

Special Series on Geopolitics and Economics

The Future of the Global System

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Webinar transcription

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Meredith Friedman:

Welcome to our last discussion on the series of geopolitics and economics. Glad to have all of you with us today. We're also happy to have our senior analyst, Antonia Colibasanu joining from Bucharest and she and George will be leading our discussion today for those who are new to our, uh, programs, remember to type your questions into the Q and a box, and then we will get to those at a later stage in the, uh, in the program. So while you're getting settled in, I'd like to give you a short lesson on how to read the news. These two friends, Moisha and Schlomo are retired and they meet every afternoon in the park to play chess. One day Moisha asked Schlomo why he always reads Arab newspapers. I used to read the Israeli press Schlomo protested, but life was so terrible. The economy was in trouble. The government was inept and families were just falling apart, but in Arab newspapers, Israelis are rich. The government is controlling world affairs and Israel is United. So I read those papers instead. Now we'll turn to a serious lesson from George on geopolitics and economics and the future of the global system. Thank you, George.

George Friedman:

I've told Meredith that I regard that as antisemitic and made me feel very uncomfortable to hear. So I'm gonna sue, one way or the other. It was a great joke. I told her to read it. Uh, newspapers are strange places. Okay. We've been, it's been a while since we gotten together on this. I, what the virtue of that is, is that we now speak of that subject, not theoretically, but with a very real case. The question was the relationship between economics and geopolitics that revolved in into a question around what is the nature of money and what is the nature of money to international power? Well, we have been living through this in the past few weeks, watching it unfold. So what we're gonna do today is three things. Uh, first I wanna go back into the discussion of money. There are people here who have were in there and just lay out what it is that I think money is because in many ways it's a mysterious thing. Uh, the second thing we're gonna do is get into the details of how the sanctions on Russia, how the economic warfare, which is what it should be called unfolded and what it meant. I should study that. Then I want to come back at the end to some final considerations of the status of the war in Ukraine.

So in doing this, we'll hopefully close up the deal. So let me begin with a point I made the beginning. That is the center of everything that I do. Adam Smith is not a libertarian. He is not a follower of a Rand. He is someone who believes deeply in the state's involvement in society. He said that there are three

functions of the state, one controlling the borders, military defense. Secondly, in enforcing the laws that have been passed, internal control and third public works. He never mentioned what public works are. Uh, public works are an infinite number of things that are done by the government for the public. So he certainly believed in the free market to the extent that it could be free. And he certainly believed that decisions made by individuals are probably gonna be better in the individual case than on the, by the government. But the idea that there was a tradition of libertarianism that is being violated now, uh, is really empirically untrue. Uh, what there is, is a continuation of a tradition in which the state had some limits placed on it, both ultimately responsible for the national security of a country, which was clearly understood to be economic security, as well as military security.

George Friedman:

So I come at this out of the standpoint that the intrusion of the state into society is inevitable. A society exists in a war world of various activities trade and so on. And a state that does not engage in it, uh, is gonna fail And then would be blamed for failing. There are two purpose of state. First, the state exists in order to be in order to stabilize the country. And secondly, in order to be criticized because whatever went wrong, it had to be the president, the prime minister, where the 80 Congressman <affirmative>. In fact, what goes on is reality. The unfolding of a reality of which the state is part and has a role to play and must do it. One of the things it has to do is issue money, Money, theoretically, is anything that someone else will accept. Uh, so if I say that bananas are, are means of exchange, and everybody says, yay, good. We will accept bananas. Uh, it can be done, But money is two things. It is a medium of exchange And also are the retention of wealth. So I have to be able to have savings. I have to be able to accumulate capital.

And that capital has to have a life. It may be dynamically changing in certain ways, but it has to have some sort of thus the banana, even if everybody agrees to use it is gonna turn that brown miserable color, that bananas turn, and it will no longer be a banana. It'll be garbage. So no, it is not true that we can degree that anything is, Is money. Money has always two characteristics. The first is that you can get something with it. Gold. Interestingly is the one exemption. It is useless while not useless, utterly, but it is a symbol. And because as metal, it doesn't degrade. So it lasts. And that was used for a very long time, But there's a limited amount of that. And economies can grow on a limited amount of money. And so we bypassed it. Okay. Um, so there's storage of wealth In exchange. And in all order to have that, you have to have stability. If you're invaded and everything is destroyed, the money tends to become worthless. Um, if too much of it is printed, its value goes down. If too little is printed, it is difficult to live. There has to be the correct size of it.

Now the dollar bill is a piece of paper. I make jokes about what toilet you would use it in, but as an object of use, it has no value. The value that it has is the value of the exchange and purchasing power that it can do. And the degree to which it is sufficiently stable to be used as savings. Okay, well, two things we do with it, it's convertibility to real things is the most important thing in the short run it's viability in the long run is the most important thing. It has to be viable in a sense that it will continue to be recognized as an exchange mechanism. It will continue to be recognized in five years, as something with value savings can be destroyed. The most frequent destroyer of, of savings. The is not economic it's warfare in Germany after world war I, the mark became worthless.

You couldn't buy anything with it. Uh, and that destroyed the value. So when you look at the question of what it is the most important thing for there to be an exchange system, the answer is national security because when we go through European history in the past a hundred years, we'll find that the most catastrophic outcomes of currency have been those that were the result of war. And the result of victory has been a stable, viable, attractive currency. Now, obviously there are other dimensions to it, uh, national policy of, um, the production of money of interest rates of a range of things, but national security and economics are intimately linked, uh, as Russia is experiencing right now, but not even intentionally in Hungary, there was a, a, a currency called the Pengo after world war II. My father, before I was at staff, a whole lot of PENGOS in various places. Everybody did. When he came back from the war, he had all those PENGOS and none were worth anything. China lost the war or been devastated, maybe every aspect of it. So in thinking about economic and this, I learned from my professor at CCNY, not that he taught it, teachers acted,

George Friedman:

Economics is not an autonomous sphere. It is a sphere intimately bound up with a range of other things, ranging for technology and science and morphed. Importantly, the greatest threat is war. And we'll be taught about that when we talk about Russia.

The other thing you have to have is efficiency. If the transaction Transactions are time sensitive, I wish to buy 300 cars to sell in the United States. All right, we can do that, but the, of approving it And raising the money and transferring, it will take three months. Well, I can't wait three months. When you look at a currency for international trade, you look at the question of what can I buy You, look at the question of What saving, but also the efficiency of transfer time is money. And the ability to use a particular currency Easily to facilitate to transfers becomes very, very important. So when we look at this, we take a look at economies that have certain charact, the most, the most important characteristic is military. So those that can protect the currency. Also have a tendency to be able to stabilize it, not freeze it in place, but limit its movements to something that can be acceptable, uh, when preserving capital. Okay. And then normally as the leading country in the world. So for many years, The pound Sterling was the reserve currency. A reserve currency Is not something that a committee meets and says, it's one that is used. And the one that's used is firstly, the one that can be most easily converted within that economy.

So if you have a, an economy that offers many Things to buy That you need or would enjoy or so on, And the, a conversion That access is efficient, it doesn't take me six months to get approval or wait two months to get the conversion or whatever. If I have that currency, I can go into that economy. And that economy allows me. I, To take things out,

George Friedman:

In fact, welcomes your dollar, coming in China doesn't have that sort of economy. It is not a vast economy full of goods services, things that you want buy, you may wanna invest in their stock market, but maybe not. China does not have the ability to guarantee the exchange rates. The, the value of the UN is subject to other forces. It can arbitrarily stated, but when it goes out to buy goods and there's elsewhere, it has to adhere to the rate. The dollar at this point is what the pound screwing was. It is an efficient exchange mechanism that cuts time to the minimum. And also so in which other currencies

denominate themselves. So when we talk about the value of, do you want going up and down, we say compared to the dollar, when we think about the rub going up or down, we think of the dollar.

George Friedman:

It also becomes the yard stick for many years. It was the pound Sterling. That was the pound yardstick of the global economy. But, uh, they lost world war II. And in losing world war II, they lost a great deal of their intrinsic wealth. And the economy was no longer attractive in terms of what it could buy and the United States re it. And I wanna emphasize maybe over-emphasizing, but not too much the connectivity between historical wealth and the outcomes of wars. So rarely is there a transition from a country that is the leading power to a lesser power without an intervening destruction of wealth, which Britain certainly had. And after that, the question of who was the reserve currency was very simple. My father swore never to hold Penas again or any other currency, but a dollar because he understood what some of the economists didn't was that the dollar is probably gonna be safe.

That there's two oceans separating it. It's not gonna be defeated in a war. There's a lot of good stuff you can buy. And if they means that that, that will have value <affirmative>, that will have significant value and safety. Cause remember, safety is critical to viable reserve currency, not safety in the fact that it won't run into normal business cycles, strange positions and so on, but safety that in the sense I won't go the way of Germany is in the 1920s where I used to be rich. And now I have nothing. This is important.

It's for this reason that international trade is normally denominated in dollars. Russia now is trying to see if anybody will take rubs. There are going to the Indians and offering deals in Rupe. Oh, what have you? But if you take the Rupe, what is its value they're highly volatile and unsafe compared to the dollar? The reason the dollar is the exchange rate, okay, is that has a relative stability and a high likelihood that in 10 years it will have significant value relative to what it is now, India may or may not. If you're, you know, if you're doing a 10 year deal and many of the business deals are 10 years deals, you're betting that the currency you're doing it in will retain value or even be functional in 10 years. You're making a huge bet in the transaction. If it's not a one day transaction.

And if you're making that bet, you're gonna look at the currency that has the highest safety of which among them is mil because the military protects the safety of the currency and the currency supports the military. It's an interaction. So if you're going to be using a currency, well, like the dollar, then your transactions are in dollars and you have to convert your currency into dollars in order to do that, there are many secondary places to buy dollars on the market, but they're looking at the mother load of conversion, the federal reserve bank of the United States, the fed as the same way the British did. Uh, if they say do a 10 year deal in other currency, that is not a reserve currency, then all sorts of things can buffet is where am I safest? No one believes in absolute safety. Well, let's they're Americans.

George Friedman:

Uh, where am I list least well with the dollar. And that means that one way or the other, the deal comes back to the federal reserve bank, which buys other currencies and converts 'em to dollars. And so you go to them. And so what we've had is the recognition that Russian rule is not an exciting currency to be

taking out for 10 year deals. You don't know politically what it'll be. You don't know militarily, what it'll be economically. It is a question mark, therefore it's accepted without thinking much that the rule is denominated in dollars and the dollars are physically obtained in the federal reserve or notionally obtained in the federal reserve. And when the federal reserve did was shut the window, they shut the window. So that Russia had to conduct this international trade with dollars on hand, or by finding a third party to convert their currency, or to find somebody who's willing to take the Rubal as currency.

George Friedman:

And as we see in negotiations between India and Russia, at this point, the Indians are not too comfortable with notion of taking of rubs for what they have. Okay. Uh, what the United States did was conduct economic warfare by being the reserve currency of the world. That is the most trusted currency in the one against which all other currencies are measured and which has a high likelihood being holding value for 10 years. Okay. Which other currencies frequently don't do? What happened was, uh, that Russia was squeezed out of the global market by recruiting the second currency that could maybe make claim or more precisely another currency that other countries might use, but really wouldn't want to use at a 10 year deal because nobody quite knows what the European unions gonna look like in 10 years. Uh, but that was recruited and they also joined in refusing to transform Russian money into other money that was important.

But the dollar alone as an, as a instrument of war was critical. So what I'm saying when I started this series about geopolitics and economics, is that these are not separate things, which is why Adam Smith and his followers always used the term political economy. The use of the term economy standing alone only came to the end of the 19th century. Nobody called it economy alone. Everybody called the political economy cause they understood the political dimension of economics. They also understood as money started to be nearly bank notes and turned into state issued entities. Uh, they also realized that the, the, that entity is part of international relations. It is not simply an economic instrument cause economics themselves depend on the military political situation that surrounds them. And on the other hand, they can give you military and political power. If you, if they're valuable and can be converted.

So what we have here is driving home. The fact that you can certainly hurt potentially defeat a country politically with economic act activities and that your economic capabilities depend on these interactions. The war protects society, as we all should know, but oddly enough, for the most powerful society, this is forgotten the idea you that war is a defense of the value of the dollar is a farfetched notion, which is because the country is so powerful. It's not gonna face occupation. And, and so on for lesser countries like Hungary with the Penga, it's, it's a truth. That's occurred several times to value of the currency, depends on the outcome of the war and the outcome of the war depends on what you can do with your economy and what, how you wage this war with money or otherwise. And we see today a fantastically interesting episode of the United States declining, direct combat while taking devastating steps against the Russians and letting them carry out, combat against a secondary power.

George Friedman:

This is interesting because when everybody leaves here, they will think it's very dangerous to be dependent on a dollar in this way. The Chinese are doing that now, but how do you escape your counterpart when you're buying and selling wants a secure currency? Americans granted do not regard

the dollar is secure. They dislike many of the dimensions of how it's managed and so on that's Americans, but they live in a very narrow bubble compared to the other countries. And the other things that have happened over the last century, it is the least likely to become valueless. And in many countries, particularly in Europe, the experience of world war II was not merely the bombing. It was the valuelessness of the currency, the inability to import anything that was needed and resorted to bartering, which was incredibly inefficient in purchasing, which takes care of that other problem. Now, at that point, I'll stop. Uh, I think it's important that we understand two things. One, you cannot understand national power without understanding its economy and that economy expresses itself as money.

George Friedman:

The second thing is that great powers tend to see any fluctuation as potentially devastating lesser powers, know what devastation artists and will SLI with minor, minor shifts. So we have to put the performance of the dollar, the fed policy, which I read about every day and put them into context of the world and why the world prefers the dollar. Even if Powell doesn't nobody he is doing. He clearly doesn't. He says, well, even if he doesn't know what he is doing, they're still buying and selling dollar denomin activities. And I will turn it over to Antonio who will tell us something that's I have opinions. She has knowledge.

Antonia Colibasanu:

Thank you, George. I will only add to the knowledge that you've brought in, uh, some of my economic, um, knowledge, which is related to sanctions and how sanctions work. So basically I would say that besides the dollar as a reserve currency, you also have very historic, if I, if I would say reserve currency, uh, traded in the world since the very beginning. And that is confidence. That is actually the common currency between politics and even so, um, as the dollar is being kept as reserve currency because of the confidence it carries. Um, it is confidence that is decreasing when we have, um, a conflict situation or a war. And when that happens and there is retaliation on the economic front, there are several elements that go together when we, uh, look at the country from an economic standpoint.

Antonia Colibasanu:

And we are saying that a country is powerful if it has the ability to control or at least, uh, understand what kind of outbound investment, it has. Um, if that country holds a positive perspective on the market on its own market, first of all if it has an influence on commodity and energy flows, and if it holds somewhat control, if not centrality of the global financial system, all these characteristics all together are only valid for the us, other countries in the world only hold two or three at the max of the three of the, of the four characteristics, which basically says what we knew in the beginning that if the us starts an economic warfare, there is no good in the world for are the others that are, uh, seeing the us force. Uh, that said right now since we started this war since we, we know this war has come, on, we have several layers of sanctions there are the short term sanctions that we are seeing effects of, and those relate to, um, the sanctions imposed on the Russian central bank and the Russian payment system.

Antonia Colibasanu:

Um, and yes, you may say, well, Russia is still very much active, but Russia is very much active because as it tries to negotiate things. So right now in the, the process of negotiations we are seeing companies basically scrambling and trying to understand whether they should hold businesses with Russian

companies or not, whether they should have you know, a position on investments that they've already made. And more importantly the shipping companies, the transportation companies worldwide are charging premiums on everything that relates to Russian trade, which basically explains why we are seeing and higher prices all over. And why we are talking about supply chain problems, again, so on top of the pandemic related supply chain, uh, problems and the logistic problem problems that happened in, um, in the spring with regards to imposing, um, shutdowns on some ports and other infrastructure, uh, inside China, we now have a sort of a self sanctioning mode of shipping companies and traders on particular goods that have of relations with Russia.

Antonia Colibasanu:

Now, the most important is obvious the energy links and while we are talking about Europe and European dependency on Russia, I've also seen one question related to Russia asking that the Europeans pay in rubles, the European pay, the European pay in rubles. Well, that is basically sort of impossible, not because the Europeans don't want to do that, but because that would mean that the ruble be a traded, uh, currently internationally in the same fashion that the Euro or the dollar is. And right now it is not. So you cannot just switch to denomination and you cannot just pay in whatever currency you want, uh, because it's just simply not possible. You need to have a bank trading in that currency and you need to have the system laid down insurance working on that contract and shipping traders, taking insurance, working on that contract that you would have in rubles.

So there are a lot of details that have to do with paying in a certain currency that we need to understand before saying, oh, um, it is quite possible that the Europeans will pay, put in, rubles because they need energy. Um, actually today I've seen that the US came in and said, well, we'll give you energy. We'll give you L and G. Um, and, you just need to make sure in Europe that you have good infrastructure to get our L and G and, uh, the discussions around the NATO summit on the economic part of things are actually regarding the particular issues of infrastructure and what that infrastructure is needed. Even military infrastructure is going to be used to get L and G to the reserves that Europe needs to have in order to have energy for supporting their, our economy.

Antonia Colibasanu:

And that is only in crisis mode, but who knows, like we dunno what will come out of the sanction related to the trade that, uh, goes on with the currency sanctions. Now, the other layer that is less seen besides the shipping industry problems, uh, is the layer on, um, demographics and what demographics in Russia and related to the commodities that are being traded on the market are going to be shaped in very basic explanations right now. Um, all the major companies that have made possible for the energy industry to exist in Russia have pretty much gone. Uh, there is no BP, there is no American company. There are no major technological company in Russia is right now looking for technology. That is why Russia is going to India. It hope that India will help bring in the technology and the companies and the knowledge basically needed to continue with what it has.

So operationally Russia has a problem because it doesn't have skilled workers because it doesn't have the top engineers that are needed to get the energy from on the ground, into the pipe, on the scan under that are needed. And that is a more important issue that Russia needs to deal with on the longer term, even if right now, it can certainly sell what it has in Russian reserves, but on the longer term. And

that is, you know, six months, one year from now Russia will need to pump that energy from the underground. Uh, and that is not an easy thing to do. That is not one thing that Russia can just deal with because the Indians may be an entry point, but they are certainly not a technological hub for energy industry. Now the other the third element that we are seeing is the balancing act between Russia, China, and the us, which is certainly the most interesting to be seen right now, um, considering the us dollar being the reserve currency and considering the features that the us market has for China in particular, uh, China is not really willing to entertain Russian businesses and Russian needs as Russia would want it to entertain what it can be done.

Antonia Colibasanu:

And for sure will be sort of dealt with is bilateral trade. So, one thing to look in the coming months is how Russia and China are going to negotiate their own bilateral businesses. And whether that is to take, um, a U one or a ruble kind of, uh, denomination when it comes to contract, it is likely for Russia to actually, uh, stand by and accept the UN to be the, the currency that contracts are going to be the nominated into, just because of the system that China has, which is more advanced than, than the Russian trading system when it comes to payments and everything else. Um, and the next element to see, which I, I believe will we will hear about in the coming three months or so is the element of technology. If Russia will basically come to acknowledge that it needs technology one way to look at how China can help when it comes to getting in Chinese companies and help with extraction and everything else.

The problem here is that, you know, if India is not very good at this, then China is not either. Uh, so no matter how you look at it Russia is in a very difficult position to, to go with now for the world. Um, it is also important for us to acknowledge that while we are in an economic warfare and we are using economic weapons, we have no standards and we have no norms. Uh, this kind of economic warfare was not fought. Uh, what we had in the world war II was very different than what we have now and what we had in the cold war, basically the confidence that the dollar has pretty much grown with in the cold war, made the cold war to be won by the Americans. Um, it is quite a different world. It's basically confidence in what will happen that has won the, the other two words right now.

We lack knowledge of what these weapons are going to create for us, the Western world. And, uh, when we were dealing with the pandemic and the pandemic effects on the global economy, when we started these theories, the main question mark was basically how supply chains are going to be affected. We already knew that the globalization of the world, as we knew, it has pretty much ended starting with 2016 and everyone was looking inwards and was looking to protect their economies. Right now, there is more protectionism that there ever was, and that there are weapons that we don't know exactly what will do. One question mark is okay, living the dollar aside, we are freezing assets. We are basically nationalizing property. Um, is this going to affect the way we see the global economy and our own standard of living in our own economy right now?

Antonia Colibasanu:

What is this going to say about the world tomorrow? Uh, the other element is how can Russia really retaliate? Because we are seeing the effect on the commodities market. We are seeing the effect on the energy prices, but Russia didn't really didn't really go forward besides signaling some negotiations. This

may mean that Russia cannot do more. And I'm pretty tempted to say that Russia cannot really do much more than it currently does, but we certainly need to understand what the world would look like if Russia would cut supplies of energy to Europe, for instance. And that's a different world that we need to look at, uh, probably topics for other sessions. Cause believe that, Meredith will come in soon and say, we need to answer some questions as I already see that there are some so Meredith,

Meredith Friedman:

I would like to get to some questions. The very first one, I think you have actually.

George Friedman:

Meredith I wanted to do a third thing.

Meredith Friedman:

You did. Okay.

George Friedman:

Yes. Sorry. Um, one, one of the things I understand is that the vision of globalism is very recent and that there are precedence for this in history. In fact, to history consisted of nations using economics and military tools to do this, the fantasy of the end of history, where military action was suspended. And we all had the same common interest in economic growth and so on. I think it's one of the things that has really been shattered. I have to say, I always thought that was an illusion. Peace brings the illusion. That that's the only way you can be. So we are now in a world in which nations make war in each other, in which Elis act economically and politically in which there are consequences that are not predictable, not because they're inherently predictable, but because in this particular case, what will happen, not in a general one.

And the general understanding of the way the world worked, that really began at Brenton woods has blown apart. The attempt to construct a predictable world with low risk and high growth is one of the things this war didn't, it didn't destroy it, but it indicates that the idea that issues are no longer addressed by war, that the outcomes of war are predictable manageable, and that these things are really gone. So from my point of view, it is unpredictable. What will happen in terms of the last 20, 30 years. But when we look back in history to Napoleonic wars, they fought with different things, um, to first world war and the second world war, a lot of things can be seen that can come out of it because ultimately the destruction of an, whether by bombs or by economics is the destruction of the, and what to look at is what is going to happen. And what I wanted to put in here was this it's increasingly clear to me that this war in Ukraine is ending.

Russia is incapable of conquering Ukraine. Its forces are simply not a raid to do that. Secondly, they've been a war for 30 days in the winter. And let me tell you sleeping outside in 55 degree weather, it may seem warm to you in a city, but night after night, these troops are weary and it's not clear that the any rotation has occurred. So at this point, if 30 days of continual combat the ability of the Russians to continue, this is it's questionable. And there's a lot of discussion in Moscow about the sec defense minister being stepping down, not stepping down of generals, being rotated or pushed aside of the head

of intelligence for Ukraine being put under arrest. It's hard to tell what's going on, but the Russians are going through the problem of, they thought they would win quickly. They may not win at all. The Ukrainians have fought a noble fight, but they that's, it, they cannot defeat the Russians. They can hold some areas selectively, but their ability. They may have the ability to continue fighting, but their ability to defeat the Russian army take the Russian's prisoner. These, these sorts of things. That's not there NATO's desire to continue. The war means it must intercede. The war cannot continue new on the Ukrainian side, unless there's a major military intervention, certainly with air power, but also with other advanced technologies that the Ukrainian simply can't master in a couple of hours.

George Friedman:

You, I suspect that is the quiet talk being held at NATO. What now? And I think the answer will be, we are not prepared to go to war in Ukraine when first the Russians are not about to defeat them occupy Ukraine, but also we're not prepared to go to war because the price of this could be too high. So what comes out of this is the Russian proposal, implicit proposal. You can't understand them that they will accept a band of power from Russia down tore. The problem with that is that it's an untenable position. It is a very long, thin barrier that can be breached at any side in many ways, defending a long corridor like that is difficult. It is very hard to believe that that proposal is something rusher could live with. On the other hand, rushers doesn't have many options that it can live with it's unless it is able to Mount an effective, coordinated, coherent, offensive, relieving, existing troops, putting fresh troop, the field and a new command structure and preferably bad tomorrow.

They have to be realizing that they're sitting there hoping that the Ukrainians will break. The Ukrainians are sitting there hoping the Russians will break. They will hold together. And NATO is looking at the fact that they are very relieved. They hadn't didn't have to make the decision whether to go into Ukraine. Now, this question shows the limits of internationalism. The way these decisions are being made are national decisions. Even within NATO, they're asking the question, I'm sure the Germans have a different, an answer to the, the Americans of what might be done. So when we look at the world that was created at Bretton woods, what we see is that that world is evaporated under pressure. It is not a new evaporate. It's a very common one and where Antonio and I differ is I think we can predict this world, just not by the last 30 years, but that she's very young and I'm very old. And she thinks the last 30 years the world had happened, <laugh> no, she really has a grasp of it, but there is something here that requires not new thinking, but old thinking we've been here before. In the meantime, I would be very surprised if this goes on because of the condition that Russian troops must be in. They have not been in shelter for a long time.

Meredith Friedman:

Can we take some questions now?

George Friedman:

I will take questions now. Yes. Yes. Ma'am.

Meredith Friedman:

Thank you.

George Friedman:

I told you I wanted to say something.

Meredith Friedman:

Um, I was gonna come to that at the end, but that's okay. So, Elias, I think we've answered your question already opinion on Putin, asking for rubs for natural gas and oil. What are the consequences? Antonia, could you just sum up in one minute, two minutes?

Antonia Colibasanu:

Sure. So there is not really possible for that to happen right now, unless we are redesigning some of the way we trade with between Europe and Russia and other countries. Uh, but if that is to happen, then I guess we would basically not being sanctioning Russia because the, the very element that we are sanctioning is the way that Russia is paying and is getting paid. So it's kind of impossible.

George Friedman:

So I would like to add to that. You'd have to find somebody who wants to take a rub for something. And so what this,

Antonia Colibasanu:

This is about Russians wanting to take rubs.

George Friedman:

Yeah. Yeah. I understand. If they do, what can they do with that rub? So when you take a transaction, you have plans of what to do with the money. If it's a money with which you have limited pens, even if it's your own money, uh, you, you have a problem. So if the Russians get at sell oil and they get rubs back, they're still in the same place. They were. The, the crucial thing to understand is not, you know, the policies and so trust in the Rubal, willingness to buy the Rubal on the part of Russians. You, okay? So in my case of my, the Pena in Hungary, the real problem was that nobody wanted to get them. They wanted dollars, they wanted pounds. They wanted anything. The Russians are slipping into that position, I think because the limited market available.

Meredith Friedman:

So following that, Gene asks a question, with the increased risk of China and Russia, insisting on non dollar payments for petrol and other goods is the dollar standard at risk in some timeframe.

George Friedman:

So all they can in demand on anything. The question is, if they take the rule, what can they do with it? What is value? So at a certain point, the question is, well, I'd like your oil, or you'd like to sell me this, but in exchange, I'm gonna give you something that has very little value. So you value it by the exchange rate. This moment, the exchange rate is what you can get on the black market somewhere. It's more than that, but it's not enough. So the thing to be looking at is not nearly what the government policy is, is, is an individual prepared to sell something of value for that currency. And this is the thing that the Indians are looking at. You know, what can I get? And sometimes Russian say, we'll just give you Rus.

And the Indians say, well, I really don't want Rus. You're no Indian. Could you gimme something else? This is where the convertibility, the access to wealth, that money gives you breaks down.

Meredith Friedman:

George question for you from Paul is Britain's a relationship with the us. One of the reasons that it's pound Sterling is still strong.

George Friedman:

Well, it has a substantial economy. The second largest in Europe. It doesn't have the rules of the EU anymore, but it's always been a very prosperous place relative to other countries. Its relationship with the United States obviously increases its security, but security risks. Don't I have very important cases, but are not always coming up. But I think the key to the EU is if you have rules, if you have the pound Sterling and want to go to London and go buy things, they'll sell it. So at a reason at fixed price, it's predictable. I don't see that as really just the relationship with the United States, but it's an entire matrix that it's built.

Antonia Colibasanu:

And the, the foundation to that is actually the fact that London is the financial, the very first financial center of the world. So that, that is where China and the us needs before everything gets into the newer stock exchange. And that builds the value of the place and the value of the currency as well.

George Friedman:

And of course, as traders go, some will take huge risks and others will not. And one of the questions that British ask size our economy, do we want the risk of international trading here? This has come up on a number of times. The answer in the end is yes, but it's also one of the reasons why, why the Brexit people, when they, well, the bank said, we leave, then didn't exactly get scared because there's a risk inherent in this kind of transaction being taken in your occurrence and your on terrain, but on the hold, it works very well.

Meredith Friedman:

So that brings us to a rather depressing question, but Matt's asking a very real one. The buying power of the average citizen has been greatly reduced. There's a lot of uncertainty. And, and as far as we know, this could get a lot worse before it gets better. So are we at risk of a recession due to inflation?

George Friedman:

Well, we're always going to have a recession. It's called a business cycle. And in business cycles, you reach low points and high points. Uh, from my point of view, you know, as a European, the number of risks Americans tend to exaggerate, but yes, we're going to have a recession. We would have had one, even without this war, we've had massive, uh, expansions creating massive in instabilities and overpricing and whole fine line of things. The business cycle corrects these things. And if you don't correct them, you wind up with things like runaway, inflation or pricing irrationalities and so and so forth. So I would say that as I grew up, recessions happened every 1 for six years in the United States. And over the past few years, they have declined in frequency. And that's unfortunate because the business cycle is taught to be by professors is essential link, essential stabilizer.

George Friedman:

This one is based on X, external elements, you know, the price of oil and the Russians and risks and so on. And COVID of course, which is a very strange intervention that still resonates and may resonate for a while. But, you know, in the end, we over a, the ability of the federal reserve boards to deal with matters such as COVID such as the Russian war, such as these things. Um, it has certain capabilities, but reality wants to wash over it. I don't see this as a terrible thing, although I don't like it myself that'll live, but it's, it's a norm.

Meredith Friedman:

Antonia, do you have anything on that?

Antonia Colibasanu:

I, I would just say that while the us is in a better position obviously, and I can go on explaining why including geography basically says that the us is always going to be in a better position, if not Europe is not. And this is probably why I defer when, when I'm a bit more pessimistic about the word that is just next door than George is, but bottom line Russia and the biggest Russian fear right now, now is hyperinflation. That is going to trigger more than just recession for Russia. If it's going to happen. Russia has seen this in the nineties. Um, and with that, we will have an entire region that is going to see a lot of effects, negative effects on Russian, which is central Asia. And basically you know, everything that is tied to a Russian trade in commodities, some more than others, Europe being just next door.

So we are looking right now as a triple crisis, um, in Europe, one that has been before, uh, the current war in Ukraine and is related to COVID, um, another one that relates to their refugee crisis and another one that only regards the commodities pricing effect on the European economy. So it's, it's a bit of a lot of anxiety in the air here. Um, but I would, I would say that we are not yet at the point where we talk beyond recession, which is a natural phenomenon. The, the real problem is when we get beyond recession, we start talking about depression.

George Friedman:

The, the important thing I would like to add is that I regard the Europeans have been economically reckless since 2008. Their goal has been to maintain growth at the highest possible rate, regardless, even when it left countries like Italy behind and so on, well, this was a postponing of things. And for political reasons, they didn't wanna postpone it. Yeah. The war and COVID all affected it, but they went for, I'll try to count 14 years without a significant recession that they needed to have. So it's like an en you really need to have it, but you don't want it. And the, the fact of the matter is that the EU has conducted a series of irresponsible activities politically at other. And so they're going to pay the price now. And so is Antonio, unless she gets smart and moves here,

Meredith Friedman:

We won't let her in. Um, quick question. I'm not sure if we know the answer to this one, Nicklaus asks what's the approximate value dollar cost of Russian invasion to Russia so far direct and indirect. In other words, what's the cost to Russia. Do we know in any kind of certainty?

George Friedman:

No idea. I count the dead, not the, the cost,

Meredith Friedman:

The dollar cost.

George Friedman:

I mean, it's hard to calculate.

Antonia Colibasanu:

Yeah, yeah. That, that is something we fully agree on.

Meredith Friedman:

We'll come back to your question in a, a few weeks or a few months, maybe we'll know more about it at that

George Friedman:

Point, apparent the answer is much less than an American invasion if a country would cost, but they don't the super deluxe system.

Antonia Colibasanu:

The, the problem with Russia is it has weak demographics. It has weak economy. And that is why it could afford this right now, because later on it couldn't afford it because of demographics to start with. Um, but hyperinflation, in terms of, um, you know, of Russia right now imagine higher costs for medicines, um, higher costs for, um, everything, you know, poor standard of living, um, basically translate into even poor demographics that, uh, that country has. So that, that is the way to look at things. And that's the limitation of Putin's war in a sense, it's the country stability when it comes to having or no population.

Meredith Friedman:

Okay. So the next question from Richard is, where are the LNG tankers needed to even begin supplying the EU? Where are they gonna come from shipyards or

George Friedman:

Imagination? Of course

Meredith Friedman:

<laugh> book up and things like nickel, heavy stainless Steeler in short supplies in talking about every LNG tanker is to the EU is one less to Northeast Asia.

George Friedman:

Yeah.

Antonia Colibasanu:

That's true. Well, the Americans have promised today that they're going to ship in a lot of LNG to Europe, 15 billion something.

George Friedman:

They're betting that the Europeans won't be in a position to receive it.

Antonia Colibasanu:

Well, the problem is that the Europeans aren't really in a position to receive it. And here I'm with you, and saying that we need investment in infrastructure, the last five years has seen three LNG terminals being built in the Baltic and the Mediterranean, which are basically going to supply the Eastern plant. So that is where the priority is going to be for the American LNG, which is going to be very upsetting for the Germans because, um, you know, they were hoping to get the LNG first, but the best excuse is that the Germans do not have infrastructure. So I'm expecting that the more this war continues the worse is going to get for the Germany economy.

Meredith Friedman:

None of us are lawyers, so I'm not sure if we can answer this question, but David's asking what would be the legalities and implication of taking away Russian international reserves frozen in the New York fed reserve bank and using them as reparations for the reconstruction of Ukraine, which will cost obviously hundreds of billions of dollars, not advocating. Just wondering, he's asking,

George Friedman:

We could do it. And since the lawsuit will take 11 years, it'll be a next generation. It'll pay it back. Look, we can have many impediments to the access to that money. Russia is fighting a war. Inflation is interesting, and this is interesting, but people are fighting and dying out there and a war that's not going very well. So where Russia is really focused is not on how to handle its financials, which is a problem it's we it's fighting a war they're out there. And like when I said sleeping night after night in the cold, try it, it really wears thin. So the Russians and the government is utterly focused on, it was like in nine 11, when we were utterly focused on what more terrorism would have. And the question would be asked, can we afford, uh, a good intelligence service?

You know, that wouldn't be on the table. So in everything we do here, remember this is a country at war. The leadership doesn't wanna lose it. And those who are fighting it, I mean, it may, or may public opinion may not have any do with it, but Putin certainly wants to get back on the offensive. And every action that he's taking now has to focus on that. We're focusing a lot on the economic dimension. Uh, he understands that if he wins, the economic dimension will take care of itself. If he loses well, that'll all work out too, but not for him. So understand the mind of your enemy, love your enemy. Think of Putin as a big lovable Teddy bear that we have to understand. And what we understand about him now is he never expected to be in this fix. And he has only one thought. So if you wanna, seize is, is, uh, money in American banks. It's gonna be number 13 under this agenda this week.

Meredith Friedman:

So Antonia for you, um, Patricia's asking, do you think the encouragement of confiscating private assets like yachts banks, bank accounts, et cetera, could create a sense of, of country risk that the us has not already had historically. And I ask you that just because you were talking about the seizing of private assets.

Antonia Colibasanu:

Yeah. That's, that's the discussion right now. So we are restructuring our economy while we are doing this as well. We are restructuring our economy because of the pandemic, uh, in, you know, first. Um, and then we are starting restructuring this after Russia basically started the economic warfare because, uh, Russia not only is fighting a war in Saudi crane, but this war started with seizing the ports on the black sea and basically cutting grain, uh, supply through the black sea, which is kind of, you know, us reacting with seizing properties, seizing, um, the, the Russian ability to use its reserves and so on. So yes, that, that is an important question to ask. I don't think so. And my main argument is that in a war, you fight with what you have. And right now we have the weapons of the economic warfare that the west has deployed. It's, it's not about legality. It's about where, so countries,

George Friedman:

One thing else to remember this isn't the first time we did this, we did this Iran. We did this to Cuba. It was very similar actions taken and other countries too. The United States is used economic power as an alter alternative military power on a number of occasions. But the most recent one is Iran, which had almost exactly the same.

Antonia Colibasanu:

We haven't gone that far with Russia, as we did with Iran. Iran also had, it's shipping, basically been everywhere. Russia didn't have that. It's just a premium that Russia has.

George Friedman:

The reason we always use this as an alternative to war. We did not want kinetic war. We did not have war with Iran. We didn't want war in Cuba invading Cuba. Anything else? Uh, this was an alternative. So this was the peaceful alternative.

Meredith Friedman:

Okay. I'm gonna keep going. Cuz we have a lot of questions I'd like to get through as many as we can. George, I think this one's for you. Joseph's asking theories on how the casualties of next winter and coming famines can be spun by politicians around the world. Diving headline, headlong into green policy. Could it also be a political theme for the us in 20, 24?

George Friedman:

Well, if that happens, it's not so much how it's gonna be spun by politicians. The political classes, very country will be replaced by the public, but there's really a question on whether or not they'll be starvation. So for example, I was once very worried and I wrote about the question of fertilizer. And then I went to a conference where one guy from a large fertilizer, a large agriculture product said, you're

missing the point. It won't be a problem this year, maybe next year. In other words, the detail about this are critical. And when I entered an area like that, that I really didn't understand. I was corrected by someone who did understand it. So there's a lot of stuff being written in newspapers that when I dig deeper, the situations of more complex, there are alternatives opportunities and so on. So at this point I'm not certain what next winter is gonna look like.

George Friedman:

Uh, the kinds of things that I predicted did happen, which was the supply chain, CRA breakup and neurotic four year olds and all that. But when you go to the production mechanism, you go to industry experts, you know, people who make money doing this, you find things are a little different, so I'm not prepared to say, say you're wrong. I mean, it may well happen. And that political responses there will be a wholesale replacement of governments, but, uh, I'm not sure that that actually is going to happen. I'm trying to figure it out. Anybody's got data. I mean, not opinion data guys, facts.

Meredith Friedman:

Okay. I'm gonna get to Manuel's questions and they're in a few parts here. So I'll try to put 'em together. Um, Russian oil and coal still being exported to the world from Russia. Um, if not directly sanctions abiding to sanctions abiding countries, they're being sold to others who in turn can sell the non Russian oil that they would do for sanctions a, to who sanctions are buying countries. It has become more expensive for Russia to do business, but is it really damaging Russia to the extent of being worth so much of our focus it's it was disjointed. I know,

George Friedman:

I think the answer is that being kept out of the dollar economy and that was effectively creates inefficiencies. The natural buying I impulse I'll buy this by that I sure is gone. Yeah. Russia is negotiating some agreements, but their complex, the difficult long term guarantees have to be written. The reports are some that the Russia have to pay back whether they would in the event, it doesn't take. So on the one hand, if you remember, one of the things I said about money is it has to be efficient. Russia has, at the very least lost the efficiency. Now some oil company might buy that thinking they can ship it onto these different countries. They absorb ordering the risk. The problem is of Mo Moscow is living with the risk constantly and trying to get around it. So I don't think, I mean, Russia really has an economic problem, but I really wanna emphasize here.

They have a military problem, the towers over it, who has the military problem cause the economic problem more to the point countries that are defeated in wars, especially by miserable states like Vietnam, they really have troubles afterwards. They really have to deal with that socially and politically. So this is the equivalent of the us and Vietnam with a lot shorter timeframe. But you saw a third teen dead Americans did in Afghanistan and how it shook the foundation. So I think we should be very careful, although I'm, I'm doing the economic dimension, never forget that behind this economic dimension now is a war that takes priority.

Meredith Friedman:

So another question, will all the sanctions on Russia ever be lifted? Given the embargo against Cuba is still in place decades after doing much less than Russia's done.

George Friedman:

The answer is, you know, Cuba was peculiar. The sanctions deal be lifted... When is the question? And that depends on how the war ends. So for example, if we wind up with, uh, agreement to have war, and we say, you can have your line to CIA, or you can have us take sanctions off. Not that that's how we'd be put Russia may make different choices. So if they start winning the war, well, they can live with this situation. If they are losing it, they have to do it. We have to watch the war to estimate the temper in NASCO, and then to estimate whether or not they make the concessions that the west want, or if do they have to make concessions or, you know, that's the war that defines it.

Meredith Friedman:

Okay. Matt asks, is there a measurement of the liquidity of the rule?

George Friedman:

Antonia will know the answer to that <laugh>

Antonia Colibasanu:

Uh, no.

Meredith Friedman:

Okay. Next question. There,

Antonia Colibasanu:

No, there is no measurement of liquidity right now. And especially since more are being talked about. So this is not something that we can calculate nor is something that we can expect to happen. It's basically depending on how the war is going to end when and cetera. So no

George Friedman:

Also liquidity means something very different in the sanction world. So because you can have a great many rules, but no exits if you want. Okay. So it's hard to, this is a justification. I have no idea. It's very hard to CA calculate this because, um, the sanctions redefine what liquidity means, you know, what it means that this money,

Antonia Colibasanu:

Like in the very first date of the sanctions being talked about, there was a liquidity crisis in Moscow because everyone rushed at the ban and, um, was a liquidity, a dollar liquidity crisis because everyone wanted dollars, not rubs. Of course. Um, so in that sense, you can check, liquidity measurements, but for the national economy, not really, not now, at least,

Meredith Friedman:

Um, a little more on what effect it'll have on Europe, but when, and if the conflict is over, what does the pan-European strategic environment look like? Will it end up with a symbiotic, um, relationship like the cold war versus second war, second world war versus cold war or something entirely new

George Friedman:

Europe didn't have a military strategy that was European wide. That determined that war was not going to happen except for irresponsible American behavior. So now they have to face the fact that they have, they must understand what they are all gonna do. And that revolves around building effective militaries, which is expensive. Okay. So the real question should be asked at this point, Germany is guaranteed that it's going to reach 2% of its GDP. Will it? How long will it take? So strategy means nothing. If you don't have the tools to fight the war right now, the British have the tools to fight the war alongside the Americans, the French of the ability to declare war, but not fight it. Uh, the problem of Europe is that it spent 30 years relieved that its history was over. Now it has to build whatever they want, aircraft missiles, what, what do they want? Then they can talk about strategy or they have to talk about strategy for building it. But the first question is, after this is over, will the Europeans decide this is an apparition. We don't really have to do, you know, do whatever we said and go on. I, I don't know what the Europeans will do. It's hard to find anything United in the union. Um, they are different nations and they want different things and they have different publics and so on and so forth.

Meredith Friedman:

Okay, I'm gonna go to the next question. Even if Antonia has something to say there. Um, this is one that we haven't taken before. Monte Allegra. I think the name, do you see any, a realistic scenario where the most severe sanctions are taken out while Putin is still in power and is Russia under Putin condemned to be a pariah state? And I'm gonna tie that to Paul's earlier question. Do you think anything of this was a set up to cause Putin to do this in order to get him deposed so that he would leave office or be taken out of office?

George Friedman:

If it was then so far, it's failed miserably, he's not lost office. They're very various theories floating around about, you know, the United States starting a war. Most of them, by the way, started by Soviet intelligence, Russian intelligence that are very good at this game. It depends. I mean, we are going to negotiate with Putin. That's the way the war ends Ukrainians will negotiate. The Russia. Putin will demand things in return. So the idea that he will accept an end of the war, but continue to have sanctions on him. Well, I wouldn't do that. And you wouldn't do that. And he's not gonna do that as for a strategy of undermining Putin, Putin, undermine himself by failing to understand the nature of the enemy and the quality of his army. This was a fundamental misunderstanding, and it could not be fed to him. Okay, you can't do this. He simply didn't understand. And now he has to get out and he will negotiate and we will have to make some concessions. So in a negotiation where you want something, you can't simply dictate what it'll be, unless you have atomic bomb in here as Shema, then you can dictate whatever you want.

Meredith Friedman:

Okay, from John, is there any indication yet of the impact of the Russian daily life on Russian daily life? Do cars keep running oil filters being changed, tires, um, consumer items, et cetera. So we don't have Ekatarina on today, but, George or Antonia,

George Friedman:

Antonia has a better sense of that.

Antonia Colibasanu:

Yeah. Well, there, there are different elements that we are seeing from, from the Russian media that are pointing out to the problems that the Russian economy is having such as, um, some foods is not available just because, um, there is the supply chain problem. Um, and obviously, uh, there are issues with, um, Russians basically wanting more than usually. Um, so buying much more than you would expect Russians to buy has also created a problems for the supply chain working there is also reports of basically the price of cars, for instance, going up while the price of oil has gone down. Um, which is to say that it's, there are, there are a lot, lot of volatile elements in the Russian society right now. So what we are seeing is kind of similar to what we are seeing on international markets.

There is a lot of uncertainty. There are some persons that are convinced that, Russia had a good strategy, the couple link for, from the world since 2014. And that Russia has a lot of reserves in place and can start a new life and be fully independent of the world. Um, and there is a lot of business opportunities because of the Western companies have gone away. So for instance, you, you can, uh, have reports of, oh, this is nice. There are Russian businesses right now. I can go into a Russian coffee shop and not really think about how this was related to Starbucks because I didn't really visit a Russian coffee shop. I was a fan of Starbucks. I would go just there. So now there is this opportunity of local businesses growing, but it comes to whether, um, you know, growth needs to be sustained.

Antonia Colibasanu:

And if inflation is going to grow higher and higher, then this optimistic view of Russia being okay is not going to be sustained for long plus, there is also a refugee crisis that virtually no one really talks about because everyone talks about the drama of Ukrainians leaving Ukraine nowadays. Uh, but, Georgia is taking in Russians fleeing their country because they're, that things are going to get worse before they get better. And Finland is also getting Russians, which are wealthier and can afford to actually go to Finland instead of Georgia or other places, just because it's, it's better that way. Um, plus, nowadays talking about swift and the ability to have dollars and to secure your savings, at the end of the day, the most popular touristic package that we were told about today is a tour in Pakistan when you can, where you can set up your account in dollars and have a master card and the mere card, which is the Russian card to use. And, both are going to be attached to your account in nube. So there is going to be a lot of tax evasion that we are talking about here, and a lot of smuggling going on in the central Asian countries and a lot of alternatives that Russians are being creative about. So volatile, anxiety, environment, that's, you know, anxious Russian, is very much the typical Russian right now.

Meredith Friedman:

Okay. I'm gonna try to just stick to questions that are related to economics. So there's a lot of questions out there just relating to the war, and I'm sure we'll have another session on that in the near future, um, is economic warfare, this is from Lilly, is economic warfare gonna replace traditional kinetic warfare in the future, or is it A modern means of complimenting traditional warfare? George,

George Friedman:

We have had economic warfare for years. Uh, the Bible, there are stories about wars where grain was burnt, so that the people in the town couldn't, there's nothing extraordinary about this, except, the abstracted nature of money, which has become a tool. But I mean, the Greek's Homer writes about

destroying food supplies and such. So you go back, you know, to wars of the middle ages, there was always an attack on the economic aspect, if there was possible to have it, that's not you. So I think it's important to understand that economic warfare, as we practice it now was practiced back in the, during the Napoleonic war. Uh, there was the financial markets that had to finance the operation in London, London, and there was all sort of back and forth on it. The Rothschilds a report have gotten rich financing war by knowing that Napoleon had won the battle or Britain had won.

George Friedman:

I can't remember which, so this has been there a while at this level, this is not even close to what we did with, uh, you know, Japan, Japan imported almost all of his raw material before the war. We placed an embargo. We blocked the ability of Japan to buy oil by NA by, rubber and so on the Japanese attacked Pearl Harbor because of embargo because they saw the United States as trying to force Japan into a subordinate position with economic warfare and their only option at that time was kinetic war with the United States. So this actually, you know, appears in you, but it really isn't. And in American history, we've used, embargo's particularly during cold war, various sanctions frequently. Uh, we used that Roosevelt used that in the Pacific war in 1941 to try to force the Japanese, not to go to war. It didn't work. So, uh, this is not new, it's old. Uh, but we haven't seen war for a while. It's been a long time since we saw large scale multi-divisional war. Put it that way. This is almost multi-divisional war. Okay.

Meredith Friedman:

Okay. And we're almost at the bottom of the hour. So one last question, if you could answer very briefly, I can, John asks how can other countries have confidence in participating in a us led global financial order when they can be de banked arbitrarily?

George Friedman:

Well, the answer is to them, don't participate. They participate in it. Not because they love us or like us, but because they have to it's their only should, some will decide they can't trust us. Good work with the Chinese. Uh, the, the strength of the United States is not that we're loved. Trust me. The strength of the United States is we have a dollar. And if you wanna go play investment in some other capability, that's just fine. In fact, the United States is not hurt when that happens. It has new opportunities. So it's important to understand that participating with the United States is not a matter of trust. Okay. Except that in any currency trust is, has to be present. So the United States has to be somewhat careful on what it does, but our choice in Ukraine was doing this, doing nothing we're sending in troops. We didn't wanna send troops. And we really couldn't do nothing because Putin would've done next. We don't know he already, he signaled Eastern Europe. And so in this particular case, we chose this option, a unique one in some ways.

Meredith Friedman:

So I apologize to those who questions I didn't get to today. Again, tried to keep it on the economic and the war, not just purely on the war questions. And Antonia, thank you so much for being with us from Bucharest. We'll see you tomorrow. And George, thank you. Thanks all for joining. And if you want to go back and watch this, or watch previous in this series, they are posted on the club video discussion tab on our website. So you can go back and look at previous ones, if you wish. Thank you all. Have a good night and take care and see you next time.