put aside. The British are in an absolute frenzy against Russia and there is a growing frenzy against China, I think that that shows you what the real strategic intention of this is.

The good thing is that Trump, so far, has kept his nerve. However all kinds of foreign policy issues could go haywire. This is obviously an extremely dangerous situation.

What’s an Honest and Moral Person To Do?

Schlanger: On the danger: there are now 75 days until the midterm elections, and there has to be a response, not just to the fraud of Russiagate, but to the underlying effort of Russiagate, which is to destroy Trump’s potential, from changing the policy away from the Bush/Obama paradigm of confrontation and war, into a new paradigm of collaboration with Russia and China. What’s being fought out over the next couple of months is not just a normal election, but what U.S. strategic policy will be, in relationship to Russia, to China; and what about the U.S. economy? There’s so much to talk about here, but I’d like to begin with: What do people need to know about this strategic conjuncture, and what do they have to do?

Zepp-LaRouche: You have a worsening of the relationship between the United States and China. The Chinese are in the meantime absolutely convinced that the \$16 billion in tariffs imposed on each side today, has nothing to do with trade as such, but everything to do with a futile attempt to curb the rise of China, and China’s effort to become a world leader in certain high-tech areas by 2025. So this is no good. This is a terrible situation.

Almost every day new sanctions are being imposed on Russia. This also is absolutely terrible.



PIB of India

Indian Prime Minister Narendra Modi (left), Russian President Vladimir Putin (center), and Chinese President Xi Jinping (right) at SCO Summit.

There is now the danger of a near-term financial crash, much worse than that of 2008. The reverse carry-trade flow of capital—out of the emerging markets and into the dollar, into Wall Street, into the City of London—is a potential trigger for a collapse. Then you have many warnings that the “tapering” of the Federal Reserve must stop, that the Fed should go back to quantitative easing, full scale, because otherwise, there is the danger of a collapse way before the midterm elections.

So, if you look at all of these processes, the big question is, how can you address it all in such a way that you lift the discussion to a higher level? And that is why the Schiller Institute has put out a [petition](#), calling for a New Bretton Woods conference, and especially appealing to the four leaders of the United States, Russia, China, and India—Trump, Putin, Xi Jinping, and Prime Minister Modi—to immediately agree to solve this problem and preempt a financial crash by going back to a Bretton Woods style fixed exchange rate regime, and establish a new international credit system in order to facilitate cooperation in the context of the New Paradigm, and the Belt and Road Initiative.

Now, is that realistic? I think it is. Russia, China,

and India are already very strongly cooperating along these lines. Trump has proven, in his initial relationships with China, and with his friendship with Xi Jinping, that he is absolutely capable of going in this direction. Trump's efforts to improve the U.S. relationship with Russia, especially his meeting with Putin in Helsinki, show that potential. The mad frenzy of the political establishment is at its core, a horrific fear of this potential.

We are right now collecting signatures from many people all over the world—and I appeal to everyone listening to sign the [petition](#) titled “The Leaders of the United States, Russia, China, and India Must Take Action.” We want signatures from ordinary citizens and from leaders of institutions. We will soon publish an initial list of prominent signers. Many people from quite different walks of life—former military, former diplomats, people in high positions in different social organizations—who by signing have all agreed that the nations need to establish a higher level of cooperation if the world is not to go up in flames.

Also, please help by circulating our dossiers on the role of the British in this Russiagate affair. We have only a very short window of opportunity. Once a financial crash—an uncontrolled collapse—is underway, perhaps before the mid-term elections, that crash could throw the world into irretrievable havoc and all kinds of crisis spots could go out of control. It is very urgent that we establish a higher level of cooperation of the major countries that do have the power to resist Wall Street and the City of London. The new discussion which came up, in this context, is a request from some people in Japan that we include Prime Minister Shinzo Abe and Japan into this list of countries. We are discussing this right now.

Let me underscore that that the Four Powers is not an exclusive club. The idea is to bring together a powerful enough combination, around which other countries will orient. We need a very solid initial powerbase in order to get this kind of reform. So, please, if you see reason in our proposal, sign the [petition](#) and distribute it to your friends and relatives and acquaintances and via social media. Help us build this movement for a New Bretton Woods. We have to change the agenda to prevent the world and its people from being destroyed by this complete frenzy and hysteria.

The ‘Special Relationship’ and Trident Juncture 2018

Schlanger: I think one of the points you just made, that people should take to heart, is that the hysteria of the reaction, to what we're doing, to what Trump is doing, is evidence that there is a fear among the geopoliticians, the neo-conservatives, and the anti-Trumpers, that we could succeed. Two or three months ago we issued a call to ditch the so-called “special relationship” of the United States with the British Empire, now we're now seeing one after another British official come before the U.S. Congress, to praise that “special relationship.” This week it was Foreign Secretary Hunt, who in the discussions he had, kept saying: The “special relationship” is the core of the protection of the



C-SPAN
U.S. Assistant Secretary of State A. Wess Mitchell.



UN
UK Foreign Secretary Jeremy Hunt.

West against the aggressive Russians. Wess Mitchell, the person who replaced the discredited Victoria Nuland in the State Department, spoke in the Congress yesterday about the establishment of a new position called the Senior Advisor for Russian Malign Activities, who will coordinate anti-Russian activity with the British. So clearly, there's a reaction.

You were reporting earlier that there are plans for extended NATO maneuvers in October. What can you tell us about that?

Zepp-LaRouche: This is obviously a big provocation. Trident Juncture 2018, as it's called, may be the



U.S. Army/Gertrud Zach

German soldiers on maneuvers in Germany during Strong Europe Tank Challenge, May 8, 2017.

largest NATO military exercise since the end of the Second World War. It involves 40,000 soldiers from 30 countries, and will take place all along the Russian border, from Oct. 25 to Nov. 7, that is, until one day after the U.S. midterm elections. Later will come major Russian maneuvers.

When you have this kind of situation, military maneuvers can go very quickly from mere maneuver to hot war. I'm not saying that that is the plan, but in a world which is so unstable, where so many provocations are happening, where the tone is becoming so wild and so far out of proportion to what Russia has been doing, the risk of setting off actual war is high.

What is it that Russia and China are actually doing? Crimea was not annexed, and the lie that it was, is constantly being repeated up the wazoo. The coup against Ukraine was conducted—you mentioned Victoria Nuland—the State Department spent \$5 billion on NGOs for a color revolution/regime change in Ukraine. There was the Maidan coup with a lot of Nazis involved. The vote of the people in Crimea [to reunify with Russia] was the reaction to all of these things. So it is not true that Putin annexed Crimea.

All the lies are repeated and repeated, and people generally have a very short memory for such things, this fake narrative becomes

the “truth.” That Germany will participate with 100 tanks in these maneuvers is really incredible. I know from many Russians that they are really very upset about the lack of gratitude from the German political class, for sure, because from the Russian agreement to a peaceful reunification of Germany in 1990, you would have expected that the promise made at the time not to extend NATO to the borders of Russia, would have been kept. But, no. Now, you have these war hawks joining in the provocations against Russia.

So this is terrible, and we have to absolutely counter that, reestablish

diplomacy and dialogue as a means of solution to any problem, and not this kind of frenzy.

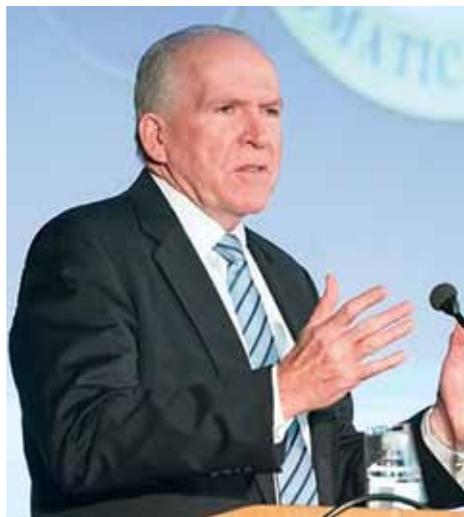
Schlanger: And we mustn't forget that one of the key actors in Ukraine on the U.S. side was former CIA Director John Brennan, who has been screeching and screaming because his role has been exposed, and he's out front. He's been so extreme that even some of his buddies, like James Clapper, are telling him to calm down a little bit.

In spite of all of the anti-Russian propaganda in the U.S. media, a Gallup poll yesterday said that 60% of Americans still favor better relations with Russia. This has been the policy that President Trump has called for from the beginning.

There was an initiative from the German Foreign Minister that seemed kind of strange to me. I wonder if you can enlighten us as to what Herr Maas is planning on doing.

What's German Foreign Minister Maas Up To?

Zepp-LaRouche: I'm not saying that it's not necessary for Germany to become more independent. The U.S. attempts to extend U.S. legislation all over the world doesn't have a democratic mandate. Therefore, there is an element of truth in what Heiko Maas



U.S. Dept. of State

Former CIA Director John Brennan.

WORLD

US-German relations: Foreign Minister Heiko Maas 'playing with fire'

As the US pursues an increasingly unilateral course, Heiko Maas has suggested forging alliances with nations favoring a multilateral world order. But Professor Thomas Jäger from Cologne University urges caution.



DW: German Foreign Minister Heiko Maas has suggested forging new international alliances. That

is saying, which is understandable and legitimate—that is that Germany should become more independent. That has, in fact, been our position for a very long time. What are Maas's solutions? He wants to have a German policy independent of the United States. He wants to militarize the European Union. When you look at the condition of the EU, you'll find that it all comes down to a Eurocentric "coalition of the willing," because there is no longer any EU unity, and not many countries in the EU intend to join the sharp anti-Russian tone of Maas, who has spoken out against both China and Russia.

The idea that you can build a Eurocentric independent Europe, with a payments system independent of the U.S. dollar, is not a bad idea, either, because no country wishes to be hit by U.S.-imposed secondary sanctions, sanctions with which it does not agree. However, I think it's an absolutely unworkable position. Why? A much broader conception is required, one that encompasses Eurasia from the Atlantic to the China Seas, from Vladivostok to Lisbon. A new economic union and a new security architecture are needed, not *against* the United States, but *including* the United States. You want to think in terms of getting a new system that works. Maas says the old partnerships don't exist anymore, which is true. The only partnership still functioning according to Maas, the one he wants to

keep, is NATO. He wants to have an independent joint European military "intervention force," tasked with taking action in trouble spots all around the world.

I think that proposal is also a non-starter. It's bad because it's anti-Russia, it's anti-China, and it doesn't address the fundamental economic interests of Germany, which would be to cooperate with the projects of the New Silk Road in Africa and Southwest Asia. I think it is not a good thing.

Italy Launches Task Force China

Schlanger: While we're seeing chaos and disruption in the trans-Atlantic region, including in the United States, largely due to the idiocy of the Congress, we're seeing a continued, consistent drive from China to bring development to the world. There are a number of leading items of this that we can take up. I'd like to start with a development in Italy—the announcement by the Ministry for Economic Development of Task Force China, the main objective of which is to strengthen the relationship between Italy and China in many fields. How does that look, Helga?

Zepp-LaRouche: This is a very refreshing development. The new Italian Finance Minister, Giovanni Tria, is now heading a delegation in China. A second delegation now in China is being led by Michele Geraci, Italy's undersecretary of commerce. It was Geraci who announced the formation of Task Force China, with the idea to not just passively watch what is going on, but to keep pace with the shift of innovation and technology to Asia, and to China in particular. In a recent interview with *Corriere della Sera*, Geraci was asked if this is not China asserting untoward influence and other such usual questions. He said: No, China is the world leader in terms of infrastructure. Our infrastructure is in terrible condition (an obvious reference to the Morandi bridge that just collapsed in Genoa), and Chinese investment in Italian infrastructure is very welcome and needed. Geraci is also encouraging Italian firms not only to invest in China, but make joint ventures in all countries along the Eurasian Land-Bridge, and also in Africa. I think this is a very wonderful breath of fresh air.

As I mentioned already, more and more European countries want to cooperate with China: the new Austrian government, and the 16+1 Central and Eastern European countries (CEEC), Greece, Italy, Spain, Portugal. A trend for cooperation with China is clearly there.

In Germany, it is the Bavarians who are very happily talking about the extension of the New Silk Road into Bavaria. There have been a number of political exchanges between Bavarian and Chinese politicians and businessmen. I think that that is also a very good step in the right direction.

I don't know what will happen down the road. We are organizing to get *all* the European countries, and the United States, to cooperate with the New Paradigm. We need a lot of people to understand that mankind has reached a point where if we continue with geopolitical hysteria, the extinction of civilization could be very close. More people need to wake up and really understand that there is no reason why the major powers of this world cannot, or should not, cooperate in overcoming poverty, in overcoming underdevelopment. Go to Tennessee, or some of the southern states like Alabama or Mississippi. You'll find many pockets of people are living in Third World conditions. Germany, a so-called rich country, has 4.4 million poor children, and this is increasing! In Greece, the EU austerity policy has halved the funding for medical care, and 25,000 health-related jobs have been destroyed since the Troika began to ravage this country.

Now compare that to the absolutely impressive record of China, in which, as recently as 1978, some 97.8% of all people in rural areas were poor. In the last 40 years or 39 years, China has lifted 740 million people out of poverty. The total poverty rate in China today is only 3.1%. The Chinese government wants to reduce that percentage to zero, so that by 2020 there will be no poverty in China.

More people should cease being so hysterical, but instead look at the facts. Maybe China is doing something right, which the neo-liberal monetarist system is doing wrong. China is now offering its own model of economic transformation and sharing that experience, for example, with Africa. At the beginning of September, a very major conference will take place in Beijing, involving China and almost all African heads of state. Xi Jinping will keynote the conference and is expected to announce many new areas of cooperation between China and Africa—many areas of joint science, joint education, and other new things.

Two Incompatible Dynamics in the World

There are two dynamics: one is development and cooperation, and the other confrontation, which brings the danger of war. So people should really make up

their minds on what side of history they want to be on. Be part of the Schiller Institute, become a member, sign our petition, and become active. Don't stand on the sidelines at the most crucial moment in history. If you are an American, you should make sure that this coup attempt against Trump is defeated. You don't have to agree with all of Trump's policies—that's not the point. The point is to defeat a coup that would bring back a crew of people who have become absolute war hawks, who, if in the driver's seat, will bring the world into absolute danger. Should those war hawks be returned to power, the potentials that now exist will be destroyed and probably could not be revived, and we would descend into a disaster of unprecedented historical dimensions.

Schlanger: You've just described what really should be an exciting challenge to all of our viewers—not merely the opportunity to defeat the evil that's represented by the people running Russiagate, but even more exciting, the potential in Africa with this conference coming up on Sept. 3 and 4 in Beijing. The New Silk Road Spirit is now infecting much of Central America—in El Salvador, in Mexico, in Panama. This is something which would be an obvious benefit to the United States, just as the development of Africa could stem the flood of refugees crossing the Mediterranean into Europe. The development of Honduras and El Salvador, parts of Mexico that were damaged by NAFTA, brings a tremendous opportunity. This is what the people running Russiagate are trying to stop, in order to keep us in the old paradigm.

Helga, I think you had some thoughts on El Salvador, as another example of a shift occurring worldwide?

Zepp-LaRouche: Yes. The U.S. State Department had a very negative reaction to it. El Salvador's new President, Sánchez Cerén, just delivered a nationally televised speech repeating his election campaign promise to transform the lives of all families in El Salvador, and that the new relationship with the People's Republic of China would be very beneficial in this direction.

There are more countries joining, realizing that being aligned with Taiwan and not accepting the One-China policy will not bring them any advantages. The way to go is with the New Silk Road.

Similar things are happening all over Ibero America, in which there are several horrible crisis situations



Creative Commons

Salvadoran President, Salvador Sánchez Ceren, in 2017.

right now. In Argentina and Brazil we see very wild situations. In Argentina, they're ganging up against former President Christina Fernández de Kirchner. The question, really, is what is the directionality that brings cohesion, which brings peace, which brings a future? I think that more and more countries want a future—it's that simple.

We are in a time of enormous upheaval. There are two dynamics at play.

One is to keep the oligarchical system of neo-liberalism that expanded like cancer after President Richard Nixon decoupled the dollar from gold in 1971, and got rid of the fixed exchange rates. There are people who just want to keep that system which only benefits a very few, which is really the reason why all these wars of intervention took place. Remember, at the time of the second Gulf War, George Bush, Sr. said that the United States had to go in there to "protect the American way of life." Well, I think that that is an untenable position.

The big question now is can China's approach succeed? It is a new model of super-power cooperation, based on sovereignty and on respect for other nations' social systems, with win-win cooperation of all nations. Or, is the confrontation going to cause what some have called the "Thucydides trap," referring to the tensions preceding the



Peloponnesian War between Sparta and Athens, which led to the demise of ancient Greece—will that be repeated? Now, with nuclear powers, this could be the end of humanity.

Study the New Paradigm, Sign Our Four Power Petition

People should really study the New Paradigm, help the Schiller Institute bring some reason into the debate and show the options which exist for change.

Let me repeat my appeal to you: Sign our petition for a Four Power Agreement, get it around to all the people you know. Join our mobilization to bring in a completely different level of discussion and debate, a level of reason among all nations in order to protect world peace and bring in development. Let us look toward the future. Let us deepen our understanding of what humanity is all about. We are not animals. We don't go around killing each other for



no other purpose than to fill our stomachs like wild animals tend to do. We are a species of reason, we can discover the laws of the universe, we can have space exploration, we can make new scientific discoveries. We can have a completely different identity as human beings, relating to each other as scientists, composers, and poets.

For mankind to survive, we have to make this qualitative jump to a new cultural renaissance. If we cling to this old, geopolitical paradigm, our future will be even more grim. So, join our efforts and become a member! Help us to circulate this petition and get as many signatures as possible.

Schlanger: Helga, you just summarized the exciting challenge before all of us, to truly become human. The Schiller Institute has just published a new report, [The New Silk Road Becomes the World Land-Bridge: A Shared Future for Humanity, Vol. II](#) Everyone who doesn't already have a copy of this report should go to our site and purchase one, so you yourself become familiar in detail with these ideas we have been speaking

about in these webcasts, as well as the detailed Belt and Road projects around the world. There, you will learn more about China's new model for economic development and what we are calling the New Paradigm.

Is there anything else you wish to add, Helga?

Zepp-LaRouche: I want to encourage all of you to go to the archives of the various LaRouche associated websites—for example that of the [Schiller Institute](#), the [LaRouche PAC](#) and the [EIR](#) website, as well as all of our other websites internationally—and read (or re-read) all the writings of my husband. He has addressed all of these issues in the most profound way, and his scientific method is more urgently needed today than at any time before. Become familiar with these ideas. There is a lot of unclarity about a lot of these issues, so, I urge you to study Lyndon LaRouche.

Schlanger: Good advice. OK, Helga, we'll see you next week.

Zepp-LaRouche: OK, hopefully in cooler weather.

NEW RELEASE, **Volume II**

The New Silk Road Becomes the World Land-Bridge:

A Shared Future For Humanity

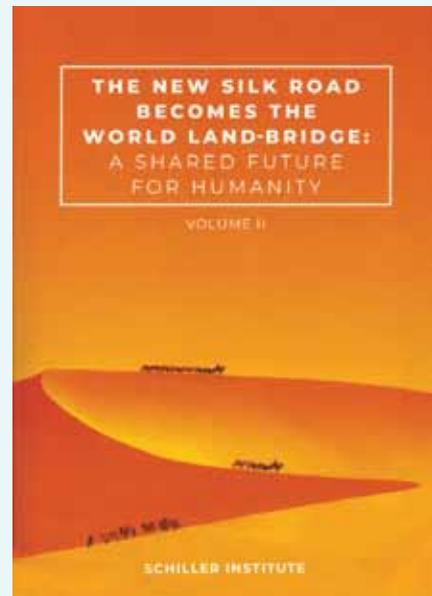
The spirit of the New Silk Road is changing the world for the better. The exciting overview in this new 440-page Volume II report updates the roadmap given in Volume I, on the coming into being of the World Land-Bridge for development and peace. BRICS countries have a strategy to prevent war and economic catastrophe. It's time for the rest of the world to join!

Includes:

Introduction by Helga Zepp-LaRouche, "A Shared Future for Humanity."

Progress Reports on development corridors worldwide, spurred by China's Belt and Road Initiative. Features 140 maps.

Principles of Physical Economy by Lyndon LaRouche, especially his "Four Laws" for emergency action in the Trans-Atlantic.



Soft cover (440 pages)

Domestic Price: **\$60**. Shipping cost included in price.

Foreign Price: \$60. Add \$15 per copy for shipping.

Order from newparadigm.schillerinstitute.com

Tel 1 703 297 8368