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with hedge fund manager Erik Townsend

Dr. Pippa Malmgren: WWII Has Already Started

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Erik: Joining me now is Dr. Pippa Malmgren, former presidential adviser and best selling author. Pippa it's great to have you back on the show. Needless to say, this is a week where we need to talk. Thank you for having me as always. Now, listeners, I know everybody is expecting us to talk about the Russia-Ukraine situation. And we're absolutely going to do that. But we're going to start with a bigger picture to frame some context. When we set this interview up. It was long before Russia-Ukraine had even blown up. And what brought this about was two separate [MacroVoices](#) guests. People whose names you know well and I'm not talking about random bloggers, but guys who run funds with hundreds of millions to low billions of dollars in them have told me privately off the air because they didn't want to go on record saying they believe that World War III actually started a year ago.

And when I heard that I thought, holy cow, I can't believe I'm hearing what sounds like conspiracy theory from really prominent people in finance. I thought I know, I'll run this crazy talk past my friend Pippa who used to work in the White House and knows how to debunk conspiracy theories. When I said that to Pippa her reaction was, did you read my article on Substack, titled World War III has already begun. Pippa, holy cow! First of all, what is a fair haired patriotic American gal who used to work in the White House doing on Substack, the blogging platform, which is the anti-censorship platform for people like Edward Snowden and Glenn Greenwald, and people who have been censored from other internet platforms. What are you doing on Substack?

Pippa: Well, I haven't been censored on other internet platforms. It's more that it's a great setup that allows a person to really write at length and provide deep dive analysis of situations. And yeah, there's a breadth of opinion on there. But you know, I grew up in Washington D.C. in the heart of politics and my experience was that I know this is maybe horrifying to some people but you need to talk to all sides. And you need to consider all angles right? That nobody has a monopoly on the truth. You have to really understand arguments that don't jive with your own. So I'm very big on listening to people who are way outside my own comfort zone in my attempt to understand what's happening in the world better.

Erik: Pippa, let's start with your own article on Substack titled 'World War III has already begun.' And there's some follow on articles that I read with great interest talking about where you see some of this warfare direction going. And it was very consistent with what I heard from the other people who asked not to have their names mentioned on the air. What they said is this

new hybrid warfare doctrine where the whole idea is you're not fighting a shooting war with bullets. It's something where you're actually trying to get as far as you can before the other side even figures out that they're at war. Is that the same idea? What is this about? What's going on? And why are you talking about World War III?

Pippa: Yeah well look. You know, I come from a background where I've been working on strategic security issues. And you know studying military history since I was in my 20s. And I lecture at one of the top defense colleges in the world. I occasionally briefed the generals in NATO. So I have, you know, a sense of what is happening in the strategic security space. And you remember my book from 2015, Signals, I wrote quite a lot about what we're seeing now, which was the beginning of the breakdown of the agreement between the superpowers about the post-cold war settlement. And I argued then that we were going to get more stress between the US and Russia and the US and China, which is exactly what has happened. As for the phrase, World War III which is you know, obviously provocative and hard for people to process. But, you know, what's the definition of it? Well, it's very broad. Covering a lot of geographies. And this is a thing I think people haven't understood. They think this is all about Ukraine. But we've had in my opinion, we've been effectively at war and I mean, a kinetic war where you're actually facing off with equipment for quite some time. It's just happening in places the public can't see.

So where are those places? I've called it a hot war in cold places. That's in space. And just two quick examples to give you an idea. We've recently in last few months seen a number of events in space. One of them was the Russians basically blew up one of their own satellites to create a debris field that would prove to be very difficult and dangerous for American satellites in that orbit space and actually for the International Space Station as well. We've also seen the Chinese make immense progress with their Hunter Killer Satellites. And one of them now can do what an American satellite can do, which is to drop out of its orbit, side up to somebody else's satellite, basically grab it almost like a Pac Man, and hurl it into outer space into what they call the dead zone, which is where that satellite is now useless to whoever put it into orbit. And so that's a very scary development that we're having that level of space warfare. Oh and by the way, the Chinese define the Hunter Killer Satellite as being something that cleans up debris, which sounds great, except it also seems to define American satellites as debris. So, you know, we are definitely seeing the superpowers facing off in space. And what is that about? That is about challenging each other's capacity to communicate, to gather data, to frankly have access to GPS, all sorts of things.

And so as another example of the warfare that we're seeing. A few months ago, there was a very very interesting and important incident in a tiny little island in the north of Norway called Svalbard, where we find the world's fastest internet cable and it's a double cable. And what is it doing on this tiny little island in the middle of nowhere? Well it turns out that SvalSat, the satellite company in Svalbard uses this cable to basically connect pretty much most of the commercial and even military satellites to the earth including the International Space Station. So if you cut that cable, in theory you cut off all of those satellites. Now, that cable was cut, it's now been determined by the Norwegian police that it was definitely not an accident from nature. It

was deliberate. And it looks like it was the cable was cut in two different places four kilometers apart. And the link between that four kilometers has gone totally missing. And they've now ransacked one of the oligarchs boats. Actually, I shouldn't call it a boat. It's like this massive vessel that looks like a military vessel. But it's a yacht. And so basically, the allegation is the Russians cut the cable and the head of the defense forces in the United Kingdom came straight out and said this is an act of war because it is about turning off all of our satellites. And that to put it in like basic perspective, because people don't get what does this mean? That's like no more Uber Eats, right? That's no more GPS. That's a denial of service attack. That's not about you can't access a website on your computer, it's that you can't access the net. This is a whole different level of strategic threat.

So let me go a bit further to finish on this. It also extends into other cold places like the Arctic cyberspace where we're seeing a whole lot of activity between the superpowers. I thought it was particularly interesting even just yesterday, I was supposed to fly from Europe and the UK to the US. But British Airways had a massive cyber event, which they are officially describing as a glitch that interrupted and canceled every single short haul flight around Europe. But it happened within hours of British Airways announcing that they would no longer be flying to or over Russia. So maybe that's just an amazing coincidence. We'll leave it at that.

And then finally, we're seeing it in places like Africa, which although Africa is a hot place. It is a place that the media give quite a cold shoulder to. And what we see there is something very important and very interesting, which is the privatization of militaries over the last, basically 20 or 30 years. And the Russians have something called the Wagner Group. The Americans have something called Academy that Erik Prince created. But basically, these are private militia who work for a fee. And in the case of Wagner, they're said to be President Putin's sort of private army. And there's no question that those two are facing off in Africa over raw materials and strategic assets. And so this is a hot war. It's just in a place the media gives a cold shoulder to so that's the global context.

I haven't even added in what's happening in Asia with China, Russia, in the Pacific as well. But the point is, Ukraine is occurring in the context of a much much larger set of confrontations. And for this reason it's hard to know not describe it as a World War. And maybe the good news and I'll finish on that. The good news is, you know, war is modernizing just like everything else. And it's quite possible that World War III does not involve the kind of casualties and boots on the ground that World War I and World War II did. It is much more in the cyber and remote realms, including submarine warfare. So the public doesn't see it. It doesn't know it's occurring. It's relatively ignorant until it escalates into what we're seeing on the ground in Ukraine. And then suddenly, everyone says, oh my God, we're at war but they don't understand. We're not in a local war. We're really in a world war.

Erik: Let's talk about why Ukraine specifically is not just a local event, but part of this bigger, broader context. Now, if you listen to a lot of the mainstream media coverage of this, it sounds like Vladimir Putin just basically blew a gasket, went nuts one day and decided to invade Ukraine for no apparent reason as a lot of people have described it. But I thought it was

interesting that former Democratic presidential candidate Tulsi Gabbard tweeted the other day, she said this entire war could have been avoided if the West and NATO had simply been willing to acknowledge Russia's entirely legitimate concerns about encroachment on its borders, and just tweeting that caused several members of Congress to actually accuse Ms. Gabbard of treason. What's going on here? What is she talking about? Does she have a point? What is this idea that the whole thing could have been avoided if Russia's legitimate concerns had been considered? What legitimate concerns are she talking about?

Pippa: So there are a couple layers to this. One is when we go back in history, and you know, for just to repeat, you know this Erik so my father served presidents Kennedy, Johnson, Nixon, and Ford and he was very much involved in the Cuban Missile Crisis. And defusing that moment in history and preventing a terrible, a terrible outcome there. And so he's been around all these years. And you know, he is quick to point out, you know, NATO was never meant to be an offensive organization, it was meant to be a defensive organization. And there were many Republicans who warned President Clinton when he first came to office that we, the United States should be careful about extending NATO membership. This is different from European Union membership or other kinds of organizations because NATO is all about mutual defense. And so as we pushed up along Russia's borders, you know, there has been a movement eastward. And in America the view was well we won the Cold War. And so that's the deal you lose. And Russia, frankly, we've treated Russia as a kind of a puny insignificant player since that time, with the itsy bitsy economy that doesn't even really score on the scoreboard.

But forgetting that Russia is still a nuclear superpower. And maybe this particular leader, President Putin remember he's the guy who was in the Russian Embassy in East Germany in Berlin when the Berlin Wall fell down, and when the Cold War ended, and he's the one who had to burn, you know, all the papers and save you know who was in the embassy. And he has been very shaped by that moment of loss of the Soviet Union. And I think his whole life he has been trying to restore the country to that previous glory. Now, he has an extreme view. it's not shared by the Russian people. It's very clear right now based on the meeting with the Security Council that he held just earlier in the week, that most of his cabinet doesn't agree with him either. But he seems to have such a lock of control on everybody that people are afraid to say. I mean, he particularly was, you know, asking his chief of foreign intelligence and the guy made every effort to say, sir I don't think we're going in the right direction. And he basically just was told to shut up.

So you know, this question of did we go too far? I do think there is an open and honest conversation to be had about, what did we gain from doing it? Did it actually serve us? And my key point here is that with nuclear weapons now and strategic tactical weapons as well, you don't even need proximity. So why do you need to move into countries that are right up on Russia's borders. You're going to be able to hit them more than cleanly from great distances. So the question again, is it really absolutely necessary? And I think that is going to be a question that will be addressed. I'll just go a little bit further on this point. The key thing now is what do we do about the current situation? Because clearly, we have a leader who is now threatening nuclear. And he's been crystal clear. And he has put the nuclear arsenal of Russia into combat

mode. So it can be used at any moment. And this is why I think 36 nations at last count have closed their airspace, it is not because they're just trying to, you know, keep the sky clear, there's because if there's a risk that someone is going to let off a nuclear weapon, they have to be able to see it and detect it and do what they can about it, which these days is not much. And they have to begin to think about offensive ability to stop that from happening. So I think the end game here, which again, it sounds just so strange, but in the sense, we're dealing with something I've called it what we've called this in history, it's a kind of dead man's switch. Now, what is the dead man's switch? That was always the issue during the Cold War. That if you tried to take out the leader of the Soviet Union, that they would sort of rig things so that stuff would blow up if they weren't there. Right? It's like in a Hollywood film. It's not just that they might hit the button, it's if they don't or they take their finger off of a button, bad things happen.

And the question is, has Putin put the world into a dead man's switch situation? And maybe this helps explain why the sanctions well tougher than we've seen in the past are still not that decisive. It may be because the leaders of the Western World recognize they're kind of dealing with a suicide bomber who's rigged to blow up and take a lot of hostages with him. And so maybe what you do is what the FBI does, which is you speak very very nicely and very softly and you offer them what they need, and you try to find an honorable way out even though it's totally distasteful. But what's worse would be an actual use of nuclear weapons. And right now, is that a possibility? Well, every single person who has said that what Putin is doing is a bluff? I personally have said, it's not a bluff. And I don't think this is a bluff either. And I don't think our nuclear experts believe it's a bluff. And therefore, gently gently, nicely nicely, yes, maybe we should have a conversation about the rules of the game as you request. Maybe we should have Helsinki 2.0, which was the agreement that brought the cold war to an end. And by the way, what a beautiful moment to have that now, because the world has 100% aligned behind the United States and NATO. So if he wants to have those talks, why not have them? Because he'll get the talks, and we'll get the outcome.

So I don't think that it's, you know, a terrible concession to say, let us re-discuss the post war settlement. And oh by the way yeah we did win, we still get to win, you lose, and at least the question is resolved for several generations to come. This whole issue goes away. But thinking that he's just gonna back down and walk away. I just don't see how that happens. So we need to go very carefully here.

Erik: You said earlier that you welcome the fringe views and views from people who don't fall into the mainstream consensus. One of your contemporaries on Substack is Glenn Greenwald. The independent journalist who broke the Edward Snowden story several years ago. He published a video back on the 24th of February. About an hour and a half long. And in that video what he's saying is look Putin is clearly completely out of line. But the reason that he's doing this is because of NATO encroachment on Russia's borders. And he describes how Barack Obama was outspoken in saying, look Ukraine is very high value to Russia and very low value to us. It is not worth going and fighting with Russia over Ukraine. It doesn't benefit us to do that. And if I've understood Mr. Greenwald correctly, what he's saying is, as much as we might feel that Russia is totally out of line here. If NATO would just back off on this border issue,

it would probably put this issue to bed and we wouldn't be talking about nuclear escalation. Does he have a point there or is that my even some way?

Pippa: I look at it differently. Because I think that President Putin's objectives are so much broader than Ukraine. I think what he's trying to do is establish a foothold with each of the so called exclaves. Those are places like Donetsk and Luhansk which he's already got in Ukraine, but of Kuziai, South Ossetia, Transnistria. You know, places we don't even really know like where is that you know, on a map. But if you really look at it, what you see is there's a line that goes from the Mediterranean straight up to the Baltic Sea and he is pushing into each of those locations. So another one is, and I think the most critical one, actually after Ukraine is what they call the Sulwaki gap. Now, the Sulwaki gap has been considered NATO's most vulnerable point for decades. And most people have never heard of it. But it's this tiny 64 kilometer stretch that runs between Kaliningrad which is the biggest of the Russian exclaves. Kaliningrad is basically a little portion of Russia that sits on the Baltic Sea next to the Baltic states. And that 64 Kilometer gap connects it to Belarus.

Well, what's happened in Belarus in the last week, which some people haven't noticed, is the leader says, we're gonna have all these Russian troops come to Belarus for temporary military exercises, including, you know, lots of weapon systems. And then once the Russians arrived, he said, we're going to permanently allow them to stay. And by the way, we're changing our constitution so that we can deploy nuclear weapons here in Belarus. So now all of a sudden, Russia has effectively soft annexed Belarus, and already had control over Kaliningrad. And so it's across the entirety of Europe from the Baltic Sea down to the Mediterranean, where we also see a lot of Russian vessels, a lot of Russian presence. So I think that that's what he's doing. It's a much bigger picture than just Ukraine.

The second thing is also I think he totally misjudged, and he really expected that this was going to be a short and sharp action in Ukraine. That it would be regime change, it would be fast, it would be easy. It never occurred to the Russian side that the Ukrainians would fight back so powerfully that the world would align with the Ukrainians, and frankly, that the Russian side was ill equipped not just to take it, but even if they had succeeded to control it in the aftermath. It's a kind of short sightedness. That's really very surprising. So I think, you know, this is no longer about the, you know, NATO is moving up against our borders. That's, that's an excuse. That's a reason. But what he's really after is getting Russia physical footholds in strategic locations using the excuse that Russian nationals are present in these places and they need Russian protection. And that excuse has turned out to be a spurious but very effective in allowing Russia to move into places that the world has never even heard of and can't identify on a map, which means they're not so likely to defend them.

Erik: Okay, Pippa so this is not just about the argument that's been posited that Russia is simply trying to defend against encroachment of its borders by NATO trying to move into Ukraine. You mentioned something before you said it's about a dead man's switch. Tell us more. What do you mean by that?

Pippa: Yeah so it's kind of like you're dealing with someone who's like a suicide bombers in a suicide vest. But he's got a whole roomful of hostages which is everyone in Western Europe. And this was always the worry in the Cold War. What happens if you tried to decapitate the Russian leadership, then what terrible things might ensue? And so it's very distasteful and it sounds, you know, really awful to people that a bully can behave like this, and then you just let them go, or worse, you agree to sit down at a negotiating table with them. However, if you're trying to save the hostages then frankly, this you know is what you have to do right? Your choices are really limited. And I think that's what we're looking at now for the future of Western Europe. And again, there's like almost no risk in doing it because the whole world is aligned with the United States and NATO now. I mean, it's literally like neo-cons dream of this kind of alignment of all the powers that be behind their way of looking at the world. But if you want to defuse what is a very very tricky situation, you may have to just, you know, talk very nicely and offer some options. And by the way, even when we had the Helsinki Accords and you know, there was Ronald Reagan. I worked for Ronald Reagan at the time. There was Ronald Reagan and he was all buddy buddy with Mikhail Gorbachev and Eduard Shevardnadze and they were literally like best mates you know, by the end of the Helsinki Process.

But what we found out later was that the Russians had a massive bioweapons program. They were building, you know, just tons and tons of particularly horrible bio weapons, and both Gorbachev and Shevardnadze knew about it. So I'm not saying that just because you hold Helsinki 2.0 that suddenly, they'll, you know, fly right and play nicely. They'll probably keep lying, but that's still a better situation than being at risk of a nuclear weapon. Now, the other hope by the way, is that because his own team are not, you know, very happy about the situation that what will happen is his own people won't do the dirty work. And again, that's what's happened in history. You know, most people don't remember, but there was a guy called Stanislav Petrov back in 1983. And he was in charge of the kind of early detection of inbound ICBMs, you know, intercontinental ballistic missiles from the US. And the computer was showing that at least five ICBMs got launched by the United States. And his protocol was to absolutely hit the button and unleash nuclear Armageddon on the United States. But he decided that he just didn't think the US would ever do that. And so he didn't hit the button. And it turned out in retrospect, there was sunshine bouncing off of the clouds that created what the computer interpreted to mean an attack. And he literally saved the world from nuclear Armageddon.

And there was another one, a fellow called Arkhipov, who was the Chief of Staff and the second in command of the Russian fleet. He was on a Russian submarine during the Cuban Missile Crisis. And again, there was a moment and he refused to push the button on the nuclear torpedoes from his submarine and unleash them on American vessels in Cuba and he saved the world. Are we probably depending today on this version of this generation. I suspect there's going to be some heroes who just refuse to push the button. And, you know, this is where belief and faith in the common man and the common woman, that good common sense, you know, overrules craziness. And by the way, when we're done with all this, this is why I'm actually arguing. I know that everybody's smashing up vodka bottles in bars and I understand the instinct. But you know what, we have a leader who's behaving in a certain way, and who's ordering his army to do certain things. But we need to reach the point where we stop smashing

the vodka bottles and instead we invite them to drink. Because that is the way that we get out of these horrible situations where the fate of the planet is at risk.

Erik: Let's talk more about de-escalation and what needs to happen instead of smashing vodka bottles because just Monday morning of this week which by the way is the day that we're speaking a few days before this will air for our listeners. There was a Russian television host, not speaking in any official capacity. But it's been speculated that it was perhaps intentionally leaked had a commentary describing how easily if Russia were threatened if Russia's existence were threatened. I think this is perhaps what you meant by the dead man's switch, they very easily have the ability to direct their nuclear submarines to say, look, if Russia has gone eliminate all life on the rest of the planet, because there's no reason to let anybody else live if they have attacked Russia. And he goes out of his way to explain in detail the number of warheads that could be launched from Russian submarine, the number that could be launched from Russia and missiles, and so forth. It kind of seems like he did his homework and had all of his data in front of him or maybe somebody handed that data to him. Is that what you mean by a dead man's switch that there's a threat basically saying don't mess with us or we're going to blow the world up using nuclear weapons?

Pippa: Yeah! that's the fear. That is one example of what a dead man's switch could be. And it can happen in lots of different ways. You know, another one of them is you could imagine that President Putin is thinking well, you know, if you won't move back, I will escalate. And he is clearly escalating, right? We're seeing cyber attacks on critical infrastructure, NVIDIA for example, the chipmaker just got hit. So again, you know, remember, the British only recently released a report about the use of thermonuclear weapons in space which are all designed to destroy all of your communication systems. And is this a real issue? Yeah, it is. So the question is how to manage it as best as we can. Again, you know, once faith in humanity is that not everyone thinks that, you know, if events occurred, it's worth blowing the world up. But some people might think this way. I would point out as well, that, you know, we are this year on the 350th anniversary of the birth of Peter the Great which is President Putin's sort of icon that he admires.

And he always talks about restoring the borders of Russia, but he doesn't mean the Soviet borders. He means the Imperial borders. And if you look at it, the US is doing exactly that right now. So again, I think it's so hard for people to process nuclear conflict. I mean, you know, I grew up in Washington D.C. when we still had nuclear drills, as well as fire drills, right? And once a month, you had to practice when the nuclear drill went off, that you would dive underneath your desk. And, you know, I don't know why anybody thought being underneath your desk was going to help you in a direct nuclear strike on Washington D.C. But, you know, this is the thing we were in an era when it was understood that that was a real possibility. Today, you know, young people have no memory of this. And yet our weapon systems are vastly more accurate, vastly faster. The Russians and the Chinese now have hypersonic weapons which we have basically no response to. So is there a need to create kind of circuit breakers to find ways to talk rather than to test those systems? Test how far can we push this person? I'd say again talking is a whole lot better than finding out.

Erik: Let's expand this conversation because you said it's not just about encroachment of NATO on Russia's borders that perhaps is part of it. But you know, that wouldn't solve it. If NATO backed off of Ukraine, it wouldn't make this problem go away. You said that this is part of a bigger picture and that Russia's presence in Asia. In the South China Sea is a part of this story. How does that fit in? What are we talking about here?

Pippa: Oh, well, we're seeing the Russians be a lot more aggressive around the Kuril Islands, which are islands that they contest with Japan. And we've seen incidents between the Russian Navy and the American Navy in the Pacific as well. But also, we've seen this alliance between China and Russia where they described each other as you know having an unlimited partnership basically. That was about the time of the Olympics. However, now all of a sudden, the Chinese are quickly backing away and trying to take distance and saying to the Russians uh you may be going too far. And that's very interesting because maybe Putin was quite emboldened by his belief that he had a new best friend and that their interests were totally aligned. And maybe the Chinese are being clever because they got Russia to throw some punches, which allowed them to see what are the reaction times and methodologies in the West right? Quite often, this is very valuable information from a military strategic point of view. If you do this, then what happens? Well they now know because they've seen the West and how they've reacted to Russia's various actions. And the Chinese maybe are saying hmm maybe we'll leave Russia to hang on their own right? We back away. And again, if we end up in a situation where ultimately you end up with some kind of Helsinki Accord outcome. It would also isolate China and make it in my opinion even easier to negotiate with them and bring them to a point where they stop trying to behave in an adversarial way as well. And, you know, this is what we want to get to is a world where the superpowers can coexist without the regular person having to live under the threat of nuclear Armageddon being, you know, an imminent or possible outcome. And so I think, yeah, the Russians were definitely emboldened by their beliefs that the Chinese were with them, and in fact, maybe they're not with them so much.

Erik: Okay, Pippa I'm sure I'm not alone here. I don't fully understand this situation. But I know the outcome I want. I want the outcome where we have a de-escalation where everybody stops talking about nuclear weapons. And Russia somehow either backs down or get something that they want and stops escalating so that there is no further escalation of tensions. What are the ingredients that go into that recipe? How do we make that happen?

Pippa: Yeah, so I wrote a piece again on Substack, a couple of days ago on circuit breakers to stop the conflict from escalating and I went back to Herman Khan's landmark piece on this question of escalation. He was one of the only people brave enough to write about the possibility that nuclear war could genuinely come to pass. And so he was trying to figure out how do we avoid it. So he went into great length in 1965 about how escalation happens and how it's uneven that a little escalation can suddenly lead to a lot of escalation. And it doesn't happen smoothly. It happens in big jumps, a bit like how financial markets are right? Everyone thinks it's gonna be smooth but the prices jump around a lot. It's the same with this. And so I think that we are going to end up in a situation where Russia withdraws. The Ukrainians will be

heroes. I think they could end up managing to stay in Belarus and Kaliningrad and the Sulwaki gap will be, let's say, the control over it will be lost by the West. This is going to put the Baltic states in a very precarious, tenuous position and that is a real issue for NATO. It's also a big issue for the Scandinavian countries who have definitely been responding to all this as if they are facing an existential threat. The Danes, you know, they end up putting tanks on the island of Gotland, which is strategic in the middle of the Baltic Sea. The Swedes and I believe the Finns now have even said they all want to join NATO, where before they were like we can't because we're right next door, we have to be neutral. Yeah now there like after this, I'm definitely joining NATO.

So I think we could end up with NATO expansion gets sort of permanently embedded, so there won't even be a question anymore. But there are some other aspects of this that could also be pursued, and it might be wise to pursue them. Now, one of the things that Putin has been asking for is basically a new Strategic Arms Limitation Talks, like the SALT talks that happened in the 70s, where you basically come together, and you say, here's what I've got. And it's not that you have to commit to not use it. It's just that as long as everybody doesn't know what weapons the other side has, there's fear. And particularly because these new weapon systems are so fast. I mean we've had as much innovation and weapon systems as in all the other technology that we use every day. Why is this surprising to us? So do we need one that limits nuclear weapons or at least allows mutual inspection of you know, what everybody has? Maybe that's not a bad idea. These days in a world where you can spend 100 bucks to buy a machine that will let you do genetic modification. Do we need to have talks about bio weapons? Maybe actually that's not a bad idea. Do we need to have talks about, you know, lots of other kinds of weapons that are particularly destructive? Maybe this is not a bad idea.

And again, let's not forget, when the Soviet Union came to an end. One of the side effects was all the money that we were spending on the nuclear arsenal, and on all the weapons systems, we suddenly didn't need to spend that money anymore. And instead it got diverted into productive use in the economy. And that led to a boom that lasted, you know a generation. And today, would we be better off with all of this defense spending going into the productive economy? I think we would. And maybe this, you know, ironically, although it's not a very pleasant way to arrive at this conclusion, and no one would wish this on the world. But actually, maybe it is worth thinking that these things might be wise. That is not to say that Putin wins. It is definitely not. But it is to say that if we want the world to win, maybe we have to think a little bit about some of the points that he's raised.

Erik: Pippa something we discussed off the air is you actually see a pass ability that this World War III trend that we're talking about could actually turn into an economic boom. What are you talking about?

Pippa: Yeah so look like I said, I call it World War III because it's worldwide. It is our third conflict between the superpowers. But it, you know, at least so far, I think it's not spreading into something that involves loss of life on the same scale as World War I and World War II, which is saying very carefully, the loss of life in Ukraine is unacceptable, no question about it. But if we

can bring that to an end and I do think it's possible to do that. It could be that World War III happened in the blink of an eye, and did not result in the kind of worldwide devastation and loss of life that we've had in the past. And in fact, the conclusions that everyone reaches from this episode of conflict is that this is not where we want to be. And we're going to see governments investing everywhere in core critical infrastructure. They don't want to be depending for example on Russian gas and oil anymore. And we're probably going to see a lot of investment go into alternatives because of the oil price being so high, because of this newfound focus on you know supply chains and not wanting to have the vulnerability of relying on a distant and far away supply chain with an unreliable supplier. And so this is kind of the new globalization actually, that you will see investment and critical infrastructure everywhere in the world. And is that a good thing? Yeah, it actually is! We could strangely end up in a situation where the stock markets go way up, that because we will have forged a piece that will last for generations to come. You know, no one after this will be brave enough to challenge NATO and the West. And the benefits of moving your creative thought process away from conflict confrontation and weapon systems and towards solving the problems for the future is immense.

So I actually think we're going to see money going into massive technological innovation, public private partnerships, because government is so constrained by its debt burden, they can't just write checks. But they do want companies to form they do want business to come to life. And frankly everybody in Central and Eastern Europe is now is going to say. Wow I need to create my own business. Because these people in politics are nuts. You can't depend on any of them! The state isn't going to be there for me, you know, the Russians arrive and nobody comes to help. So that is going to spur an immense amount of entrepreneurial creativity, which I think can only be a very, very good thing. And again, we're lucky we live in a moment in history when technology is permitting such extraordinary outcomes. And we really are more and more able to solve the greatest problems of our generation with less resources, smaller businesses, right. It's not government and big corporates that are solving these problems. It's little startups. And are we going to have an explosion of little startups and government commitment to critical infrastructure at the same time? Yeah, we are. So I could see again, as long as things don't go completely haywire. And haven't let's hope that it doesn't. I think that the other outcome is actually ironically really good. And that's why World War III isn't like World War I and World War II. It's a it's a completely different thing. Maybe because we've learned, maybe because we have better technology. But I don't think that it means we're risking anything like what we saw in the previous two world wars.

Erik: Pippa, I cannot thank you enough for a terrific interview. It's so great to bring context to these just perilous issues that the world is suddenly facing. Before I let you go though, tell us a little bit more about pipas pen and podcast, your new Substack platform?

Pippa: Well, you know, when I wrote my book Signals which was in 2015, which was all about helping people understand what was happening in the world economy without needing to be a professionally trained economist or a technical expert. It was about helping people see signals about what the future holds without needing to read through, you know, econometrics. And I think that, that approach has worked very well for me and a whole lot of people out there.

So I'm effectively writing the sequel. which is really Signals and, you know, Signals and how to make sense of the world, sense making. And instead of writing a book and then coming to market with the final book, I thought well I'll write it on an open platform where people can interact and give me their thoughts. And so I'm basically writing a book in the public domain. And it's all about the signals I see now. And so I'm talking about a lot of different subjects, you know, at one end of the spectrum, you know, new sources of innovation in a new jobs in the economy coming from sectors you never heard of all the way to geopolitics, but it's basically all about what's on the economic landscape that you should be aware of.

Erik: And that's all at DrPippam.substack.com. Patrick Ceresna and I will be back as [MacroVoices](#) continues right after this message from our sponsor.