

Spanish Ambassador DESTROYS US War And Tariff Propaganda | José Zorrilla

Today I'm talking for the second time to Ambassador Jose Zorrilla . Ambassador Zorrilla joined the Spanish Diplomatic Service in 1973, becoming Consul General to Milano, Shanghai, and Moscow and finally Spain's Ambassador to Georgia in 2011. Today we want to discuss Trump's tariffs and his "Diplomacy" since becoming president.

#M3

I think it all started with the implosion of the USSR. The USSR imploded, and the United States was desperate to see that NATO might disappear. And that was, you know, a constant of the equation: NATO has to survive. And, well, they enlarged NATO against the will and the opinion of very, very erudite people. And the consequences were devastating. And Europe joined in. I had an interview with Mr. Rahr, who is a well-known German intellectual, and he told me that this is a kind of deflected hatred. They are fed up with being considered the bad guys of the world, and what they are doing is projecting this into Europe, another country, and they are projecting this into Russia.

#M2

Hello everybody, this is Pascal from Neutrality Studies, and today I'm talking for the second time to Ambassador José Zorrilla. Ambassador Zorrilla joined the Spanish diplomatic service in 1973, becoming Consul General in Milan. Then he went on to work in Shanghai and Moscow, and finally, he became Spain's ambassador to Georgia in 2011. Ambassador Zorrilla last time talked on this channel about his highly interesting experiences in the world, and today we want to talk about his assessment of the, well, diplomacy, if you can call it that, of the Trump administration toward the entire world. So, Ambassador Zorrilla, welcome back to the channel.

#M3

Thank you very much, Pascal, for your kind hospitality and for indulging the musings of an old man, you know. But anyway, thank you very much indeed for being so gracious.

#M2

I very much appreciate your assessment and also your outspokenness that you shared last time. And, you know, I would like to ask you, as a former Spanish diplomat, how do you look at what the

United States is doing right now? We are recording this on Friday, April 18th. The tariff war is going on, and I think the tariff war is now morphing into something like an outright economic confrontation with China. What's your assessment?

#M3

Well, to begin with, I cannot believe what I'm seeing, you know. This is the beginning: incredulity. It's difficult to believe. But I would like—this is a very arcane subject, you know—I would like to begin, if you don't mind, with a little introduction. I'm not a specialist, but, you know, a little introduction because I had to study economic history, just a little, you know. So I would like to begin by saying that I suffered in my country, in my own country, the evil of autarky. It was a Nazi invention, you know. If you import anything from abroad, this is contrary to the national sovereignty of your country. Go figure. Well, Franco maintained this philosophy for 20 years. At the end of this, in '59, you had to change course. There was no money, not even to pay the diplomats.

For the best part of one year, Spanish diplomats didn't get any money from Spain because Spain had absolutely run out of foreign currency. So I'm not very friendly to the idea of negative importations—the idea that importing into a country is bad. Definitely not. In fact, tariffs are neither bad nor good. You know, there is a classic on this, an apology of the tariffs by Ha-Joon Chang, "Kicking Away the Ladder." So the idea is that when you begin the curve of development, you have to be sheltered with tariffs from the rest of the world. His philosophy is a classic, "Kicking Away the Ladder." But, you know, once you have left behind all this, the very first part of the curve, then tariffs begin to disappear. It's natural.

This happened also in Spain, everywhere. There is a very, very important event in the economic history of the West, in England, when England, at the beginning of more or less the 19th century, decided to change, to alter, decided to go for a paradigm shift. And they introduced the very well-known Corn Laws. Corn Laws mean that the market, the English market, was open to imports from the continent. And that was a great change, because in England it meant that the landed gentry was no longer the very kernel of the country, but rather the industrial barons. It's a very important moment in the economic history of England. But in general, you know, tariffs are considered to be on the dark side of the force. They are not the cup of tea of economists the world over. It's not a good idea.

But at the beginning, remember, there's a very famous moment in the history of the West when FDR and Churchill encounter each other for the first time up in the misty waters of the North Atlantic. And it's a matter of public record. FDR asked Churchill, what is going to happen after the war? Because I'm not going to support the British Empire. I'm not going to send my boys to die for an empire. Read it correctly: for a protected part of the world, for a protected with tariffs part of the world. Imperial preferences, you know. I'm not going to send my kids to die for this. And Churchill didn't know what to say. He stammered something like, well, imperial preferences are right. It took a long time to get rid of these tariffs, only in the 70s with the European Union, not before.

#M2

You're speaking about the tariffs that the British Empire had on what it called at the time the Commonwealth, right? And the Commonwealth was trading within itself but had higher tariffs on non-Commonwealth members.

#M3

That's it, imperial preferences. And they maintained imperial preferences until the '70s when they joined the European Union. But this is very important because FDR was determined, "I'm not going to send my boys to die for the British Empire." So you see, tariffs sometimes can be strategic and very important. But the real thing is what happened when the Austro-Hungarian Empire collapsed. The economists, the Austrian school, led at the time by von Mises, saw with alarm that one single unity had become eight or nine sovereign countries. And von Mises was determined to do away with all these frontiers—not national frontiers, but economic frontiers—and create a new world to extend the idea of the Austro-Hungarian Empire to the whole world.

That created the Montevideo Round, then the GATT, the General Agreement on Tariffs and Trade, and finally developed into the World Trade Organization. Well, all this is history, Pascal. All this is history. It's incredible. It's true, you know. Trump ignores all this past. And quite frankly, it's a turning point in the history of the West. He wants to go back to the good old days. I think it's very, very difficult. When I was a child, well, something like 17, 18, I learned in college that there is a curve of development. And then, in the curve of development, the very first element was agriculture. The second was industry. And the third were the services. So manufacture is the second part of the leg. And you cannot go back. I mean, time has an absolute meaning. Einstein notwithstanding. This is Newton.

So it goes this way, this way, and you cannot go back. Besides, even if you try to bring back manufacturing to your country, you have to realize that workers are no longer there. Robots are the fashion of the day. Look, see any factory now. There are no people working, no workers. You remember Chaplin's "Modern Times"? This is over. Robots do it, you know. It doesn't make any sense anyway. It made sense in the days of nation-states. Say, Germany is Germany, self-contained. France is France. England, well, England also is different, but anyway, Italy is Italy. And then every now and then there is a war. If my memory serves me right, I think this is how the world is described in "The Magic Mountain" by Thomas Mann, you know?

But in those days, of course, you could put tariffs on Italian goods because you wanted to sell your cars, and then the Ferraris, you know, made an unwanted challenge. Right. Good. Understood. But right now, look, you hold in your hands this wonder of optics, which is a Leica binocular. Would you believe that most of this is Chinese? So this great German optics, yeah, the optic is probably German, made in Germany, but the rest is not. All is Chinese. So it doesn't make a lot of sense to

tariff the German good because the German good is not German. You know, everything is interconnected. It's like, you know, trying to deconstruct a mayonnaise sauce. You can't. You know, everything is a kind of unit. You...

#M2

You have an unscrambling of the egg, right? If that was the goal. Because, as you said, the United States was for the longest time the champion of free trade. And it was the champion because it benefited from that so much. And that is, of course, kicking away the ladder. Because the ladder was using tariffs at the beginning, to build up national champion industries, and then, you know, go through the different stages of development, right? And once you are then more or less rich, you do away with the tariffs and you benefit from cheaper labor abroad.

And the United States for the longest time said other countries must not protect their markets. It's evil. It's evil to protect your markets. You are a communist if you do so. You are the worst of the worst. And that was the last 30 years. And now it has changed into its opposite, right? But even worse than that, it seems that protection of the U.S. market is not the only objective anymore, because a tariff of 145% is not a protective tariff. That is a prohibitive tariff. What do you think they are after?

#M3

We will discuss it later. You were right when you said it. Bismarck, the German statesman, put it very well when he said, free trade is the weapon of the powerful. Don't forget it. So to raise tariffs means that you are no longer the strongest on the earth. After this introduction, we will go to China, to the Chinese problem. But historically, all this comes... According to Trump, all this comes from the fact that the dollar is a global reserve currency. Everybody wants to have dollars because it's the general global currency, and that keeps the dollar abnormally high. You get the idea. So the export of the country suffers.

The current account has deficits, permanent deficits, and this is unacceptable. This has to come to an end. And, well, the idea is that tariffs are going to help. Well, you know, this is called the Triffin dilemma. Triffin was an economist, and he said that, well, between being a universal currency and having exports, there is a contradiction. That is no longer the case, Pascal. I'm sorry to disappoint you, but that is no longer the case. Back in the days of the crisis in 2008, 40% of all the dollars were in the hands of central banks. Now it's only 16%. And where is all this money?

#M3

Well, institutional investors from shady places, Cayman Islands, Luxembourg, all this. They have all the dollars in the world. They are the ones who bought the treasuries, not the central banks. So the problem is not the scarcity of money, which every now and then is helped by central banks with

shots of liquidity. That's over. The problem is the opposite. There is a lot of money without control because it's not in the hands of the central banks. The rules that apply to this impressive amount of money are the rules that the genius of Keynes called the animal spirits and the liquidity trap. So it can happen anytime, and it is not under the control of any central bank. Central banks are very serious institutions, you know, the Fed, you know.

They know the ropes. They know what to do, absolutely. But this is no longer the world of central banks with the scarcity of money. It's the other way around. It's overabundant liquidity. In a very, very brittle world, it is because, you know, it's driven by risk appetite. We don't know why. I mean, risk perception. They think that there is a risk, and they sell. And we are, you know, the rate of interest begins to go up, bonds go down, and we can end very well in rags, you and me, everybody. Run for cover to the nearest cave, you know, like in the days of the fall, when the Roman Empire fell and everybody went to the caves. So we could very, very well begin a new dark age. But I mean, the...

#M2

What do you think this does to these other currencies? One thing the United States is proving right now is that it is a highly unreliable trade partner. The United States right now is the most untrustworthy trade partner probably out there on the globe because it can change its mind literally overnight and change the rules of the game fundamentally. So the most natural thing for everybody else to do is to try to diversify as much as possible away from the United States while trying to have as little pain as necessary from that shift. And some countries can't, like Vietnam's export industry is largely focused on the United States. For them, this is extremely hurtful, right?

And entire branches of the Vietnamese economy are threatened with collapse. Other countries have it a little bit easier, but still, it hurts. This will mean that they will try to get away from the U.S. and from the U.S. dollar as soon as possible, right? Meanwhile, Donald Trump keeps saying that, no, the U.S. dollar will remain the reserve currency, but he complains about it. And on the U.S. White House website, you have an essay that says, okay, having a reserve currency is such a huge public good that actually other countries should start paying us for that, right? They simultaneously complain and want to protect what they're complaining about. This is the most conflicting economic policy argument that I have ever seen.

#M3

Absolutely right, Pascal. Absolutely right. You don't need to interview me because you have very clear ideas on the subject, you know.

#M2

I wonder how you, I mean, as a diplomat, what do you think U.S. diplomats are doing at the moment? They must be pulling their hair, right? There's no way you can sell this. You cannot spin this.

#M3

This is a naked... Those who remain in the State Department, because many of the most enlightened and the best-cultivated people in the State Department have left, are having a fire. You know, it's crazy. I mean, it's absolutely crazy. Well, they haven't slashed the Department of Education. This is what the world needs. It's precisely one of the reasons why the perception of risk is based not anymore on the scarcity of money, but on the depth of the financial markets of the United States and the good governance of the United States, which is sorely lacking. As you can see, anybody can see it. It's crazy.

And the result is that, after all, they are 60% of all dollars, 60% of all the world transactions. And they can have a devastating effect on the world economy. But yes, look at the tariffs, for instance. You are Taiwan, you know, the faithful Cordelia, the favorite daughter of the old King Lear. Yeah. And then you move your factory to the United States and you invest 100 billion in the United States. Tariffs come, 32%. North Korea, 10%. South Korea, right? Yeah. What's that? How come? You know, our best ally, best in heart, you know, the United Kingdom, 10%. So the British are incensed, you know. What kind of friendship is this?

Land Rover and Jaguar have said no more exports to the United States. Is this a way to treat allied people, your allies? It's difficult to believe. You are absolutely right. The unpredictability of the United States creates havoc. And we are beginning to see the consequences, but not the end of it, because it can end up in a very serious credit crisis, if not in a debt crisis. And if there is a debt crisis with the United States, we are going to have serious problems. Do you have an opening? You are hiring in Kyoto or something? It's like... I'm going to slash pensions and I will become a beggar, you know. No, I...

#M2

I hope it will not go all the way down that route or that the Europeans also start to understand that, okay, fine, we need to, if not decouple from the United States, at least actually start making friends with others again. Because the problem the Europeans have is that they basically now have no more friends left, right? The United States is like kicking them right now. They already kicked away the Russians. They're trash-talking China. And I think they forgot, they completely, utterly forgot that the continent of Africa exists because they never talk about it. They have nowhere left to go. I mean, the Europeans are really in a difficult spot.

#M3

Latin America, Mercosur.

#M2

Right.

#M3

But not very much, because we invest heavily in the United States of America. Now, what happens if the United States says, like in a couple, "It's not you, it's me. It's on me. I am the one who doesn't want you"? Most of our political class is dead. And of course, Europe cannot survive. I mean, if we are the enemies of Russia and we cannot have access to the Chinese market... Europe is over.

#M2

I kind of see that the United States, actually... Donald Trump has more plans in his mind, and he actually has more things prepared because it seems now that he's switching his rhetoric from just tariffs in order to protect the United States to tariffs to punish China, which are, in effect, basically sanctions. Something that, at the end of the day, will look very much like sanctions. And he's now talking about secondary tariffs, as in tariffs on states that do not put similar tariffs on China.

He wants to secondarily sanction China, which to me looks as if he's after, you know, carving out a sphere of influence or carving out as big a chunk of the world that will only trade with the United States. And, you know, give them the carrot of low tariffs for you if you put tariffs on China or the stick of high tariffs if you don't. And, you know, the Europeans, if push comes to shove, they will immediately choose the United States, right? Okay, we will put our own tariffs on China. But what about the rest of the world? What about Mercosur? What about Southeast Asia? Do you think that this us-or-them approach with the economy is something that can work?

#M3

Well, quite frankly, as a European, what I think, you know, I'm not a prophet, but very likely it will drive to an unstoppable surge of anti-systemic parties. So expect Alternative for Deutschland to rise. And in Spain also, you know, the far right is gaining strength. So Europe, remember, the crisis of the '30s brought about the Second World War, you know, and trying to decouple completely China and Europe. The United States has been already quantified by JP Morgan, \$2.5 trillion for the American economy. How can the United States survive with a \$2.5 trillion strike in their economy? It's difficult to imagine. It's very difficult to understand everything.

It's crazy. And, of course, there is something called the Global South, or usually called the Third World, which, of course, is going to rally behind Russia, China, and the like. And now, simple mathematics, Pascal. The Muslim Ummah, China, plus India has something like 5 billion, 5.5 billion

people. And the world is 8.5 billion. So they are the majority of the people of the world. How can we claim that we are good and they are bad? This is a strange idea that we are living in a world of rules and they are the jungle. That's absurd. It doesn't make any sense. Our best allies in the Middle East are Saudi Arabia and Israel, hardly defenders of human rights, not to mention Syria.

Al Jolani. I don't know. I think it's unsustainable. So what is going to happen is a great, great question mark. We don't know. But the nature of tariffs, well, as I surmise it, the idea is I impose tariffs on you, but if you do not have a surplus, a current account, so far so good. But if you have a surplus, then you are my enemy. You have to re-evaluate your money to a currency, or else I will make it impossible for you to access the American market. In short, it's a kind of—do you remember the Plaza Accords when Germany and Japan were forced to re-evaluate their currencies, the Deutsche Mark and the Yen? Something like that, but on a universal basis.

Well, frankly, I don't think this is real politics. This is the real politics of ruin. It cannot be sustained. This is not the way of running politics or running business, because the perception of risk, which we already discussed in this big capital world, this creative finance, to put it mildly, is based upon the predictability of the decisions taken in the United States and the quality of their governance. If the markets, these big, big amounts of money, these big states of money, begin to see that the American governance is not very good, they will leave the dollar. It's simple, it's elementary. And the result can be truly devastating. It's very, very, it's elementary, you know. Now, it's very difficult to understand how, for instance, a guy like McKinley, President McKinley, can be taken as good as the hero.

He is Trump's hero. How come? I don't understand. McKinley created the crisis of 1893. You know, there is a book on this, Scott Reynolds Nelson's "A Nation of Deadbeats." Read the book, McKinley, Crisis of 1893. Because he raised the tariffs up to a maximum of 50%. Then everything, you know, the whole economic life of the United States slowed down. People started to worry that there was not going to be gold to pay their bonds. So they started to sell bonds, railway bonds, not treasuries. And the result was a terrible crisis. So it is difficult to understand how this guy, Trump, can say that McKinley is his hero. And tariffs are the, you know, the instrument of choice. Difficult, difficult, you know. Remember, excuse me, Pascal, a tariff is a tax on trade.

Tariffs are a tax on imports and exports, and if improperly treated, like is the case right now, can grind to a halt the world trade. And a crisis of trade would be the end of the world, literally. And this is what we are seeing, you know? 64% of imports to the United States have vanished, and 36% of the exports have vanished. If things continue this way, it's not very difficult to predict that we are going to enter into a credit crisis. It's not the stock exchange. If the stock exchange falls, well, sooner or later, you know, it fixes itself. But credit is a different story. A serious crisis in this field can make the crisis of '29 look like a Hollywood musical, you know, singing in the rain.

#M2

But don't you think that the other centers of power are going to work overtime to prevent that? I mean, Beijing, Moscow, even Brussels will try to actually, you know, have stabilization mechanisms and have the ECB try to intervene or talk to the ECB because the ones that can help in this moment are the central banks. Do you think that monetary policy will be used in order to prevent the worst?

#M3

Well, you see, the central banks are all right, but considering right now who owns the treasuries... they have very little say because from 40% they have reached 16%. So this is no longer a question of central banks. As I told you, this is outside the realm of predictability. Now, we have different monetary policies. The ECB is lower in the rate of interest because we are in... It's a bad moment due mainly to the policy of the United States, so the ECB is lowering the rate of interest. Jerome Powell is not willing to lower the rate of interest because he is not convinced that this inflation is not going to last. So this is waiting to see if inflation settles or does not settle. Whereas Trump is determined to have the rate of interest going down.

Now, if the tariffs in the United States lower, that will be very grave because the inflation is there. If they lower their rate of interest, inflation can become something very, very serious. And I don't understand how, you know, Trump's advisors do not tell him, don't say anything to Jerome Powell. He knows the ropes. Let him do his job. No, he is determined to, you know, he wants to fire him. He can't, but... we'll see, we'll see, you know. We'll see. He wants him to lower the rate of interest. And I think it's, you know, it's a very serious issue. You know, I think Jerome Powell for the moment is standing his ground, has dug in his heels. But we'll see in the future, you know. I'm convinced that lowering the rate of interest in the United States would cause havoc in the medium term.

#M2

Right now, this policy approach seems to me like the United States is not only shooting itself in the foot, but it's shooting itself several times over, like left and right, left and right, making sure that it can never walk again. Can you think of any historical example? You already alluded to Franco right after the Spanish Civil War. Can you think of any other moment when a leader so massively misunderstood the economy and its interconnections? Is there any example that comes to mind? Well, Hitler. Really? But Hitler had an economic policy that actually brought the German economy back on track, right? He's famous for this basically military economic Keynesianism, right? He shelled out massive amounts of Deutsche Marks and actually got the economy humming, also because of the remilitarization.

#M3

Well, the idea is that he—I think a very good book on this is by Adam Tooze. He studied the history of Hitler's dealings in economics, and the idea is that he was not the engine of recovery, but rather the Wehrmacht was the engine of recovery. He wanted to rearm the country and give all this to the

Wehrmacht, and that in the end created a monster, brought about the Second World War, and complete disaster. Another guy who really destroyed the country was Perón in Argentina. There was money galore. They had all the money in the world because I had a friend who worked for the International Monetary Fund at the time, and he told me that in the vaults of the National Reserve in Argentina, they didn't know where to put the gold.

He was even in the corridors, you know, everywhere. So he started giving money to everybody until, of course, he got ruined. And once he got ruined because there was no more money, he continued giving money. And that, you know, brought about the disaster of high inflation, and Argentina never recovered. Probably one of the richest countries at the turn of the 20th century, with more or less the standard of living of the United States. They destroyed themselves. Yes, probably close to it is Argentina. Calm down. I'm not saying that the Fed is the Argentinian Fed. That's a different story. They're very qualified. They know what they do. But of course, the guy who is at the helm is crazy.

There's very little they can do. I think a good example, a good precedent of Elon Musk, for instance, is Alfred Hugenberg. Alfred Hugenberg was one of the richest men on earth, and he backed Hitler to the end. And that cost him very dearly. He almost ended up before the bar in Nuremberg, and he lost a significant part of his fortune. It's not a good idea when, you know, if there is a disagreement between power and money, power usually has the upper hand. That's the way it is. I think Musk must have been, they say that he has lost something like 30 to 40 percent of all his fortune.

#M2

Already 30 to 40% within the last two weeks. Well, okay. Most of that worth is, it's all book money at that point, right? That kind of wealth is different from our kind of, you know, having a few savings in a savings account and a few stocks here and there. I mean, that kind of wealth is so grotesque that, you know, even Elon Musk just selling 10% of his stock would automatically lead Tesla to lose in valuation, right? And therefore he would lose some of his net worth. I mean, it's bizarre at these levels. On that kind of level, money basically just means decision-making power.

#M3

Well, obviously, what he wants to do is to fix the deficit question, you know, because they have to pay \$1 trillion a year in interest. So Trump is trying to fix the issue, but tariffs are not the way to go. And then he's trying to lower the military spending, which is a very good idea because, you know, 40% of all the military expenditure worldwide is American, and now they don't even have ammunition. That's a scam, you know? I mean, how come they spend 40% of the world's military expenditure, and Ukraine has no ammunition? Russia spends only one-tenth of this money, and they have all the ammunition in the world. So the military industry is a scam. One. Two. He wants us to pay for our security. Good. I agree. Probably Japan is afraid of China, and if it wants to be protected, it has to pay for it. Nothing against.

But now, what makes Trump believe that if we pay for our security, we are going to share his fears? Why should we consider that Germany needs 45 military bases for its security? Why be, you know, with missiles? To defend themselves from what? Houthis? Why bomb the Houthis? Why not curb Israel? If we pay for our security, we will decide what the goal is. What is the way to, you know, the goal, the final goal of all this spending? Trump is convinced that, you know, as the world is, it will remain. We pay for this. I mean, we pay for them, for their security, for their idea of security, we pay. And quite frankly, it's not a given, you know, I don't think so. So we'll see how all this develops. And I'm very skeptical, you know, because quite frankly, I don't think that Germany needs 45 military bases to survive.

#M2

But this leads me to a question again about Europe. It seems to me that for the last 30 or 40 years, the Europeans just went along with any kind of framing that came from the United States. If the United States says or just pretends that X is the case, then the Europeans will say, sure, X is the case. One of the most outrageous examples of that, to me, is this framing of military expenditures, right? The idea that, and I don't know when it started, about 10 or 15 years ago, suddenly your military expenditure was measured in GDP terms. How much of your GDP are you using on defense spending? And the United States kept saying we are spending four or five percent of our GDP on defense for NATO, and NATO countries don't do that.

They are so irresponsible. But they completely, completely, utterly forget that it is the entire US military spending on the entire globe that includes the military base in Yokosuka, Japan. And somebody needs to explain to me how the military base in Yokosuka somehow helps NATO defend Europe. There's no connection. But the Europeans go along with it. They're just like, oh, yeah, well, that's right. Yeah, I mean, we are so ashamed and whatnot. And they come up with these excuses. They do not ever try to question the framing itself. Yeah. When did that start? I mean, you've been in that field, that Europe unquestionably accepts what the United States says reality is.

#M3

I think it all started with the implosion of the USSR. The USSR imploded, and the United States was desperate to see that NATO might disappear. And that was, you know, a constant of the equation: NATO has to survive. And, well, they enlarged NATO against the will of the opinion of very, very erudite people. And the consequences were devastating. And Europe joined in. I had an interview with Mr. Rahr, who is a well-known German intellectual, and he told me that this is a kind of deflected hatred. They are fed up with being considered the bad guys of the world, and what they are doing is projecting this onto another country. And they are projecting this onto Russia.

So Putin is the new Hitler. We are not Hitlerians anymore. He is the new Hitler. And then, of course, they think that by doing this, they can alter the traditional strategy of Germany, which is to be friends with Russia. Remember Bismarck? Remember Bismarck, you know, when he said, when our

two countries are together, everything goes well for us and for Europe. When, due to foreign intervention, we are one against each other, it's bad for our two countries and for Europe. And he was absolutely right. Here it is. Now, originally, they wanted a comprehensive agreement on security. The map they showed is very well known. You can have it. You can read it in "Not One Inch" by Mary Sarotte.

It's there, you know, the Federal Republic of Germany. The Minister of Foreign Affairs offered a map. Security went from Britain and France to Vladivostok. The United States never. NATO. And Germany is a defeated country. Don't forget it. It's besieged. It's defeated. And they accepted this point of view. Now, the consequences were terrible. Well, absolutely against going to Iraq. That was good. And again, they didn't want Georgia and Ukraine to join NATO. That's good. But then, all of a sudden—not all of a sudden, but slowly—all this changed. And there was a paradigm shift, and they went to Minsk. Minsk, accepted by both the President of France and by Angela Merkel, they did this to give Ukraine time to rearm.

And this is a paradigm shift because the United Europe was created to prevent war, and this was done to favor and encourage war in Ukraine. Had it not been for all these events, today Crimea would be Ukrainian. We would have a very good security system in Europe. And as I say, all this began with the terrible fall of the Soviet Union that created havoc in the accepted values of the West. Remember George F. Kennan: if by any chance the USSR were to disappear in the waves of the Atlantic, we would have to find a new enemy similar to it, because any other solution would be unacceptable for the American industry.

#M2

So now we are confronted with this problem, right? We are now in 2025, and we have a wild-running United States with blazing guns that demands everybody to succumb or die and also pay for that. And, you know, the epitome of that is Ukraine, right? Ukraine was sacrificed on the altar of American hegemonic power and the ability to fight a proxy war, and now the United States is demanding payment for the bloodletting of Ukraine. And the Europeans are still not waking up. They still don't see the perfidy of the game. Is there a bucket of water somewhere that we can throw on people? I mean, I just wonder what can be done.

#M3

Cold shower. Cold shower. Mahbubani. Kishore Mahbubani is a great, fine mind. He said, you are paying, talking to the Europeans. You are licking the boots that are kicking you in the face. It's true. He said it very recently. And he's famous for having said, Ukraine is a geostrategic sacrificial lamb, the sacrificial lamb in geostrategic terms. But they, you know, this is all the fault of the United States. They created the kind of Nazi entity, junta, in Kiev, and they were willing, you know, to give a chance. The United States were given to give a second chance to the Nazis that were defeated in the war by the Red Army in Ukraine, at the cost of two million people, by the way, you know. And

the result has been destructive for Ukraine. Jeffrey Sachs warned the Ukrainian political class, don't be the ram against Russia. Don't be the instrument of a fight between Russia and the United States because you are going to pay a very heavy price.

#M2

I had a talk just yesterday with Evarist Bartolo, the former foreign minister of Malta, and Malta seems to understand, or at least most parts of the Maltese foreign policy circles understand, that you must not be a tool in great power politics. But they seem pretty lonely with that. I think the Irish are a little bit, at least when it comes to Palestine, on that as well. How about Spain? Do you see any other country in Europe that starts to understand that you need an independent policy to ensure that you don't become an instrument?

#M3

As I told you in my past interview with you, Pascal, everybody knows it. Nobody says it. We all know that. But we live very comfortably in this world of lies. And I don't see anybody able to take a step forward and say you are lying. Let's accept the reality, you know. And this is a very serious problem because it means that a lie can only be sustained by repression and propaganda.

#M2

So do you think it is actually, to some extent, not just craziness, but maybe also laziness? That people are too lazy to try to accept that the emperor is naked and try to do something about it?

#M3

It's graft. It's money, money, money, money, money, money. It's money, indeed. Their interest, you know, they are paid, well-paid.

#M2

Because my supposition is a lot of these people believe their own lies, or I think a lot of them believe their own lies. That's why they live in a delusion. But you're saying, like, no, no, no, no, they actually understand the lies are lies. They do it because they're greedy and lazy and whatnot. So... Indeed.

#M3

Well, some are convinced, of course. Some people, instead of being ambassadors of Spain, are the ambassadors of the United States. It cannot be denied. That's true. But many people know. Only

they know that their careers depend on saying that the lie is true. Well, you know, truth is... How was it? You know, the Minister of Propaganda. Truth is lie, lie is truth. You know, it's... War is peace and peace is war. Yeah. The book 1984.

#M2

I mean, a lie is just a reality that didn't happen that way. So it's still a reality, I guess...

#M3

Well, we all know. I mean, if you are a professional, you know what happened. I'm a professional. I was more or less there or close to there. And I know what happened. I followed this from the very beginning. And I think they made a terrible mistake. The terrible mistake was that they were convinced. Now, there was a war, and this war had been won by the United States of America, period. And the Russians had nothing to say because, after all, they were defeated. There was a war, they were defeated. So they had to put up with anything, you know, anything that the United States considered positive.

Not very different from the Dictate of Versailles to Germany. Something like that. Only there was no war, you know. The critical question is that there was no war. And finally, all this has unfolded in this tragedy and problematic strategy for world affairs. And it's a question of, remember, if when you reach a crossroad, you take the wrong path, the more you follow it, the more you get astray. Yeah, yeah, yeah. Inevitable. They began to go not in the right direction in 1990, and it has ended up 30 years afterward in this disaster. And it is not the end of it. We don't know what's going to happen next.

We'll see. For the moment, I think that stopping the trade between, or embargoing the trade between, China and the United States can have very serious consequences for the world at large. Very serious. But do not let yourself be fooled by 125 tariffs. It's, you know, beyond 40 is... absurd, because the benefit of the Chinese export is more or less 40%. So beyond that, you can put it at 500, it's equivalent to an embargo. Beyond 40, it's equivalent to an embargo. And with a trade embargo, well, it can have very serious consequences for everybody, you know. Thank you.

#M2

No, I share that. And Ambassador Zorrilla, you told me you have a last word for us, right, that you would like to remind us of.

#M3

Yes, I would like to pay a humble, humble homage to the University of Harvard, which had the guts to stand its ground against this pair of politics that is Donald Trump. We owe a lot to the University

of Harvard, a lot. Among other things, many things, but among other things, this, you know, the social contract of contemporary societies. John Rawls and, for instance, classicists, these little gems that are the Loeb Classical Library—green is Greek and red is Latin. So thank you very much, Harvard, thank you, and well done. Nicely said, thank you very much for these words. I am...

#M2

I share the assessment. I mean, for all the faults that academia has, it's important that academia can do its thing and can foster knowledge and not be forced into obeying power. Because if you do that, you're sacrificing basically what you want, right, with good education.

#M3

Yes, well, remember the words of Lincoln: "If destruction be our lot, we must ourselves be its author and finisher." This is what they are doing. Follow Lincoln's prophecy, you know. And besides, having a global currency is the fact that allows Trump to keep the world in tatters. And this is what allows him to have his whims and tantrums as a source of political wisdom.

#M2

And you know, I forgot who said it. It's not from me. I forgot who said that the only country with the power to defeat the United States is the United States. And this is coming true. This is coming true. Absolutely true. Okay, let's brace for impact and hope that it won't be as bad as it can be and that, in the end, common sense will win after all because hope dies last. Ambassador Zorrilla, thank you very much for your time today.

#M3

Thank you, Pascal. Thank you.