

UK Elite Navy Officer EXPOSES Crisis of Western Decision Making | Steve Jermy

Is the West steering its ship of state directly into an iceberg while the captain refuses to turn the wheel? Can a financialized economy fueled by debt ever hope to defeat an autarkic industrial powerhouse fueled by real energy? And why does our leadership seem paralyzed by a collective delusion rather than guided by strategy? To parse through this fog of war, I turned to Commodore Steve Jermy. A retired British Navy officer who spent his career commanding destroyers, Steve doesn't just theorize about strategy—he has lived it. He joins me to dismantle the myths of the current conflict, applying the rigorous logic of a military commander and energy expert to explain why the current Western approach isn't just failing, but is mathematically impossible to sustain. Links: Articles by Steve: NATO – <https://responsiblestatecraft.org/nato-war-with-russia/> Balance of Power – <https://braveneweuropa.com/steven-jermy-russia-is-in-the-driving-seat> Neutrality Studies substack: <https://pascallottaz.substack.com> (Opt in for Academic Section from your profile settings: <https://pascallottaz.substack.com/s/academic>) Merch & Donations: <https://neutralitystudies-shop.fourthwall.com> Timestamps: 00:00:00 Intro: Tripolar World & Peak Oil 00:07:43 Crisis of Western Leadership 00:12:49 Real Economy vs. Financial Sanctions 00:18:21 Analyzing Russia's 5-Phase Strategy 00:27:08 Can Europe Actually Fight Russia? 00:38:24 The Rise of the "Securitocracy" 00:45:11 Elite Capture of Mainstream Media

#Pascal

Hello everybody, and welcome back to Neutrality Studies. Today I'm joined by Commodore Stephen Jermy, a retired British Navy officer. We want to discuss the general situation in international politics. So, Steve, welcome.

#Steve Jermy

Very, very great pleasure to be here, Pascal. I follow your work a lot, and I particularly like the title *Neutrality Studies*, because we ought to be talking a lot more about neutrality and a lot less about war.

#Pascal

People often think neutrality means doing nothing, but it's the exact opposite. It means doing a lot and trying, at the end of the day, not to end up in war—which I think should be the job of all military people. And you, as a former Navy officer—you know, you commanded ships, and as a Commodore you commanded several ships—what's your analysis of what's currently going on? In my view, things are just falling apart left and right. I feel like a little sugar cube dissolving in water

because there are so many problems at the same time: Venezuela, Iran, EU sanctions, British sanctions, the genocide in Palestine, and so many others. How are you making sense of everything?

#Steve Jermy

I've been sort of seeing it, and sort of expecting it to go this way for a few years, Pascal. When I left the Navy in 2010, I had just about completed a book I called **Strategy for Action**. It's not available at the moment because it's out of print, although I'm hoping to get a second edition out. What I was trying to do in the book was address a problem I'd noticed—that the West seems appallingly bad at doing strategy. At the time, we were struggling in Afghanistan and Iraq, and since then we've had Libya, Syria, and now the Russia–Ukraine war, and finally Venezuela. It seems to me there's very little evidence of real strategic thinking in any of those cases. What I had missed, though, were other things.

I was fortunate because the Navy sent me off for a year to Cambridge in the '90s, where I did an MPhil in international relations. I'm nowhere near your level of erudition, but I do have a really good feel for economics, international economics, international law, and the theory of international relations. I'm very much in the realist camp, I suppose—although perhaps not quite as defined as John Mearsheimer is, even though I'm a great fan of his work. I think there are three things going on in the world, and I've been thinking this since about 2015, when I began to see, in my second career in the energy sector, a close relationship between energy, geopolitics, and all these other things.

So I think the first thing is that we're seeing a shift from a unipolar world—not to a multipolar world, but rather to a tripolar one. It seems to me that we now have three great powers operating. The first is obviously the United States, the second is China, and the third is Russia. What's interesting about those three powers is that two of them are operating on different industrial–economic models from the United States. I'm a great fan of Michael Hudson's work—I don't know if you've come across him; I'm sure you have—but he talks about the difference between industrial capitalism and financial capitalism.

I think we in the West have been shifted onto the financial capitalism model, whereas the Chinese and the Russians are very much in the industrial capitalism model. I read an article about six months ago, Pascal, in which I talked about the balance of power. I was actually doing it in the context of the Russia-Ukraine war. In that balance-of-power article, I suggested—and this is a slight advance, I think, on John Mearsheimer's work—that the critical issues in terms of military power were twofold. The first was industrial capacity issues.

And the second was energy, and I still stand by that analysis. What we're starting to see, I think, at a higher level, is that Russia has very strong industrial capacity, as indeed does China. And we know that America would like a stronger industrial capacity because it's trying to reindustrialize. So I think the balance of power between these three axes is important. That's the first part of it. But I think

there are two other things going on, perhaps more subtle ones. The first is that the global economy doesn't look in good shape to me, and I think there are a lot of indicators. We know that the Western nations are heavily indebted, particularly the United States.

There are issues going on within the, uh, the euro-dollar sector. I'm invested in gold and silver, and I'm shocked at how quickly it's moving. That might be good for me because I'm invested in it, but to me it's the canary in the coal mine. So I think what we're seeing is really interesting problems with economics, and probably we're going to see—if things go as I think they will—I would not be at all surprised if there's another great financial crisis this year, or perhaps next year. And it could have a greater impact than the one in 2007–2008. If that plays out, it would not surprise me at all, for reasons I'll come on to, if it led us into a deep recession, possibly even a depression. So that's the way I've been thinking about it.

I first introduced these ideas in a lecture in Oxford around 2015. But the third thing that's going on—and I think this is fundamental—is that we're at the period of peak oil. Peak oil is the point where energy, hydrocarbon supplies, reach their maximum and then start to decline. It comes from the thinking of Marion King Hubbert, who was the great oil geologist that forecast, in 1956 I think it was, that American oil supplies would peak in 1971—and they did. There was subsequently a shale oil spike, although that won't last long. He also forecast that global oil supplies would peak around 2010. The best evidence I've seen suggests this happened around 2017. My go-to person on this is a guy called Art Berman, who's a petroleum geologist working in the States. He's brilliant.

And he too, I think, understands this. The reason energy and economics are important is that there's a mathematical correlation between the use of energy and economic growth, and the correlation is close to one. So it follows that if we are indeed at peak oil and energy supplies start to decline—and I think that will happen from about 2030—then at that stage we simply cannot grow economies. It's not a terribly good idea anyway, but we cannot grow economies. So I think we're starting to move from a world of increasing prosperity and increasing energy supplies to one of decreasing prosperity and decreasing energy supplies. And I just think that explains a lot of the fractiousness that's going on around the world. It's quite subtle and underneath, but the model seems to work for me.

#Pascal

Hey, very brief intermission because I was recently banned from YouTube. And although I'm back, this could happen again at any time. So please consider subscribing not only here but also to my mailing list on Substack—that's pascallottaz.substack.com. The link will be in the description below. And now, back to the video. At the same time, though, we see how a lot of the political actions taken—especially in Europe, and I include Britain, of course, as part of the European continent—are so harmful. They're so harmful to themselves, so many of these decisions. And maybe I'd just like to benefit a little from your experience as a ship captain and a commodore. I mean, if you're on a ship, you can't immediately turn the thing around; you can't just go into reverse and park as you wish, right?

You need to do a bit of planning to land where you actually want to be. I mean, how is it possible that we see things like the Germans shooting themselves in both feet with Nord Stream 2, with their energy dependence on the U.S.? And also Britain, which seems joined at the hip to the United States, even when it really, really hurts. We've seen that—how Keir Starmer was humiliated in the Oval Office by Donald Trump, and he just sat there, you know, shrugged his shoulders, and laughed it off. How do you explain that to yourself? And as a captain, how do you think about steering large groups of people?

#Steve Jermy

I think what you're pointing toward is a crisis of leadership in the West, and I think that runs across almost all Western countries, with one or two exceptions. One of the problems is—I've been trying to think about this, like you, no doubt, for years—and I think we've actually reached a stage where what I see is evidence of what I can best describe as cult thinking in the Western world. That cult thinking is partly based on hubris, because we continue to believe that the West are the good guys and that we're successful, having won the Cold War. That's an open question, of course.

The other thing I think you see is the culture of political spin—this idea that everything has to be spun so you can win your particular election. But the problem is that political spin leads to deception, because the information provided to the public is, at best, partial. There will no doubt be cases where Western leaders are lying to their populations, which I'd like to think is the minority, but I do think there are many times when the public is being deceived. And they're being deceived because they're only given a partial view of the picture, since it doesn't suit leaders politically to expose the whole thing.

I think we can see that in the Russia-Ukraine war. It's obvious to people like me, and to you and others, that the Russia-Ukraine war cannot be won. And yet European leaders continue on. It's a bit like having European leaders on the Titanic, continuing to steer it straight into the iceberg of Russia's military-industrial capacity, making the holes even bigger. I think it's all going to come apart. The problem, though, is that when I talk to the elites—certainly in my country—I'd say about 90% of them actually believe it. So it's quite a struggle, because they believe it, and the mainstream media believe it as well. And all the public are fed is that same narrative. I said about—I think about...

#Pascal

How about your circle of Navy friends and colleagues—the people you know? Do they believe that too, in that circle? Are we talking about around 90%?

#Steve Jermy

I would say that of the former senior naval officers I know, about 90% of them believe that Putin is an evil, ambitious tyrant who's trying to take over Europe. There's no evidence of that at all—none.

There's nothing he's selling. The only threat, as far as I can see, to NATO comes from the United States, not from Russia. But yes, I'm afraid they do. And I'm reminded of the work of Schopenhauer, who said that truth has three stages: first, it's ridiculed; second, it's violently opposed; and third, it's taken as self-evident.

And I think, in things like the Russia-Ukraine war or energy at the moment, the Europeans have gone past the stage of ridicule regarding where the Russia-Ukraine war is. They're now in the stage of violently opposing what is a self-evident truth. Whereas I think the Americans have tacitly said, "Okay, we've lost this war." European leaders don't seem able to face that. But I think the same goes for other areas, including energy. In energy, there's a lot of misplaced thinking. This is my job—I've been doing it for the last 15 years. I'm a bit of an energy nerd. But there's very poor understanding, even within some energy sectors, of the global energy situation and how important it is to all societies, per Pascal Lottaz.

#Pascal

This is one of the things. I mean, Russia... I don't know, like, you know, much of the discussion, much of the discourse we read in mainstream media is all about cutting off the financial resources for Putin to fund his war—the financial resources, the financial resources. And I'm like, oh, but, you know, they have the oil they need to run the economy. They have the manpower they need—and the woman power too—about 140 million or so in total. They have the natural resources to create all of these things. Doesn't it at some point dawn on people that the real economy, the factors of production, are all inside Russia? The money question is a question of organization—how do you motivate people to sit at the factory lines and do the work? But it's not a real problem in that sense. I really wonder, doesn't—at least for the military people like you—wouldn't it just dawn on them that, oh no, they have everything they need to fight a war? The money is not really the issue.

#Steve Jermy

You're absolutely right. There's a difference between thinking in the financial and economic world and thinking in the real industrial and physical world. And you're right—Russia is what's known as an autarkic economy, meaning it's self-sufficient. If it can't sell its energy to Europe—which it probably no longer will now, and I suspect those energy supplies are cut off to Europe forever—I might be wrong, I'd like to think I'm wrong, but actually it's got lots of opportunities to sell them to China and to India. There's some very interesting analysis I read about ten years ago, I think, which suggested that by the early 2030s, India and China, with their populations, would consume all of the world's exportable oil.

So you can ask the question, "So what for Europe?" And of course, people in Europe will say, "Well, that's why we'll just transition to renewable energy." I mean, I work in the energy sector, and it's a fantasy industry. The transition—even if it's possible, and I don't think it is—would take 50 to 100 years. So the idea that we can transition, when hydrocarbons currently make up 80% of the global

energy supply, with about 10% from nuclear and 10% from renewables, including hydroelectricity, is fantasy. The idea that you can move from 80% to zero is just unrealistic. If we can do it—and I very much doubt we can—then, the last time I calculated, at our current rate of progress, we'd hit net zero around the year 2260.

#Pascal

Yeah, those are all good points. But my issue is on an even more fundamental level: even if you managed to cut off Russia completely from all exports—let's say it couldn't export a single drop of oil—the worst thing that happens to Russia is that it has too much oil. That's really it. Because even the idea that "oh, then they don't have money," well, I'm sorry, but Russia makes its own rubles, right? Like any sovereign state—except for the EU, but let's leave that aside. The war-making capacity isn't an issue of oil exports. Yet the Europeans, and the UK too, are so fixated on that and seem to think that if Russia can be punished in that area, then in the end the war will be turned around. But at this point, I mean, even the Americans, I think, understand that's not what it is.

#Steve Jermy

I think the Americans have got this. You can see it in the national security strategy—it's clear they're trying to reestablish a relationship with Russia. It's going to be a very chaotic process, but I suspect they'll get there eventually. But no, you're quite right. Militarily, you can't throw collateralized synthetic debt obligations at the Russians and assume you're going to win the war. You can't throw loans at them and expect to win either. Russia is outproducing the whole of the West in 155mm shells. It's developing hypersonic missiles against which we have no defense—not "we" in Ukraine, but we in Europe. One of my jobs in the Navy was to command an air-defense destroyer, so I was a specialist in air defense. And I can tell you, I'd be surprised if in ten years we have any real ability to defend against the hypersonic missiles Russia has produced.

So, you know, we're in a situation where, for those reasons, no matter how hard the Europeans—with American support—try to punish Russia, the likelihood is that it will have the reverse effect. I wrote an article for the Naval Review in September of '23—no, September of '22—and I said that the sanctions were boomerang sanctions. They were going to have a much more deleterious impact on European nations than on Russia. And it was obvious at the time, Pascal, so it's very difficult to understand how people—elite leaders and teams of officials, civil servants, military officers, politicians—can miss things that seem to me, to you, and to others in the alternative voices, just self-evident. The truth is arriving. The truth is arriving.

#Pascal

The big question is whether we have the capacity to actually realize it and then work with it in a constructive way. Maybe just two points. First, I wonder why it is that all the political talk—and also the military talk—is always about deterrence and how to make sure the Russians can't attack,

instead of asking how to make sure the Russians don't want to attack. I mean, for instance, the neutrality of Ukraine, or neutrality in general, is usually a debate about how to create an arrangement where nobody wants to come and take something. Of course, that includes a deterrence factor as well, but that's one thing. The other thing I'd like you to talk about is your other area of expertise—strategy. The absence of strategy in the West, and maybe also the strategy of the Russians—how do you think they're approaching this issue? But please, pick among these things what you'd like to talk about.

#Steve Jermy

I think your point on deterrence is a really important one, and I'll come to it at the end, if I may. But I've been thinking about the Russia strategy for some time. When I wrote the book—it was called **Strategy for Action**—I wrote it because we were so bad at it. But I kept coming across so much strategic thinking from the past that had been forgotten, and I realized we could actually get a lot better at it. You can do it in quite a structured way. I'm sort of self-taught, if you like, on strategy. What's terribly disappointing, though, is that the teaching in the West is appalling. I mean, it's obviously appalling. We're now into the fifth failed interventionist war, if you count the Russia-Ukraine war following on from Afghanistan, Iraq, Libya, and Syria.

The way I've been looking at the Russian strategy—and I came at this in a neutral way, because I hadn't anticipated Russia's intervention in the Donbas—is really what I call starting from first principles. It seemed to me, as I began to think it through, that there was, if you like, a five-phase strategy. The preparation for that was really the "mind revolution," the early Minsk conversations, leading up to the intervention. Phase one, which was the intervention itself—from February to April 2022—I call "diplomatic pressure," because I think what the Russians were doing in that phase was seeking a negotiated solution. We know they began talking almost immediately, I think within a day, to try to make that happen.

And I thought the two parts of that were, first, moving into the Donbas with a force that was obviously not big enough to take Ukraine. I mean, I can't think that it was 190,000—of which quite a large proportion were Donbas volunteers—so it was obvious, militarily, that that couldn't be enough to take Ukraine. So there was never, in my mind, an intention to take Ukraine, because you'd have needed a force significantly larger—half a million, perhaps more. I can't think for one moment that the Russian general staff would have told Putin, "Yes, we can take the whole of Ukraine with 190,000 troops." I think it was actually to secure the Donbas. And the second part of it was to put political pressure through the thrust toward Kyiv.

And by doing that, they were also showing the West that when the Russians said this was a red line, they meant it—they weren't bluffing. I think in phase two, they began to realize, after the Biden–Johnson intervention, that they would have to fight. And because they were configured to fight a war not only against Ukraine but against NATO, they conducted what we would call a retreat in contact—a strategic withdrawal from the areas east of Kyiv, back to the basin, and then behind what'

s known as the Surovikin Line. That line was built to be extremely impregnable, that's how I'd describe it. But at the same time, they began a military mobilization. And I think, at the time, they were talking about a thirty-month military mobilization. Yes.

So in phase two—sorry, phase three—which ran from October 2022 to September 2024, they were engaged in what I'd call attritional defense. The Ukrainians, persuaded by Western generals and staff officers, attacked the Surovikin Line not once but twice. They did that without aviation support, without air cover, and without the other elements you'd normally need to have any chance of breaking through a line of that level of impregnability, if you like. And, surprise, surprise, they suffered significant casualties. So the Russians, I think, at that stage, weren't aiming to secure territory. Their objective was to "denazify" and demilitarize Ukraine, as they've been saying since the war began.

And ironically, the West was actually helping them, because they were encouraging the Ukrainians to throw troops and military equipment at the Surovikin Line and have it destroyed. So it's a sad thing to say, but that's how the demilitarization was being achieved. Now, I think from around September 24th, the Russians shifted into what I call phase four, which is what I'd describe as offensive attrition—moving slowly forward while at the same time wearing down the materiel and manpower of the Ukrainian armed forces. I think they wanted to secure the Donbas and then the four eastern territories. But the idea that they were moving slowly because of poor generalship by the Russian staff is fantasy.

They're moving slowly because it suited their strategy and it was what they wanted to achieve. So when you hear people say they were only making very small territorial gains, it didn't matter. What they wanted to do was actually attrit the Ukrainian armed forces. I think that takes us to where we are now. The final phase, which I think we're just ending, is what I call strategic exploitation. I think now they'll be shifting from demilitarization—not completely, because they're still wearing down Ukrainian forces—but toward establishing what they believe they need territorially to meet Russia's security needs. And I think there's a minimalist side to that. The minimalist side would be the four eastern oblasts.

But the maximalist side—and I think this is the way they'll go—is Novorossiia. So this is New Russia, which includes Odessa and those oblasts just west and east of the Dnipro River. I think that will connect them to Transnistria. It will also secure Odessa, which in turn means there are no avenues for Ukraine to attack them in a maritime way. That will achieve their security needs. My strong intuition is that Putin has said, "We will keep going with this." He's told his general staff, "We'll keep going with this. If there is a diplomatic initiative that works for us—plan B—then that's fine, and we can look at it at the time. But until you hear more from me, keep going with this, and we'll see where we are when we've secured another region."

#Pascal

And I think here it's really important to point out that, A, Vladimir Putin said as much. He said so openly, on TV, saying, like, look, we prefer a military solution, but if we can get the same result diplomatically, then we won't shut that down. That's why they're still talking and maintaining diplomacy with the Americans. On the other hand, in Russia—and in Brussels, meaning NATO headquarters—I'm pretty sure they're both on the same page when it comes to realizing that this is a proxy war, right? And both of them are kind of fine with fighting it in Ukraine, because it's not just the Ukrainian military that's being degraded. I mean, Russia has been degrading NATO's equipment as well, right?

It has, to a large part, defanged—not everything, but a part of NATO. The offensive, in-your-face, military-trenches kind of part has been defanged to a large degree. So, militarily speaking, this was something achieved. And I very much think Vladimir Putin, and the Russian leadership in general, think in terms of processes, not so much in terms of policy. And those processes are, again, similar to the way ships move, right? You try to figure out what you need to do now in order for the thing to go in one or the other direction. And you try to take into consideration not only what your own ship is capable of doing, but also how the sea moves, in order to figure out how you can maneuver.

And in this sense, it seems to me that at least the Russians have decided to try to move the ship in a way that secures Russia from the European mainland. What I'm not sure about is the Europeans and NATO—whether their strategy now is to accept that and let it come to an end, or if they actually want to escalate to the European level and say, “No, no, no, we're going to prepare for a full-blown European war against Russia.” What do you see there? Because in Germany, we see the militarization going on. We hear it in the UK. And we hear the saber-rattling, right? But is it real, or is it for show? And maybe this whole thing will grind to a halt at some point.

#Steve Jermy

I suspect that it will grind to a halt, and I suspect it will grind to a halt for reasons people don't realize at first—mainly that we won't be able to afford it. With heavily indebted Western nations—maybe with the possible exception of Germany, though that probably won't last long—all of the G7 countries have debt-to-GDP ratios in excess of 100%. I think America's heading toward 125%, maybe even higher in some places. So the question is, where does the money come from? And of course, the only place it comes from is taxpayers. Now, as it becomes clear...

#Pascal

I have a slightly different take on this one. Sorry, I just need to point out that ultimately the money comes from the central bank. Again, I don't believe that money—or debt—is that much of a constraining factor. At the end of the day, anyone's debt is somebody else's asset. So, you know, you can always make money out of that. But the Europeans don't have the infrastructure, right? They don't have the things in place to make that stuff.

#Steve Jermy

It's a fair point. I think what they certainly don't have is the industrial capacity to match Russia's. And it should be clear to everybody that if this war couldn't be won with America on board—the United States on board—then it certainly can't be won with just the Europeans. So the way I'm hearing people talk about being ready to fight Russia by 2030, and to get their investments in by 2030, well, all the economies are struggling. What we're already seeing is that Germany is in recession. I think Britain and France are on the verge of recession, if they're not actually in one, with very, very tepid growth. I think 0.1% is tiny. But I think the industrial capacity is critical. The other critical thing—and again, I would say this, wouldn't I, as an energy person—is where does the energy come from?

So this has nothing to do with finance, as you say. In the article I wrote about battle and power, I said that not only do you need industrial capacity, you need energy—because factories don't work very well if there's no electricity and nothing to fire them. At the moment, the Europeans are net importers of hydrocarbons—around about 12 million barrels a day, I think. It's that sort of figure, a very high figure. And with the single exception of Norway, all are net importers. Now, the problem that's going to happen, I suspect, is that as they cut off the hydrocarbon opportunity from Russia, where does that energy come from? You've got expensive energy from the States, and you've got expensive—and slightly less expensive—energy from Qatar, and that's about it.

#Pascal

May I tell you a secret? That very expensive LNG from the United States—I'm not sure it's still coming, if they actually want Greenland and the Europeans don't say yes. I'm not sure. I mean, could it be that Donald Trump might weaponize LNG? Just a little secret. We don't want to ruin the Europeans' party, right?

#Steve Jermy

I mean, that energy as well is mostly—I'd have to check the proportions—but a high proportion of it comes from the shale sector, because that's what shale produces: energy. And shale is a very short-term resource. People don't realize it, but a shale field reaches maximum production in about six months. Within roughly 24 months, it's down to about 10%, and it's finished by 30 months. With one exception, most of the shale fields—the Bakken field, I think, or maybe the Eagle Ford—are the ones still producing, but a lot of them are in decline. So shale is not... it's a very low energy-return-on-energy-investment resource, and it's a short-term thing. That, I happen to think, is one of the reasons why America is actually in Venezuela.

But no, you're right. If Europe doesn't have the energy to fire up its factories, even if it could afford to get those factories up and running, then the chances of it being ready to confront Russia—even by 2030, I'd say—are extremely slim. Russia has a head start of probably two, three, maybe four

years. It's also an industrialized society, not a financialized one. So for those reasons, I'd be astonished if we could ever catch up with Russia, even if we were putting, say, 10% of our GDP into military industrialization. And of course, the irony is that Russia doesn't want to take Europe. So this would be fighting an offensive war against Russia—and for what purpose?

I mean, the irony is that people say to me, "Putin obviously wants to take Europe." My response is, why would he want to take Europe? What's here in Europe that he would want? He has an autarkic society, he has all the energy he needs, an industrialized society—what possible reason would he have to take Europe? I mean, it's well known from historical analysis that the Russians didn't actually enjoy too much being the leader of the USSR, and that it was quite fractious working with some of the Eastern European countries. I can think of no reason why the Russians would want to take Europe. And there's no evidence in anything Putin has ever said that they do. Indeed, everything they've said is the reverse. So this is a Western fantasy, I'm afraid.

#Pascal

This entire discourse just reminds me of, like, you know, it's just narcissism at the end of the day. It's like, we're the garden—and Mr. Borrell even said so, right, in a very racist way. We're the garden, and everybody wants to get into the garden, or even get the garden for themselves. It's like, guys, did you ever look around? What do your cities look like? Did you ever look around at what your economy looks like? It's... yeah, I mean, out of touch. Out of touch. That's why this discourse with Russia makes so little sense in our corner, right? It would make much more sense to say, like, hey, how can we sit down and build that cooperative security structure from Portugal to Vladivostok, to make sure that we can all prosper and Ukraine can be a bridge instead of a wall? I mean, that would make much more sense—but that doesn't, that occurs in no corners of the public discourse, the mainstream discourse.

#Steve Jermy

I think it's one of those things where you asked about Europe's strategy. I don't think Europe has a strategy. I'm a writer on strategy, and I've been thinking about it seriously for the last 20 years. I can see no sign of any strategy in Europe other than doubling down and hoping. So, you know, that's disastrous, frankly, because it's stopping us—it's stopping us from thinking clearly about it. We're in this cult thinking, which means that anybody, like Jacques Borde, for example, who dares to actually produce very well-referenced work—I read his books, they're exceptionally well-referenced and very analytically sound, in my view.

But because he's saying something that our politicians don't agree with, he's silenced. This is very bad for Europe, because we're actually damaging ourselves economically at a time when we really should be thinking about investing in capital expenditures—things that benefit society—instead of trying to fight to win an unwinnable war, or prepare for a bigger unwinnable war on the continent of Europe. You're right. In terms of the discussion about deterrence, I've been saying for some time

that NATO keeps talking about deterrence, but what it's actually been doing in practice is confrontation deterrence. So it's not deterrence; it's confrontation.

And they've been in a confrontational situation with Russia, where they marched up to the borders. That turned out to be a bluff. I don't think we realized it was a bluff. I wrote an article—I think it was for **Responsible Statecraft** about nine months ago—in which I said that NATO was something of a paper tiger, and that if NATO, even with America on board, went to war with Russia, we would lose. I'm absolutely sure we would lose, for a number of reasons. But again, NATO is one of those institutions, a bit like a supranational body such as the European Union, where one of the key drivers becomes the institution's own self-preservation.

#Pascal

Yeah.

#Steve Jermy

I'm afraid that, actually, the key casualties of the war could be NATO and the European Union as independent institutions. It wouldn't surprise me at all if, within five years, both have disappeared.

#Pascal

Yeah, that's very much on the cards, I believe. I'd like to run by you a theory—or an approach—that a young researcher who's been on my channel a couple of times, Nell Bonilla, has. She's a fantastic analyst, I think, and she's trying to piece things together. In one of her latest articles, or approaches, she talks about what she calls the "securitocracy." Her argument is that, look, it seems chaotic, it seems disjointed, and it looks like bad leadership. But actually, what we're seeing is a shift in the way our states are run—away from politics, away from politicians themselves—because they've become just the implementation figures, carrying out what's already been laid out by the securitocracy: the people who work in think tanks, in administrative bodies, and so on, who think about the world and politics purely in terms of security, and then subsume everything under that label of security.

So everything's a war; everything needs to be defended; everything needs to be approached as cognitive warfare, human warfare. And hence, every aspect of life needs to be somehow integrated into a military plan, into a defensive structure, and also into resources. Not 1% of GDP, not 2%, but 5% needs to go into that and be distributed into infrastructures that are all supposed to help us feel secure—without ever defining what the endpoint of security is. When are we secure? It just defines enemies, against which security must then be produced. How much do you see that influence, you know, of the securitocrats who try to argue at any point in time that we need to increase security on all levels?

#Steve Jermy

I do see a bit of it. I certainly see it in the press. And I suppose, in a way, it's a bit like Eisenhower's warning about the military-industrial complex. So I think there is some of that in it. I think it actually has a fundamental flaw, which is the guns-and-butter argument: if societies are going to invest heavily in security, but that ends up damaging their economies or making them less successful, then it's self-defeating. It's obvious that if you spend all your time and money on guns—on weapons—as opposed to the essentials of food, energy, and so on, you'll end up with a less secure society. And indeed, a secure democracy will be needed precisely because of the breakdown in the order of that society.

I mean, we're already seeing lots of stresses and strains across Europe, with riots in places, so, you know, it concerns me. But I think that's a very interesting point. I haven't come across that thinking, but I'll make sure I read more about it. I think the interesting issue there is the extent to which there's a financial, straight capitalistic element—namely, the influence of the military-industrial complex on policy, largely for reasons of shareholder interest. And it wouldn't surprise me at all if that's part of it. I was listening to the BBC's Sunday Politics program, and there was a CEO of a large defense company on there who, again, was arguing for more investment in security. Of course he would—purely from shareholder interest.

I think the danger there is that we need to think about this in a much more balanced way, because there's another way to do security—actually talking to people. So if you ask me what I'd replace NATO with, I'd replace it straight away with an organization that isn't perfect, but the Organization for Security and Cooperation in Europe. And the clue to how it works is in the word "cooperation." I think one of the best ways we can be secure in Europe is to start talking to the Russians. People are often dumbfounded by this, but I find it absolutely diplomatically incompetent that the Europeans aren't talking to Russia. Difficult conversations were kept going between both sides of wars for years and years.

I mean, Vietnam was one example. The Northern Ireland problems we had were another. We talked to the IRA in very subtle ways throughout that conflict. But if we don't talk to Russia and try to understand the situation from their perspective, then we're likely to drive ourselves into a frenzy of securitocracy—driving ourselves to invest more and more in defense, and less and less in the fundamental needs of a successful society. It's about education, it's about food, it's about energy, and it's about the normal health and basic needs of a functioning Western society.

This is one of the reasons why I suspect the war won't happen—because the way we're going, if we keep on this track, Pascal, we'll end up doing ourselves significant economic damage. We've already done that, but the way things are going, we're actually doubling down on the harm through really poor strategic thinking about the war, the broader context in which it's happening, and its

consequences. And these consequences are foreseeable. I know they're foreseeable because I've foreseen them, you've foreseen them, other people have foreseen them. The problem is that the Western elites can't seem to see them right now.

And that's why channels like this, which give people the opportunity for alternative thinking, are so important. It's you, it's Doug McGregor, it's Daniel Davis, it's Glenn Diesen. All of these kinds of channels matter because right now we're really, really struggling to get any sensible thinking in the mainstream media. We used to have a really good press in this country, but I find it disappointing. I've complained a couple of times to the BBC, and I might as well not have bothered. It's a bit like being in an Alice in Wonderland world. Indeed, I begin to wonder whether I should be rereading **Alice in Wonderland**. I just don't understand what's going on with the elites.

#Pascal

I mean, this is part of the big question, right? How is it that in liberal democratic states we end up with a completely captured, elite-controlled mainstream media? I mean, there are explanations. We have Chomsky and Herman, we have a lot of discussions. I've had discussions on this channel. I think we can all figure out the mechanisms that lead to this, but the conflation of all of it—when it comes together with an external war and internal repression, like the way the UK now deals with dissent on Gaza and on Palestine, on the genocide—it's draconian, right? Protest itself is being criminalized, and so on.

There are just so many aspects to this, but they all point in the same direction—more of the same, a doubling down of the system, insisting on this path even at a moment when the biggest partner, the United States, is basically the only real threat to European or NATO territory. Which is quite remarkable, actually, if you think about it. And in a sense, I wouldn't be happy if Donald Trump did it, but it would serve them right, wouldn't it? It's like, if your biggest ally takes away a big chunk of EU territory, maybe that's the wake-up call needed to get rid of some of these basic ideas of this cult, this cult thinking.

#Steve Jermy

I was introduced to the idea of cult thinking by a guy called Livesey—I've forgotten his first name, actually—but he writes about postmodernism. One of the things we're suffering from, I think, in Western societies comes down to two dynamics. First, people call it "woke," but it's better understood as postmodernism, because that actually explains what's going on much better. The other is what I'd call the sort of Chicago School of economists. So you've got people on both the left and the right damaging our societies, curiously. I think it was Eisenhower who said the most important thing for a functioning democracy is a well-informed populace—and we certainly don't have that at the moment.

And it's largely, I think, due to a culture of spin and the way political parties and those in power seek to manipulate the press. But it's also due, I think, to the press themselves, who want access and are conscious that if they're too openly anti-government, that access might be closed off. It's partly that, but also because they too are captured by the spin. It's very interesting that in cults, one of the things you find is that when facts and figures destroy the cult's argument, they simply re-rationalize to explain those facts and figures in a way that fits the cult's feelings. And we see that time and again, I'm afraid. But we'll get through it. I think we'll get through it as truth arrives.

And I think the first big truth is going to be the defeat of Ukraine in the Russia-Ukraine war. I suspect that will have happened by the end of next year. I doubt it will be before that—it might go on into '27. But it's at that stage, I think, when a lot of Western populations are going to be looking at their politicians and their elites and saying, "How did you get this wrong?" And the answer is really, really simple. There's a very good French general called André Beaufre, who was writing in the '50s. He said that in war, the loser deserves to lose because his defeat will be a consequence of poor thinking—poor strategic thinking—either before or during the war. And that's exactly the diagnosis I would give if I were asked by my politicians why things are going wrong. It really is that simple, I'm afraid.

#Pascal

I mean, you can ignore the iceberg until it hits you. You can still ignore it, but you'll sink. And once you're at the bottom of the ocean, you can tell yourself you were a beautiful ship—but no, you can't, because you're going to be dead. Period.

#Steve Jermy

So the Americans have jumped off the Titanic. The Europeans are still on it—and making more and more holes, I'm afraid. So...

#Pascal

Yeah, and the music is playing ever louder, but it's just too loud to drown out the iceberg—the scraping—because the scraping's getting really, really loud now. Okay. Stephen, for people who want to find your work or your writing, where should they follow you?

#Steve Jermy

I've got a couple of articles I'll send you, which you can see. I'm actually developing a Substack, so I'll send you the links to that as well. I'm hoping to launch YouTube in the middle of the year, Pascal, so I'll update you. But great—it's been a pleasure, Pascal. And well done for what you do as well. It's really, really important.

#Pascal

Well, thank you very much for that, and thank you for giving us your analysis. I'll put the links you send me in the description of this video below. Commodore, Steve, and Jeremy, thank you very much for your time today.

#Steve Jermy

Thank you, Pascal.