

Einar Tangen: U.S. Destroying World Order to Keep Hegemony

Einar Tangen is a Senior Fellow at Teihe Institute and a Senior Fellow at CIGI. Tangen discusses how the US is dismantling the international system in a desperate effort to restore its global hegemony. Follow Prof. Glenn Diesen: Substack: <https://glennDiesen.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>

#Glenn

Welcome back. We are joined today by Einar Tangen, a senior fellow at the Taihe Institute and also a senior fellow at the Centre for International Governance Innovation. Thank you very much for coming back on. There's a lot of ground to cover today.

#Einar Tangen

As always.

#Glenn

Well, I wanted to ask you first, though, about what we can expect this month from this expected meeting, at least, between Xi Jinping and Donald Trump. It was supposed to have already taken place, of course, but it was postponed by the American side. What are you expecting from Trump's visit?

#Einar Tangen

Actually, very little of substance. You know, Glenn, this is a situation where China's strategy towards the United States, as we have discussed before, is to continue to engage. They do not want him, you know, kind of painted into a corner like he's done in Iran and then doing something, you know, that can't be repaired. Although many of the things he's done, the people he's resulted in deaths, obviously those won't be reversed. So they, I was quite surprised. Many people thought that the meeting would be called off. I thought they would continue, but I was surprised at how narrow the scope has become. There was a meeting in California to discuss the issues. Apparently, the Trump side was not very prepared. They were just, you know, the usual maximalist stuff. You know, you do this for us.

You help us with the Straits of Hormuz and things like this. And then those were all non-starters. China has signaled that Taiwan is going to come up as a red line. It's not clear what Donald Trump will do about that. Other than that, I think you can expect the Chinese to say, okay, we'll buy some grain or we'll buy some gas or oil or something like this. Not that the U.S. needs to sell more gas and oil at the moment. And unfortunately, the price of grain, by the time it's ready for delivery, if it's a new crop, is going to be much more expensive. As I said, continued engagement. Do not expect any kind of broad sweeping arrangements. Just something that Trump can go back to the United States with and declare victory. But nothing really changes.

#Glenn

Well, you said the United States doesn't really need to sell more of its energy. And part of the reason for this is, well, the way the U.S. has used the war in Ukraine to decouple Europe from Russia, to make them more dependent on American energy. They're now seemingly doing the same with East Asia. How do you see this—decoupling them from Middle Eastern energy and making them dependent on the U.S. instead? A lot of this seems very deliberate, at least with the Ukraine war. This was stated in some think tank papers long before the U.S. even provoked the war back in 2014. So how do you... how do you see this wider competition? It's not so much competition as the U.S. grab for international energy resources—if not grab it for itself, at least cut off others.

#Einar Tangen

Yeah, I mean, the U.S. strategy towards energy has always been about control. That's why you had the petrodollar after the '73 crisis. It was all about, OK, how do we turn this lemon into lemonade? They were successful for a while. Unfortunately, it led to a lot of borrowing, which has resulted in the massive debt bomb that the U.S. has. In terms of more lately, it's not just Russia. There's this goal of preventing China's rise by interfering with its oil imports. You know, the simplistic idea that they have in Washington is if we cut off their oil, that will stop their economy. So you saw within this last year and a half, you saw attacks on Nigeria, which sold oil to China, obviously Venezuela, and then Iran.

And then you have these talks about choking choke points like the Straits of Malacca, in addition to Hormuz, in addition to the area along the Red Sea. So the U.S. is thinking that it can cut it off, but what they're not really thinking about is that times are dynamic. Russia does have tremendous amounts of oil and gas reserves, and more that can be developed. It was a question of market before, and now it appears the market's going to be very good. China will be switching away from oil that can be cut off, in essence. And that means that there'll be much more worry about entering into more deals in the Middle East, also Africa and South America, simply because it becomes a strategic risk issue.

If they can get oil and gas from the Stans and from Russia, or piped through friendly countries, I think that's where they will go strategically, or at least that's what I would anticipate. So in terms of what the U.S. is doing, you have to separate what Trump is doing, who's kind of a useful idiot in my book, from the long-term goals of the neocons, Pentagon, et cetera. They really, I mean, before Trump was around, they were trying to figure out how they would contain Russia, make sure Russia and Europe didn't get together because of the resources and manufacturing and technology know-how. They've successfully done that.

The question is, what happens next? And it's just not clear. I mean, you can sell only so many bombs. The fact is, we can't make enough bombs. Now, I misspoke when I said the U.S. doesn't need to sell gas and oil. I mean, it is not a major impact on the U.S. It's the oil price that is killing the U.S. Oil prices are set internationally, obviously. As they go up, that increases inflation. The oil companies are very happy. They're taking their existing stocks and selling for much more. You've seen doubling of profits almost across the board with the U.S. oil companies, and expect to see more as they cash in on this very favorable situation.

The U.S. would like to be the world's largest exporter of oil and gas. It's already the largest consumer. But the question is price. If you start drilling in the areas they're talking about, you're not talking about the low-hanging fruit anymore. The Arctic takes a lot of manpower. It takes a lot of investment. You're stuck up in a place where, you know, for six months of the year, there is absolutely no sunlight. And it's very expensive to man and crew these remote areas, or if you're going into the sea, et cetera. So the low-lying areas where you could get oil at reasonable prices are going away.

So that means that the price of oil has to go up to about where it is to make it really profitable to make these types of investments. But you have to see that on a long-term basis. You've already seen some pushback by American oil companies over Venezuela. They've said, no, we don't want to put a hundred billion dollars into Venezuela, re-up it, and then face the risk that there's a change in Washington, and then all of a sudden Venezuela says, you know, you guys attacked us, and we're nationalizing the oil companies again. They've been down that road once before, and they're very, very leery. They've been looking for absolute guarantees by the U.S. government that any investment they put in there will be, you know, obviously recouped in the event that there is some sort of change.

I don't think that anybody would sign that, but you never know with Trump. So the energy situation is going to change dramatically. You're already seeing demand destruction. That means that people are just switching, period. Instead of having an irrigation pump that runs on diesel, they're now switching it over to a couple of electrical panels, which will be a lot cheaper. They have to get a slightly different motor, obviously. But long term, they'll recoup their costs at the higher cost of diesel in less than a year. And after that, it's a substantial savings above what they are. I don't know if you're going to go to electric tractors.

That's probably something to watch as people look at it, because there's a lot of farm equipment that uses diesel. If you can switch those over to free and plentiful solar or wind power, you're in much better shape. Also, the cost of solar per watt generated has dramatically decreased by about 10 times, as my understanding, since about 10 or 15 years ago. So as a result, you can buy that, you can recoup your investment very, very quickly. And you're independent. You don't have to ask for somebody to run the tanker down there. You have a battery, solar or wind power, or a combination, and you're pretty much off the grid. You can run your household, you can run your farm, and you're going.

When I'm talking about this, there's demand destruction like this where people will switch out, which means that the total volume of oil will probably go down, which means that the U.S., say, if it starts producing more oil and gas but at higher costs, right, it's not going to work out very well long term. So, you know, when I say the U.S. doesn't need to do that, it doesn't need to double down in a market which could, in effect, start to deteriorate. There's about 40 percent of oil which is used in everything from chemicals to perfumes, obviously clothes and things like that. Long-chain hydrocarbons are very unique, very, you know, very important in a lot of processes. That doesn't go away. But the 60 percent which is, you know, fueling ships, et cetera, those, in fact, could be changed. We saw just this last week, CATL had an order for 60 gigawatts of power.

Don't quote me on that. It's a big number. All I know is that one kilowatt, one of those units, one of those 60 units, can run 750,000 homes for an entire year. So think about that. That is amazing. That's just the battery. You know, you put energy in and things like that. Things are profoundly changing. China has said that they can now manufacture 50 nuclear plants at a time, and they already have 30 that are untapped. So you're going to start seeing real changes. And this is part of their original plan to decrease their amount of coal. About 60% of electricity is produced by coal in China, and this was part of their plan to reduce that because obviously nuclear is a lot less expensive. But down the road, as I said before, they put in their five-year plan that they want to have commercially available fusion power.

Fusion is just like nuclear, except you don't have radiation. It's safe. There's a tremendous amount of almost unlimited fuel for hundreds of thousands of years. So it's not something that you're going to run out of. If that is the case, then oil, literally only 40% of the existing market before the Iran affair, you can really count on—the rest of it is not going to be useful. And even with jet fuel, you're not going to need it as much because you can make jet fuel from biofuel and things like this. So there are alternatives that will be pushed, especially during these very, very difficult times. So I'm just saying the energy equation as we know it is changing dramatically because of what the U.S. has done. And their assumption that everybody needs more oil and is willing to pay high prices is probably wrong.

#Glenn

That's an interesting development, though, that while the U.S. is destroying the trust in reliable access to hydrocarbons, this kind of threat to energy security actually plays well for China to some extent, by being a key supplier of renewable resources and, let's say, cleaner energy technologies. But this overall war, though—the war against Russia, Venezuela, Iran—the common thread, as you pointed out well, obviously, is energy markets. But the U.S. is also part of this world they're currently burning down. So how do you see the wider impact for the world economy? I guess the distribution of pain—who will have a more difficult time absorbing what is coming our way? Because energy is playing into the food markets. Of course, some are more vulnerable than others.

#Einar Tangen

Well, OK, so you have to look at this short, medium, and long term. In the short term, it's countries that do not have reserves. I'm hearing various things about, for instance, India—1.4 billion people. They need to be fed. They have not had access to, I mean, they can't get the fertilizers they need. And if they do get them, it's at a very high price because they're competing against global markets. Obviously, diesel is a big issue because their farm equipment and everything like that runs on diesel. This is the planting season. Once the planting season's done, it's over. If you didn't get the crop in the ground, it's not like, oh, you know, I can wait a few more weeks.

You're not going to get the maturity that you want. Without the fertilizers, you're looking at a 15% to 25% cut depending on your overall yield. So, meaning if you were anticipating 100,000 bushels, you would get somewhere between 75,000 and 85,000 bushels. If you start looking at that over an overall period, you're talking some very, very serious pain. If there are droughts, if there are other things which are the normal course of things, you could be looking at a very, very difficult year and high inflation for food, perhaps food shortages. This is only something going around.

I mean, already, you know, countries are thinking about stopping feeding pigs and things like that because they take up too much of the food chain. You get a kind of 8-to-1, 10-to-1 ratio—10 times as much energy has to go in, in terms of, you know, agriculture, into beef in order to get one, um, you know, one pound of beef out there. So it's not a thing. So they, you know, you're hearing them saying, look, we're going to try to discourage that simply because we can't afford it. And the prices, anyway, will go up, and obviously people will say, well, I can't afford a steak, so I'm not going to have one. In terms of who pays, you know, it's going to be India.

It's going to be the Global South, especially over the initial phases, for the same reason that India is having problems. They don't have any reserves or, you know, a few days, a few weeks at most. So they're going to get hit really hard. Now they're talking about how they could set up emergency funds to help them buy this. But how do you pay it back? Their economies are being hit hard. They're going to have food inflation, regular inflation, fuel inflation. This is not good. Somebody asked me, he says, well, what's the big deal? I said, well, okay, so let's just take bread. Bread is between 15% and 25% pure energy. You have to get the...

#Einar Tangen

Not pesticides, but the fertilizer there. So there's energy to get the fertilizer. The fertilizer itself comes from stripping hydrocarbons from gas. I mean, hydrocarbons—okay, not hydrogen. I keep thinking hydrogen. But you strip these from the gas. You have to pull the gas out of the ground, and you have to put it in a container. Most of it is compressed. That takes energy. Then it's put on a special boat—that takes energy—and it's taken somewhere where energy is processed. It's nitrogen, I'm sorry.

So the nitrogen is stripped out of that. That takes energy. Then it has to be delivered to you. That takes energy. Then it's put on the ground by your tractors, etc. That takes energy. And then you have watering it, irrigation. That takes energy. Harvesting takes energy. Then you go into the processing of the wheat or grains and things like that. It takes energy. Then the plastics that it goes into take energy. And it's put on trucks and delivered to you. And that's all energy. So when I explain it that way, I suddenly realize that an oil and fuel company crisis is going to result in a food crisis.

#Glenn

It seems, even if everything gets back on track today, much of the pain has already been incurred. That is, as you said, it's very difficult to catch up, especially with the coming food shortages. I did want to switch, though, to the Iran war, because this is, of course, the source of much of these problems, in addition to all of these other conflicts. Then, I guess, the control over the Strait of Hormuz or the blockade, which the US has also put on it, this fits within a larger spectrum now of blocking international waterways. There's always been a key component of great power politics, that is, the maritime hegemon has always sought to control the key corridors. And we see now the blockade on Venezuela to Cuba or on Iran. There's also this—the Europeans, the rest of the Americans are also now considering putting in place what would essentially be a naval blockade on Russia, whatever consequences that might have.

But, you know, at some point this is going to move towards China. And as you've seen, Trump made this comment that, well, we're doing piracy now, that this is what we do. We seize ships and take the content. I mean, this is strange incrementalism. When they began seizing ships, they tried to pretend it was legal by referring to their own unilateral sanctions, as if that makes anything legal. Any country can put sanctions on anyone. But now, of course, we've gone through these steps as we always do, this incrementalism, and now all pretense is thrown away. And, you know, one can call it what it is—piracy. But how does this eventually affect China, you see? Because that is, I think, the ultimate target. That is the peer rival of the United States. So are they coming to the Strait of Malacca? How are you seeing this?

#Einar Tangen

Well, obviously, they've been hinting around at that. And the other question is, they would need local countries to go along with it. But the problem with that is that these same local countries—ASEAN, et cetera—depend. They have a very, very entangled and profitable relationship with China. The amount of trade continues to go up because, actually, of the, you know, the sanctions that the U.S. has put on, because Chinese companies set up in other countries. They import Chinese intermediate goods, and then they assemble and sell them off as, you know, coming from that other country. If they cut off access there, it's going to be very, very difficult. Now, I don't know, you know, in the U.S. we have not been above trying to create regime change, pushing our candidates in who are willing to do whatever it is that we want.

It's possible that we might go that route. We've done it before. Or just try to entangle things—false flag attacks, whatever. I think they would love to have that. I don't know that it necessarily helps the United States. And this goes back many times. We discussed the fact that there is no end game. If the U.S. got everything it wanted, what would the end game be? We're on top of the hill—for how long? Until somebody pushes you over. The U.S. is acting on a set of assumptions, just as I was describing, about oil that are outdated and lack reflection. They don't think, oh, are those assumptions still valid? They're just plowing ahead. I mean, when the President of the United States says, yeah, we're pirates... I don't know what to say about that.

Yes, it's very good at keeping the Epstein files off the front page. The press will, you know, run around after this little white rabbit and say, oh, look, look, look what he said. Look what he said. But, you know, what does it mean? It means that we're deteriorating. Everything you said, Glenn, going into a world which is heading in the wrong direction. The question is, are we backing our way into some sort of worldwide conflict? Maybe it's not at a nuclear level. Maybe it's just trade and blockades and things like that. But it's a lot of work. You know, this idea that somehow you can prevent countries from developing, especially the size of Russia and China, who have other allied nations who also are going to say, oh, we don't want to be part of the negative downward spiral.

We want to go up. We prefer China's approach, which is non-negative, non-ideological, and pragmatic, to the U.S. approach, which is either with us or against us, ideologically and literally. So the U.S. is scoring a lot of own goals here. The irony being that you hear people in Washington saying, oh, China did this. Okay, so China got Trump to say, I want to be a pirate. They got Trump to invade Iran, to kidnap the president and his wife of Venezuela, to threaten all these countries. I mean, it doesn't make any sense. But what is bothersome is that so many people are reacting to it emotionally. There are still lots of people who support Trump, even though his base is fracturing. They say, oh, he's a straight talker. He's a great guy.

#Glenn

He really tells it like it is. He's doing things. Well, what is he doing?

#Einar Tangen

I wrote a long article about the fact that he has accomplished nothing. I mean, yeah, yeah, he's terrorized migrants. Okay, okay. So he's removed a million people from, you know, the work chain. That's not a victory. That's costing a lot of small farmers their livelihood. They're going bankrupt because they don't have the people to run their farms. What else? Did he develop health care? No, it's gone in the opposite direction. Health care is more expensive. Did he promise that there would be a golden age, that manufacturing would come back? Quite the opposite. It's leaving.

He promised you to lower prices. I mean, that he would, you know, be a champion for the ordinary person, make sure that their cost of groceries and gasoline and everything would go down. But it hasn't. It's gone the other way. So I wish the press were looking not at all the things he says, but the things that he hasn't done and asking him those questions, because that is really the issue here. I don't care what he says. I know why he's saying it. He wants to divert attention from his failures. But why is the press buying into this? It baffles me. I know people in the press. I talk to them about this.

They acknowledge it. And yet the reporting remains the same. And they, of course, blame their editors. They say, well, the editor wanted us to follow up on the last thing he said or on the first six things he said over the last two days, so we don't have time. So, in essence, the fourth estate, which is supposed to hold those accountable for their words based on their actions, no longer functions because they can be easily distracted like a cat with a ball of yarn. It's a bit sad. Obviously, Trump has learned to game the system, but the system should not respond by cooperating.

#Glenn

I agree. But I'm thinking whatever discussions, or however discussions will go between Trump and Xi Jinping, it doesn't seem like it matters much. I mean, if you cut away from all this noise, the comments, whatever deal they might sign, at the end of the day, if you take a step back, nothing has changed. The overarching objective of the United States is to push for an international system based on U.S. global primacy. There's U.S. hegemony, global dominance. And as we've seen with Russia and Iran, any peace deal is simply a temporary pause to regroup and try to fight from a position of strength.

And I know that China always seems to favor, as you said, stability over confrontation issues. And for this reason, it's also taken quite a cautious position with Iran. And I guess, to a large extent, wisely so, preventing the Iran war from taking on a global format. I mean, you see important conflicts, be it from Ukraine to Iran, how they can spread, become more internationalized. And this is obviously a very dangerous thing. But this focus on stability over confrontation, what does it actually mean in practice? Because this conflict is coming to China either way, because I think China is a key target here.

#Einar Tangen

Well, obviously, they know it. I mean, the one thing I've been very impressed by is, we discussed this before, they were surprised by Donald Trump during his first administration. They thought he would talk tough about China, but he's a businessman and he knows—I mean, all his campaign gear was made in China, all the money, phony cufflinks and watches that he gives people, also made in China. When I say phony, he says they're solid gold, but they're only 14-carat gold-plated, and not even very well, according to a number of stories. They thought, oh, he's a businessman, he's not going to go that direction, and there were people within China who kind of said, yeah, don't worry about it, this is just normal American politics, you always make China the villain. And then when you get inside the office and realize what the realities are, you don't do that.

Well, he started acting out. And whether it was his own idea or he was easily led by the neocons or the people who, you know, the China hawks, he got it. So China was surprised. But they're no longer surprised. I know a lot of people at the think tanks here in China, and they do a tremendous amount of modeling. They try to figure out, you know, what are the thousand things that Trump might do or say or issues he might introduce. They study his background, his psychology, everything like that. And then basically they write a response. And I don't know if you've seen it, but, you know, Xi Jinping has a briefing book, and in that briefing book, he has responses to probable scenarios and how they should approach them.

So I don't think there's going to be any kind of real surprises from the Chinese side. Obviously, Trump, just before any meeting, will try to throw something on the table because he thinks that gives him leverage. He'll make some announcement, he'll put more tariffs on Chinese companies or people, or say something. But once you've done that twice, it becomes predictable. And this is kind of, you know, the Chinese are just watching this. Think of Donald Trump as, from my perspective, you see him as a large, spoiled kid. But this large, spoiled kid is armed with nuclear weapons, and he controls one of the most powerful economies on Earth. So what do you do?

You can't spank him, because he might set off a nuclear weapon. So you have to figure out some way of engaging him, keeping him steady. Remember, this is a time game. At some point, Trump goes away. And every day we get closer to the midterms, I predict he will lose both the House and the Senate. And when that happens, then it's not clear whether he'll accept that, if he'll try another, say, you know, "Congress, it was all illegal, it was phony," despite the fact that he was the one person most involved in trying to rig the elections through encouraging redistricting to favor Republicans and Republican states and things like that. He can try.

I don't think it's going to work. The American public—61% in the latest polls by Ipsos—say 61% thought it was the wrong thing to go into Iran. People, about the same numbers, are disenchanted with the current economic situation. There are some supporters, but the vast majority of Americans are not in favor of what Donald Trump is doing or what it's bringing to the country. So when we start looking at this, how does China view this? They're taking a long-term view. Engage with him.

They know that they're the target. They are looking to basically lead by example. China is still growing at a much faster rate, more than double the rate of the U.S. In fact, right now it's about 10 times. And that is really going to be the bellwether for many countries.

Should I stay with the U.S., be bullied, told what to do, get involved, be involved tangentially in proxy wars? Or do I go with a country that does not insist or tell me what I can and can't do? They simply said, we'd like to trade with you. I mean, it's not even close, Glenn. I mean, think about it. What country wants to be bullied by the U.S.? And if you are with the U.S., you know you're going to get bullied. You know, gradually I've talked to a lot of ambassadors here from other countries. It's about 150-plus ambassadors from other countries, or ambassador rank, from other countries and places here in Beijing. And, you know, it's a small community. People know each other. You run into people. You can take the temperature.

And even those countries that supposedly, you know, have a relationship with the United States, they made it clear that they're doing everything they can to decouple from the U.S. Not completely. Just, they say, for safety's sake, we cannot be that close to the U.S. They're not reliable or are changeable. Even when Donald Trump goes, the fact that he was elected twice means that the bookends of political discourse and action in the U.S. have moved. The U.S. is a wounded animal. It might be self-wounded, but the fact is it is acting out, blaming everybody else. The richest, most powerful country on earth is being victimized by countries in Africa which can't feed their people and have water problems, etc. I mean, it sounds laughable. But the fact is, that is exactly what is happening. So what country wants to go with the U.S.? China offers something completely different.

And I do believe that that will be the deciding factor. The U.S. can't bully everybody all the time. I'm still hoping that the world comes together. They go to those reactors here, which are Israel, Iran, and the United States, and they say, knock it off, Israel. You have to give up your nuclear weapons. The Middle East will be a nuclear-free zone. In exchange, there will be multiple guarantees against this. No one is to support any kind of movement that is in favor of separatism, terrorism, or extremism. And the U.S., you have to pay reparations for the damage you've done not only to Iran, but also to their supposed allies in the Middle East. I mean, tens of trillions of dollars were lost because these countries are no longer seen as safe places to live and do business.

You know, Abu Dhabi, I mean, I had so many friends saying, where are you going? Well, I'm going to move to Abu Dhabi. Why? Well, it's a great place to do business. Weather's great. You know, everything's wonderful. They're leaving. Prices for real estate have gone down 30%. I'm not saying it can't recover, but the only way it can recover is if there is long-term peace in the Middle East. And that can never happen while one pugnacious country that has pushed a genocide has over 118 nuclear weapons. And given the fact that they attacked six countries, there's no reason to believe that they're pacifists. You know, they've said already that they're now going to target places like Turkey. All right.

This is an expansive country. It's only seven and a half million people. And it wants to take on, you know, what is it? A couple of hundred million Arabs throughout the Middle East on this theory that somehow they were given this land a long time ago. So the U.S. has to pay reparations. They have to pay for the damage they've done. They have to remove the sanctions. And Iran has to give up any kind of proxy situations. Then I think you could have a peace there, as Issa said, remove the nukes from Israel. I think those are the tenets of any kind of lasting long-term peace. Short of that, all you have is what you referred to before, a series of stopgaps where you have temporary pauses and an ongoing war.

#Glenn

Keep always thinking that Trump isn't the only problem, though. I mean, yes, he's very loud. He has some character flaws, lack of morals, you know, to be kind with that modest description. But the wider problem when we look at the international system, though, is that the U.S. is in relative decline. And it can either try to facilitate a multipolar system that brings stability, or it can attempt to restore hegemony by defeating adversaries. So the latter obviously demands massive wars. And even its allies, abused as they are, such as the Europeans, they don't have the political imagination to envision anything other than collective hegemony.

This is what their ideology has committed them to. So it kind of makes me think, no matter what Trump or his next successor, who will follow similar policies, will do, the vassals will blindly follow the United States, it seems. Yeah. But it kind of takes me to my last question, because I did want to ask, how do you think China could—or might be—involved in, well, its relationship change with the Europeans? Because, without being hyperbolic, it does seem that Europe is heading towards a war, possibly with Russia now.

That is, the Germans are spending more on their military than at any time since 1945. The European capitals are openly talking about war with Russia. They're setting dates. We see now more direct attacks on Russia, not just assisting Ukraine or, you know, carrying out these attacks on Russia's Black Sea coast, but we also see attacks on the Baltic coastline of Russia using NATO territory. I mean, from what I hear, it's not a very good mood in Moscow at the time in terms of allowing this to continue to happen. So if we do see a direct war, how do you think China would respond to such a scenario?

#Einar Tangen

The same way it does in all these scenarios. It's not in a position to say, okay, we're going to help Russia fight, you know, we're going to send troops to fight in Europe. There's no way that that's going to happen. They can't send ships there because they couldn't resupply them. They'd be shot out of the water before they ever arrived. In terms of sending troops, if you're going to have a battle of that sort, I'm less concerned about troops than tactical nukes and nuclear weapons use, because

it would be an escalation situation. One side uses a tactical nuke and all of a sudden you have a full-blown nuclear war. But I would add one other possible scenario, and that is that the European electorate is not happy. There's a real divergence between what I see as the elite existing governance structure people and, you know, the general populace.

And this is going to get worse, especially with this food shock. Europeans have already had the energy shock. It has decimated the industrial capacity of places like Germany. Many companies just simply closed down, moved out. First time Volkswagen has ever closed a factory. Things are tough there. A lot of it is driven by energy. If you do not have competitive energy prices, how are you going to compete? And also your prices of labor are higher, building is higher, compliance is higher. How are you going to compete in a global situation, especially when you have competitors, not just China? You can look all over Asia. They're very fast. And if you start looking at high labor added value, obviously that's not going to be Europe either. So Europe is in an existential crisis right now.

They have to find a way to stabilize their economy, their competitiveness. What can they offer the world so that they can continue their high level of lifestyle? That's very difficult. It would be going in the opposite direction of what they're doing now. That means putting money into universities so that you're investing in the future, not guns and bombs. Even with these added, you know, weapon systems, you still need people to man them. And that is going to be a problem. And then on top of that, once you add it all up together, young people are not going to be in favor of being conscripted, drafted into a war that they don't understand or want. So they're not going to follow it. The old people are getting hit by price increases. They're going to be unhappy, and so is everyone in between. So you're going to see a lot of political change.

People are hungry and they're exhausted. They don't see a future for themselves. That is not a vote for the incumbent. That's a vote for anybody else who promises anything else. The irony there, or the bad part of that, is you're seeing the rise of the right. A lot of them, neo-fascists, out-and-out sympathizers with the Nazis and things like that. They tone it down, but this is where they come from. But they're very isolationist. They believe that the money should be at home, that you should build up things. Do they have a real economic plan? I don't think so. They just say, you know, invest at home and everything will be fine. Isolationism does not take in the fact that they already live in a very complex world of, you know, interrelated economies.

If you're taking a drink of beer, you think, oh, it's German beer. Well, no. The equipment now is increasingly made in Asia. And some of the adhesives and things like that, those are also made in Asia. The hops might be from Germany, but maybe not. It might be imported from Czechoslovakia or some other place. So we live in an interconnected world, and that's the way we've kept prices down. And if you abandon that, you're going to see skyrocketing inflation. So my prediction is you see the right come into power. They're unable to solve things, make it worse. Then you get another group on the other side coming into power. And you have a period of prolonged instability where you have the seesaw effect — you know, one is up and the other one's down.

And then, you know, the electorate turns to the other one because they want to change the problems. But the only alternative they have is to change the leadership. But new leadership has to deal with the existing problems. And in most cases, they do not have any kind of new thinking or ideas about how they can solve these things. China is looking at this. They're trying to gauge how bad it will be. You'll note that over the last six, seven years, they've been talking about maintaining their economic growth through internal consumption. And I think that's where they're going to continue to go. Control what you can to the best of your ability and then react to what you cannot control. And I think that is, in a nutshell, what China will continue doing.

#Glenn

I think that's an important role China could play, though, in terms of accommodating a new world order. You know, Friedrich Nietzsche and others always made the point that when there's change, all change requires first that the old dies, and then for something new to be created. This is the creative destruction. But, you know, they make the point that if the old dies without something else to replace it, anarchy is essentially the predictable outcome. And it seems that's kind of where we are. The old world order has now essentially come to an end, and there's nothing really to replace it yet. And we therefore see all this chaos.

If you see at least the thinking in Europe, war is seemingly the only option forward now because there is nothing else. It seems that, you know, if China could elevate some different form of model for the world to work together, some new path to prosperity, cooperation, it could make, again, the alternative to war. I think that's at the moment what the world needs, because at the moment it's all only, you know, grabbing your guns and trying to restore a world which has already gone away, which has passed away. So I'm not sure if you have any final thoughts in terms of an appealing format for a new world order. Okay, well, I actually—question, sorry. Yeah, no, no, it's actually a question I get asked quite a bit. My answer is very simply that, um...

#Einar Tangen

Europe's unwillingness to listen or look at a model that has been proposed is not an absence of a model. It is simply their stubbornness and their clinging to the old paradigm. So what China has proposed is very simple: no more ideology between countries. And this goes back basically to the Treaty of Westphalia that ended the wars between the Catholics and Protestants. They said, okay, I'm not going to insist that you become a Catholic, you don't insist that I become a Protestant. I do what I do on my side of my border, and you do what you do on yours. This is exactly what China's saying. They're saying every country should be secure. Security should not depend on the insecurity of another country.

Every country has the right to choose its own path of development. No country has a right to interfere with the internal path that they're trying to pursue. And then finally, countries are as they are. They're a mixture. They're complex, different peoples, languages even. You have to respect

them. They are. If we start dividing countries into smaller and smaller pieces, it doesn't create peace. It just creates new sources of conflict, age-old, trying to go back to the old days and talk about how things used to be. You can't swim in the same river twice. But also, part of that is respect for the sovereignty of these nations. And then China has said there should be a Global Governance Initiative.

And this means that people should sit around a table and start talking, not throwing tanks at each other. They should talk, figure it out. It all ends up at the negotiating table anyway. Why is it necessary for young men and women to die? Why is it necessary for the destruction of property? This does nothing for the world. So I do think that China is proposing it. It's just, as I go back to my first point, they're not proposing it in the way that the U.S. used to propose things or that the colonial powers proposed things. They didn't propose them; they just basically imposed. So China is trying to lead by example. If you don't want to see it or you want to view it as evil, that's fine. There's no way anyone can make you do that.

So Europe's problems are problems of choice. They're in bed with a bad partner. They can't seem to get away from it. There are other options, but they're completely blind to it. I always think of it as somebody who is in a bad marriage where they're being abused by their partner, but they don't see any way out of it. And unfortunately, that's something that has come to realization within Europe. And it is beginning. So, you know, you start looking at Spain. I know he has his problems, and he's getting a lot of good press out of this, and that's kind of offsetting what is the politics of what he's doing. But the fact is, he makes a very compelling case that it's time to put the ideology away and start just thinking about the good of your people.

#Glenn

Now, this is why I've been a bit optimistic about China's, what is called the Global Civilizational Initiative, which is essentially for civilizations to begin to cooperate again under this Westphalian format, which we desperately need. So, well, thank you for taking the time on a Saturday. I very much appreciate it.

#Einar Tangen

I always enjoy your chats. Unfortunately, I gas on too much.