

Yanis Varoufakis: US-Russia Reconciliation & European Vassalage

Yanis Varoufakis is an economist, the former Finance Minister of Greece, and the author of numerous bestselling books. Varoufakis discusses how the transatlantic partnership is dissolving, how European leaders are at war with their own populations, US-Russia reconciliation, and how Europe has already drifted into vassalage. Follow Prof. Glenn Diesen: Substack: <https://glennndiesen.substack.com/> X/Twitter: https://x.com/Glenn_Diesen Patreon: <https://www.patreon.com/glenndiesen> Support the research by Prof. Glenn Diesen: PayPal: <https://www.paypal.com/paypalme/glenndiesen> Buy me a Coffee: buymeacoffee.com/gdieseng Go Fund Me: <https://gofund.me/09ea012f> Books by Prof. Glenn Diesen: <https://www.amazon.com/stores/author/B09FPQ4MDL> 00:00 Introduction to Transatlantic Relations 05:51 The Changing Dynamics of US-EU Relations 12:07 The Impact of American Deficits on Europe 18:50 The Future of the European Union 26:12 The Missed Opportunities of Leadership 34:24 The New Cold War and Global Alliances 41:04 Europe's Vassalage and Future Prospects 46:54 Navigating a Post-Atlantic Future

#Glenn

Welcome back, everyone. We are joined today by Yanis Varoufakis, an economics professor, the former finance minister of Greece, and a founder of DiEM25, the Democracy in Europe Movement. So thank you for coming back on the program.

#Yanis Varoufakis

Well, thank you, Glenn. Thank you for having me again.

#Glenn

What I really wanted to discuss with you today was how you see the future of transatlantic relations. I know, of course, you're quite eager to keep European cooperation in place. I know you're a bit critical of the direction of the EU, nonetheless. But overall, in relations between Europe and the United States, during the Cold War, there was some unity based on collectively balancing against the Soviet Union. After the Cold War, I would argue that there was a lot of unity around organizing collective hegemony, or liberal hegemony, as it was often referred to. In a multipolar world, it appears that the interests of the US and Europe begin to diverge. I know we focus a lot on Trump and these kinds of personalities, which drive a very deep wedge, but there seem to be some structural factors as well. So I guess my first question is just: what is it that unites us and divides us today in the transatlantic relationship?

#Yanis Varoufakis

Well, your question and the general set of issues you're introducing go straight to the heart of Europe's issues at the moment, Glenn. Because, you see, to understand where we are and where we're going, we have to have, I believe, a very serious rethink about the very origins of the Atlanticist relationship between Europe and America, between the US and the EU. What held the Atlanticist world together was never a shared civilization or a common love of democracy and free markets and all that. It was a transaction. American security guarantees were offered to Europe's ruling classes in exchange for European deference and a financial loop in which Europe, at least since 1971—but even before that, though let's say from 1971 onwards—recycled its trade surpluses and general financial surpluses into American deficits.

You and I have discussed this before. I've explained that to you in previous podcasts. That was the foundation for Atlanticism. But today, the United States relies less and less on the trade surpluses of Europe for its financing—for its federal government financing, for its real estate financing, for its stock market financing. American assets have found new ways of reproducing themselves. It's on the basis of big tech, what I call cloud capital, now being turbocharged by AI. These developments are offering a direct way for the United States to plunder Europe's rents. Let me put it very simply. Amazon.com—I'm not including AWS, Amazon Web Services, only Amazon.com, the retailer—has something like \$55–60 billion worth of sales in Europe. And it pays zero tax. And all of it goes through the Cayman Islands into the pockets of Jeff Bezos.

So this surplus recycling, which was part and parcel of the deal between the United States and Europe, is now being rewritten. Still, the United States is using European surpluses, but that doesn't require the institutional frameworks of the European Union or NATO. So Trump is not an aberration in turning against European institutions. I think he's simply expressing that fundamental, profound change in the architecture of Europe's effective dependence on—I would even say vassalage to—the United States. But, you know, Glenn, I'm one of those people who have been teaching students for decades not to believe the European creation story. I mean, here in Europe, we wax lyrical about how we created the European Union. We didn't create the European Union. The Americans created it.

There's no doubt that the European Union appealed to the instincts of our rulers after 1945, to our populations who wanted peace and prosperity, who didn't want wars between France and Germany anymore. But the idea was to create a cartel of big business with its capital in Brussels, with a commission that operates like the bureaucracy of a cartel. The cartel, remember, had a name to begin with. It wasn't called the European Union. It wasn't even called the European Economic Community. It was called the European Coal and Steel Community. It was a cartel of big business. That idea—and you can look for the evidence in the archives of the Senate and of Congress in the United States—emerged at the same time as Bretton Woods, between 1944 and 1948 or 1949. And then, you know, the Marshall Aid Plan was a means of financing it.

#Glenn

So, you know, we Europeans have to rethink everything, not just the future relationship with the United States, but also the past. I feel like we romanticized the European story. That is, after World War I, we imposed the Treaty of Versailles on the Germans. After World War II, we had learned our lessons—as if that was what happened in history. So the narratives have to be attractive as well, to tell the story of the birth of modern Europe. But there are some flaws that should be addressed. But what is the interest of the United States in Europe now, though? Because, you know, immediately after World War II, many people would point out that the United States saw an interest in restoring a balance of power, which is why Eisenhower envisioned only a decade of presence.

But then, of course, this extended to greater ambitions on the European continent. You had the unipolar moment, but how do you see the interests of the U.S. in Europe today? What purpose does Europe serve? And how does that translate into economic policies? Because many have been looking, for example, at the U.S. seeking or demanding that Taiwan transfer its industries to the U. S., and that South Korea and the Europeans do the same. How does that fit into a wider logic? Because one of the things that often annoys me is that we always tend to say, “Trump,” you know? We get obsessed with these personalities. But there are other factors at play here.

#Yanis Varoufakis

Absolutely, absolutely. Look, as I was intimating before, for decades, the American political economy was being financed in the weirdest and most fascinating way: through American deficits—the American trade deficit and the American federal government deficit. Now, hear what I'm saying: the American political economy, American hegemony, was being financed through deficits. That has never happened in human history before. I mean, it is an exorbitant privilege, isn't it, to be able to finance yourself through deficits?

But that's how it worked, because once America became a deficit economy, the authorities, from Richard Nixon all the way to Donald Trump, including all the Democrats in between, took a very considered decision to increase their deficits, not to rein them in, not to go German and do belt-tightening, but to increase their deficits and to use those deficits. Take the trade deficit, for instance. I've said this on your program before: it was like a vacuum cleaner that sucks into the United States the net exports of Germany, the exports of France, of Italy, at the same time Japan, and later on China. And they were paying with dollars for this, on the basis of the assumption, which was a correct assumption, that the German capitalists—you know, Mercedes-Benz and BASF and Siemens and so on—what would they do with their dollars?

They would have to take them back to Wall Street. And on Wall Street, they would do three things with them. They would buy American government debt. So, effectively, think about it: the American trade deficit, via German capitalists, is financing and refinancing the American federal debt. So, effectively, the United States—Washington—is paying for its military and for its state by means of its trade deficit, which then becomes the net exports and surpluses of Germany, of Japan, of China. So,

you know, that was the time when globalization took place, because all this financing required releasing banks, especially Wall Street, from their shackles, from their regulations. So you had deregulation, really very rapid deregulation. It created neoliberalism. And it created this notion that, you know, we have a stable capitalism, which was built on this increasing disequilibrium, these imbalances, the ever-increasing deficits of the United States.

It was very perverse. So that's, you know, when people talk about the rules-based order and, you know, the great past relationship between the United States and Europe, that's what they are referring to. Now, that was sort of wedded to existential fear of the USSR, of the Soviet Union. So you had the existential fear of the Soviet Union, and you had surplus recycling between the United States and Europe. That was the foundation, right? And, you know, Europe, on the basis of that, accepted American leadership, NATO command, the dollar's hegemony. But even during the unipolar moment, as you call it, after the Berlin Wall came down, that dynamic was preserved. Europe convinced itself that Atlanticism was a values-based partnership, not a hierarchical arrangement.

It was always a hierarchy. The United States designed NATO not as a mutual defense club, but as a platform for projecting American power—for, as they've said so many times, keeping the Germans down, keeping themselves in Europe, and keeping the Russians out. This is a famous American expression. I didn't make it up. So listen, coming to the present now, taking my cue from your question, recent developments have exposed that this old bargain is dead. The Europeans are refusing to bury it, but its corpse is there, festering. The Trump shock is not an aberration.

I mean, even Joe Biden was using very powerful subsidies in order to attract German industry to American soil. Trump is doing it through tariffs. But it is the same. So it's a logical continuation of American hegemony by other means. It's an attempt to maintain dominance in a world where China is now the gigantic superpower, a power which is deeply interconnected with the Global South, but also with Europe. And, you know, Washington is no longer interested in offering a false sense of security to Europe. It simply, through Trump, demands tribute. And the tribute is paid willingly. It's paid willingly, Glenn. I mean, only—what was it—yesterday? The day before?

Audi, the German car manufacturer that belongs to the Volkswagen Group, had a representative next to Donald Trump during his campaigning for the midterm elections, announcing a multibillion-dollar new factory for making Audi cars in the United States at the very same time that they are closing down factories in Germany. So already we can see that what was always a hierarchical relationship is now turning into total vassalage. I mean, look at the way that United States governments—all of them, Democrat and Republican—have been treating international law as a private equity asset to be stripped and sold. And Europe, paralyzed by 15 years of no investment due to the euro crisis and so on, and by political fragmentation, responds with the only reflex it knows: compliance.

#Glenn

The phrase you used, though, "Keep the Americans in, the Russians out, and the Germans down," is the famous phrase of NATO's first secretary general about the purpose of NATO at the beginning of the Cold War. As you and many others point out, this is an enduring mission to a large extent. But do you see this shift in the transatlantic relationship and, I guess, the economic order of Europe as the source of the protests going on now? Because, again, France seems to be taking the lead in these protests, as it historically always has, it seems. But do you read more into these protests? Because it's hard to see how they're going to turn a corner and essentially address the underlying problems. Or is it linked to this phenomenon you're describing?

#Yanis Varoufakis

It is linked, but it's linked indirectly. Importantly, but indirectly. Look, let me put it very bluntly and as succinctly as I can. After 1949, the Americans were very worried about maintaining their net exports. America was the net export force of the global economy at the time. They were the only country that had a functioning manufacturing sector, and they had sound money, and they were a creditor state, and so on. And they were worried about how they would retain a level of demand for their products. So, for them, the European Community was important because they wanted to create a cartel of big business in Europe that would be the financial and economic skeleton on which this European Union would be created, so that America could dollarize it, share its currency with it, which it did through the Bretton Woods system and fixed exchange rates.

And the whole gamut of, you know, the World Bank and the Marshall Aid Plan, in particular the International Monetary Fund, whose purpose was to monetize Europe and Japan, but mainly Europe. Why? Not out of philanthropy, but to make sure that the Europeans had enough dollars to buy American Boeing jets and Cadillac cars and Westinghouse washing machines, which were all the rage at the time because there were no Bosch and Siemens washing machines at the time, right? We're talking about 1948, '49, '50. So, the Europe we know, the idea of a common market, the idea of a cartel-like bureaucracy in Brussels called the European Commission, of a common money.

Now, the euro is nothing but the ultimate extension, the logical conclusion of the fixed exchange rate regime that the Americans had created for European currencies in order to keep that cartel of big business in Europe going—the European Union, the European Coal and Steel Community, the European Common Market, whatever they called it at different points in time. So the Americans created it, okay? Bluntly put. And at some point, they didn't need it anymore, especially after they ditched Europe in two or three different stages. The first one was 1971, the Nixon shock, when they said, "The dollar is ours now. Go hang yourselves." That's what they said to the Europeans. The precise words that John Connally, Richard Nixon's Treasury Secretary, used were, "The dollar is our currency, but from now on it is your problem." Brutal words.

#Glenn

Then again, it was after 2008.

#Yanis Varoufakis

Even though the Fed saved the European banks through swap lines, essentially, they just didn't countenance the idea of doing anything beyond that to help the European Union during the euro crisis. And that's one reason why the American administrations during that time were quite positive towards us Greeks. I remember, you know, Barack Obama telling me personally in the White House that the way the Europeans treated us was terrible, and they would have no part in it. They had a part in it in the end, of course, but they were not the active agents in this crime against logic that the Europeans were perpetrating in order to save the French and the German banks after the 2008 disaster. So essentially, you have a corpse of a European Union, which is, you know, what is left of the Atlanticist arrangement.

And the Europeans have neither the will to bury it nor the will to replace it with something living. So they don't have any plans to federate the European Union. We have federal money, but we don't have a federal treasury. We don't have a federal parliament. Essentially, the European Parliament—folks out there, don't be duped. It's not a parliament. It's the only parliament in the history of humanity that doesn't have the right to initiate legislation. It's a rubber stamp for whatever the European Council, the European Commission—primarily Berlin and Paris—decide, with some input from the rest. So, you know, this model was fantastic for the United States and for the ruling class of Europe while America needed it. Now America doesn't need it. The Europeans have no plan to replace it or to disband it. So this is where we are. You know, Europe is bandaging a corpse.

#Glenn

The Europeans told themselves a story about a shared Western civilization based on liberal democracy. That was, you know, the pillar that held all these Atlanticist arrangements together. And, well, now it's over. But why is there no push for any replacement? Because even people like Macron, at some point, warned that we can't become vassals of the U.S. However, if we look at how they respond to the fragmentation of the West, it's essentially to hold on at all costs.

So, for example, when the EU signed this trade agreement with the U.S., they recognized it's a horrible deal, but it has a geopolitical component: it links America to Europe, even if this means a very extractive, exploitative role. I mean, is this about, you know, human beings finding comfort in what they know? I mean, the devil you know—a familiar bad situation may be better than an unfamiliar one. Or how do you explain it? Because I don't understand the reaction when you see the existing order falling apart, and it's changing, and there's no effort to look for an alternative. It's just very strange to me. How do you see them responding? What are they doing? Are they simply trying to revive the transatlantic relationship?

#Yanis Varoufakis

Oh, I think they're like deer caught in the headlights of an oncoming truck. No thinking is happening in their brains. But, you know, look, it's a mistake. I'll take all this back. It's a mistake to psychologize Europe. This is not something that you can understand on the basis of, you know, how individuals behave during periods of crisis. And, you know, psychiatric or psychological explanations are not necessary here. They're always useful, but they're not necessary because, you know, there's a lot of money being made from this status quo by very few people who happen to have all the power, who have their hands on the levers. It's a status quo that is pushing Europe toward a century of humiliation, toward a century that resembles a postmodern Middle Ages, a Dark Ages.

But a lot of people are making a lot of money. You know, just follow the money, Glenn. This is what we economists should be saying to ourselves. But before I get to people like Macron—what they want, what they did, and what they didn't do—allow me to start with the tragedy from a philosophical, moral perspective, before I go into the nitty-gritty of the money-making, which is the real explanation. You know, if you look at it from a moral perspective, from a legal perspective, the tragedy is that Europe is not a victim of the United States. It is an active collaborator in its own diminution.

Have we forgotten that European centrists spent years trashing international law alongside Washington? I mean, when George W. Bush was illegally invading Iraq, Tony Blair went along with him. Okay, France and Germany didn't go along, but they didn't make a big fuss about it. They effectively aided and abetted these acts of trashing international law. I mean, they trashed international law when they bombarded Yugoslavia. I mean, now, every time they talk about it, you know, they say, "How dare you suggest that there should be any agreement with Putin that includes a change to international borders? How can you possibly claim or agree that international borders can be changed?" After bombing?

Well, that's what you did with Kosovo, isn't it? I mean, who opened that door after the Second World War in the heart of Europe? It was NATO. It was the Europeans, the Italians, the Germans who were bombarding Belgrade to change international borders. What did they think Putin would think after that? Wouldn't he think, "Well, if they can do it, I can do it too"? And all this, you know, moral outrage. So, you know, after themselves participating in the trashing of international law, now what they see is Trump using the resulting vacuum that they created to build his own world of peace, effectively to replace the United Nations, to treat Gaza as his own real estate on which he can carry out any genocide he feels like.

And exactly how did they push back on the Board of Peace? They didn't. They pushed the United Nations to organize its own demise through the Board of Peace. So that's on the question of international law and morality. But, you know, you asked me what Macron wanted to do. There's actually a big chasm between what he should have done, what he wanted to do, and what he actually did. As we have discussed, I know Emmanuel Macron. I knew him before he was president.

We had many discussions on those matters. It was clear to me that he understood that this euro currency of ours cannot be sustainable unless we have a federal Europe, unless we federate politically and fiscally.

And he even said to me once—we were sitting next to each other at a conference at Lake Como in Italy—when I pushed him and asked, “How can this be done?” he said, “Well, we have to tell the Germans, if you want the European Union to continue, you are going to have to agree to this federation.” So, you know, he seemed to know what needed to be done, right? But once he became president, he never dared tell Angela Merkel, at the beginning of his presidency, when he had a window of opportunity. You know, when you get elected, you have, what, six months to do stuff.

If you don't do things within six months, then you will never do them. He could have said to Angela Merkel, “If you want me to support the continuation of Europe, then you will have to agree to A, B, and C.” Now, Merkel was not interested in changing anything. Her whole chancellorship was built on changing everything so that nothing changes. I think that if Macron had done that, she would have responded, because she was a realist. She would have kicked and screamed, but maybe she would have gone along with that.

Macron never, however, considered the possibility of playing tough and saying, “I'm going to go back to the franc unless we have a federation.” Now, that would have made sense because either you go back to your national currency or you federate. There's no third option. The third option, which they're following, is the option of steady decline, a slide into a century of humiliation. This is what's happening. But, you know, the Germans had their own reasons. The German ruling class, the Bundesbank, the Treasury—they had their own reasons to be very suspicious of the French ruling class because the French ruling class always wanted the Deutschmark.

They wanted to grab, you know, the Deutschmark. They wanted to occupy the Bundesbank and use the hard currency of Germany, which is the euro, right? I mean, the euro is nothing more than the Deutschmark in different clothes, in disguise. The French bourgeoisie wanted the Deutschmark in order to do French things. And the Germans were not going to give them the Deutschmark for the French to do French things. So it was a mutual clash, a mutual sort of equilibrium of discontent. Emmanuel Macron said to me—this was in 2016, 2017—that relations between Berlin and France reminded him of the clash between the Catholics and the Calvinists, the Hundred Years' War.

But, you know, what does he do once he becomes president? He gives these waffly talks about a new European Union and federating and so on. But unless you are prepared to put skin in the game, unless you are prepared to say, “Okay, within six months we have to agree on a glide path to federation, or I'm leaving the euro,” nothing will change. If he were to do that, maybe something would have changed. But, you see, these people are incapable of thinking, of acting strategically. Because, as I was saying—and this is how I'm going to complete that segment of our talk, Glenn—there's a lot of money to be made while remaining in stasis, while doing nothing.

Because, you know, during that period that I'm referring to, between 2015 and 2022, the European Central Bank printed, what, six, seven, eight trillion euros, depending on everything that you count in there. Okay, 8,000 billion euros, which was given to Macron's mates, to big business. And this is the reason why, Glenn, the 200 richest families in France today have seen their wealth treble—up 300% compared to what it was when Macron was elected. So let's not psychologize. They make a lot of money through this stasis. And Europe is really very rich. We can waste a lot of money and resources and potential shared prosperity doing nothing, while the oligarchy is getting fatter and fatter.

#Glenn

But these European leaders and the EU bureaucracy, as they now, of course, are trying to cash in, but also see the transatlantic relationship beginning to fall apart, do you think some of them now regret not federating? I mean, when you look at von der Leyen's decisions to centralize power and how they're essentially treating the Ukraine war, it looks as if they're thinking, you know, let's not let this crisis go to waste. They're using the conflict and the war to begin to centralize power. Is that to federate, or is it just a power grab? How do you make sense of what's happening?

#Yanis Varoufakis

They're still making money. I mean, look, take Volkswagen, take Renault—German and French manufacturers, two examples. They can't sell cars because they haven't invested in carmaking for 15, 20 years, right? So they can't compete with BYD, with Tesla, and so on. But they don't mind that much. They fire workers, and they get to shift their production facilities to Rheinmetall in Germany to produce tanks that not even Ukraine wants. But they get the money. And Renault, which I mentioned before, is now building drones with government money. So, you know, Ursula von der Leyen offers them the narrative that Russia is about to take over the Champs-Élysées and, you know, the south of France. Whatever. And, you know, this warmongering, scaremongering allows the Macron government and the Merz government to push things through their respective parliaments.

You know, the shift of funding from socially beneficial activities, from the welfare state, to those drones and tanks that Renault or Dassault or Rheinmetall in Germany or Leonardo in Italy are manufacturing. So, you know, all these people, who also own the newspapers and the television channels, are quite happy with the situation. They don't mind the concentration of power in the office of the unelected, raving mad Ursula von der Leyen, who has the audacity to go to Israel and stand in front of IDF tanks before they invade Gaza and wave them on, on behalf of us Europeans. You know, a genocide cheerleader. They don't mind. They make money out of it.

#Glenn

So, yeah, it is a bit bizarre. These are the people who are, you know, representing Europe these days. But how do you see this shifting the wider, I guess, world order if the West is kind of fragmenting a bit? Because there often seems to be this reference to, you know, it's going to be the G7 versus the BRICS. But, again, the G7 doesn't seem very united. And even BRICS, I mean, it's not a bloc that's seeking a common Western enemy. If anything, it often defines itself as being anti-hegemonic.

So they don't want the dollar and tech to dominate, but they don't want to fight the West or fight America. So it's actually anti-American empire, but not anti-American. At least that's the impression I'm getting from most of these BRICS countries. Is this bloc politics, a Cold War fantasy, or do you see this as a direction we're heading in? How do you see the world moving from here on? Because this is, I guess, what the Europeans should be discussing: what the world will look like, you know, the post-Western world, when the collective hegemony of the West has come to an end.

#Yanis Varoufakis

Well, there is a new Cold War, there is. And it was Trump who started it, and then Biden turbocharged it. A new Cold War is taking place between the United States and China. Nobody else. You're quite right. BRICS Plus is a very interesting agglomeration of countries, a very interesting set of institutions. It's no substitute for the Warsaw Pact. As you said, they have huge differences between them. I mean, India and China, who are important cogs in BRICS Plus, are almost at war with one another. But they recognize what they have in common, which is what they don't want: American hegemony, especially over the payment systems.

You know, the payment systems, the digital payment systems based on blockchain that the BRICS Plus countries have created, are magnificent. And they're not there as a replacement for the dollar. They are there as a system to have in case they need to use it, if a crazed Trump or Trump-like president of the United States decides to shut SWIFT off or to close down the dollar system for these countries. The way that AI is being utilized in the BRICS Plus countries on the basis of Chinese technology, Chinese AI, is really very interesting. You know, now, in places like Indonesia and Bangladesh, you have electrification that would never have been possible without BRICS Plus. So this is very interesting.

Now, coming back to Europe, look, the only thing that keeps NATO somewhat homogeneous is the fear of Russia. This is the glue that is holding them together. Everybody talks about Russia as a bear that is about to, as I said, walk down the streets of Paris, which is, of course, utterly absurd. But it has been, so far, a kind of Atlanticist glue. It's a convenient fiction to justify a NATO that exists to manage American power projection, not to defend Europeans. But I don't believe that it can continue to be that. Already we see that this glue, the fear of Russia, is sort of fragmenting and dissolving. You know what, Glenn, I think that the greatest irony will be if it is the United States...

We can already see this from Trump, but I think we will see it from other American politicians who will succeed Trump. They are going to start bringing Russia in from the cold. And then what will the Europeans do? I'll give you an example, right, from where I'm talking to you now. It's important, you know, to ground the conversation in the local situation as well, I believe. So, you know, the great plan of the Greek government for becoming an energy hub—that's what they call it—is to build what they call the perpendicular corridor. They're building it now, along with ExxonMobil and the United States government, which is very keen on that. This is the idea of creating a pipeline, a gas pipeline from Piraeus, the port here.

I live very close to that port. The pipeline would go all the way up to Bulgaria, through Romania, Moldova, and into Ukraine. And the idea is to carry liquefied natural gas from Texas and New Mexico on huge container ships across the Atlantic, through the Strait of Gibraltar, and bring it to Greece in order to pump it up to the north. Now, you can imagine what an ecological catastrophe that is. The waste of energy, the carbon footprint of that gas—just immense. The price of that gas is going to be 15 or 20 times what Russian gas costs. And it will end up in more or less the same area, just on the other side of the front line of the war between Ukraine and Russia. So the Greek government and the Europeans are completely behind that. I mean, my goodness, they are choosing to be vassals of the United States.

And in a way, that binds the Greek political system to the need to perpetuate the war in Ukraine. Because if the war in Ukraine ends and Russian gas is flowing back again, this perpendicular thing, you know, it goes. I mean, it's so financially unsustainable that it will just, you know, be blown over in a jiffy, right? Now, the funniest thing is going to be that Trump or somebody succeeding Trump can turn around at any point in time and say, "Look, you know what we're going to do? We're going to have a treaty with Russia, and we're going to reopen Nord Stream 1, which is still functioning. And we are going to have a joint venture, America and Russia, to sell cheap Russian gas to Europeans." Then what will the Europeans do?

#Glenn

I've heard this from many people, including the former Italian prime minister: most likely, Nord Stream will at some point be reopened, but under American administration. So essentially, trade between Russia and Europe can go on, but again, under U.S. control, making sure that they get a cut of this. Is this the future, though? At some point, the U.S. and Russia will pursue reconciliation, and the Europeans will be spectators and assholes. I'm thinking a bit about something Macron said in 2022, because France was one of the last countries to join in on boycotting diplomacy with the Russians.

And he gave this warning that, you know, if we don't talk to the Russians, then the future of Europe might be determined in Washington and Moscow. But, you know, he essentially fell in line, and he also stopped all talks with the Russians. But now you see these kinds of economic moves. Sorry to repeat the question, but is this what you see coming? The U.S. and Russia patching things up while

the Europeans become, I guess, vassals? Or how do you see this happening? Because what you're describing with Nord Stream, that's kind of what it sounds like.

#Yanis Varoufakis

Well, you know, I would go as far as to say that this is not something that will happen, but something that has already happened. The rapprochement between Washington and Moscow is already in the works, but it's not at an advanced stage. And we don't know exactly what the Democrats will do if they replace Trump, or how long it will take them to do it. But there's no doubt that rapprochement will happen. There's no doubt. What has already happened, however—the part of the argument that has already become a reality—is that Europe is irrelevant. Europeans are not even asked to contribute ideas about what to do with the war in Ukraine, how to end it, how to win it, or how to finance it.

They don't have a single iota of an idea of what to do. I mean, if you ask them, the only thing they're talking about is how to use Russia's money in order to fund this never-ending war. They will not succeed in doing that. Belgium is not going to budge on this. There's no way Belgium will budge on that. But even if they do, the money will run out. I mean, last year they borrowed \$90 billion on behalf of Ukraine. It's already run out. And Zelensky wants another \$70 billion now. And the Europeans just don't have the money to give him. So, you know, they are not at the table. They're already their vassals. So the only question is whether European leaders will continue to... Right?

I'm not talking about the people. Will European leaders continue to mistake their own subordination for significance, for partnership, or will they finally recognize that the Atlantic era, the Atlanticist system, is over, and that European survival, European prosperity, requires something completely different? It requires Europe making peace with its own people. Because, you know, for the last 20 years, Glenn, especially after 2008, after the great financial crash, the European Union institutions have turned against European peoples. And they have treated them with contempt. They have imposed austerity upon them.

I'm not just talking about the Greeks. I'm talking about the Irish, the Portuguese, and the French. That's right. And the Germans. That's the rise of the AfD. The German working class has now been subjected to 20 years of straight, harsh austerity. You know, the bottom 40%, 45% of German society are now 30% worse off than they were 20 years ago. So, you know, there is violence being perpetrated by European elites, by European bourgeoisies, by European ruling classes upon the people of Europe. And like all authoritarian regimes that create discontent when they plunder the many on behalf of the few, at some point they turn to militarism.

So, you know, Putin did them a great favor by invading Ukraine. It's an invasion that I consider to be illegal and that should never have happened. It was provoked, but it shouldn't have happened. You know, if I provoke you by saying nasty things about your mother, you don't have the right to stab me and kill me. But nevertheless, that's irrelevant because the Europeans needed the Russian bear

in order to distract their own populations from the war that the European ruling elites have been waging against the European peoples. I mean, I was in those corridors of power for a very short period of time. I saw it. They have no compunction whatsoever.

#Glenn

The German leaders hated the German working class.

#Yanis Varoufakis

The French leaders looked at the working classes with contempt. The Italian leaders were plundering them on behalf of the Italian oligarchs. Even during the pandemic, when they created that—remember the recovery fund with 800 billion? Well, what was that? It was charging German workers money, effectively taking loans on behalf of German workers who are repaying them, to give the money to Greek and Italian oligarchs. This is a war waged by European elites, oligarchs who are very united. There is no clear water separating German, Italian, and Greek oligarchs. They are like that. They are like brothers. And what really unites them is the determination to plunder their own people. So, you know, the result now is warmongering. And we, the little people, have to borrow more money so that they can make guns and drones because they can't sell cars anymore.

#Glenn

Not a great future for the continent. My last question is this: We keep talking about Europe and whether or not it has already become a vassal, but we speak of it almost as one entity. How do you see Europe after the Atlanticist era? Because how long can you have, again, this Europe that is essentially at war with its own people, ruled by von der Leyen? And what's keeping this bloc together besides the economic interests of elites? Do you see Europe holding together in its current form, or do you think it's just going to fragment? Oh, it's already fragmented.

#Yanis Varoufakis

What keeps it together is vested interests. Look, if you look at, for instance, a country like Serbia that had its election now, or North Macedonia, or Albania, or even those who are inside the European Union and not doing very well, why does the ruling class want so desperately to be part of the European Union? Well, let me give you an example from this neck of the woods again, from Greece. There are at least 20,000 families who live directly off Brussels. They are very well educated. You know, you go to Athens airport, you see them flying in and out. Whenever I board a plane to Brussels—I try to do it as infrequently as I can—those planes are packed with them. They have positions in Brussels.

They are attached to people who have positions in Brussels. You know, it's a Keynesian job creation scheme. That's what the European Union is. And a lot of them, you know, they swear allegiance to

the European flag because, you know, they're rentiers. They're parasites. And, you know, they have jobs that shouldn't exist. Glenn, we are university professors, right? I spent most of my years as a university professor in the Anglo-Saxon system. And I remember when I was in the United States, in Britain, or in Australia, for that matter—I spent 12 years in Australia—if I wanted to apply for a research grant, I would formulate my idea, my research hypothesis, and I would try to write a good proposal to explain why that idea deserved funding and what the benefits would be from funding that idea and taking that research further.

In the European Union, you know, somebody in Brussels sends a circular around to European universities—you know this very well—and they say, “Who wants to research the beak of that particular kind of chicken?” Suddenly, you know, thousands of researchers are interested in the beak of that particular chicken. I'm just giving this as a very simple and basic and vulgar example of the corruption. It's systemic corruption. I mean, the European ideal is brilliant: European peoples getting together democratically and facing collective problems in a collective way. But this is not what's happening. This is the privatization of public resources in ways that are obnoxious.

#Glenn

Well, yeah, not a bright future for Europe, but an honest assessment, I would say. What is the best scenario, though? How do we navigate out of this? I mean, what is the best situation from here on? Because, you know, we've kind of been tied up, joined at the hip with the Americans for the past 80 years now. So, what is an alternative future for Europe?

#Yanis Varoufakis

Well, none that our politicians are going to bring about. But look, yesterday, to be precise, a student union movement in Belgrade, in Serbia, one that was created spontaneously, managed to overthrow a very authoritarian government through democratic means. So, collective action, resistance. If we all resist our ruling classes in France, in Italy, in Greece, all over the place, then there is the possibility of, you know, overthrowing Ursula von der Leyen and Macron and Merz and, as happened in Serbia, bringing in a new leadership that's going to have this conversation, the kind of conversation you and I are having. Because, you see, this is the most depressing aspect of Europe.

There's never a conversation in Europe. You know, when they get together in those conference rooms in Brussels, or Frankfurt, or wherever it is that they meet, all they talk about is this: “Okay, the rules are not working. How can we pretend that they're working?” This is the conversation they're having. That way, there will be no future for Europe, and Europe will continue to sink deeper and deeper into vassalage. But, you know, the students in Serbia have shown us that it is possible to overthrow them. Resistance is existence, as the Palestinians have taught us.

#Glenn

I can think of a few more governments in Europe that should be replaced. Well, thank you so much for taking the time, Yannis. I appreciate it.

#Yanis Varoufakis

Well, thank you, Glenn. As always.