

Building Bridges: Schiller Institute Delegation Visits Portugal and Spain

by Dennis Small

Dec. 8—Over the course of late November and early December, the nations of Spain and Portugal received state visits from China's President Xi Jinping, and signed significant economic, social and cultural agreements with China in the context of the Belt and Road Initiative (BRI).

Spain was the more cautious of the two, agreeing only that "both parties believe that the Belt and Road Initiative is an important proposal in the framework of global cooperation, and recognize the potential of this connectivity platform." Spain did this all the while looking nervously over its shoulder at the European Union bureaucracy in Brussels which, along with the British and their factional allies in Washington (such as Vice President Mike Pence), remains hostile to seriously engaging with China's global infrastructure project. Nonetheless, the Spanish government and companies signed 18 individual agreements and memoranda of understanding with their Chinese counterparts.

But there is also a growing movement in Spain among business and political layers, for fully joining the BRI, and for playing a particular role as a link to Africa and Ibero-America, where Spain has long-standing historical and cultural ties. This is especially the case in Valencia, Spain's third largest city and Europe's sixth largest container port, where regional and national leaders are betting heavily on the Mediterranean Corridor and its African "mirror image," the Trans-Maghreb Corridor, as the necessary extensions of both the land economic belt and the maritime silk road that are the two components of the BRI.



EIRNS

Dennis Small

In Portugal, the agreements signed during Xi Jinping's Dec. 4-5 state visit were more extensive and in-depth than Spain's. Portugal signed a memorandum of understanding "on cooperation within the framework of the 'Silk Road' economic belt and the 21st century 'Maritime Silk Road' initiative," while the two countries signed a joint communiqué expressing their interest in "promoting cooperation with third countries, in regions such as Africa and Latin America." Most significant, progress was made on China's involvement in the development of the Sines deep-water port in southern Portugal, which both sides view as critical to linking Europe to the BRI in the Americas and Africa.

It is noteworthy that, in reaching these accords, the Portuguese government stood up to hostility and even overt threats from the British Empire and its spokesmen. Italy's courage in standing up to Brussels's fixation on austerity and hostility to China, now seems to be spreading to other European nations—such as Portugal.

A Visit to Spain and Portugal

Immediately before Xi's visit to Spain and Portugal, Schiller Institute representatives Dennis and Gretchen Small visited those two nations from November 11 to 21 for a series of meetings and speaking engagements on the BRI. What follows below here is adapted from a report on that trip given by Dennis Small to LaRouche PAC's Dec. 1 weekly Manhattan Project meeting.

We recently returned to the United States from a two-week trip to Spain and Portugal, and Germany afterwards—a trip that was sandwiched in between the U.S. elections and the G20 meeting in Buenos Aires on Dec. 1. As it happened, Chinese President Xi Jinping visited Spain right after our visit there from November 27 to 29. He then flew down to Buenos Aires for the G20, went to Panama on the way back, and then went to Portugal, Dec. 4 to 5.

The trip was a bit of a reconnaissance mission with

the intention of presenting to people in those countries the Schiller Institute's new report, *The New Silk Road Becomes the World Land-Bridge: A Shared Future for Humanity, Vol. 2*, including its chapter on the Iberian Peninsula, "Spain and Portugal: The World Land-Bridge's Bridge to Africa and Ibero-America."

The purpose of that report, and of our trip, was to communicate not just all the lists and maps of wonderful global projects that can and must be built, and how the United States and China must work together to bring these projects about. From the outset, the stated mission of that report was to present Lyndon LaRouche's methodology of addressing the fundamental existential crisis that humanity is facing, and the solutions to it. Therefore, the projects we presented in that report were focused on the "game-changers" that kick over the chess board and change the entire way humanity is organized. Because nothing less than that is going to work.

Let me begin by indicating some of the problems that we ran across. It's important to search out the problems, and not avoid them. A key problem is that few people in either Spain or Portugal were willing to admit that the trans-Atlantic financial system is bankrupt—irremediably, totally, bankrupt—and cannot be salvaged other than through a process of total bankruptcy reorganization.

A second key thing which people had a lot of trouble with, is understanding what actually happened in the 2016 U.S. elections. How did Trump get elected? And even well-meaning people, very intelligent people, are bombarded internationally with the same kind of lies that we get from CNN, the *New York Times* and the *Washington Post*.

I'm singling out these two issues for a very particular reason, which is that neither fits into people's existing worldview. In other words, it's not something that adds up and makes sense to them. It's not something

FIGURE 1

Trans-European Transport Network



that they can somehow shoehorn into their existing way of thinking; so therefore, they don't understand it. Because their starting point is: "Well we've got this round hole here, and you're trying to put in a square peg. I'm not changing the round hole, so that means you can't possibly be right."

So, the real challenge is that you somehow have to get people to think in a way such that you are affecting not *what* people think, but the way that they think; *how* they think. Because if you don't do that, it really doesn't matter *what* they think, because it'll all be coherent with their existing mode of going at things. They will, at best, keep trying to jam that square peg into the round hole.

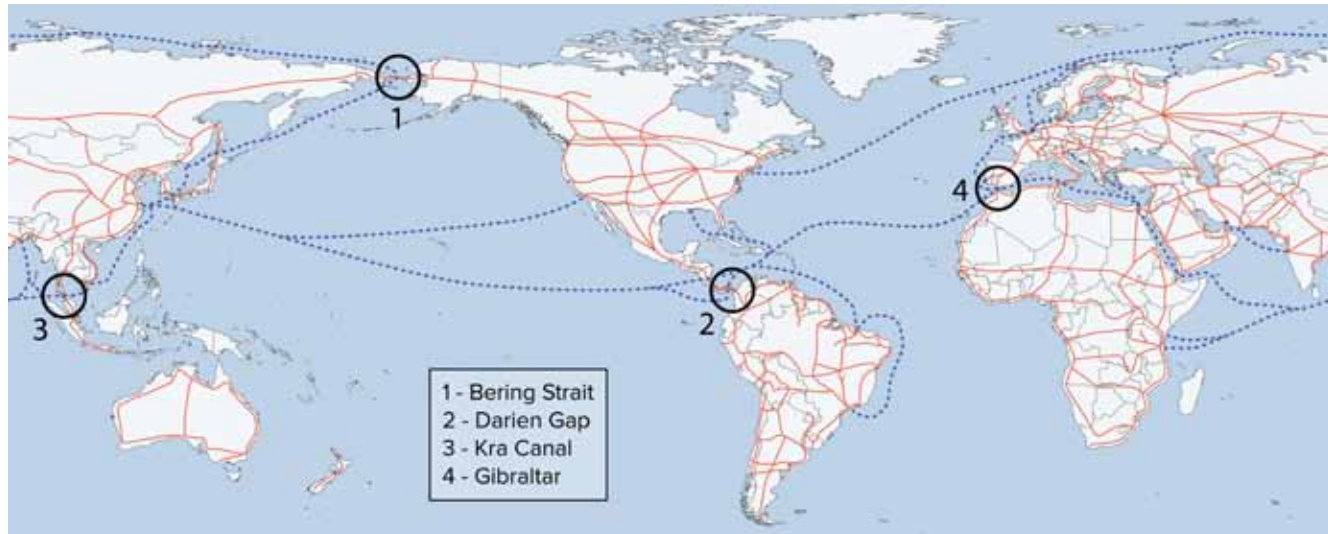
Portugal: Where the Land Ends and the Sea Begins

One of the crucial issues in Portugal is the question of the port of Sines. As you can see in **Figure 1**, the European Commission's proposed Trans-European Transport Network is a viable network of rail lines, but under the bankrupt trans-Atlantic financial system it is never going to be built.

Sines is two things. It will be the westernmost point of the rail land-bridge stretching all the way from China, but which now goes only as far west as Madrid, arriving from Yiwu in China. Only part of the line on the map

FIGURE 2

The World Land-Bridge Network



from Madrid westward exists—so that further work is needed to link it up all the way to Lisbon and the port of Sines.

In addition to being a rail terminus, Sines is also a port, the closest European Atlantic port en route to the newly expanded Panama Canal and the entire Western Hemisphere.

Sines is already Portugal's major port, handling about half of its sea freight, but the idea is to expand it as a major deep-water port—it's about a \$700 million project—to also be one of the major hubs of the Maritime Silk Road, linking Eurasia to Africa and the Americas (see **Figure 2**). Portugal's proposal for Sines coheres with the Schiller Institute's proposal for the Maritime Silk Road to not only extend from the Indian Ocean, through the recently expanded Suez Canal, cross the Mediterranean, and transit the Strait of Gibraltar to Sines, but to also extend from there into the entire Caribbean Basin region, through the new Panama Canal, the proposed Nicaragua canal, extending trade all the way across the Pacific to China. The Maritime Silk Road will also extend down into Africa, in similar fashion.

In our discussions in Portugal, we were frequently told: "We Portuguese have the sea in our DNA, and we intend to be part of the BRI." Anyone who knows a little bit of the history, knows that that's actually the case, going back to the era of Prince Henry the Navigator (1394-1460), Sines-native Vasco da Gama (1460s-

1524) and other great explorers. If you go to the world-famous Maritime Museum of Lisbon, you'll see ships and so on, but it's mainly a museum of the scientific discoveries in shipbuilding and astronomy coming out of Portugal, in the period of the 15th-16th centuries, which allowed them to be the explorers of the universe at that point.

This was famously expressed by Portugal's most renowned poet, Luís de Camões (1524-1580), who wrote, "Here the land ends and the sea begins." In fact, it was with this famous line from Camões that Xi Jinping began his article published in the Portuguese press before his arrival in that country.

Spain: '*¡Quiero corredor!*'

Our second stop was Valencia, Spain's third largest city and the Mediterranean's number 1 container port. Valencia is the sixth largest container port in all of Europe, after Rotterdam and others, but top government officials and people involved in infrastructure told us: "We know that the world is heading towards the Belt and Road Initiative, and we know that trade with China is going to grow many-fold over coming years and decades. We've been involved with China for hundreds of years"—because Valencia was a silk port on the old Silk Road, and still features a famous silk exchange—"and so we are planning to become the third largest port in Europe."

This includes expanding their port facilities to the

FIGURE 3

Mediterranean and Trans-Maghreb Corridors

nearby port town of Sagunto, which is about 30 kilometers north, and connecting it with an underwater tunnel for truck traffic to create a single, linked port.

That is not all that is being planned for Valencia. As can be seen in **Figure 3**, Valencia is part of a Mediterranean rail corridor, which is nearly complete, but which will be expanded and improved to fully link Spain to France and the entire World Land-Bridge. In fact, the national government has established a sub-ministerial entity called the *Corredor del Mediterráneo*, with headquarters in Valencia, to promote the project.

The relevant authorities conceive of this project not just as a European Mediterranean Corridor, but as side by side with the Trans-Maghreb Corridor along Africa's Mediterranean coast. "You have to look at the Mediterranean Sea like a mirror," top officials told us. "The Mediterranean and Trans-Maghreb Corridors are mirror images of each other, and are part of an overall development project, including the eventual construction of a

tunnel or a bridge across the Strait of Gibraltar. This is the only approach that will work to solve the problems of migration, poverty and terrorism that are devastating Africa; you have to develop the whole region."

The thinking, at least in these far-sighted circles, goes further. They are mobilizing to organize the Spanish population itself in support of this perspective. They have organized bus tours up and down the Mediterranean coast of Spain, setting up informational literature tables on the streets, with petitions to be signed by the population under the heading: "*¡Quiero corredor!*"—"I want the Corridor!" And they are explaining why this approach is necessary for getting Spain as a whole out of the mess that it's currently in.

When we left Valencia, we went to Madrid for two reasons: First, for political meetings there. Second, in order to travel on a high-speed train. As

we explained to our incredulous friends in Spain, we don't have any high-speed rail in the United States. Spain, on the other hand, has significant high-speed rail: It is the second country in the world in total kilometers of high-speed rail, after China. The high-speed train from Valencia to Madrid travels at 300 kph—over 185 mph.

So, if anyone in the U.S. wants to ride a high-speed rail line, you've got a few choices: You can go to China, obviously. Second option, you can go to Spain. And a third place you can go is to Northern Africa: as of November 19, 2018, a high-speed rail line now connects Tangier with Casablanca! That train goes 320 kph, and it cuts the time it previously took to get there by rail from 4 hours 45 minutes, to 2 hours 10 minutes! Soon enough, you will also be able to go to Panama, to ride the high-speed rail line which the Chinese are proposing to build from Panama City to David, near the Costa Rican border.

We were in Madrid immediately before the Nov. 27-28 state visit of Xi Jinping to Spain, so there was a lot of excitement and policy planning in the air about the BRI. One of the most interesting meetings we attended was a book presentation by the 82-year-old head of Spain's Cátedra China think-tank, Marcelo Muñoz, who presented the new world order emerging under the Belt and Road Initiative to a packed audience of 150 top Spanish and foreign diplomats (including China's ambassador to Spain), businessmen, trade unionists, Sinologists, and others. Joining Muñoz on the panel were two former Spanish ambassadors to China.

The highlight of Muñoz's remarks was a discussion of how China's New Silk Road is creating the new world of the 21st century, which he illustrated with the signature World Land-Bridge map from the Schiller Institute's new Special Report (without identifying the source), noting that this is *the* vision of what awaits the world in the 21st century. He named the four projects highlighted on that map: the Bering Strait tunnel, the Kra Canal in Thailand, the Darien Gap, and the Gibraltar Strait tunnel—with the latter receiving enthusiastic support in further discussion from the floor.

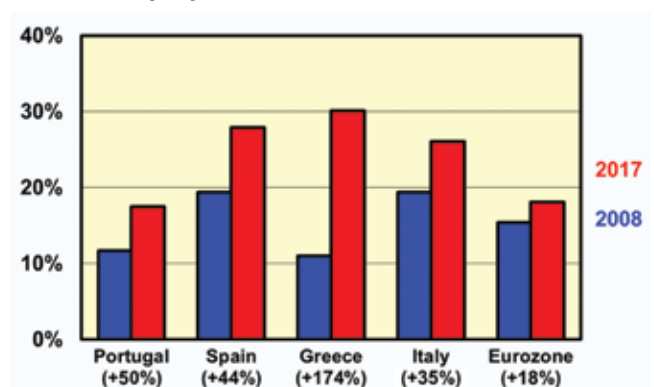
Concern over the direction of U.S. China policy under President Trump, and how to ensure that no conflict ensues, was a major element of the presentations by Muñoz and the other panelists. Spain's three-time former ambassador to China (and once to Russia), Eugenio Bregolat, stated that there are both sane voices in and around the U.S. administration and also hawkish ones (accurately mentioning trade advisor Peter Navarro by name). He counterposed the U.S. reaction to China's development today, to how the United States under Kennedy responded "with confidence" to the Sputnik shock in 1957, by leap-frogging ahead in science and technology of its own. America should do the same today, Bregolat emphasized, and not try to stop China's progress. Both Muñoz and Bregolat agreed that such cooperation is the solution. Muñoz emphasized that the common basis for cooperation between the two nations lies in the realm of scientific work, noting that Confucian philosophy is critical to that common endeavor.

The European Union Problem

There are two critical issues which were major obstacles to many well-meaning people in Portugal, and Spain (and beyond) being able to fully understanding the global strategic crisis, and devising policy solutions

FIGURE 4

Real Unemployment, 2017 vs. 2008



to it. One is the international financial collapse. Misjudging it leads people in Europe to harbor wishful illusions about the role of the European Union; many people—less in Portugal than in Spain—still think, “Well, the EU will be the one to negotiate all this with China.” They don’t like Brussels, they don’t like the loss of sovereignty, they don’t like the budget cutbacks, they don’t like the austerity the EU imposed on them after 2008, but they say, “Well, we’re stuck with the EU, and the EU has to be the one to negotiate a deal with China.”

The only reason they can still think so, is that it has not yet registered with them that the EU is joined at the hip to the existing trans-Atlantic financial system, which is *dead*. The EU is the representative of an *ancien régime* which that is defunct—the only thing missing is its formal burial.

Consider the following set of slides, which point to the physical-economic and demographic collapse of Europe, especially of southern Europe, under the British Empire's policies imposed by the EU. First, look at *real* unemployment, which is not just the official unemployment reported by Eurostat, but also adds in de facto unemployment, such as people who have given up on looking for jobs, people who have part-time jobs who want full-time jobs, etc. (see **Figure 4**). You can see what happened in 2008, when the last great international financial crash hit, and all financial instruments went into keeping the speculative bubble afloat: Unemployment increased by 50% in Portugal, by 44% in Spain, and so on. The situation with youth unemployment is far worse.

What is going to happen to these nations when the next, much bigger financial blowout hits—as it inexorably will?

FIGURE 5

Total Population

(millions)

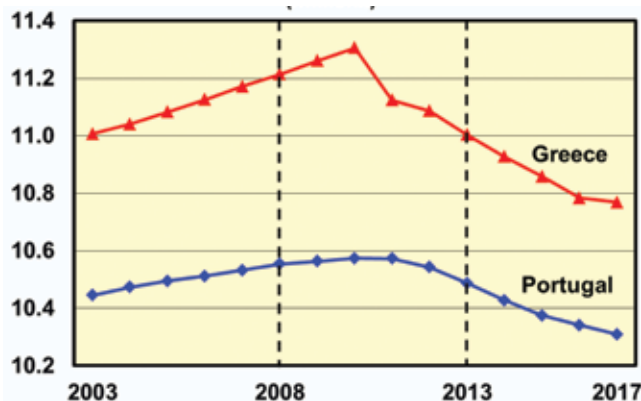


Figure 5 shows the demographic collapse underway, especially since the 2008 crisis. Look at Greece. The domestic resident population was rising, up until 2010, but has plummeted since then. The same is happening in Portugal, Spain and Italy. **Figure 6** portrays the raw births and deaths for Italy: rising death rates and falling birth rates. This is the backdrop to the current Italian government's refusal to further abide by the EU budgetary straitjacket, and to insist on working with China's BRI.

There is a similar situation in Portugal, as **Figure 7** shows, with only a marginal improvement in rising birth rates in the last few years—but which nonetheless are still substantially less than the death rate. In Spain, we witness the same phenomenon of demographic implosion (see **Figure 8**).

Trump and Italy

Few serious Europeans deny the importance of getting the United States to work cooperatively with the Belt and Road Initiative. But most also have an opinion of the Trump Presidency which they have been fed by the liberal international and national media. Often the best way to get people to understand what's happening in the United States, is by *not* discussing it—at least at first. Because people are fixated into an absolutely ideological way of thinking: You can beat them around the ears all you like, and they are still not going to get it. Much better to first discuss Italy.

Why Italy? Because the new Italian government came into office the same way Trump did, the same way

FIGURE 6

Italy: Births and Deaths

(hundreds of thousands)

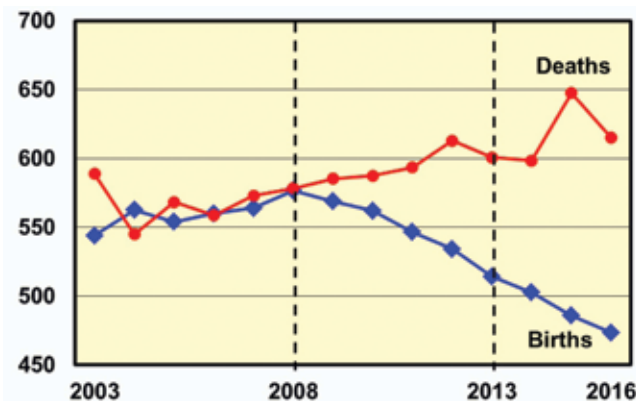


FIGURE 7

Portugal: Births and Deaths

(hundreds of thousands)

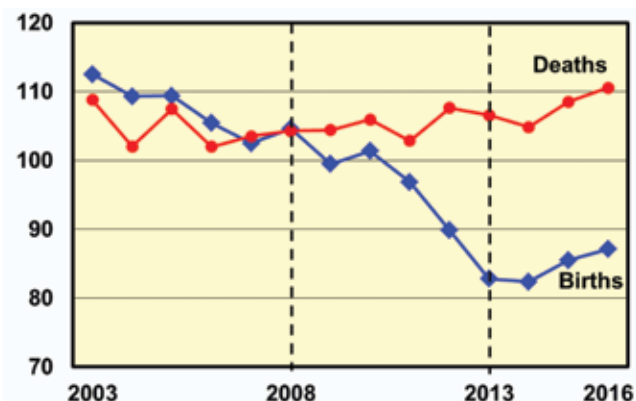
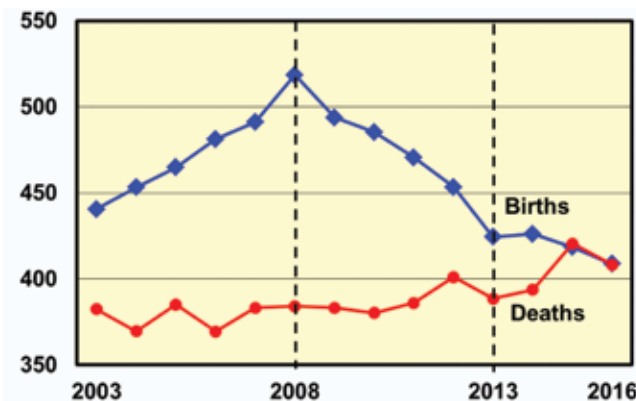


FIGURE 8

Spain: Births and Deaths

(hundreds of thousands)



the Brexit vote occurred, the same way President López Obrador came into power in Mexico: swept along by a worldwide anti-Establishment wave. And what happened in Italy is that a government that the media insists is right wing, anti-immigrant, racist and xenophobic, in fact has established a policy nationally and internationally which is premised on Franklin Delano Roosevelt!

We told people to consider the statement of Paolo Savona, the Italian Minister of European Affairs, in his discussion before the Italian Parliament to justify Italy's refusal to buckle to the EU's demands for budgetary austerity:

I must greatly insist on the fact that it is necessary to replicate, a hundred years later, what Roosevelt did with the New Deal and his reforms. He put together the industrialized part of the northern United States with the southern agricultural part, and he succeeded. The experiment we are conducting in this moment is really a large effort of national unity. . . . We are aware that we must implement those reforms that Roosevelt started. Roosevelt made a substantial reform in the financial sector [a clear reference to Glass-Steagall—ed.], in competition, in industrial relations. Those who know history . . . know that he took very important initiatives.

Italy has also established a "Task Force China," which involves some 300 people from all walks of life, to work on developing relations with China to jointly develop Africa. Its August 2018 "Statement of Aims" says:

China can help Italy solve the immigration problem by helping Africa: China is the country that has invested the most in Africa (already \$340 billion, much more than the \$70 billion usually estimated by analysts), with effects that are already visible in terms of the impact on poverty rates and which, in the long term, should gradually help reduce migration flows towards Europe.

China's involvement in Africa offers Italy a historic opportunity of international cooperation for the socio-economic stabilization of the continent, crucial not only for a sustainable and socially responsible solution of the immigration problem, but also for the economic opportunities that will arise in the continent for Italian firms.

Our Portuguese and Spanish interlocutors in general had been aware that Italy was standing up to the EU, but they had little or no idea of the central policy issues involved. They had been kept in the dark and lied to by the media. Once that idea began to sink in, they registered that Italy, like the United States, is part of a worldwide process; that American voters also kicked over the establishment's chessboard in the last elections, and that Trump is the agent of that change.

In short, it is highly useful to cross people's wires, to present them with things that don't fit into their worldview, but which are incontrovertible, and which they desperately need to know. The issue posed is not to get them to change *what* they think, but *how* they think. It can be called "the power of negative thinking," if you like. Don't be "positive"; figure out what people *don't* get, and why—about what's *wrong* with the way they're thinking.

Just such a process is now underway across the entire trans-Atlantic sector, although people don't necessarily recognize it as such. Peoples are in motion, but motion alone does not solve the problem. Actual programmatic solutions are needed, which can resolve the tension that people have between what they want to happen, and their current way of thinking. That's another way of putting what Helga Zepp-LaRouche always refers to as Nicholas of Cusa's concept of the *coincidentia oppositorum*: the coincidence of opposites.

The basis for such change is emerging in Europe, and it involves a return to the best Classical cultural traditions of each of these nations. Let me conclude by citing what was stated recently by Michele Geraci, Italy's undersecretary of state for economic development, in discussions at the Peterson Institute in Washington, D.C.:

In Italy, we do high-quality manufacturing, not only because there are good engineers, but because the engineers wake up in the morning and they see art. They get inspiration from the culture, from the history which surrounds the Italian system, which helps people, even in doing industrial design, even people that do machine work. [So the government] needs to, just like the popes and the kings used to, finance artists, who can make paintings, that were not immediately monetizable, but they did help the whole population.