

II. Strategic

Ambassador Chas Freeman and Helga Zepp-LaRouche

Replace the West's 'Strategy Deficit' with Diplomacy

The following is an edited transcript of the April 17, 2025 Schiller Institute dialogue between Helga Zepp-LaRouche, founder of the Schiller Institute, and former Ambassador Chas Freeman. Ambassador Freeman's extensive career in U.S. foreign policy includes his role as interpreter for President Richard Nixon in his famous 1972 visit to China. He did the legal analysis that inspired the Taiwan Relations Act of 1979 and was Country Director for China, Principal Deputy Assistant Secretary of State for African Affairs, and Assistant Secretary of Defense. He served abroad in India and Taiwan, and as Deputy Chief of Mission at the U.S. embassies in China and Thailand. He was U.S. ambassador to Saudi Arabia during the 1990-1991 Gulf War. He is the author of several books on statecraft as well as on Middle East and Asian policy. Subheads have been added. The video is available [here](#).



Schiller Institute

Ambassador Chas Freeman

complete turmoil—and that's probably the understatement of the year—after only three months of President Donald Trump being in the White House. We have a tariff war, we have an unresolved crisis in Ukraine, we have an incredibly dangerous situation in the Middle East, and on all of these topics, you are a super expert, because of your role in diplomacy, and a commentator on many of these issues for a very long time. So, please tell me, and tell our viewers, what is your assessment of where we are?

Helga Zepp-LaRouche: Hello, good day, let me welcome you, and especially our very special guest today, Chas Freeman. Now, Chas Freeman is not only a ranking diplomat of the United States, but he has an extraordinary autobiography. He was the interpreter for President Richard Nixon in 1972, when Nixon opened up relations with China. I was there in China that same year, so I always feel a certain bond based on a shared experience, because you have a sense of what China looked like at that point, and the changes it's undergone up to now.

Today, other than welcoming you, I want to give you the word to address the strategic situation, which is in

Ambassador Chas Freeman: Well, as a diplomat, as an officer of the United States government, I swore an oath to defend the Constitution of the United States against enemies, foreign and domestic. And at the moment, the enemies, both abroad and at home, are on the ascendancy. I will first state that I'm very distressed by what is happening in my own country, which seems to be paralleled in your country, Germany: the loss of freedoms of speech, of assembly, of the right to petition the government for the redress of wrongs, and complicity in war crimes in the Middle East—as well as threats to Russia, which are very dangerous, indeed.

Internationally, the foreign dimension of this, obviously, is that we are working toward a major military confrontation with China. We have already engaged in economic warfare with China. I think the calculus here is incorrect. I believe we will lose that war, decisively, as we have lost the war in Ukraine, with the Russian Federation. I cannot say anything positive about our policies in Western Asia, which continue to cause enormous suffering, the major result of it being the destruc-

tion of all vestiges of international law. We have a genocide [in the Gaza Strip] that has been verified by the [International Court of Justice](#), by the [International Criminal Court](#), by every major non-governmental organization—Human Rights Watch, Amnesty International, and so forth—and yet, we continue to be in denial, and in support of those actions.

In Europe, I find affairs very confusing and ironic. I believed initially that Europeans went along with the United States in refusing to engage in diplomacy with Russia, and basically forcing the Russian Federation into a choice between accepting hostile forces on its border, or using force to remove them. I thought Europeans went along with this, somewhat reluctantly. We now have the ironic situation that United States President Donald Trump, although he is not very focussed and not well-informed, and not very competent apparently, is trying to end the war in Ukraine, on terms which would produce a rapprochement between the United States and Russia; and Europeans, by contrast, are engaging in discussions, not of political solutions to Europe's security issues, but to military solutions which are infeasible, and will never be accepted by the Russians—and therefore they are dangerous.

There are meetings going on in Paris, between Europeans and the senior Americans involved in the discussions with Moscow, that is, Mr. Trump's business crony and friend, real estate billionaire from New York Steven Witkoff, and Marco Rubio, the Secretary of State of the United States. But, it appears that the European agenda continues to be one of warfare, rather than of diplomacy.

So, I'll stop here. But this is an introduction to what can only be described as a dangerous mess, not just for Europeans, not just for Americans, but for the world as a whole. And I have not even mentioned any of the trade war, tariff tantrum, and other developments that Mr. Trump has provoked.

Who's Running Europe?

Zepp-LaRouche: Let me start with the focus on Germany, because you are quite right that everybody, or most people, would have thought until recently that the Europeans are vassals of the United States—that's what

Macron said at some point. And now it turns out that, with Trump in the White House, it is not the United States, but it is a different mechanism; it's seemingly a loyalty to what some people call the "Deep State." It's for sure more British than American, because it's clearly— So, what is your comment on the deeper networks at work? Because it's obviously not a question of nations against nations, but it is some kind of a network of people ideologically bound together. What is your view on such a hypothesis?



U.S. State Department/Freddie Everett

U.S. Secretary of State Marco Rubio (center) and President Trump's Middle East envoy Steven Witkoff in a meeting on Ukraine at the Élysée Palace in Paris, April 17, 2025.

Freeman: Let me make another comment. First, it is true that for the past eighty years, the post-World War II period, both the Cold War and the subsequent period of American unilateral domination, Europeans have followed American leadership to Europe's advantage. That is to say: If Europeans did not make an effort to define a European order on their own, they deferred to the United States to create and sustain one.

But that American leadership is now gone. Europeans no longer follow the lead of the United States. They may be excused for not doing so, because the lead offered by the United States is quite confusing at present—chaotic, erratic, subject to sudden change, apparently at the whim of President Trump. But the fact is, it's the American leadership in Europe, which has been a mainstay of order in Europe, that is now dead.

And so, we have the phenomenon that the Europeans, who really, historically, have an experience on

many occasions—you, yourself, have spoken about the Treaty of Westphalia, or the Peace of Westphalia, more accurately—and Europeans have an important diplomatic history. If you're a European, you live in a country next to others who can counterattack you, if you attack them. The United States, by contrast, has two wide oceans; we have good neighbors. Unfortunately, we're going out of our way to alienate them now at the moment, even the Canadians, who certainly don't deserve it, nor do the Mexicans. The Europeans understand that diplomacy is a far preferable course to warfare. Europeans historically have practiced diplomacy. Modern diplomacy was born in Italy and France. And yet, we now have the United States attempting to practice a sort of diplomacy, and Europeans forswearing diplomacy in favor of the use of force. This makes no sense.

The discussions in Paris appear to have pitted the European participants, Germany, France, England, and others, against the Americans, arguing for the presence of a NATO force, or a force drawn from NATO European members in Ukraine, which the Russians have made it clear from the very beginning was the *casus belli*, the cause of the war, that began, or the invasion that began in 2022. The war began in 2014, with the coup d'état in Kiev, and subsequent developments.

So, I think, this is very strange. It's almost inexplic-



The signing of the Peace of Westphalia at Münster, 1648, painted by Gerard ter Borch. The artist, aged about 31 at the time, travelled to Münster in Germany for the occasion.

cable. Your own country apparently is debating, as part of the military approach to dealing with Russia and the situation in Ukraine, is apparently debating supplying Taurus missiles to Ukraine, which would strike deep into Russia and which the Russians have made it clear they would feel obliged to retaliate against—one hopes with conventional weaponry, but possibly with nuclear weapons.

Germany is not unlike other European countries, in that it is running enormous risks that seem quite foolish to me—it's not necessary. Ukraine has lost the war. It's not surprising, by the way, that someone who has lost a war asks for a ceasefire, which Mr. Zelensky appears to be doing now. And it's not clear to me why those who are winning the war should agree to a ceasefire without achieving the objectives of the war. And the objectives of the war have been clearly stated by the Russians from the outset. They are three:

First, this began with a demand for the linguistic and cultural rights of the Russian-speakers in Ukraine, a minority of 29% of Ukraine as it then existed. The second and more important objective, however, was neutrality for Ukraine: no NATO presence, no foreign military presence hostile to Russia on Russia's borders with Ukraine. And the third, and most important demand, was a dialogue about a European security architecture which



CC/Philipp Hayer

The Eurofighter Typhoon IPA 7 carrying two Taurus cruise missiles

would replace the division of Europe between the West and Russia, and the military confrontation between the two, with a new order that would relieve Russians of the sense of threat that they fear from NATO, and relieve NATO, the West, of the threat that it perceives from Russia. So, a general détente, a rapprochement, some new architecture that would ensure that all the Europeans, including Russians, were part of a cooperative security system which guaranteed order and security and prosperity in Europe.

This is not even being discussed. Intellectually, we are in a sterile period of strategy. We have a strategy deficit. I think that is more important than the trade deficit that my country has—the “strategy deficit.”

So, those are my comments on that. It’s very distressing.

The Last Red Line for Russia

Zepp-LaRouche: Well, this Friedrich Merz, who is probably, or could be, the next Chancellor of Germany; he just a few days ago reiterated that he would send the Taurus missiles to the Ukrainians. This is a hot issue, because everybody knows they can only be operated with German technicians on the ground; probably also American intelligence, space and similar intelligence. He says he would do that in coordination with the European allies.

There are no other European allies who have an equivalent weapon like the Taurus, so that’s sort of a strange formulation. But Defense Minister Pistorius, who is a warmonger, in my view, because he is calling for Germany to become “war ready”—you know, I think the Germans, with our history, we should not think about being “war ready”; we should think about being “peace ready”—but Pistorius is calling for the people to be “war ready”—and there’s an incredible militarization going on in the whole country. Nevertheless, Pistorius, like Scholz, the outgoing Chancellor, was against sending the Taurus to Ukraine, simply because everybody understands that this is crossing one more, and maybe the last red line for Russia.

How in the world can Merz say such a thing? And now, even the leadership of the Social Democrats, who are in a discussion for building a coalition government right now, basically said, once Merz has access to information from the intelligence services, then he will understand that that is a no-go, to deliver the Taurus. I’m not privileged to get information from German or any other intelligence services, but just by studying the



European Union

Friedrich Merz meets Kaja Kallas, High Representative of the EU for Foreign Affairs and Security Policy, and Vice President of the European Commission. She was formerly the prime minister of Estonia.

matter, it is very clear that the Taurus is probably the last red line. What is your explanation? How can somebody who wants to become Chancellor say such a thing, putting at risk the wellbeing, and possibly the existence of all of Germany?

Freeman: Well, let’s separate that into two issues. One is the question of whether Germany and other European countries should develop an autonomous defense capability. I think Europeans should do that. You mentioned that probably the Taurus is not very useful without American intelligence support; that has been the pattern, that the United States provides essential logistical and intelligence support to European forces. For example, when some Europeans—not Germany, thank God—intervened in Libya for very strange reasons, and created the anarchy that is currently prevalent in Libya, this was not possible without the support, logistically and in intelligence terms, from the United States.

I agree that Europe needs to develop an autonomous defense capability. How much investment is required to do that, is something that experts should study. I don’t think doubling the defense budget is a very scientific

way of approaching the issue. It's almost like treating—If I may, it's like the 1930s, when the Nazis carried out what can be called “military Keynesianism,” building the Autobahns and building a lot of military industries as a way of escaping the Depression. It worked! The end result of it, however, was pretty ugly for everyone, including Germans. So, I think that's one issue.

The issue of the Taurus missiles is another. That is a provocation, and one should not engage in provocations unless one is completely confident that one will prevail. There is no match between Germany and Russia in the current circumstances, in terms of particularly the nuclear dimension, and hypersonic missiles. The Russians have spent the last three years in Ukraine learning how to cope with everything NATO could throw at them, and they have become very effective at that. And, at the moment, of course, there is a typical lull in the fighting in Ukraine, because it is the mud season, but once the mud dries out, we will see an onslaught from the Russians, along the Kremlin-Ukrainian defense line.

All of this should argue for an urgent effort to save Ukraine—what is left of it—from further diminution, further conquest by the Russians, and the killing. And I think Mr. Trump is absolutely right, to stress both those things, even if he's not going about it in perhaps the most intelligent way. We see an amateur approach to this, in Mr. Witkoff [Trump's Special Envoy on the Middle East and Ukraine]. Mr. Witkoff is apparently a very intelligent man; he learns, he listens, he's a good negotiator, he's experienced in real estate transactions; he has no diplomatic background; he has no expertise on Russia or on security matters. Still, that's on those in West Asia, where he's also been engaged in negotiating failing agreements with the Israelis, and is now engaged in dialogue with Iran. I expect he's learning a good deal from the Iranians; he does listen.

But this is not the “A Team”; this is not a group of professionals who can deal effectively with the Russians. And the biggest tragedy is, as I said earlier, we should all be talking about peace, we should be talking about how to secure peace. The example you gave of Westphalia, the negotiations over Westphalia, is very pertinent. We need a restructuring of the security system in Europe. Europe needs, also, to reform its economic policies and cohesion, in order to support a more independent role, which it's going to have to take. Up to now, from my perspective, Europe has been much less than the sum of the parts. It should be more than the

sum of the parts. That requires deep thinking and a dialogue among Europeans that I don't see happening. What I see, instead, is more of the same, almost brain-dead devotion to militarism, rather than to diplomacy.

Backlash from the ‘Deplorables’

Zepp-LaRouche: I agree with you that there is no strategic debate, no thinking, no vision. It's actually frightening. You get the impression that we are ruled by an elite, or by an establishment, I should say, because they are not very elitist; they are not an elite. And they seem to be more concerned with keeping their privileges and posts, income, and all of this, rather than thinking that they have a responsibility to the people of the European nations. And I think—and I would like to hear your comment on the following thought—I think that the Europeans have been so anti-intellectual for a very long time, that they have completely missed a strategic change of tremendous dimensions, which is the fact that the center of power in the world has clearly shifted in the last, I would say decades, to Asia, to the Global South, to the fact that the countries of the Global Majority finally want to overcome colonialism, they finally want to become middle-class, or middle-income countries where all of their citizens have a decent life. And given the fact that Russia and China and the BRICS are moving in a similar direction, the effort to completely ostracize Russia, and to make China an enemy, is just completely ludicrous! It cannot work.

But what is it, in your view, in the psychology of these, let's say European establishments, which blinds them to even investigate the failure of their own policies?

Freeman: I think Europe is experiencing many of the same difficulties that my own country, the United States, is experiencing, and that is, an establishment that is out of touch with popular opinion, and which is seen by ordinary people as unresponsive and unable to deliver what governments are meant to deliver. In other words, the sort of thing that Hillary Clinton described when she called ordinary people “deplorables”; people for whom she had nothing but contempt.

If you have an establishment which is ruling in that manner, you get a reaction. We see quite a bit of reaction in European politics, as well as here. You have in Europe, in your country, the Alternative für Deutschland, which is a response to this kind of situation. But, beyond this, I think you're right: We have a bunch of

careerists in charge; they are professional politicians. I envy Canada, which has just apparently selected someone who is not a career politician, [Mr. \[Mark\] Carney](#)—[Prime Minister, now facing an election]—who is a brilliant man, who understands the global economy and the changes in the world order that you just described. That distinguishes him from anyone else in the West, at this point, I believe. With today's world order, there's a particular irony that European nations which were once the great powers on the face of this Earth—imperial, colonial, dominant in terms of exporting European values through the world—it is a particular irony that, as the world order shifts and basically empowers middle-ranking powers, gives them more freedom of maneuver than they had in the Cold War, certainly, or in the post-Cold War era, frees them from the constraints of great-power rivalry, and allows them to make decisions on their own, that it turns out that Europeans don't seem to be capable of making decisions on their own. I think your neighbor to the east, Poland, has emerged as a great power. I wish it were thinking more clearly about the future than it is, but it is an example of a middle-ranking power that has the potential to do great things.

The other irony in this, of course—I mentioned Europe's export of European values, the values of the European Enlightenment, of the concepts of human dignity and human rights and international law, and the values of democracy, or the consultation between rulers and ruled. These things which gave Europe moral authority, gave the United States moral authority globally, have now been essentially repudiated by us. Now, if you oppose genocide, you are branded as anti-Semitic—a great irony! A great, great irony! And if you are outspoken against the war in Ukraine, you are branded as a stooge of Vladimir Putin. But, freedom of speech, respect for the constitutional order, the rule of law, the ten amendments in our Constitution which are the Bill of Rights, all these things are ebbing away.

And you're quite right, Western actions, not just in Ukraine, but in West Asia, with regard to the Palestinian issue and what is happening in Gaza and the West Bank, the attacks by Israel on Lebanon and Syria, the potential attack on Iran, these things have come together to cause the rest of the world to wish to have very little to do with us, and not to follow the West any more. We have fought for our own leadership, and the leadership from the so-called Global South or the Global Majority has

yet to effectively emerge. I think the Chinese have the capability to lead, but they lack the will. And others in that constellation are—As you suggested, Russia is essentially ostracized from the West, not from the rest of the world. Countries like Brazil lack the international power to lead.

And so we see, again, to go back to the thesis of middle-ranking powers exercising more authority and having more freedom to act, we see Türkiye emerging again, as a major force in the Eurasian context, that is, reorienting itself to the South, to the Levant in the Gulf, and to Central Asia; it has good relations with both Russia and Ukraine; and it has become vastly more important to the EU than it ever was in the past, because of the withdrawal of the United States from an active role in Europe.

So, these are all changes which need to be recognized, and I'm sorry to say that I don't see politicians in my country or in yours, exercising the level of analysis needed to understand what is happening, and to adjust policies accordingly.

The New Fascism

Zepp-LaRouche: The Russian Foreign Minister, Sergey Lavrov, already had said a few years ago that he thinks what has happened in the West is that we have moved culturally away from the Christian value set, that is, everything is allowed, everything goes, liberalism to the extreme, and that has basically caused the present decline in values and so forth. My late husband, Lyndon LaRouche, at one point said he thought that if the financial system experienced another crisis like in the 1930s, it would go along with the danger of a new fascism, and that this new fascism would not come in the same colors and looks as the old one, but a new fascism anyhow. And I think one could argue that many of the symptoms you are describing, like the tolerance for genocide, the total lack of any kind of positive image of man—Are we looking at a new fascism?

Freeman: I think very clearly we are. I think that is what is happening in my country. It took Adolf Hitler 53 days to destroy the Weimar Republic; it is taking Mr. Trump a little longer to destroy the American republic, but it is happening, as we are speaking, and it is contagious in the manner that I mentioned in your country.

It is not fascist, yet. That is to say, journalists are not being arrested, for the most part, people are not being pushed out of windows, brownshirts are not marching

in the street—but all the symptoms are there.

On the subject of values, I would just say that whatever position you take on traditional values versus the values, so-called “woke values,” which have been quite big, the thing for the cultural elite in many countries—whatever you say about that—it’s very clear that wokeness, the repudiation of traditional values has been a minority movement, and you can see this very clearly in the evolution of politics in my country. Mr. Trump was elected— 60% of American adults voted; only 60%, in the 2024 elections; half of those, 49.7%, slightly less than half, voted for Mr. Trump. The rest voted for something else, or didn’t vote at all.

So, Mr. Trump, at most, at his height, represented 30% of our public, and yet, that 30% and the cult of personality that surrounds it, are enough to undo our constitutional order, of the rule of law and so forth. And we have a President, who is not as clever as Adolf Hitler, in terms of how he is eliminating the power of the judiciary, something [Prime Minister Benjamin] Netanyahu is also doing with a different method in Israel. But, the objective is the same: a unilateral, unified executive, a single personality in charge of everything, sycophants surrounding that personality, so that the truth is banished from the inner workings of the government, and replaced with flattery and so forth.

We’ve seen this before! It does come, this time, in a different form—but not that different. And it is very frightening. I think it is particularly frightening, because what everyone says about the fascists of the 1930s, they had some degree of intelligent plan. I don’t see an intelligent plan, anywhere! Whether it’s on our domestic economy—the “tariff tantrum” is utterly irrational! It will not accomplish the stated objectives; it will accomplish the opposite. Attacks on universities are attacks on the thing, the great advantage that our country, and Germany, have had over the last century, namely an intellectual establishment that is open to ideas and that serves as a magnet for talent. We are destroying that! So, this is not anything other than fascism.

Prospects of a U.S.-China Partnership

Zepp-LaRouche: I think we are probably in for a very rough ride, given the fact that the tariff war between the United States and China seems to reach new levels, almost by the day. China has retaliated quite toughly. They have practically banned the export of rare earth metals and rare earth magnets, and that is required for almost every electric device being produced. So, I would like, given the fact that you are one of the key experts on China, to know what your view is.

Let me tell you first, what my view is. I personally think that the Chinese have successfully developed a completely different model, by what they call “win-win



Credit cc/N509FZ

China has 45,000 km of high-speed rail lines, lines on which trains can travel 250 km/h (155 mph) or more. Trains such as this one from Beijing to Jilin meet that standard. But in the U.S., the standard is met only along a 49.5 mile section (80 km) in the Northeast Corridor.

cooperation.” Sure, they get advantages, but they also do something for the country they’re dealing with, and that has led to a situation where many countries in the world, in Africa and elsewhere, really think that China is their friend, contrary to what Churchill insisted, that countries do not have friends. But they say that China is their friend.

If you travel around in China, which I did many times, and even recently, it is amazing! The cities are proper, the main stations are clean, the trains are on time. They have a train system of fast trains, I think, of 40,000 km, or 45,000 km—28,000 miles. The United States has none! Not one kilometer of fast trains!

You look at the infrastructure, you go on the highway in New Jersey, and you are vanishing into potholes

in the streets. Bridges are disintegrating, as they do in Germany; they are collapsing on a monthly basis now. And so, why is the United States— If Trump wants to make America great again, why does he not say, let's stop this incredible waste in feeding the military-industrial complex, which is producing nothing of value—not from the standpoint of the living standard of the ordinary population, only the pockets of the speculators—and why don't we do what the Chinese did, by building our own, domestic economy?

Let's build new cities; you know, the United States is highly underpopulated in vast areas in the central parts. Why not build fast train systems like the Chinese have? Why not build new cities, new science cities, and make America great again by attracting the best minds of the world to enter a dialogue with us, on science, on space, on other intellectual things? Because the Chinese, right now, are way ahead! They have, in 44 areas of advanced technology, the Chinese are leading in 37 of these 44. So, isn't that a better proposition for the United States to change course, and say, let's work with the Chinese and together we can solve almost every problem on the planet?

Freeman: I'm actually giving a talk tomorrow night at the Boston Community Church on this very subject: How competitive is the United States with China? My conclusion is that we are not competitive for many reasons. By the way, the 44 areas of technology that you mention, this is ironically— The U.S. State Department funded an institute in Australia, called the Australian Strategic Policy Institute, which made that study. They have now expanded that to 64 areas of technology, and China is ahead in 57, they say. South Korea is ahead in 2; and in the remaining 5, the United States retains the lead.

So, we are looking at a country that has picked itself up by its bootstraps and achieved great things! China went through, in the 1950s and '60s, two lunatic efforts to "make China great again." Chairman Mao Zedong launched the Great Leap Forward, which was a disaster, which led to mass starvation, and then he followed it with the Great Proletarian Cultural Revolution, which was something like what Elon Musk is now doing to the U.S. government.

And so, these failures were then replaced in December 1978, by Deng Xiaoping, with a more eclectic, in-

telligent, common sense point of effort, which has succeeded.

You mentioned the high-speed train network in China, and in effect there is no such thing in the United States. There are some high-speed trains in Europe, but they pale by comparison with the ones in China. The TGV in France is not in the same class. I think your late husband was absolutely correct when he stressed the need for investment in infrastructure. The failure to invest in infrastructure has led to the impoverishment



Jeff Vanuga/USDA/NRCS

A farmer opens a valve to apply nutrients to his field in San Joaquin County, California.

of my country, and yours. In that respect, he was completely right. And it's not too late to correct this, but we're going in the opposite direction with our cutting the government revenue. President Trump appears to believe that foreigners pay import taxes. No, no, they are taxes on the American consumer. We're not getting rich from them, we're getting poor.

And I would go back to the comparison with China: Chinese exports to the United States are about three times U.S. exports to China. In Chinese, there's a very simple definition of trade: *Hùtōng yǒuwú*, exchanging what you have for what you don't have. Now, in this

exchange, we get much more from China than we give—I'm talking only about goods here, not services. We have a positive trade balance on services with China, which the Chinese are going to retaliate against. They have just banned Boeing aircraft from sale in China, apparently, and they are trying to shift all of their agricultural imports, which are low in value—voluminous, but low in value—they are shifting all of these to countries like Brazil and potentially to places like Angola, which has enormous potential for agricultural exports. And the losers here will be the farmers of the United States. And, indeed, we are watching in the United States, farmers go bankrupt, because the banks are repossessing their equipment; farming in the United States is extremely capital-intensive; very few people work in the sector, less than 1%.

The same thing has been happening, by the way, in manufacturing. That is to say, in 1900, eighty percent of the American workforce worked in agriculture, 15% worked in industry, and 5% were in so-called services. The proportions, today, are less than 1% in agriculture, 8% in industry, and 91% in services. So, we blame China for the loss of manufacturing jobs, but it is increases in productivity, automation, the failure to re-train workers to use that automation, and corporate greed which outsources production to foreign countries with cheap labor, rather than attempting to increase the productivity of American workers, that has led to the situation. It is not the fault of the Chinese!

And there are many myths in our politics. For example, when China joined the World Trade Organization, the WTO, everybody said, "Well, this is the end of the American industrial base." No! Actually, U.S. exports continued to increase on exactly the same trend line as they had before! And industrial jobs continued to decrease at exactly the level and pace as before. So, we have many political myths, the net effect of which is to enable us to blame other people for our own mistakes. I don't think the United States is unique in doing this.

What Are the Solutions?

Zepp-LaRouche: My concern is, given the fact that the trans-Atlantic financial system is already in a very precarious situation—given the U.S. has \$37 trillion in state debt; you have an outstanding derivatives bubble approaching \$2 quadrillion—and now, when you have these sudden interruptions in the trade patterns, all of a sudden bankruptcies could happen in the emerging countries, but also over-indebted firms—and this could actually trigger a chain-reaction collapse, in my view,

bigger than that in 2008. And all the so-called "tools" of the central banks have been exhausted: quantitative easing has been done, negative interest rates have been done.

So, what could happen in the worst case, is a sudden, chaotic disintegration of the world financial institutions. And my late husband already predicted this could happen the first time in 1971, when Nixon went away from the fixed-exchange rates to the floating-exchange rate system, but especially he warned against this in many, many videos and addresses.

But he also prescribed a solution, which was the idea that you need a President who does exactly what Franklin D. Roosevelt did in 1933: implement the Glass-Steagall banking separation. You protect the commercial banks so that production in industry, agriculture, and trade can continue, but you have to eliminate the speculative part. And at the same time, you need to go into the direction of a new international credit system, because world trade has to continue; and the only way to overcome the problems of hunger, underdevelopment, and so forth, would be by a new credit institution.

Ever since this war in Ukraine started, I began calling for a [new international security and development architecture](#), which, in my view, must take into account the interest of every single country, because otherwise, it does not function.

What such a new architecture discussion should do, is not only discuss all the pressing issues, like stopping the arms race—go back to arms control treaties, convert much of the industrial capacities of the military-industrial complex into the useful civilian economy, which could be done—but then, also, the need to basically inject the kind of scientific and technological progress, like investment in fusion technology and space cooperation—and the Chinese are way ahead in all of these fields. They are the only spacefaring nation which has been on the far side of the Moon.

So, what in your view would be necessary to accomplish getting wise people from all countries to say, this present system has really almost run against the wall. If we continue on the present course any longer, we may actually risk the existence of the human species, so why do not wise people among ourselves get together, sit at a table, and start to negotiate on principles for how we get out of this mess? That is what we are campaigning for, and I would really like to hear what you think.

Freeman: I agree with you, we're in a very precari-

ous condition economically at the moment, and you can see this with the fight that has just broken out between the Chairman of the Federal Reserve Jerome Powell and President Trump; you can see it in the price of gold; you can see it in the trade war; you can see it in the disruption of financial markets. And indeed, I don't think financial capitalism is a survival technique.

But as to why we don't have wise people getting together to talk about this, the fact is that you're one of the few who *is* talking about this. Perhaps we should just clone you and be done with it, you know? [laughs] Because, there is a good deal of discussion on the sidelines among intellectual circles of many of the issues that you raise. They don't come into government. And I agree with you, there are defensive mechanisms that should be put into place, immediately. The restoration of Glass-Steagall would be one of those, but there's no push for this! And, in fact, in my country, the United States Congress might as well abolish itself, because it does nothing useful. It doesn't even pass budgets, and when the great leader calls for support, it salutes, regardless of how stupid his proposal is.

So, I'm not sure where the wise people are going to come from. But I don't know if I'm going to be around

when they emerge. They will emerge.

Zepp-LaRouche: Well, I count on you to stick around for it, more because the world needs you, very much! And I think we should escalate this effort to find such wise people, because I know that a lot of so-called "normal," simple people are extremely gripped by anxieties and worries about the future, but that leaves those people who have a little bit more time and leisure in their life to think these things through, to step forward and take responsibility in a moment of crisis like this. And one place where this is going to happen is our [upcoming conference of the Schiller Institute](#) in May, on May 24-25, in the vicinity of New York City, so I hope we will hear from you there. And also, that many people will start to register and come to this conference, which will be an in-person conference, but some sessions will also be on Zoom. Because we definitely need an intervention, and that is the place where a lot of people who are thinking like you and I are coming together.

So, thank you so much. It's always a total pleasure to talk to you, because reason has not been lost. Thank you very much, and let's talk soon!

Freeman: Thank you, Helga.

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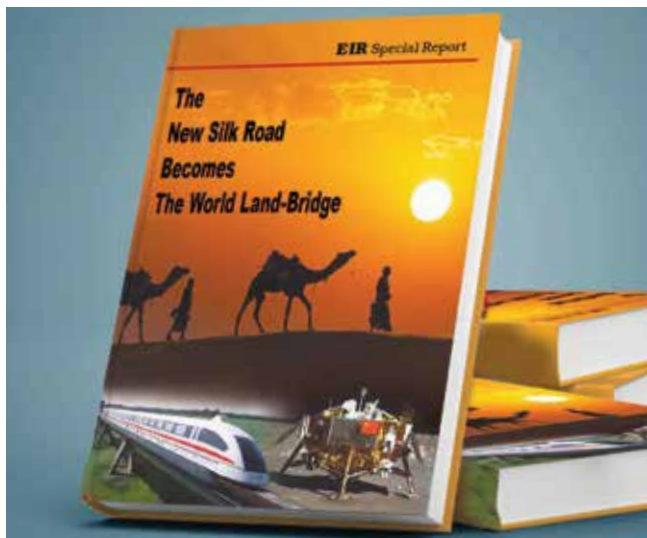
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