
II. A Moment of Decision

ZEPP-LAROUCHE WEBCAST

The Stakes in the U.S. Midterm Elections: War or Peace

This is the edited transcript of the Schiller Institute's October 11, 2018 New Paradigm webcast with the founder of the Schiller Institutes, Helga Zepp-LaRouche. She is interviewed by Harley Schlanger. A [video](#) of the webcast is available.

Harley Schlanger: Hello, I'm Harley Schlanger with the Schiller Institute. Welcome to our webcast for Oct. 11, 2018. Our webcast today will feature, as always, Helga Zepp-LaRouche, our founder and Chairwoman.

Helga and I were just reviewing events prior to this webcast. There's so much going on as we come now with less than five weeks to the midterm elections in the United States, which will be extraordinarily important in determining whether the American people are going to step up to the responsibility of joining the New Paradigm, or whether they're going to succumb to the demoralization and the media control.

Jitters on Wall Street: a New Great Depression?

We're also seeing things that the LaRouche movement is famous for: economic forecasting. Helga, why don't we start with that? We saw a very big drop in the stock market yesterday; there's jitters on Wall Street, anxiety around the world. What's going on?

Helga Zepp-LaRouche: The system is disintegrating, and it's just a question of time when this will happen. I find it very remarkable that the IMF is pronouncing the famous "D" word. Remember that the "D"

word was never to be mentioned, because the market would supposedly follow the psychology of the markets, and when you mention the word "Depression," then that could bring it on, so went the tale. But now the IMF meeting in Bali, Indonesia is warning that challenges are to be faced, otherwise, the second Great Depression would be looming.

Now, I find this really remarkable, and I think they're trying to somehow prepare the population that the thing is really coming down. This stock market plunge of more than 800 points—I think something like 820—you had President Trump who basically said the Federal Reserve is "crazy" with their interest rate policy, which caused a strong reaction by IMF Managing Director Christine Lagarde and so forth, but he kept on, repeating it twice. He said the situation is much too tense to continue. This is the





EIRNS/Sylvia Spaniolo

Organizing for LaRouche's Four Laws at a LaRouche PAC literature table in New York City in 2018.

reason why you have the reverse carry trade from the emerging markets, which was mentioned by the IMF as the biggest threat to the system, and the second biggest threat or maybe on an equal level, being the indebtedness. Now, Lagarde also mentioned the indebtedness of the governments, the corporate firms, and also other categories, like student loans and car loans and all of this, is 60% higher than it was in 2008.

Then, in addition to all of these things, you have the collapse of the real economy, with for example homebuilding having peaked in the United States in January and has been in freefall, and since about May this was also the case for copper and timber—all of these have lost between 15 and 20% since the beginning of the year. So, these are all markers that this thing will not continue.

And then, on top of that there is the growing fight between the EU and Italian government. You had the famous letter, or infamous letter by the two EU Commissioners Pierre Moscovici and Valdis Dombrovskis, to the Italian government, warning them that their intention not to stick to the EU-imposed budget deficit of 2.4%, would not be allowed, which triggered a run on the Italian bond, and as a result, the spread between the Italian and the German values have gone up to 300 points; and it is generally said if it goes up to 400—meaning that Italians will have to pay 3% and more to refinance their loans—that could contribute to a crisis.

On top of it, by the 15th of this month, that is, in four days, the Italian government will publish the details of

its budget. And it is expecting that the rating agencies will immediately afterwards put out some rating, that in all likelihood downgrades the Italian bonds, or downgrades Italy as a country. Depending on the formulation, if the outlook is basically neutral, people will say this could just pass; but if they put a negative outlook on it, then it could lead to a big banking crisis—actually not only for Italy, but for the entire Western financial system.

It is clear that some people in the European Central Bank and EU Commission think they can force the Italian government to capitulate, that they can control the consequences of this, but they are playing with fire: Because you have a highly, highly volatile financial system, and I can only say, in 2008, the whole world was more or less unprepared for the crash, because they were not listening to the warning my husband had put out, very clearly, July 25, 2007—one

week before the secondary mortgage crisis in the United States exploded. And he had said at that time, that this system is finished; all that you can see now, is how it comes down. People didn't listen. So the crash occurred in 2008 and they didn't draw any conclusions out of their own mistakes, and just kept pumping money—quantitative easing. All these instruments of the central banks are now completely exhausted and used up.

And contrary to 2008, when everybody was unprepared, those people who are now trying to cause the Italian government to capitulate and continue with the austerity, while the Italian government was voted in, because it rejected that austerity. So, if they push too hard, I think one should not forget that both Italian government coalition parties, the Lega and the Five Star Movement party, have Glass-Steagall not only in their party programs, but also in their coalition agreement.

Now, obviously, the Italian government knows what they're up against. They have seen speculators moving in on countries, driving them into the ground, so they are relatively careful, and they're not saying anything terribly provocative. But if somebody from the outside pushes them into a crash, I would not exclude the possibility, or I would actually say it's quite probable, that they would implement Glass-Steagall in self-defense.

So the situation is quite different from 2008, and I think the only lesson that one can draw out of all of this, is that we need to amplify our efforts to go for a New Bretton Woods system, which we have a campaign on internationally; we have a petition circulating urging it,

signed by many people in the meantime, and I would urge you, our viewers, to sign this petition yourself, get it around, prepare anybody you know—elected officials, mayors, parliamentarians, congressmen—to prepare for Glass-Steagall, and not only that, but the Four Laws of Lyndon LaRouche. Because unless we reorganize this entirely bankrupt financial system in an orderly fashion, the danger is an uncontrolled collapse.

You need a New Bretton Woods system, you need Glass-Steagall, we need to get rid of the casino economy; we have to have credit for the financing of the real economy, and we have to have a new credit system to finance investments on a multinational level among all the countries of this world, to get the world out of this danger of a depression.

So, if the IMF is talking about the danger of a Great Depression, people should take it to heart. Think about what happened in the Great Depression in the 1930s—in the United States it was devastation, but in Europe it was even worse, because it led to fascist movements and that to world wars. So people should not take these things lightly: Get on board with us. Join the Schiller Institute, join our campaign for New Bretton Woods, because that's the only answer one can give to this danger of a looming crash.

Is Austerity the Answer?

Schlanger: I had a chance to read through the Executive Summary of the IMF report, and there were two omissions—they were there in a sense, but they didn't really acknowledge them—both of which your husband was out in front of for many, many years, in dealing with the IMF. On the one hand, it's clear that it's *their* policy which has failed. The austerity regime policy which the IMF is famous for, has never led to any economic development. And secondly, the quantitative easing, the low-interest credit which went into speculation, instead of Glass-Steagall—the IMF was promoting that. And so, the two policies they promoted, they're now admitting have failed. Your thoughts on that, Helga?

Zepp-LaRouche: I think the possibility that the IMF would reform itself verges on zero. A different kind

of action is required. In a certain sense, you have right now in the whole world, already, a revolt against these failed neo-liberal policies. This was expressed in the Brexit vote; this was expressed in the election victory of President Trump; the new Italian government is an expression of that; also the new Austrian government.

In a certain sense, national sovereignty has to be reasserted, and these supranational institutions were the main reason these policies were imposed, which created havoc. Look at what happened to Greece. The Greek economy was diminished by one-third. The Italian economy was destroyed. The fact that we have now a totally different government in Italy, which is pro-growth for the most part, which is for good relations

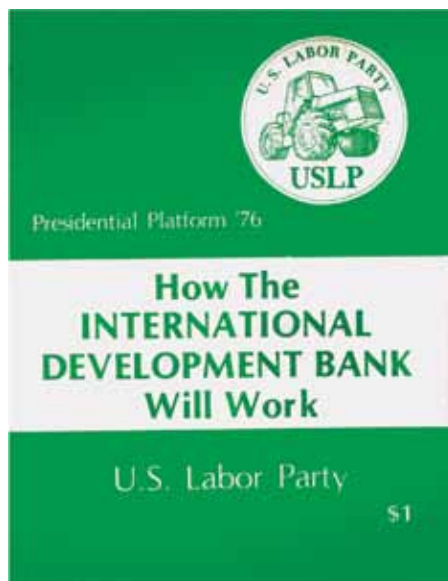
with China, for a positive relationship with the New Silk Road—all of this is a response to the failure of these policies. And there are many people in Europe who are expecting that, given the fact that the EU is basically doing exactly the same thing in principle, namely, sticking to the neo-liberal austerity, that you will have an earthquake in the coming European Parliament elections in April, which will mean that these present policies will be absolutely out.

LaRouche's International Development Bank

I think this is much too long term, however. I think the crisis is upon us now, so I can only say that the only solution is the package I just said: The IMF is really a bankrupt organization, as was stated by my husband in 1975, when he proposed to replace this IMF with an International Development Bank, which would provide large-scale, low-interest credit for development projects in the developing sector. If that would have been done, we would not have a migration problem, we would have prosperous countries around the globe. Now, with the New Silk Road, this policy is on a good path.

So I can only say, "Listen to the wise words of Lyndon LaRouche," belatedly, but better late than never.

Schlanger: Lyndon LaRouche's [pamphlet](#), "How the International Development Bank Will Work," was a very popular item back in 1975 when he wrote it.



We used it for his first campaign for President.

Trump: ‘The Democrats Have Gone Wacko’

On the upcoming midterm elections, there’s a lot of turmoil that’s been unleashed. What’s clear is that Hillary Clinton has not learned anything from the results of November 2016. You have civil unrest being built, deliberately, because the Mueller Russiagate story is collapsing. This can become a very dangerous situation. Let’s start with what Trump said. Trump said, the Democrats have gone “wacko,” and are “too dangerous to govern.” I assume you would share that assessment, Helga?

Zepp-LaRouche: If calling for violence is a sign of insanity, then I would agree with him. And it’s funny, I was looking at the German media, and they all portray this fight, this very hot situation in the United States, as if it’s all just electioneering by Trump—calling the Democrats a “mob.” But, it is a fact that Rep. Maxine Waters (D-CA) already some months ago, [called](#) on everybody to get into the face of Trump cabinet members, whenever you see them—there were some actually violent incidents; people were not served in restaurants; and also some other Democrats called for people to be “in their faces” of the Trump camp.

And that has created a complete hysteria, which was amplified by the Brett Kavanaugh Supreme Court confirmation case. Even Harvard law professor Alan Dershowitz, a liberal Democrat, denounced Sen. Dianne Feinstein and former Attorney General Eric Holder for saying that Kavanaugh should not be accepted, because this would put into question the legitimacy of the Supreme Court! This is really incredible. Dershowitz then correctly said, forget it, Kavanaugh is now confirmed as a Supreme Court Justice and he will be there for his lifetime; this was due process, and the Democrats should go back to being civilized and not violate all the norms and rules.

This is incredible: I’m not an expert on American constitutional questions, but it seems to me that if the Senate, or some Senators, put into question the legitimacy of the Supreme Court, this will lead to a constitutional crisis, or some kind of a state crisis—if these people are not stopped.

I think they have lost all barriers; they have lost all sense of limit! This is a completely hysterical situation, and I can only say that this is very dangerous. We have

The image is a screenshot of a Newsier article. At the top left, the Newsier logo is displayed with the tagline "READ LESS KNOW MORE". To the right, there is a "Blunder #9:" section with a small video thumbnail. Below the logo, there are three smaller article thumbnails: "Media Jumps on Trump's Praise for Robert E. Lee at Rally", "Melania: Here's Who I Wore That Jacket For", and "Beyond Surprising! Breaks Foundation Records". The main article is in the "POLITICS / RAND PAUL" category. The headline reads "Rand Paul: 'I Fear There's Going to Be an Assassination'" and the sub-headline is "Senator cites 'unstable' people amid death threats". Below the text is a photo of Sen. Rand Paul in a suit and tie, walking through a doorway. A caption below the photo reads: "Sen. Rand Paul, R-Ky., leaves a meeting of Senate Republicans on Capitol Hill in Washington on Sept. 26, 2018. (AP Photo/Lance King Martin)".

said many times that Trump is being attacked—I mean, you can pick on tiny points here and there, but that’s not the point—the attacks are because he is trying to get the U.S. relationship with Russia on a good basis. He had a very successful summit in Helsinki with Putin. And at least, in the initial phase, he had an excellent relationship with China and Xi Jinping. And that is why the geopolitical establishment went absolutely crazy. As a matter of fact, they’re escalating their campaign, both against Russia and against China, in unprecedented ways. It is a question of war and peace. People should really understand that, and that the Democrats have really gone crazy on the issue of Russia and also China, and they should not fall into this trap, because the consequence is World War III.

George Soros Funding Rent-a-Mobs

Schlanger: One of the other important points, I think is that what we’re seeing, is again, people like George Soros funding these rent-a-mobs. Soros, of course, has been involved in such activity for many, many years. I believe you, Helga, first identified the operation against Trump after the election, as similar to

The Last Refuge

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DNC Lawyer Michael Sussman Was Providing FBI Information For Trump Investigation and FISA Warrant...

Posted on October 4, 2018 by susstanc

After initially stating a DNC lawyer was a source of information to the FBI for use in their counterintelligence operations against the Trump campaign, the name of the lawyer from the DNC law firm of Perkins Coie has now been revealed as **Michael Sussman**.



the “color revolutions” that Soros, combined with people such as Sen. John McCain, the National Endowment for Democracy, and the Clinton State Department, ran throughout the former Soviet bloc countries. I think we’re now seeing that what you said about the “color revolution” is totally accurate, including the danger of a Maidan Square-type chaos being unleashed. Sen. Rand Paul said yesterday that he fears that there could be assassinations.

Is this pretty much what you had seen two years ago, this color revolution scenario?

Zepp-LaRouche: Yes. Whenever you have George Soros involved in such things, the speculation naturally goes in this direction. According to reports, he financed to the tune of \$50 million, a private group which was called into being by a “senator,” not named, but the individual involved was formerly an aide to Sen. Feinstein. This constituted an outsourcing of the whole Christopher Steele operation to a private group, basically using \$50 million, so that it could continue after Steele was officially fired from his liaison with the FBI.

New Revelations on Russiagate

Now, this is incredible. I think this will all come out. Even if it was behind closed doors, nevertheless, what came out in various Fox TV programs and various other revelations following the James Baker testimony, was

that it was Michael Sussman, the lawyer of Hillary Clinton’s campaign and the lawyer for the DNC, who was the original trigger for the whole Russiagate affair. I find this absolutely incredible and I can only hope that the American voters draw the proper conclusion, because it means that the Hillary Clinton campaign was involved with a foreign power, namely Great Britain, against her opponent in the election campaign, and then afterwards, basically against an elected President. Now, I don’t find this very “democratic,” to say the least, to use these kinds of intelligence service methods, “deep state” methods, to work against your own President, who has been democratically elected.

This, in my view, is the biggest scandal, and if all comes out, if all the documents are declassified, I think it will go down as the biggest scandal in American history. That’s what’s at stake with this midterm election.

Schlanger: Baker, who was legal counsel to Director James Comey and the FBI, in his testimony before a closed Congressional hearing, acknowledged that Sussman gave him the Steele report, which was then incorporated into the original FISA warrant against Trump campaign advisor Carter Page. That just makes clear that all these Democrats who have been protesting what Rep. Devin Nunes did in his House Intelligence Committee, were wrong, were lying; they were trying to cover up the connection between the British, the Clinton campaign, and the FBI.

Pence & Pompeo: Mixed Messages in China

Now, Helga, a couple of other things we need to cover before we finish today: One is the very significant stopover in Beijing by Secretary of State Mike Pompeo. He had just come from North Korea, from what appears to be quite a successful meeting with Kim Jong-un. But when he got to China, it was a slightly different environment, largely because of the moves toward war. What happened when Pompeo got to Beijing?

Zepp-LaRouche: This was shortly after Vice President Mike Pence had delivered an absolute diatribe at the Hudson Institute Oct. 4, attacking China in the *worst* possible way. This was taken very badly by the Chinese government and Chinese media, who questioned whether Pence’s remarks reflected a shift in the Trump Adminis-

tration to a totally hostile attitude towards China. When Secretary of State Mike Pompeo arrived in Beijing just a few days afterwards, he reiterated that it is the policy of the United States to have a good relationship with China, that the U.S. agrees with the One China policy, and that the United States is not trying to stop the rise of China. Several Chinese media noted the fact that this was an extremely important statement to come at this moment.

There was one interesting article in the *Global Times* by the American analyst and expert, Clifford Kiracofe, who made the point that there is a clear difference between Pence, who sort of speaks for the “deep state,” and Trump, who is trying to change U.S. foreign policy, but is being hamstrung by this crew. Kiracofe basically said the U.S. establishment is unwilling to learn the lesson from what’s going on strategically, which is that the world is changing and that a multipolarity already exists.

Now, the significance is not just in Kiracofe’s saying this, but that *Global Times*, a paper very close to the Chinese government, is also publishing it. So I think it’s



White House
Vice President Mike Pence speaking about the Trump Administration’s policies toward China at the Hudson Institute on Oct. 4, 2018.

important that the Chinese are still holding out hope for good relations with the United States, despite the trade war and the escalation coming from ridiculous figures such as the Director of Asia Studies at the Council on Foreign Relations, Elizabeth Economy, who was already on a rampage in 2014, who has now come out with another major piece, accusing China, of all things—I don’t need to repeat this stuff. In 2014 I said that Elizabeth Economy obviously has an “economy-class mind” if she says these things, and

obviously, she has not improved since.

In any case, I think it’s very important that Pompeo was there to set the record straight, because the need to find solutions to the world does require the collaboration among the major powers of the world. Those who are pushing this insane confrontation—like Hillary Clinton did in her recent speech at Oxford University, where she delivered an absolute rant against Russia and Trump—should really not be listened to, at all.

New IPCC Report Crazier than Ever

Schlanger: Another group that shouldn’t be listened to, but unfortunately is, is the Intergovernmental Panel on Climate Change (IPCC), which is in the news again, with their so-called “manmade climate change” theories, demanding that carbon dioxide be eliminated from the universe. This goes back to the campaign you waged against the British-backed, German figure, Hans Joachim Schellnhuber, who has been pushing these policies. And now it looks as though this nonsense is going to be thrust as a dagger into the heart of the German auto industry. And it’s a good thing that Trump pulled the United States out of the Paris Agreement on climate change. Where is this heading?

Zepp-LaRouche: This IPCC report says that the climate accord reached in Paris in



State Department
Secretary of State Michael Pompeo (second from left), Ambassador to China Terry Branstad (left), and Deputy Assistant Secretary of State for Southeast Asia W. Patrick Murphy meeting with Chinese Politburo Member Yang Jiechi in Beijing, China on Oct. 8, 2018.



CC/Janwikifoto

John Schellhuber, May 17, 2011.

2015 was not enough, that rather than be satisfied with limiting global temperature to a rise of 2 degrees Celsius, we must limit the rise to only 1.5 degrees Celsius by 2050. This is basically what Schellhuber put out some years ago with the “great transformation” as he called it—the decarbonization of the world economy, getting rid of nuclear, getting rid of coal, oil, gas, just go to “renewable” energy sources.

It is very, very clear that what my husband has developed in terms of the cohesion and the correlation between energy flux-density in the production process, and the potential relative population density that can be maintained with that energy flux-density, means that the goal Schellhuber has set forth, that the Earth can only carry one billion people, is what they now want to put back on the agenda. It’s a desperate effort by the forces of the Empire against Trump, who has promised to reindustrialize the United States; it’s especially against the New Silk Road, against the Belt and Road Initiative, the new spirit which has captured more than 100 countries that are now working within the Belt and Road Initiative to their mutual benefit. It’s an effort to throw a monkey wrench into this new dynamic.

But I think it’s desperate, I think it’s dangerous. I don’t think it will work. I don’t think that these people will convince China, India, Latin America, Africa, the Asian nations, even some of the European nations, to lie down and die, because this is what that would mean.

It’s dangerous anyhow, because you can see that the policy to limit global warming needs a mass hysteria on the CO₂ question. I mean, first of all, we have long debated that the CO₂ emissions are really a minimal factor in climate change. Climate change is taking place, there’s no question about it, but as we have documented many times in the past, it has to a very large extent to do

with the position of our Solar System in the Galaxy, and it is long-term cycles from Ice Ages to warming periods, and within that, you have still smaller fluctuations; and this is determining the climate.

So the whole discussion of whether the CO₂ emissions by man are causing these climate changes is just completely absurd. Now, it’s very dangerous. You can see brainwashing going on of the population. In Europe, for example, one day after the IPCC put out its quack report, the EU Environment Ministers, meeting on Oct. 9, agreed to cut car and van CO₂ emissions, not by 30% as previously agreed to, but by 35% by 2030, even earlier if possible. The German government, which had initially wanted a 30% reduction, agreed with the EU ministers. It’s just crazy.

Now, what will that do? Today, Herbert Diess, Chairman of the Management Board and CEO of Volkswagen, the largest German carmaker, came out and said that if a 35% cut in cars’ CO₂ emissions is implemented, this will force a reduction of one-fourth of the VW labor force in ten years, or 100,000 jobs—and that’s just one carmaker! Add all the other ones, and you will end up with millions of people going unemployed and the whole industry collapsing! Germany, as an economy, is already on extremely fragile ground because of the exit from nuclear energy, and combined with a push to eliminate coal altogether, this will be the death of Germany as an industrial country. Obviously, we will make a big campaign against that.

Why Not Dump Coal Too?

Poland, for example, is 90% dependent on coal for its electricity production. And if countries such as Poland are forced to cease using coal for electricity production, you will have a populist explosion in the next vote, if not earlier.

So this is all completely crazy, and it should be stated very clearly, that with the presently existing technologies, for a very long time to come, the world’s population cannot be maintained without coal. There are safe and modern coal plants which are completely environmentally friendly; but the climate crazies are completely motivated, not by considerations to protect our environment, but by an anti-population attitude.

Global Warming Is Not Science

In 2015, we published a [report](#), ‘*Global Warming’ Scare is Population Reduction, not Science*. In that report, we had the Queen of England and Prince Philip on the cover, because Schellhuber wants to be addressed

all the time as “CBE,” Commander of the Order of the British Empire. We documented in that report that these are all British policies. We can see this in this new IPCC report and the anti-CO₂ emission campaign. A German court has now banned older diesel fueled cars in 11 zones of Berlin! The German Association of Craftsmen has said that this means that 50,000 cars of craftsmen will not be allowed to drive in the city, and everybody who needs the services of a craftsman, who needs a new roof, or needs a new pump, or whatever, will not be serviced any more.

None of this has anything to do with real issues: It’s mass psychosis, and it’s driven by the hedge funds, by Wall Street, because the CO₂ emission trade is quackery: We denounced an emissions trading system in the past, and now, to impose a global carbon tax, which is also what is being pushed, would mean they have again a good weapon against national sovereignty, because once you agree that national economies have to submit to policing of their carbon emissions, “there you go again“ in the direction of this globalist eco-fascism.

It’s not scientific; it’s the opposite. It’s oligarchical and it’s an effort, really aimed, in my view, primarily against the New Silk Road, but also against Trump, against Germany, and many other countries. So, we should really denounce it. We will soon have a new section on our Schiller Institute website, containing lots of articles, interviews and statements. If you have some scientific contribution to make to this subject, we will publish it on this website as a contribution to a public debate. Because this is really dangerous for the future of civilization.

We have to have the opposite approach: We have to have an optimism about man being able to achieve fusion power, to develop completely new scientific methods for energy, safety, for raw materials security, for space travel. I think we should not get into this scare which is really a tool of the oligarchy to try to stop the development of the people.

Endorsement of Rogers for Congress

Schlanger: Helga, we’ve gone on a little bit longer than usual, but I think there’s one other thing we have to bring up, because we teased it last week, which is endorsements for Independent Congressional candidate Kesha Rogers in Texas. In case people don’t know this,



EIRNS/Bryan Barajas

Schiller Institute

Roger Stone (inset) endorsed Kesha Rogers for Congress.

in the last couple of days, two very prominent American Republicans and conservatives—actually, they may not even be Republicans in the “party” sense—but Roger Stone, a longtime friend of Donald Trump, a self-proclaimed “political provocateur,” issued a very strong endorsement of Kesha Rogers. And then, Senator Richard Black, a Virginia state senator, who’s been very involved in exposing the coup and also exposing the “deep state” operations against Syria, issued a statement endorsing Kesha Rogers. Helga, do you have any thoughts on these two endorsements?

Zepp-LaRouche: I think it’s great, and I can also add that a former French Presidential candidate, Jacques Cheminade, also endorsed Kesha Rogers, saying that even though he’s not an American, Kesha’s campaign has international significance, because she is the flagship against everything that’s going wrong in the United States right now. I think we will have more such statements, and I really encourage all of you to come out and support Kesha Rogers, because this is a campaign of national importance and international importance. [Rogers is an Independent running in the 9th CD in Texas against incumbent Democrat Al Green, who promotes impeaching President Trump regardless of whether he has committed a constitutionally defined crime or not.—ed.]

Schlanger: OK, I think that about does it. Until next week, Helga. We’ll see you.

Zepp-LaRouche: OK, till next week!