

Einar Tangen: The U.S. Economic Model Is Breaking Down

Einar Tangen is a Senior Fellow at Teihe Institute and a Senior Fellow at CIGI. Tangen discusses how the U.S. economic model and political system has reached the end of the road. Einar Tangen's Substack: <https://substack.com/@asiannarratives> Follow Prof. Glenn Diesen: Substack: <https://glennndiesen.substack.com/> X/Twitter: https://x.com/Glenn_Diesen Patreon: <https://www.patreon.com/glennndiesen> Support the research by Prof. Glenn Diesen: PayPal: <https://www.paypal.com/paypalme/glennndiesen> Buy me a Coffee: buymeacoffee.com/gdieseng Go Fund Me: <https://gofund.me/09ea012f> Buy Diesen merchandise: <https://diesen-shop.fourthwall.com/en-nok> Books by Prof. Glenn Diesen: <https://www.amazon.com/stores/author/B09FPQ4MDL>

#Glenn

Hi, everyone, and welcome back. We are joined today by Einar Tangen, a senior fellow at the Taihe Institute and also senior fellow at the Center for International Governance Innovation. And, yeah, Einar Tangen also writes on his Substack, Asian Narratives. Make sure to read it. Indeed, some of the things I want to discuss with him today are from his Substack, which I regularly read. So, again, check it out in the description. So thank you for coming back on.

#Einar Tangen

It is my pleasure, Glenn. I mean, it's always an honor to be on with somebody who actually believes that discourse and history matter.

#Glenn

It's revolutionary, not a new idea, but apparently it's a safe word.

#Einar Tangen

If you ignore it, you repeat the past.

#Glenn

Well, actually, that's linked in a little bit to what I want to discuss with you today, because I feel like over the past 35 years under the liberal hegemon, we kind of stopped talking about competing security interests. We stopped talking about the cultural differences and, well, history and all of these things. I mean, if you read the works of Henry Kissinger, half of it's history, essentially. But

after the Cold War, we seem to flip, and every politician only leans into ideology. Media, academics tend to lean into ideology so heavily, where everything, interests, everything is just framed as good versus bad values. And I guess this makes it very difficult to work with other great powers. Again, the commonalities, you know, if you're sitting in the US or Europe and you see the rise of China or Russia or someone else, it's all, here's this autocracy challenging liberal democracy.

And this is kind of the premise. And as long as people buy into the premise, the conclusion will always be a different format of, well, how does good defend itself against evil? And essentially, the room for compromise is gone. And, well, this is kind of linked to what I've been reading you writing about, that is this meeting between Xi Jinping and Donald Trump. You argue that they have to not just make a narrow deal, but they also have to find a format because I think many people just assume that, oh, the rise of China, I guess we're going to go back to great power rivalry. You argue that we should instead find a completely different formula, which you refer to as managed coexistence. I was wondering if you could flesh out this idea.

#Einar Tangen

Okay. Well, thank you, Glenn. But I mean, managed coexistence is reality. The switch is neither on nor off. That is for simpletons. The fact is that the world is more complex. We live in the gray area, not in the black and white. And I don't mean that as a compromise. What I mean by that is that there's nothing completely pure about— you go back to the Chinese idea of the yin-yang. This is, you know, the white part, there's a black part, and the black part, there's a white part. Nothing is extremely pure, especially when you're dealing with human beings. I mean, if you start, you know, you're a— you are a professor of history.

And you of all people understand that things are not that simple, that we have to study our mistakes in order to prevent us repeating them. And unfortunately, today, as you pointed out in your introduction, there's this desire to ignore history and to look at whatever it is that you think you want. The politics of expediency, of ignoring the reality, of ignoring history. So when we get to this managed coexistence, for China, it's a compromise. It's not what they want. It is the reality that they find themselves in. You have a dominant power, the United States, which believes that it should be a hegemon and that this is very good for the rest of the world, even if it hasn't worked.

You look at the history since World War II. Are we today a more peaceful society that can accept others? No. It's been the exact opposite. We pushed a polarized idea, and what we've arrived at is a polarized reality. And that is that you have the fringes on both sides, all sides, who are trying to dominate the middle. And it's the middle that understands that life is not that simple. It is not simply yes or no. It is a question of differences and how we resolve them. You may not like your neighbor. You may not respect or, you know, adhere to their beliefs. But the fact is, they are your neighbors.

And you, as long as you realize that what we have to do is to understand that they have their right to exist on their beliefs, and we have the right to exist on ours, then you can create a better world.

And right now, China is confronted by the United States, which believes that it should still be a hegemon, that it should dominate the world. And the argument from the Western side, regardless of how far you go back, all of the post-Cold War American historians, things like that, and politicians, pundits who are saying—you mentioned Kissinger—they do believe in American exceptionalism, this idea that somehow America is leading the world towards a peaceful coexistence, and that the only way to prevent World War III is to have a hegemonic, liberal, democratic, capitalist embrace.

Has that worked? No, obviously not. So China is at a point where it believes in a different system, a system that is based on acceptance of differences and the idea that we can go forward as long as we have certain basic principles. And those principles are that every country deserves to be secure. Their security cannot depend—and I've said this many times on your show—cannot depend on the insecurity of another nation, because obviously that is not sustainable. The same with development. Every country has the right to pursue development on its own terms. No country has the right to interfere in that. And then we talk about civilizational values.

This is something where China looks at the history, realizes that wars simply make more wars. And they say, you have to respect the differences in countries. You know, every country today exists because of the mistakes of history, of birth. You know, go back to feudal times, and sometimes the machinations of colonial powers who deliberately drew lines arbitrarily. Well, I shouldn't say arbitrarily. I should say that they drew these lines deliberately to try to put minorities in charge of majorities. Why? So that the minorities would be dependent on their previous colonial masters, and, e.g., creating a system of client states. China sees this as inherently unstable.

It sees it also as something that violates the very essence of civilization, which is how do you get along, not how you divide. So I'm not saying that China is perfect. I'm not saying that China has all the answers. I'm just saying that the answers in today's environment do not lie in trying to divide the world. And that's what we see here, whether it's Ukraine or Iran or DRC or wherever. What you see are the footprints of colonial powers who are deliberately trying to create chaos in order to benefit—political chaos, as you say, political and social chaos—in order to benefit economically. And that is not sustainable. So I think China has at least a good suggestion.

The details are difficult to work out. They're very long. They're very cumbersome. Why? Because the fact is, the world has evolved in a certain way based on colonial precepts. And those were that there's only one right system. There's only one right relation. And those, unfortunately, do not cover the entire world. And you're seeing now a reaction to that. That is why we have a multipolar world. This is why countries are drifting away from the United States. And it's the idea that America is first and everyone else should, you know, bow to that. They should accept that proposition, even if it's destroying their country. So this is going to continue.

So China is presented with the reality that the United States has certain types of beliefs, and they're trying to make sure that this does not result in direct conflict and somehow figure out a way to minimize the existing conflicts that are out there. So, you know, it sounds often that people say to

me, "Oh, you're always protecting China, and you're saying China's great." No, I'm saying what China produces for its people is pretty good. What other countries can produce for their people, absent foreign intervention, is probably better than what we've had since World War II. And I think that is, in fact, the reality here, that 50, 70, 80 years-plus since World War II, there was a good start.

The idea of having a world which had a higher power, the UN. But at a certain point, the US rejected that, even though it started it. And they said instead that we are exceptional, that we can pick and choose what we like, do not like, from a world body that we created in order to create order, because we do not have an obligation to follow any power that is greater than ourselves. And I think that is the height of hubris. This is why we are in the situation we are today. And it's simply ego. We can extend that from countries to individuals, to attitudes, to the press, which continues to vilify countries which they don't seek to understand.

They just seek to create headlines, create viewership. So in essence, China is confronted with this reality that it's not rational, what is happening, but it is the reality. And so they must respond to that in a constructive way, whether it's preventing the seas from becoming a point of friction that would lead to war, e.g., the United States with its 400 bases surrounding China, trying to create a blockade, or in essence a blockade, controlling choke points for trade and resources coming in and out of China. This is not acceptable. So China has sought other ways. There's the Belt and Road Initiative, almost \$1.4 trillion since 2015. We're close to 17, 12 years since that point.

#Einar Tangen

But you start looking around the world at what that has achieved in terms of helping countries increase their GDP, increase employment, increase the ability of their countries to be sustainable. And you suddenly realize that it is not black and white. It's not embracing systems. It's about embracing yourself. So China has to deal with the U.S., its largest military, political, economic bloc and country in the world. It may not be on good terms with its allies, neighbors, even those that it seeks to confront. But the reality is there. The only thing that is on the Chinese side is the realities of the global supply chain. Now, most people talk about—we've talked about this before—rare earths and technologies, green areas, especially solar, wind, et cetera, batteries, EVs.

But he goes much deeper than that. The fact is that China took over industries that were discarded by Europe and America. Why were they discarded? Because making a screw or nuts or bolts or plastic or chemicals—basic chemicals—you can earn 3% to 5% margin, which is not enough to go to a bank and borrow money for. China was in a position where it was just starting out, so it took in these industries that were being discarded, underly—discarded. They were not seen as productive. They were looking for higher margins of return, and that led to financialization and other things. But every corporation in America is motivated by one rule, which is actually written into policy and law, which is your job on a board is to maximize shareholder value. Unfortunately, it doesn't say long-term value, just says value.

It becomes short-term because those who run the companies, who are not the owners, these are a professional class of people produced by business schools, accounting schools, and then various, quote, specialists, advisors, consultants, whatever you want to call them. And they are rewarded based on their ability to maximize shareholder value, not over 20 years, but on a year-to-year basis. So they will always do what is expedient in terms of creating profit. So many companies in the U.S., you should say, they had businesses that were profitable in the U.S., but those businesses were moved elsewhere. China, Vietnam, Philippines, doesn't really matter where.

They were moved elsewhere because they could, in the first instance, decrease costs, lower labor costs in particular. A lot of times it was lower—well, let's say less strict environmental issues, cheaper land, cheaper buildings, et cetera. So they could reduce costs. What did that mean? That means at the end of the year, they could go to the board and say, look, we've accomplished all these things, kind of like drawing a line through a spreadsheet and eliminating all the middle managers. It all drops to the bottom line, at least in the first year, second year. The problem with that is, like R&D and everything like that, all these excess expenditures, which are the future, that does not translate into bonuses.

So these professional class of people, they're interested in bonuses. They're not connected to the communities where their factories are in the United States or anywhere. They're simply connected to their bonuses. So you're seeing a complete alienation between the workers and those who control the corporations, which has led to a lot of unhappiness in the U.S., and it has led to the situation where China has to deal with the U.S. and the reality of the U.S. maximizing corporate profits in the best way it possibly can, and that is to prevent itself from being, in essence, monopolized or controlled.

They do not want to go back to hundreds of years of humiliation. They're not interested in signing a deal like the Japanese did in the '80s, where the Plaza Accords were, in essence—today Japan is worth less than it was in real dollar terms in 1986, when the Plaza Accords came into effect. So it is a compromise. China is trying to deal with the United States on the terms that exist in reality, but it's aiming for something that is much more multipolar. And I referred to that earlier in these initiatives about security, development, and civilization. And that's the reality of what we face today, unfortunately.

#Glenn

Yeah, I'm sometimes reminded of this American sociologist and historian, Du Bois. He wrote about—well, he wrote back in '42 or '44 about Hitler's Europe. Well, it would have been '42—and about how the plan in this modern economy would be an international division of labor. And while he argued that in Germany, because of the fascist nature of that, that international division of labor had the different economic activities divided based on race, he also foresaw that this was essentially the

future of how international labor would be organized. He said, you know, we shouldn't go with the crude, you know, racial structure as Hitler. Again, he was an African American, but nonetheless, he argued that this is kind of how countries will organize their economies in the future.

And you do see this happening, though, how the international division of labor was intended to be organized. Because when, for example, the Chinese, they were supposed to do, well, as you suggested, make the bolts, or they were supposed to assemble the iPhone, but it should be invented and the property rights should be in the United States. So this is kind of, you know, we'll invent it, we'll do the finance, we'll do the high tech, and then these people here can put it all together. I think the problem, as you said, the Chinese were just getting started, so they were, yes, they will take all these industries, but then they were climbing up the global value chains, acquiring the technologies, the know-how, the platforms.

And essentially, you end up in a situation where the Chinese one day could say, well, now we don't have to assemble the iPhone. We can invent our own iPhones, and we have the platforms for it. And I think this is when the international division of labor for the Americans began to break down. So, yeah, I think this is the panic because it kind of conflicts with the hegemonic model. But it kind of takes me to my question, though. That is, if the United States can't compete anymore with China, it can't rely on the free trade model anymore, where consumer free trade is wonderful. If that means everyone goes, you know, where do you get the most efficient technologies? United States. Who has the production capabilities? The United States. Who manages the main trade corridors, the maritime corridors?

Well, the United States. Who has the main banks, the currency? The U.S. So free trade is how you organize the world. It's your friend. But economic liberalism doesn't work if you can't compete anymore. So the U.S. can't compete to the same extent. So they can't rely on free trade. But they will not give up on the dominant position. So how do you see the U.S. now adjusting to this? I mean, are they going into, you know, exclusive spheres of interest or influence? Are they just going to do like they do in Greenland and say, "Okay, this is ours now, and no other powers are allowed to extract resources"? Or the same with Venezuela. The Chinese and Russians are now out. They will, you know, they supply us now, and we're making all this money. I mean, is this traditional empire we're heading into now?

#Einar Tangen

Yes, but we never left it. The United States, as always, it's been an empire since its founding. It was founded as a revolution, a middle-class moneyed revolution. There was nobody who signed the Declaration of Independence nor the Constitution that wasn't moneyed. And most of them were property owners. And many of them were in poverty. And this is what differentiates it from the Russian and the French revolutions, in that it was all about the middle class. It wasn't started by the children of the middle class who looked at the inequities of society. It was founded by people who just didn't want to pay taxes because they didn't have representation.

So the United States is not—it was founded on this idea that we don't trust governments, and therefore we will do everything we can to minimize government and maximize our own values. Now, part of that was good in the sense that it created this frontier mentality. That was good for those who were coming in. Unfortunately, it wasn't so good for the indigenous people who were, in essence, wiped out, minimized, dispossessed of their lands or their rights. So, the U.S. is an empire. We have existed as an empire for 250 years. Over 90% of that time has been basically taking things from other people—or being on, I shouldn't say people, taking things from other countries—being involved in active conflicts.

So that is who we are. And this is not a judgment. I mean, Genghis Khan, the Romans, the Greeks—I mean, many old civilizations go through this period of empire when they're growing. The part where the United States has not arrived at, and involves this hubris, this ego that you're referring to—somehow we're right—is the civilization of values, the reality that if you keep conquering people, they're not grateful to be conquered. They're not thrilled with the idea that you come in with supposed values that you violate and then steal their resources or their vitality. Nowhere is more indicative of this process than India.

Before the British came in, India was 24% of the world's GDP. After they left, it was 4%. They said they left behind railroads and civilization and bureaucracy and things like that, but bureaucracy existed before then. Railroads could have been built by the Indians themselves. And this idea that they had somehow brought civilization is nonsense. They didn't bring civilization. They brought an order that benefited Great Britain. And this is the reality of America, that we are not this benign or positive force in the world. We're an empire. And we simply have not adjusted the idea properly, gained the wisdom to understand that we need to metamorphosize into a civilization, one that has its own values, its own things.

You cannot change the past. The question is, how do you regard the future? And the only way you can look at the future is the way you do, which is understanding the past, understanding the futility of war, that one war leads to another war, atrocities lead to more atrocities. We see that quite clearly in Israel, not a country, but a people who were violated by the Nazis, who have now turned into those who violate the Palestinians. And whether it's in Gaza or the West Bank, it doesn't matter. They continue to do that. This inability to understand your own actions in light of history is really the greatest evil that befalls mankind, our blindness to our own weaknesses.

And this is the reality of not only Israel, the United States, and other countries. There's this desire for the past. I cannot—you know, when I'm on different stations in the Middle East, it doesn't matter if it's Iran or any of the GCC countries or countries outside of it—there's always a sense that somehow, you know, we're right, that somehow the world should bend to us, out of hubris that goes on. And unfortunately, this is something inherited from the colonial powers that preceded them, that ruled them, that created the tensions that we are currently looking at today.

You cannot look at a map of the Middle East and understand it in any real terms when you realize that the colonialists who drew those arbitrary lines were deliberately doing so. So, as I said, I referred to before, so that they could take minorities, but they were in charge of majorities, so that the minorities would be dependent on their previous colonial masters. And, e.g., instead of directly controlling the country, what we will do is we will put in puppets who are not in a situation to go against our wishes. So this is the world as we find it. China has to deal with it. They have their own problems. There's nothing to say that China doesn't have problems. They do.

But the issue is, internationally, it does not want to go back to a century of humiliation. Neither does the Middle East. Neither does South America, Africa, Southeast Asia—all the places that were raped, robbed, and ruined, in essence, by this colonial mentality that we have the right to rule you, or plant our flag and deny that you had a civilization before we came, simply because we want it. We are going to disguise our venal desires to control you and profit from you by putting forth this idea that we are somehow healthy when, in fact, not. So this is the situation we find. Going back to your original question, this is what China confronts and what China is trying to deal with.

It does not want a direct confrontation with the United States, nor does the world. A direct confrontation risks a nuclear war, a nuclear war that would necessarily destroy China, the world, I mean, economically and politically, in ways that would not be recoverable for hundreds, if not more, years. So China has to deal with the U.S. as it is. It has to deal with the EU as it is. They cannot tell the EU and its 26 members how they should vote or how they should look at their internal interests. It simply has to react to what is the reality for these two entities and try to figure out a way in which there's not confrontation, but there is coexistence.

#Glenn

You mentioned frontier, and there's a lot of literature on this, that the frontier for the United States, that is, to always have that frontline, the conflict, that has been very unique in the U.S. identity itself. I mean, most prominently would be Frederick Jackson Turner. He is very renowned for the frontier thesis, where he argued that as the United States, after establishing on the East Coast, were moving westwards, that this frontline that is, you know, well, killing the natives and moving towards the Pacific Coast, that this frontline was, on one hand, yes, brutal and destructive. On the other hand, it also was the source for America's identity as embracing individualism. Because when you were out at the frontier, you were on your own. You were responsible for your own future when you confronted the natives and expanded further.

It was also important to support democracy because out on the frontier, there were no established hierarchies. Everything was new, the land you took. You had to be innovative because if you wanted to survive out there on the frontier, you had to find ways of adjusting, finding order in the chaos. And, of course, self-reliance. You also had the social mobility, which goes into the new land. That is, you can come, here's some land for you. So this whole, I mean, these are all, we consider this to be very positive characteristics: individualism, democracy, social mobility, innovativeness. I mean, this is

kind of what's been defining the American identity. But he kind of linked it to, well, that's because we're a frontier state. We are settlers. We are pushing them back.

And this also—this whole brutality and destructiveness also all happened under the umbrella of bringing civilization. This is the mission to bring the rule of law, structure, civilization, moving forward. And again, the main thesis, as you know, was: what happens when you reach the Pacific Ocean? Are we going to suddenly—the U.S. would have to look inwards and deal with all its own problems, issues, and also that character in the American collective consciousness would then begin to possibly fade away. So this was kind of the problem. He just recognized this is where this comes from, these values that we revere. What will happen after we reach the Pacific? And some would say, luckily, by 1898, when they had reached the Pacific, of course, then they won against the Spanish, and then they were able to pivot into the Pacific.

They got their colonies all the way to the Philippines, and suddenly the frontier had expanded. So again, this goes beyond Turner's frontier thesis, but the argument, essentially, is that the U.S. has always been on those frontiers, always been fighting these rivals and bringing civilization. And this has been kind of core, not just as a power in the world, but also its internal dynamics. So, you know, I often think about it in terms of how this now—the U.S. being checked, balanced—it will have to scale back, how this is going to impact the U.S. from within, because it must be a shock to the system, because this has been its entire history. But I did want to ask, you mentioned the Europeans as well.

How do you see China working with the Europeans moving forward? Because the Europeans kind of reached a similar problem. They don't have an economic model anymore. Over the last week, I've seen people like Macron make this point. He gave a speech where he said, "Oh, we don't get the cheap energy we need for industries. We don't have the huge export market in Russia. The Chinese, you know, we used to export to them. Now we have a trade deficit and everything." And of course, the Americans are able to extract more concessions from the Europeans every day because Europe has no choice. They put all their eggs in that basket. So the Europeans don't seem to have an economic model. The Germans, by the way, say something very similar. So, what does this mean?

How do you see the relationship moving forward with China and the Europeans? Because at some point, if the Europeans can't find a new economic model, they might begin to embrace the Trumpian rhetoric on this. That is, you know, we used to be glorious, and who took away our glory? China. And it will become the new Russia, the big giant in the East, which we can pin all our problems on. How do you see the possibility? I mean, I'm not saying it has to be China's fault, but nonetheless, it's in China's interest to find a new model of working with the Europeans before, you know, some new status quo which has some element of stability in it. Okay, so to the first part—sorry, they're very big questions. I'm aware of it.

#Einar Tangen

No, no, actually it's very simple. The limits of arrogance. This assumption that somehow you're bringing something. I mean, you could see it quite clearly here as a historian. You understand that European and American narratives about Africa, the Middle East, everywhere—everyone was a savage. In Africa, they're just wandering around in loincloths with no idea what was going on. It doesn't acknowledge the fact that civilization started in Africa, that the oldest civilizations that we know of were there, that they did amazing things in areas that... You know, if you start looking at Europe, no, they were literally living in caves, wearing the furs of animals.

And you and I are both Norwegians, and, you know, we can acknowledge that. We had very primitive societies in comparison to the civilizations that were much more to the south of us. They adopted agrarian policies that allowed them to expand. As part of the expansion, they understood medicine. They understood the stars, mathematics, history. So what we have today is this supposition that somehow everything we did was right, and we, being America and the Europeans, both colonial entities, that we were somehow healthy. But this is just purely a rationalization. And the fact is, the rationalization has come to an end.

Those we victimized, we are now afraid that they would turn and victimize us. And this is the irrational fear that permeates the relationship. The assumption that if I'm at the top of the hill and I shit down on everyone beneath me and I prevent them from getting ahead, like the United States did with Japan, is that if some power is greater than us, that they will do to us, the United States or Europe, what we did to them. And this is an underlying reality of the way that people think. They don't think about it consciously, but it is endemic to their views. So when you start talking about where Europe is going and where the United States is going, I would simply express it.

They have hit the limit of their own hypocrisy, of their own delusions that they somehow are beneficial to the world, when in fact they have been very destructive. The world is multipolar. It is not becoming multipolar or multilateral. It is. This is the hardest part for the United States, which was 50% of the world's GDP post-World War II, and it's now going down to 19%. It is a big comedown, just like within the United States itself, when 61% of the population was middle class in 1972, and now it's driven down to 50%. And of that 50%, 90% are fragile. They're insecure. Many of them don't have \$400 in case of an emergency.

To put that in perspective, a simple ride to the hospital in an ambulance would cost between \$800 and \$1,500, depending on distance. If somebody dies in the family, if you have to have a car repair, somebody loses their job, it can be a cascading effect that, in essence, takes away their car, their home, and everything that they sense about themselves. This is the reality of economic deprivation. So the U.S. is fragile. The way they're reacting to it is, you have populists not only in the United States, but in Europe, South America, everywhere, who are promising simplistic answers: that simply, we just haven't taken enough from others.

Donald Trump saying that Canada should be the 51st state, taking over Venezuela, in essence threatening Panama into compliance, promoting populists in other countries throughout South

America. Now, this isn't a coincidence. This is part of a policy. Elbridge Colby, who was the Undersecretary for Policy for the Department of War and Defense, depending on what you want to call it, of the United States, wrote in his book in 2021, the United States needs to establish complete hegemony. That means bring back the Monroe Doctrine, which some people call the Donroe Doctrine after Donald Trump. But the Monroe Doctrine, until Obama said, no, this shouldn't work. But now we're bringing it back.

We're insisting that our domination of the Western Hemisphere, we are entitled to, whether it's through God or politics or whatever, or economic might. But the reality is that we are not doing that. Unfortunately for the people in Washington, you cannot go back in time. South America remembers the scores of leaders who were assassinated by the CIA because they didn't like, in many cases, duly elected democratic governments who simply saw the deprivations that were being put upon them by American commercial interests. You know, the Banana Republic—the term comes from the fact that the CIA and U.S. military would actively intervene in any country that elected a leader who said that we need to change the terms of the economic situation.

We cannot afford to have our people affected, deprived of wages, our country stripped of resources, simply for the benefit of America. So, on a much larger scale, the Global South has changed, and it's not going to go back. And this is the reality that the United States faces but fails to recognize. And this is the greatest danger. You know, it's like with Iran right now. What options does Washington have, or Donald Trump? He's in a situation where he's insisting on maximalist terms. He wants Iran to give up their nuclear weapons and stockpiles—I shouldn't say weapons, stockpiles—give up their ballistic missiles, which was their defensive thing, and to submit to a regime change. Of course, Iran doesn't agree. But this is impossible. The U.S. is losing the war, not avoiding it.

And the reality is that Washington can't come to terms with that. Trump is trapped in his own rhetoric. He promised the American people that he would do all these things: get rid of the nukes, get rid of the ballistic missiles, change the nature of the government, and dominate the Middle East. And all he's done is make sure that prices of oil increase, and fertilizers—everything downstream that comes from energy—is more expensive. And American people are finally realizing that his policies are not helping them as he promised. He isn't concentrating on domestic issues like increasing jobs and lowering the prices of goods. He seems to have retreated, because his domestic policies have failed, into going into international issues.

Now, why? Because he's not succeeding at domestic ones. Unfortunately, he's not succeeding at his international ploys. So he's stuck in this situation. Unfortunately, for us in the world and for the United States, you can be expecting an October surprise. October Surprise is the name given to desperate incumbents who are intent on creating some sort of fictional or real crisis in order to justify and kind of solidify American voters behind them. But Donald Trump has run out of strength. His base is fractured, whether it's because of the Epstein files, his failure to follow through on the economic promises, including the one where he would not start wars that have no end.

And unfortunately, he's violated every promise he's made to the American public other than brutally going after immigrants, or in many cases, not immigrants, but people who are awaiting legal process to become Americans. And this is the part I always find very interesting, Glenn. No one talks about—I mean, they cite incidents, but they never talk about the fact that they're illegal immigrants. Yes, they should not be in the United States. But there are a whole class of people, the majority of people that we're talking about, are in fact immigrants legally. The United States is awaiting a decision about whether or not they are refugees legitimately, or whether or not they should get a green card.

He's going after all of them. And this is the problem with the U.S. We are cannibalizing our own system and our people. Even our ideology in America used to be the land of free markets, right? Chicago School. Trickle-down economics under Reagan. We defended this for years. And now what are we involved in? We're involved in state capitalism. The United States, under Donald Trump, has invested in over 20 companies directly. We own shares of them, and we're trying to direct them in terms of what they do. This used to be the complaint about other countries, China specifically: state-owned capitalism.

#Glenn

Evil will only lead to the end of civilization.

#Einar Tangen

And yet we do it. So the hypocrisies have built up. Many people in the world, especially—I mean, many countries in the world recognize it. I talk to ambassadors all the time. I've never met anybody who says, "Oh yeah, the United States is right." Even the Europeans used to talk about the special relationship and the shared values. I mean, their ambassadors are just saying, "Oh, this is beyond the pale. We cannot deal with the U.S. as it is. We're just trying to outlast it. We're hoping that Donald Trump goes and something similar to Joe Biden, or something from the Democrat side, comes in." Do you think that Donald Trump has reset the political bookends?

#Einar Tangen

for the United States and moved it more towards fascism or the right, or whatever you want to call it.

#Einar Tangen

And they always hem and haw about that. "Well, it's not that simple," things like that. Whenever I talk to people and they tell me it's not that simple, it means that they don't want to tell me what they really think. But the end result is that Europe is 26 countries going in 20 different ways, unable to agree. Monetary union did not create fiscal union or an understanding of global responsibilities. Cooperation with the United States on NATO expansion has led directly to the problems that we see in Ukraine. And it wasn't a question of, well, if we go into Ukraine, what will happen? Nobody I've

ever talked to, either from the European or American side, who were versed in international politics, had any delusions about what would happen if, in fact, the perception was that the U.S. was expanding into Ukraine.

It wasn't a question of there might be war or it's a possibility. Every single one of them knew that there would be a war if NATO threatened its expansion into Ukraine. And the fact that this is not new—this started in 2014. Well, before that, going back to the early 2000s, the fall of the Berlin Wall, when there were promises made by the U.S. without the ability—or no, I should say, without the authority—it committed Europe to not expanding under NATO by saying there will not be one inch. Howard Baker recorded, right? Not only recorded, but now in print, available. Take a look at it. Saying we will not move NATO—or, all right, the EU—one inch into previous Soviet bloc countries. Do they have that? Does Howard Baker speak for those countries? No. Do those countries fear Russia?

Yes, they do. They do not want to be part of the USSR. But keeping NATO in existence past its obligate—I mean, its only obligation, all right, duty—which was to counter the Warsaw Pact countries, when the Warsaw Pact actually disappeared, I mean, was criminal. And I literally mean it was criminal, because when you have an organization of that size that is, you know, basically said, you know, "You have no more mission," they will seek another mission. And they did. And that mission, supported by the U.S., was to isolate Russia. And unsurprisingly, in 2007, at the Munich Security Conference, Putin, who was astute, whether you like him or not, you cannot deny that he's astute and that he understood completely that the West was looking to isolate Russia and to make it subservient.

He refused. And he said in the 2007 Munich Security Conference that he was dedicated, and Russia was dedicated, to countering the U.S.-world-led order. He was hoping that the U.N. would be part of that. The U.N. obviously wasn't. So, you know, you have a situation today where, you know, things are intractable. And I go back to your previous question. The world is faced with the United States that is unable to reflect on its actions. Therefore, it continues to go ahead, regardless of hypocrisy, regardless of logic, on this idea that it can pursue a role in the world as a hegemonic power, a power that can force other nations to adhere to its liberal democratic capitalism. That unfortunately, those days have gone, if they were even possible.

So this is the situation we confront today. It covers not only China and the United States, but Europe, Africa, South America, Central Asia, Southeast Asia, East and West Asia. And that is why I really do believe that until there's a change of thinking within Washington, we cannot resolve these issues on a rational basis. And why it's not only China, but other countries are just trying to deal with the U.S. in terms of what it has, what the current situation is, without trying to force the U.S. to rethink, to contemplate its actions and whether or not they're rational.

#Glenn

Well, I think, all about the Ukraine issue, what I find so frustrating is, as you said, all the evidence from former CIA directors to state leaders, it's beyond debate essentially now that everyone recognized that between 1991 and 2014, only a tiny minority of Ukrainians wanted to be part of NATO. And they also knew if we tried to pull them into the NATO orbit, that this would likely trigger a civil war and a direct war with Russia. And they did it anyways. And there's no way to explain this away. So essentially, they decided not to have the discussion to begin with. So either you can deny reality or you're a propagandist to Putin. This is where we are. About Trump, though, I think that the collapse now coming probably in the midterms is because, I mean, he's very narcissistic.

Everyone knows this. But still, I think for him, because he promised reindustrialization. He promised to end these wars, not start new ones. He was going to hold the political elites accountable. This is what people wanted to hear. But again, if he flipped on the whole thing—all the industrialization, he wasn't able to pull it off, ending the wars. I mean, what he did to Iran now, Gaza, and also, well, he's essentially Biden 2.0 in Ukraine now. And instead of holding the elites accountable, he's now, you know, he will make sure that the Epstein files are, you know, secure. I mean, there is—well, he just reversed on everything. I think where the narcissism comes in, he thought that the public would support him, not the policies he suggested.

So he can flip on everything. And in his words, he can still shoot someone on Fifth Avenue and it wouldn't hurt his polling numbers. I think he genuinely believed that. And some of his base, of course, they go all the way. They're saying, you know, if America First now means to wage war on the world, so be it. This is America First. So some people are all in. But I think a critical part of the mass now has defected. And I think it's going to punish him, or punish the Republicans, severely. And there's a good chance this whole thing might start to unravel, which I have mixed feelings about because, again, I think Trump has become just a horrible shitshow, to be honest. But the original ideas he espoused... Wait a second.

#Einar Tangen

Why don't you say what you really think?

#Glenn

Well, the original idea, as he said, like, the U.S. needs to chart a new path. If America First means to find some path to reindustrialization, make peace with the rising powers, be able to do diplomacy—that is, you know, even when you went to North Korea, or being able to just, you know, the idea that you don't have to agree with them. You don't even have to be friends. You can still be enemies, but you can still talk to them. I mean, this is diplomacy. Where can we harmonize our interests? If we can't harmonize them, how do we manage competition? And thereafter, if that's not possible, then we have conflict. But we just jump to this last option every time because there is nothing to be harmonized. We can't manage competition. That's appeasement. You have to confront evil. I just thought... At least he opened the door to others who started to think in terms of reforming the

empire. But apparently he was not the man for the job. Anyway, do you have any final thoughts before we finish the video here?

#Einar Tangen

Well, it's very simple, Glenn. If I'm right, you're wrong. And if you don't agree with me, you must be wrong, right? I mean, this simplistic view of the situation is just untenable. It doesn't work. Everything you mentioned, I completely agree with. But, you know, you have to understand that. And, you know, you can say Trump is the cause, or you can say he's the symptom. I would say he's the symptom of a United States in decline by its own hand. It abandoned industries that were essential to its development. You can say, well, who cares about screws and plastic and nuts and bolts and chemicals and all these things? Who cares about that? Well, these are the building blocks of empires, of new products.

And if they're somewhere far, far away and you have to import them and play around with them versus, you know, in China, they're able to go across the street and get everything they need, not only from a lens supplier. They have a choice of 30 or 40 different ones. So they're able not only to get good prices, but they're able to put together products that are responsive to what consumers want. And this is the thing that is besetting the United States. We keep saying that, you know, we're superior, but we're not showing it. We're not proving it. So everything you've said about history, or the lack of his ability to look at history. But I want to add one thing.

That is, within China, three-quarters of the Chinese people I know—these are high-level people—they think Trump's great. You know what? They say, "Four more years," because Trump has done for China what China could never imagine before. They are concerned about the damage that he's doing, about the wars he's causing and things like that. But from a purely Chinese perspective, they're saying he's advancing China's cause. He's making it clearly apparent. Everything you said about the hypocrisy of U.S. actions will compare to the realities. So I hope people—and I agree with you—in the upcoming midterm elections, the Republicans are going to lose not only the House, but they're also going to lose the Senate.

Unfortunately, the reality is that the Democrats aren't going to do much better. They don't really have new ideas. The old days when parties were composed of candidates who had different ideas and the party was trying to create a position that kind of put these ideas together are gone. Today, the parties tell the candidates what the positions are, and the positions are based on deals that they've made with industries. And this is why America faces this lack of leadership, because the parties themselves have become organized representatives of entrenched interests. The question is just who. Ironically, you have the Democrats now representing and pushing the interests of corporations, not labor unions anymore.

Labor unions have somehow wound up in the Republican Party. Most of them were voting for Trump in the last three elections. But you have a situation where the parties make the deals, and the

candidates either follow or they're pushed out. And as a result, you have a dearth of leadership. And this is the most dangerous thing. You don't have people who have new ideas that aren't simply following entrenched interests or special interests. You cannot run a country. You cannot maintain it. You cannot maintain a global order because it comes down to whose ox is gored, not what is necessary for society to go forward. So thank you for having me. I appreciate you bearing with my long diatribes.

#Glenn

Yeah, just one of the things that worries me a bit, though, about this midterm chaos which is coming is, yes, it's the weakening or ending of the Trump administration. But as you said, it doesn't... I don't see necessarily solutions to our common problems as being one side being defeated while the other one winning, because for me, the whole readjustment of the international system means we have to find new rules of the game. That is, if you just look at the two largest pieces, China and the United States, we have to find a way for them to work together. Like if China wins, America loses, that doesn't solve anything. That's going to have a very angry revisionist U.S. at your hand. What you want is to find a way for this to begin to work with common expectations, some common set of rules, something to bring some order and stability to the system.

I just feel, and what's going to happen to the U.S. next month is going to possibly, and possibly very likely, push it further down towards instability. You add the coming economic crisis. I mean, often people think, oh yeah, it's a good thing. You know, a weaker U.S. will have to adjust to new realities. But that's not always the case. And you see politicians instead seeing the weakening position of their country, and they want to find out, you know, who took our glory days away. And they're going to look over at the country they should be making new rules with, and they're instead going to think about confrontation and war. So yeah, again, I look towards what's going to happen next month with some concern, even though I do think that the Republicans deserve a real good punishment during this election. It nonetheless fills me with concern. But anyways.

#Einar Tangen

I feel your concern.

#Glenn

Yeah.

#Einar Tangen

And just leave you with one final thought: changing parties does not change the problems.

#Glenn

No, I agree. Well, thank you so much. And yeah, hope to see you again soon. Actually, we'll see you next week in China. Bye. Thank you.