

Growing Neocon China Hysteria Shows Silk Road Spirit Is Unstoppable

This is an edited transcript of the [Feb. 15, 2018](#) Schiller Institute New Paradigm Webcast, with Helga Zepp-LaRouche.

Harley Schlanger: Hello. I'm Harley Schlanger with the Schiller Institute. I'd like to welcome you to this week's webcast with the Schiller Institute Founder and President Helga Zepp-LaRouche.

Helga, I think what we need to start with this week, is the issue of geopolitics. You've always emphasized that geopolitics is an imperial game, it's part of the old paradigm and the greatest threat to mankind. This was on display yesterday in the U.S. Senate: The Intelligence Committee had the Threat Assessment hearing; Dan Coats, the Director of National Intelligence, said, "Frankly the United States is under attack." Senator Marco Rubio (R-Fla) said, "China is the biggest threat." He said, "it's aggressively promoting infrastructure as part of its long geopolitical arm."

What's behind this?

Helga Zepp-LaRouche: As it becomes clear that China will become, sooner or later, the largest economy in the world—it's already bypassing the United States in certain respects—there is an hysterical response from those people in the West who are holding to the concep-

tion of a unipolar world, the idea of a *Pax Americana*, where the United States is the only dominating superpower. China is a nation of 1.4 billion people that will eventually become stronger, especially with the kind of science- and technology-oriented policy that China is pursuing. It is clear that some people are responding to that with the idea that they must contain China.

Now, I think it should be clear to anybody that that is a complete impossibility, unless you go to war.

China has answered the recent attacks—which come from Australia, from the United States, and from certain European think tanks—in a very calm way. For example, there was a response to the claim that China is a "competitor" or a "rival," as Trump said in his State of the Union Address. There was a quite reasonable article in *Global Times*, answering this, making the point that the United States has to make an historic choice. Clearly, the rise of China has caused certain strategic phobias among certain people, who have recognized that China is offering a different development model which is especially attractive to developing countries. Some people are now reacting to that. However, cooperation is the only way for these two largest countries in the world—the United States and China—to find a pathway leading to collaboration; then they have a bright future.

It is completely crazy to say that everything China



Senator Marco Rubio: "China is the biggest threat."



Dan Coats, Director of National Intelligence: "The United States is under attack."

does—the Chinese culture, the Chinese system—that all of this is a threat to the West. That is absolutely not the case, and China has offered cooperation. Anything else will only lead to catastrophe.

There is, however, a big difference in how President Trump is acting; while all of these attacks were going on, he met with State Councillor Yang Jiechi in Washington, and they reopened the four-level strategic dialogues, which will continue. I think this is very good. But, the propaganda campaign against China right now is reaching an absolutely unprecedented furor.

Schlanger: At the same time, we're seeing the changes going on with Russiagate; you hear very little these days about questions of what Russia did, and what Trump did. But there are new things emerging. I think it's quite interesting: The Obama role is starting to be talked about. Joe diGenova had another statement. What's your assessment of what's going on with the whole Russiagate story?

Zepp-LaRouche: I think what Joseph diGenova points out, which I think is quite relevant, is that the counter-memo to the Nunes memorandum, coming from Rep. Adam Schiff (D-Calif), was kept back by the FBI and the DOJ because there are certain statements in it which needed to be redacted according to these two institutions. DiGenova points to the fact that the statement—because there is a criminal investigation going on—is very interesting. He says that all the culprits who were involved in this Russiagate coup attempt eventually will face criminal prosecution. So that's one thing.

The role of former President Obama is now an issue. There was an odd email which Susan Rice sent as a memo to herself on Jan. 20, 2017, in which she reported a meeting involving Obama, Biden, Comey, and herself. That meeting was held to ensure that matters relating to Russia not be passed on by the intelligence services to incoming President Trump because of the suspicion of his collusion with Russia. Now, that's quite incredible, that the outgoing President would instruct the intelligence services to withhold information from an incoming President. This refers to a meeting which apparently took place on Jan. 5, and then one day later, the four heads of the intelligence services went to Trump in the Trump Tower—this was still in the transition period—and they told him about the supposed collusion with Russia. Later, when Comey testified for over two hours before the Senate Intelligence Committee, he admitted this was his “J. Edgar Hoover moment.”



This is all now in the public domain. Everything we said in the dossier on Mueller [“Robert Mueller Is an Amoral Legal Assassin; He Will Do His Job If You Let Him!”](#) which we published last September, is now proven to be absolutely on point by these congressional investigations. The battle for where the United States will go looks much better for Trump than for the people who are attempting the coup against him.

Schlanger: To go back to what you said about the Susan Rice memo: if you look at the Intelligence Committee hearing yesterday, it seems as though the heads of intelligence today are still holding to the same line that they did under Obama.

Zepp-LaRouche: Yes, they keep saying it, but that doesn't mean that these investigations in the House and Senate will cease. Some mills are milling slowly, but they're milling.

Schlanger: The other big news from the United States was the introduction of the White House infrastructure proposal. What's your assessment on that? It doesn't seem to be what it was cracked up to be.

Zepp-LaRouche: I think it's noted as a good thing by many people that there is, finally, somebody proposing an infrastructure program, because infrastructure is a phenomenon which lasts 30, 40, 50 years, or maybe

sometimes even longer. But eventually it ages. It disintegrates and that's what we see in many places in the United States—the roads, the nonexistent high-speed system, the general condition of bridges and so forth. So it's a good thing that it is being discussed.

But I think that the way Trump unveiled it, with the hope there will be private investors, with a lot of burdens falling on state and local governments, will not succeed. China has noted that point in commenting that the political system in the United States is making it impossible, because the moment Trump said anything about his program, the Democrats completely opposed it. Obviously infrastructure is in the national interest, and therefore should be a nonpartisan issue. But the fact that you have this partisan system in the United States and elsewhere in the West, as part of the so-called “democratic” system, prevents any progress in this respect. Therefore, it's all the more important that a professor from Beijing University presented the idea of investing the large foreign exchange reserves which China has, especially in the form of U.S. Treasuries, in infrastructure in the United States.

This is a proposal which we made early on because China has the financing and China has the infrastructure expertise. They have built an enormous amount of high-speed train systems and other infrastructure. So I think that that would be the only way to make this function. In addition, you need Glass-Steagall, you need a National Bank in the tradition of Alexander Hamilton, and a credit system, and then the cooperation with the Belt and Road Initiative; and then it would function.

So that remains the task. In the United States, our colleagues are encouraging state legislators and



others to bring pressure from the base, to overcome both neocon pressure in the Republican Party and the Democratic opposition to Trump's infrastructure promises, through a program in the national interests of the United States, which would also be a peace-building measure. That is the battle right now.

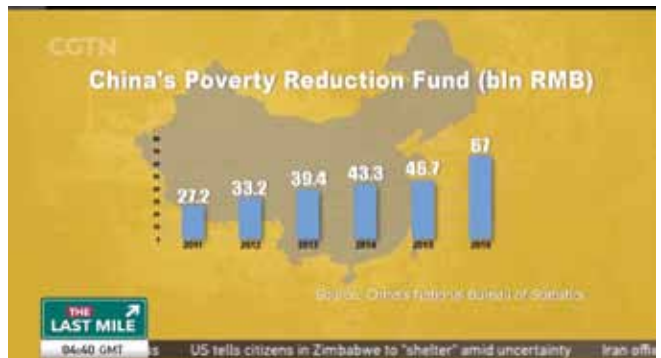
Schlanger: We also have this fairly interesting article in Bloomberg about the Chinese economy, where they say, our models show that it should have crashed, but it hasn't crashed. They say they're confounded by this. It's obvious, these models don't work, but the Chinese are aware of that, aren't they?

Zepp-LaRouche: Yes. As a matter of fact, as these attacks against China have escalated, China had a very interesting counterattack on the Western trumpeting of democracy, saying that democracy is the hobby-horse of many people in the West, but in reality, it is not being practiced in the common interest, but it's basically being used as a weapon to defend the interest of an oligarchy. The West cannot make the sole claim of having democratic systems.

The Chinese say that their system goes back to the ancient Chinese philosopher Mencius, who demanded that government must follow the Mandate of Heaven. In China it is the highest obligation of the party to follow the Mandate of Heaven, which means the common good of the people.

The Chinese say, in their counterattack, that democracy is being used for regime change, and that when the West targets a country, people are incited to agitate for so-called democracy. Then the Western mainstream media plays up street demonstrations. If everything goes according to plan it leads to regime change. If it





CGTN

doesn't go well, the next step is a violent color revolution.

These renewed, sharp responses coming from China reflect the fact that they are not at all intimidated. They're quite aware of the double standard of the so-called "liberal system" which claims to be liberal, but instead demands global hegemony and top-down global control of the rules. This double standard is visible for anybody who wants to see it.

There is a new tone of self-confidence and self-assuredness in the Chinese responses to these accusations.

Schlanger: And I would assume the Chinese have to be asking the question, "What's wrong with reducing poverty?" And here we see this situation where poverty is growing in the West, it has been growing from the 2001 period on, and yet, Chinese efforts to alleviate poverty, not just in China, but also in their neighboring countries and all around the world as well, is seen as somehow an imperial, expansionist policy.

I mean—do the Chinese have a reaction to that?

Zepp-LaRouche: They have an impressive program to alleviate poverty inside China by 2020. For those people who are interested, there is a documentary on CGTN, the Chinese Global Television Network, where they show how every spot is mapped out, every village where you have poverty. The government has mapped out every family's situation, to find out what has to be done to overcome that poverty—be it education, infrastructure, industrialization, relocation of people to better-off areas—and President Xi Jinping is very much hands-on. He travels to some villages, not



Xinhua/Lan Hongguang

China's President Xi Jinping, overseeing China's poverty reduction program, talks to villagers in China's northeast province of Heilongjiang.

all of them, but some. He talks to the families, he makes it clear that it is his personal concern that the goal of eliminating poverty by 2020 is reached. This is very, very impressive.

There was another article in the Chinese press, which reports that infrastructure development and poverty alleviation are also areas of competition. Not only is the economic growth of China absolutely incredible and outstanding, but so is the infrastructure building and poverty alleviation.

The West must suffer being judged: Who is doing more for their people? Is it China, or is it the West, with their so-called austerity systems? If you look at Europe, there is now a new study out by the European Center for Economic Research, which looked at the difference, after the 2008 crisis, between those countries which had an anti-cyclical focus on basic research and development, R&D, and had a massive increase in productivity—the

countries that did that were Germany, Denmark, Sweden, and Finland—as compared to those countries which were hit by EU Troika austerity policy—Greece, Italy, Spain, Portugal, Poland, Czech Republic, and Lithuania—which had to make deep cuts also in basic research and development, which resulted in a terrible collapse in productivity.

I think there is something fundamentally wrong with the system of the free market, which after all is not that free, given the fact that all central banks do is bail out the banks by pumping money for the benefit of the speculators. The rich become richer, and the poor become more poor, and the middle class is shrinking.

This article posted by Bloomberg which you referenced earlier, is very interesting, because the author admits that according to his theory, China should be collapsing. It should have meager economic growth, but obviously the contrary is the case. He says that China is doing everything that, according to his theory, is terrible, like state intervention, party control—things like that—and China is prospering. And actually, he says, he's not yet ready to completely overturn his theory, but he's willing to make corrections.

To foster such corrections, we need a public debate. What are the economic criteria for a functioning economy? Let us present the works of my husband, Lyndon LaRouche, and his development of physical economy, going back to Leibniz, to Friedrich List, to Henry C. Carey, to Wilhelm von Kardorff—who was the economic advisor of Bismarck and was one of the key influences in bringing about the industrial revolution in Germany—and compare those approaches to the so-called free market model. I think we have to have a real debate. What is the cause of wealth? Is it money, or is it the idea of the creativity of the individual, which then leads to scientific and technological discoveries, which applied in the production process leads to an increase in productivity, which then leads to more wealth, longevity, and all of these things?

We need a discussion about that. The notion of what is economy, equating that with money, has really become one of the axiomatic assumptions of a failing system. So we need a debate about that.

Schlanger: One of the great contributions of your



Wilhelm von Kardorff



[wikipedia.org](https://en.wikipedia.org/wiki/Otto_von_Bismarck)

German Chancellor Otto von Bismarck.

husband was to make the connection between geopolitical doctrine as an imperial doctrine, and the imposition of these kinds of economic policies, which only work for the handful of the most wealthy.

The focus of the Schiller Institute has been to extend the Silk Road into the World Land-Bridge. We're seeing that now with the bioceanic railway, the progress in Africa. What can you tell us about how these projects are advancing?

Zepp-LaRouche: They're developing very well: There was just a confirmation from the Chinese Embassy in Brazil, that the bioceanic railway, connecting the Pacific and the Atlantic from Brazil to Peru, is still very much on the agenda. A feasibility study has been made. This is on a good trajectory as are all the projects agreed upon at the China-CELAC meeting—the Caribbean and Latin American countries meeting with China. The Africa projects are also all progressing very well. The World Land-Bridge is becoming a reality, very quickly, to the benefit of all countries that are participating in it.

Schlanger: I'd like to come back, as we wrap this up, to the question of geopolitics. We got a question from a viewer, who wants to know why you always blame British geopolitical manipulations for World War I and World War II? And they ask the question, what did they do, and what were they responding to?

Why don't you give us the answer to that?

Zepp-LaRouche: If you look at the British Empire's policy toward the European Continent in the 19th Century, they clearly were extremely upset about the industrial revolution in Germany, introduced by Bismarck. Bismarck, as I mentioned earlier, had initially been a free-trade advocate, working with Prussian Junkers. But then he became acquainted with the theories of Henry C. Carey through his friend, Wilhelm von Kardorff, who was the head of the German business association at the time. They recognized the fundamental difference between what Friedrich List had called the "American System," and the British free-trade system.

Bismarck became a proponent of protectionism. This led to a very quick industrial revolution in Germany. The British, through their royal relatives, manipulated the ouster of Bismarck, which was really a tragedy. Bismarck was quite smart and had strategically established a peace order on the European Continent, through diplomatic treaties with every nation. With Russia, he had the secret Reinsurance Treaty, which was negotiated to prevent a possible outbreak of war, if French-German tensions were to develop.

His successors were not so smart. They didn't pay attention to this Reinsurance Treaty with Russia. The British began to manipulate the chessboard of the European countries, step by step, creating incidents to establish the Entente Cordiale; the Triple Entente; the war between Russia and Japan; and the Balkan Wars. Soon every country was set, and ready to go. The shooting in Sarajevo was only the trigger but not the cause for World War I.

Behind that was the idea of geopolitics as it had been developed by Mackinder, Milner, and later by Haushofer, which was the crazy idea that whoever controls the Eurasian land-mass will control the world, to the disadvantage of the Atlantic rim countries—the United States and England. That idea of orchestrating conflict to prevent such a development, became a live issue with the building of the Trans-Siberian Railroad in the 1890s. The plans to build a Berlin-Baghdad Rail-



FDR Library Photo Collection

President Franklin Roosevelt, inspecting the construction of the Boulder Dam, Sept. 30, 1935.

way, was regarded by the British at that time, as a fundamental threat to their control of the sea trade.

Now, obviously, today, with the New Silk Road, if you think in terms of geopolitics, you could easily arrive at the same mistaken conclusion, and I think that is the British thinking. And as we can see now, in the case of Sen. Marco Rubio, or the intelligence heads of the United States, that is their thinking.

But as I have said, many, many times, geopolitics had led to essentially all the wars in history. It led to two World Wars. Those who had read *Mein Kampf* and knew the background of Hitler, knew that eventually a war between Russia and Germany would result. There were financial backers who wanted Hitler to come to power—Bank of England Governor Montagu Norman, the Harriman interests in the United States, and others. This situation leading to World War II was manipulated; it was clear it would result in such a war.

It should be clear to everybody who has not lost his marbles, that in the age of thermonuclear weapons, you cannot continue this game, without risking the extinction of civilization! And I think what China has proposed with its "win-win cooperation," with its offers of China-United States cooperation on the basis of new relations among major powers, the offer for European countries to cooperate—that is catapulting humanity to

a higher level of cooperation and reason! And I think it is so much in our self-interest.

What is the problem with the United States? It's not that China is rising, the problem is that the United States has moved away from the policies of the Founding Fathers, of Lincoln, of Franklin D. Roosevelt, of Kennedy. The United States, indeed, could become great again, by returning to those policies, and then the U.S.A. would not regard China as a threat. It's only when the West is collapsing that there is agitation to portray the rising power as a threat. But as Chinese ambassador to Washington Cui Tiankai said—and I think that that is definitely something to think about—that in history there were 16 cases where one nation was rising and the then dominant nation was faced with such a situation: In twelve cases, there had been war, and in four cases, the rising country had bypassed the old, dominant one, and itself became the new dominant nation. The Chinese ambassador added: China does not want the twelve cases where it led to war, but it also doesn't want to repeat the four cases, with China taking over and become the unipolar, dominant country. China wants to have respect for the sovereignty of each nation. That is what all the developing countries that are participating in the

Belt and Road Initiative are experiencing. That's why they cooperate, they have benefits from it, and they have now, for the first time, the chance to overcome their underdevelopment and poverty.

I think it would be absolutely dangerous to listen to these people who are now saying that everything China represents is a threat. If you look at China, it's actually a very well-functioning economic model: The people are happy, the philosophy is for the common good, and it is not a threat. And I want to keep insisting on that, because nothing could be more dangerous than permitting complete anti-China hysteria and anti-Russia hysteria. And the only consequence of that would be a terrible catastrophe for all of us.

Schlanger: I think from what you just said, it becomes increasingly clear for people, why Donald Trump's desire to have good relations with Russia and China is seen as such a threat to the City of London, and its extended worldwide interests.

Helga, that brings us to the end of the program today. We'll see you next week!

Zepp-LaRouche: Yes, till next week.

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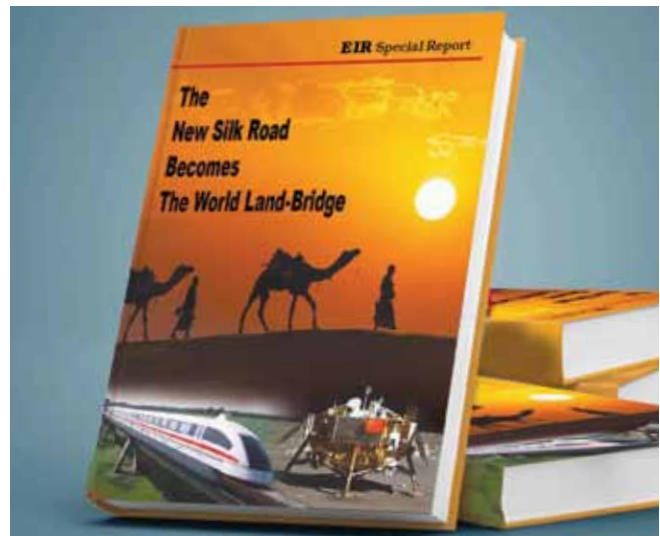
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