Read the full transcript of former Royal Navy commander Steve Jermy's interview on The Tucker Carlson Show,

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(on YouTube)

Editor's Note: *In this interview on Tucker Carlson Show, military insider and energy expert Steve Jermy discusses the strategic realities of the ongoing conflict in Ukraine and broader global tensions. He argues that Western leadership fundamentally misunderstands Russia's existential motives and capabilities, which has led to dangerously inadequate strategic thinking. Furthermore, he warns that current policies risk severe economic fallout and potential escalation that could push Europe toward a major crisis.*

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TUCKER CARLSON: Mr. Jermy, thank you very much for doing this. So in the United States, I think most people, to the extent they're paying attention, are watching what's happening in Iran and have a sense that what's happening between Russia and NATO, Ukraine, the United States, the festering war in Eastern Europe is kind of a stalemate and nothing really is happening there. I don't know if that's true. Assess what you think is happening between Russia and Ukraine and its proxies right now.

STEVE JERMY: Yeah, I think you're right. I don't think it is true, Tucker. I think that the general sense in the West is that you'll hear it from some people that Russia's losing on the battlefield and that the Russian economy's about to fall apart. I mean, I've heard it time and time again, and there's no evidence to support either of those things.

The battlefield issue is poorly understood, and I think the reason is that people don't understand Russia's motivations and they don't understand what the strategy is. In an article I wrote recently on the coming war with Russia, I said that Clausewitz, who was the great political philosopher of war, said that the most important decision that a military man and a politician can make is to understand the nature of the war. And I don't think that the West has understood the nature of the war with Russia, nor for that matter with Iran.

What they haven't understood with Russia is that this is, as far as Russia is concerned, an existential war. You know, they are fighting to make sure that Russia is preserved. And when you get people like Kaja Kallas saying that Russia must be broken up, who can blame them? I think had we understood that, I think that would be a start.

Unfortunately, we're approaching the war, it seems to me, as a negotiation, a negotiation with arms. You know, if we increase a bit of pressure on Russia, then they'll eventually come back to the negotiating table. What they've missed though is that Russia, I think, has a clear strategy. And I can't be sure about it. I'm not in the Russian General Staff, but I think it's got about 5 key phases.

1.1 The Road to War: Ignored Warnings

I mean, we know that the run-up to the special military operation, Tucker, was clear that there were so many warnings going back as far as 1996. And yet unfortunately, we've ignored them all, notwithstanding the warnings not only came from Russia, but from some of our very best strategic thinkers, from George Kennan back as far as 1996, and from John Mearsheimer in 2014.

But when you get to the start of the war, then it seemed to me as the war kicked off, and I have to say, I did not see the war coming. I was involved in the offshore energy sector. But as I got to understand it, then the first thing that became obvious to me was that this was not a war to, or a special military operation to invade Ukraine. And the answer, the reason was simple. There weren't enough troops. You know, Ukraine is about the size of half of Europe. And you're not going to do that with 190,000 troops. I cannot for a moment think that the Russian General Staff advised Putin that they had enough troops to invade Ukraine. This was always about the Donbas.

1.2 Russia's Five-Phase Strategy

And I think the first phase of the strategy was really the use of military force to support a diplomatic engagement. And indeed, that diplomatic engagement actually went quite well. The Russians had opened negotiations with the Ukrainians after day one. And as we arrived in March, then they were ready to sign, as both sides were, an agreement which would have stopped the war. It was no NATO, neutrality for Ukraine, self-determination for the Donbas. But that was ready to sign and it would have been signed, I'm almost certain, if it hadn't been for Boris Johnson, no doubt with Biden's support, actually going across and persuading Zelensky to fight Russia and that he would have all the support he needed. So that's phase 1.

I think at phase 2, when it becomes clear to Russia that they are going to have to fight and are likely to have to fight NATO because of what they're hearing, what you then see is what I would call a withdrawal in contact. So essentially what the Russians were doing were recognising that actually the Kyiv attack and the actions in the Donbas were, although diplomatic, they would now need to withdraw to a line. And what they did was they withdrew back to what's known as the Surovikin Line, which was a defensive line, instructed by the general who was the expert in Russia in defensive lines.

And that from about September onwards, they then moved into phase 3 after the withdrawal, which is what I call attritional defence. And what that essentially means was meeting their 2 objectives. Their objectives were denazification and demilitarisation, both of which were operational objectives. And the strategic objective though, Tucker, was clear — it was to preserve Russia's security. And what defensive attrition means is wearing down the men and materiel of the Ukrainian army
And goodness me, we helped them a lot in that because we persuaded them to expend not one army, but two armies against that defensive line for not a single penetration.

So you get to late 2023, and at that stage, I think what Russia does is they've started to — as the war got going, they started to mobilize and increase the forces they need, the industrial capacity. And so by late 2023 they were ready to move into phase 3. Phase 3 was what I call offensive attrition. Not necessarily securing territory, but really going on and starting to continue wearing down the men and materiel of the Ukrainian Army. Don't forget the Ukrainian Army had no air superiority, none of the things that you would want fighting an offensive or indeed a defensive war. And moving slowly forward.

1.3 Russia's Objectives: Donbas, Crimea, and Novorossiya

I think as well, they were probably starting to clarify what would be their ultimate objectives. And I remember saying, I think to Danny Davis about a year and a half ago, I thought their minimalist objectives would be to secure the Donbas and the 4 eastern oblasts, Crimea. And their maximum objectives might be to go further, might be to secure the whole of Novorossiya, which is Odessa, and the next 4 oblasts to the west. I wasn't sure which way they would go, but I've heard Putin say quite recently that actually he's talking about Novorossiya. And the logic behind that is about security. It's about establishing what they believe to be a secure buffer, protecting the Russian people within it. And the question really is how long it takes them to get there if indeed they keep going in that way.

So I think when you start to understand that, then all of the stuff that we've heard — well, the Russians are going slowly — it misses the objective. It misses what they're trying to achieve. And when you understand what they're doing, what I think is a clear strategy, then I think what that does is to actually help you work out what they're doing, why they're doing it, and how the West should be thinking.

Because at the moment we sort of see on the one hand, the Russian army is not doing very well, it's not securing much territory. That's not true, it's actually increasing, it's been securing territory for at least the last 30 or so months. But they weren't securing territory initially simply to secure the territory. They were doing it to actually wear down and attrit the Ukrainian army with a high degree of success, as we see from the casualties. So I think when you get that, I think it's much easier to understand what they're doing and where they're heading.

2. The West's Motives: Political Narrative Over Military Strategy

TUCKER CARLSON: That has always made sense to me. If foreign leaders gave speeches calling for the breakup of the United States, I would, of course, do everything I could to support the defense of the United States. I would see that as existential. If someone said, "We're going to break up the UK," you'd probably take up arms in its defense, of course. So I've understood that since the first day. What I have never understood is the West's motive. Why would the United States and its, whatever you call them, but its partners in NATO give this kind — why would they want a war with Russia and a war that has hurt them? What is the motive there?

STEVE JERMY: It's a really, really good question. And I have said for quite a long time now that the Russian operations are being guided by a military strategy, and the Western operations are being guided by a political narrative and with objectives that change quite a lot.

I think the initial objective, and it depends which particular party on the NATO side that you're talking to, but the initial objectives were possibly to break up Russia. There's a very interesting RAND study written in 2018, I think it is, which is called "Extending Russia." The Russian intelligence chief, Budanov, actually in a YouTube video, which is on YouTube, talked about the need to actually have a war with Russia to actually help them get into NATO.

I think there's also what I would call lag in thinking because a lot of the people who were proposing the expansion of NATO without thinking through the consequences did not anticipate this. I'm certain they didn't anticipate it because they weren't ready. You know, it was another great failure of NATO, I'm afraid to say. They were not ready for the war. I mean, if they had thought it through and said that if we keep doing this, then Russia will respond, then actually they would either have made defensive preparations or they wouldn't have done it. So I think we can say with a high degree of certainty that they did not think it through.

So I think there's some lag in there. And I think there's also, I'm afraid to say, and I think this is probably more European than the United States, although you will know better than me about the United States, there's a high degree of Russophobia, which I find very, very difficult to understand. I think it's in part our press, it's in part the narrative that we've built, it's in part the nature of spin in modern Western politics where an event kicks off and people spin to help those parties that are in power stay in power.

And what that means is that the population generally starts to get deceived. I don't think they're lied to, but they're deceived because they're presented with one side of the story. Now, that really matters in war, because in war, you need to be able to look at all sides of the story, which is why I penned the article, "The Coming War with Russia," because nobody seemed to have thought of what that war might be like. It's very difficult to understand fully, though, the motivations. But I think within those factors, Tucker, you've probably got the answer.

2.1 Russophobia, Propaganda, and the Motives of Western Leaders

TUCKER CARLSON: I understand why the European populations are Russophobic, because the propaganda has played upon their best qualities. Russia is seen as the aggressor. Ukraine is the underdog. I think Europeans in general root for the underdog. That's a sign of their decency. It's also allowed. You're allowed to hate Russians because they're white, so you don't have to feel guilty about painting them as animals. You're not racist when you do that. I understand all of that, and they just don't know any better because Europe is a biosphere in its media. Like, no outside information comes in, right? Of course, same in the United States.

What I don't understand is the motive of the liars. Like, why do European leaders seek a war with Russia? Why do American leaders seek a war with Russia? I mean, these are not stupid people, and yet they are hell-bent on destroying their own countries in the service of this war against a country that doesn't need to be our enemy. I mean, it doesn't make any sense.

2.2 The Lack of Strategic Thinking in Western Leadership

STEVE JERMY: If I had to answer the question in one phrase, it's the lack of the ability to think strategically. There is a wonderful American general who I studied when I was writing on strategy called André Buford. And he said that in war, the loser deserved to lose because his defeat will be a consequence of inadequate strategic thinking either before or during the conflict.

I think the institutional lag in entities such as NATO, which had done badly in Afghanistan. I was in Afghanistan and let's face it, NATO lost. So the idea that NATO could prevail over Russia having lost against the Taliban, it's just extraordinary thinking, but it's in NATO.

I think as well that the advice within the establishment, I used to call them the elites, but I've now realized that they're not elites. Elite, because elite's about high performance, whereas we're not seeing that within the establishment. So I think the establishments have what I can best describe as a sort of institutional lag and sort of blinkered thinking. And we see that in many ways.

And when you look across the broad nature of the strategic context in which we're operating, and if you can be bothered to listen to what the Russians have been saying, then the logic that they present is, I find it sort of unequivocal. I mean, I've listened, of course, to your interview with Vladimir Putin and, of course, Lavrov, and there was almost nothing that I could think of that I disagreed with.

The problem, though, the West is not interested in listening, it seems to me. And so I think this is more about incompetence, and it must be incompetence on the Europeans, that, you know, there might be within the neocons and certain elements of the sort of neocon-like establishments in the West and the E3 in Britain, Germany, and France that is determined to break up Russia. But it's obviously impossible, it seems to me, when you hear Kaja Kallas saying that.

2.3 The Problem of Weak Western Leadership

TUCKER CARLSON: Well, can I ask you, I was at a dinner with her not long ago in a foreign country with a lot of foreign diplomats who are not mediocre at all. And she got up to speak, and the feeling of contempt for her and bewilderment that someone this stupid could have a leadership position in Europe — people were shocked by just how unimpressive, how uninformed she was, how childish, how girlish she was. Everything was a kind of grotesque and dumb moral generalization, Hitler versus Churchill kind of level stuff. How does someone like that, how does a structure like the EU, a continent with the smartest people in the world, in my opinion, promote someone like Kallas to a position of leadership? How does that happen?

STEVE JERMY: It's a very good question because you could ask exactly the same question about von der Leyen. Von der Leyen, when I was serving, was notorious for being the worst minister of defense that Germany had ever had. And suddenly we find that she is in charge or has a leadership role in the EU. You could also say it about Rutte as well. And I thought the last NATO Secretary General was bad, but my goodness me, he's got very good competition now.
I think it also goes across the Western leadership as well, generally, in my experience. I started in my naval career back in '76. This is the worst set of leaders that I think we've got collectively, for as long as I've been alive, I think.
So I can't answer your question other than to say that it's a very difficult position to be. But also it's an incredible weakness that we have in the West and explains so much of what's going wrong in the West is the lack of high-quality leadership. I mean, I used to teach leadership and I look at some of the ways that these leaders are operating and it's extraordinarily — well, the issue is competence. And I'm sure some of these are decent people, they're doing what they think, but they're obviously not competent.

And I say that strategically, that for a strategic operation, the measure of success is, was the operation effective? Was it enduring? Were the results enduring? And was it efficient? Now, on all of the interventions of this century, starting Afghanistan, Iraq, Libya, Syria, Ukraine, and now Iran, we failed at every one of those, I would say. Some people will argue about Syria, although if you think recreating a caliphate within Syria is a good idea. That's an open question. It looks to me like Iran is being lost. It looks to me like Russia is being lost.

So we've got a consistency in terms of capacity to think and act strategically. I think this isn't just though about the politicians. I think it's also about senior military officers, about senior diplomats, about senior intelligence officers. So I wouldn't want to blame the politicians entirely. I've operated right at the top of British government as the executive assistant to our Chief of Defense Staff, so I've watched people operating and being part of that.

But strategic thinking is the key shortfall, and it's caused us a lot of harm. And I think it explains as well why we're going backwards, whereas many other countries in the world are going forward.

2.4 Where Is the West Headed in Its Conflict with Russia?

TUCKER CARLSON: So at the point we're at right now, it seems more dangerous in the West war against Russia than it has been ever. Can you describe where you think we are and where this is going?

3. The Coming War with Russia: A Scenario

STEVE JERMY: Yeah, let me do it through the tool, Tucker, of the article I wrote on the coming war with Russia. And the reason I wrote it was I was hearing a lot of people here saying we're getting ready for war with Russia, we'll be ready to fight in 2030. I don't think that's true because we can't afford to be. But anyway, that's the narrative that's being told to the European publics. And the problem is that of course the Russians will be listening to this. Of course they'll be listening to it.
So I thought it would be a good idea to say, well, okay, well, if we're going to be ready to fight a war with Russia, what's it going to be like? And the first thing about the article was I said that let's not assume that Russia is going to wait doing nothing until 2030 until we're ready. So let's assume that because of the way that we're starting to promote attacks deep into Russia by the E3, that's Germany, Britain, and France providing weapons, and weapons with significant warheads as well, 250 kilograms and significant range deep into Russia. Let's not assume that the Russians are just going to sit back and let this happen.
So my starting point was to say, okay, well, let's assume that Russia attacks Europe, or attacks certain elements of Europe. And what the Russians have said is they have not taken these attacks off the agenda, which is a warning. And it's a warning which we seem to be ignoring.

So let's assume that the first attacks happen in September of this year. And my scenario, and I should emphasize it's a scenario, not a forecast. So it's trying to make people think about what could happen. So let's assume these attacks happen in September of this year and the Russians destroy with hypersonic missiles, the factories that are making drones and missiles in Britain, in France, and in Germany.

3.1 What Would Europe Do?

And the question then is, what does Europe do? And of course, the first thing Europe does is it says, okay, well, we are now going to invoke Article 5. And all of a sudden people realize what Article 5 really means. I mean, you've got NATO, which when I was serving in NATO, in the Standing NATO Force Mediterranean, we used to say that NATO stood for "no ability to organize." It's slightly unfair, but actually NATO isn't this great omnipotent coalition. People say it's the strongest coalition in history. I mean, that obviously isn't true. The strongest coalition in history, as far as I can see, was the Allied coalition in the Second World War with the United States, Britain, the Commonwealth, Russia, and China. That's the strongest coalition by far.
So NATO invokes Article 5, and the 3 countries that have been attacked invoke Article 5, and they realize suddenly that actually what Article 5 means is that an attack on one is an attack on all, but it doesn't mean that actually the whole of the NATO forces have to respond, and people decide to respond as they think best. And in the article, I propose that Hungary says, nope, we're not getting engaged. Spain says, nope, we're not getting engaged. We don't think this is in our interests. I think other countries might equivocate. It's difficult to say, but countries like Hungary, for example, obviously won't.

So at that stage, we suddenly see that this isn't all it means. But the big issue, Tucker, is what does the United States do? Now, of course, we know that Rubio has been looking as if the United States is shifting back in to support these operations. But at that moment, I think there's an open question about what the United States does, if it says it sees attacks into Russia, especially if those have been warned, and we've made no response to them.

And my guess is that the Americans will not want to commit troops into mainland Europe to fight a line of war against Russia on European soil, and for U.S. troops to fight and die on European soil. I wouldn't if I were in the United States.

3.2 Europe's Military Vulnerabilities

So you're then in the situation, well, now what do the Europeans do? And again, just to develop the scenario, I assume that Europeans do the only thing they can do. Because their land forces are not ready, is that they use air forces to respond to Russia and that that doesn't go very well. That actually they find that they're up against Russia, which has got a lot of experience in air defense.

In one of my jobs in the Navy was to be the captain of an air defense destroyer, and I was what was known as the anti-air warfare commander. And I can tell you that we are poor in Europe in terms of being able to defend our skies. We would struggle to respond to saturation drone attacks. We've got extremely limited responses to conventional ballistic missiles. I'm a great fan of Ted Postol, who is an MIT professor on this. He thinks that the Patriot PAC-3 systems are possibly looking about 3% effectiveness. And when it comes to hypersonic missiles, we've got no response whatsoever.

So suddenly we are making attacks that aren't very successful. But in return, I'd say that because the E3 have decided to respond to Russia's attacks, that they then take the gloves off and use hypersonic missiles, probably with conventional missiles, to do more damage. And the thing that I would go after, especially as an energy expert, would be to do the same thing that they've done in Kyiv and in Ukraine, which is to surgically start to undermine our energy infrastructure.

And I can tell you that a Reznik missile landing in a liquid natural gas terminal or an oil terminal in Milford Haven or Rotterdam would do extensive damage.

3.3 Europe's Energy Fragility

That would be bad enough. But unfortunately, of course, because of the sanctions we placed on Russia in the first place about 4 years ago, we've switched ourselves off from Russian oil, switched ourselves off from Russian gas. So that's 40% of our gas. We've also, of the particular products, we've switched ourselves off to Russian diesel, who used to provide us with 40% of Europe's diesel.

Now, as an energy expert, if you can explain to me how you can run a modern industrial society without diesel, then I'm all ears, but I don't know how to do it. Diesel is critical for farming, for fishing, for food logistics, for construction, for running the other 2 primary energy sources, that's renewable energy and nuclear energy. I could go on and on. It really is the critical fuel, and we've switched ourselves off to it.

And of course, having switched ourselves off and increased our prices indeed in Europe, which of course is having an effect on our economies, especially Germany's economy, we're now in the situation when the Strait of Hormuz is closed. And so we've got a second wham on top of the first wham. So talk about being in a very, very fragile position. It's an extremely weak position, not least of all because we import about 12 million barrels a day into oil, into the European region. Norway is reasonably self-sufficient. In fact, Norway is completely self-sufficient. And we get about 45% or so of our hydrocarbons from the North Sea, although that's reducing. But Europe generally is extremely vulnerable.

So what you've got is a situation which is that our energy infrastructure is being written down at a time when we have no chance of defending our skies against it. And again, this is why I was trying to actually make the point to people who are prepared to think about what this war might look like, because the economic consequences of this would be profound.

Mathematically, there's a really close relationship between the use of energy and GDP. It's extremely close. It's close to 1. It's about 0.99 or something. So what that means is when you take energy out of the system, then you are going to have a consequent effect, which is similar in rough order of magnitude on your economy. So if we take 10% of the world's energy away, then surprise, surprise, don't be surprised if we get a global reduction in GDP of 10%. Now that's getting close to a depression. Indeed, it's on the borderline of depression.

But going back to Europe, it wouldn't surprise me at all if we're in a situation where, were such an attack to happen, then we would be in deep economic trouble. And I think that would lead to deep political trouble as well.

4. The Need for a Public Debate

But again, it is a scenario. And the point of the scenario was to help people really think about what such a war might mean, and really make sure that we've done the risk assessment. At the moment, the Europeans' risk assessment of what they're doing, as far as I can see, is based on a guess. And the guess is we're going to keep firing long-range weapons into Russia, and we're going to guess that the Russians aren't going to respond. And I think that's a very dangerous guess.

I mean, people say the Russians don't have red lines, and I keep saying to them, well, just a second, the Russians told us that if we tried to expand NATO into Georgia or into Ukraine, it would result in a war. And indeed, all our clever thinkers told us the same thing. And surprise, surprise, when we did do that, a war happened. So Russia do have red lines. So I think it's wrong to have that guess.

And the way that risk management works — I'm not a great fan of risk management. It's used by the financial sector to do risk analysis, and as far as I can see, it doesn't work for them. But what they do do, they say, if you're thinking about a risk, have a think about the impact and the probability. Now, even if the probability is low of Russia doing what I've said, the impact is profound. So to me, that's a risk which you really need to work very, very hard to think through and to make sure that the population who you're exposing to that risk have been taken on board rather than just crack on without really thinking about it.
So I think there needs to be in Europe a political debate about this and whether we're prepared to let our politicians lead into a situation where we're exposed to this risk. And we've been here before in Europe. It was 1914, I should say. The run, Barbara Tuchman's famous book, *The Guns of August*, where we fell into the First World War. People thought it would be over in 4 months, and 4 years later, Europe was devastated.

So let's at least try to do the thinking this time round and decide that if we are going to do these things and to poke the bear before we're ready for a war which we would lose anyway, let's at least have a public debate about that and see how the country feels about it and other countries feel about it. Because I'm strongly of the view that actually if the country were exposed to what I'm talking about, the difference in terms of political support for it would be profound. I think the political support for it would fall away.

It doesn't matter what the moral issue is. I happen to think that the moral high ground lies with Russia. What happens is the issue of power, and Russia has the balance of power here and overwhelmingly. So my suspicion is if we were able to have that debate, and I think we should have that debate, then I don't think Europeans would continue to feel quite so Russified because they do.

5. The Nuclear Question

TUCKER CARLSON: I think one disadvantage that the Europeans have is they don't understand how hated they are by the people planning these wars. I think it's true of all the wars the last 100 years. I think that at least in my country, the foreign policy strategists, the neocons who are driving all of this truly hate Europe and would like to see it destroyed. The Israelis hate Europe and Europeans can't seem to admit that to themselves. It's very obvious by the effects.

So let's say that the Russians did lob a hypersonic missile into Rotterdam or into the UK. Everyone knows it's very obvious that Europe can't mount a conventional war against Russia. They would lose instantly. The one thing they do have, however, is nuclear weapons. So how much incentive would there be to use a nuclear weapon in response?

STEVE JERMY: It's a $64,000 question, and I actually cover that in the article. I think that what we're talking about is that if either Britain or France, the 2 nations with nuclear weapons, chose to respond with nuclear weapons, that essentially is committing national suicide.

TUCKER CARLSON: Yes.

5.1 The Nuclear Risk and NATO's Strategic Contradictions

STEVE JERMY: I would expect the Russians to respond. Let's forget they've got nearly 5,500 nuclear weapons, just short of that. I think Britain's got sort of— I think there might be 200, those sorts of figures. I think that a prime minister or president of France who is prepared to use nuclear weapons to support a conventional war which we were likely to lose in the first place — I think that would be a very— it's a suicidal call to make. So I cannot see it happening really, because they cheered the destruction of their own energy pipeline.

TUCKER CARLSON: They abetted the invasion of their country by North and Sub-Saharan Africa. They're suicidal. That's what it seems as an observer.

STEVE JERMY: Yeah, I think it's suicidal by incompetence, but I would like to think that within the establishment there are enough people who would, by this stage, especially if we were starting to go to war, had really started to think this through.
I would also like to think that — and I'd be interested in your view on this — that there were Americans who were saying, "This isn't very good. This isn't what we were thinking, that we could help with the breakup of Russia. It's not happening. This war is starting to kick off. We need to get this to a close."

And I don't know if that would happen, but I would like to think that actually there would be some voices in America. The sorts of people who would spring to mind for me would be people like J.D. Vance — and Tulsi Gabbard's no longer there — but they're the voices of reason within the White House. Be curious to see what Donald Trump's view is as well, but I'm sure that Americans would not want to be doing anything which opened them to the possibility of a nuclear exchange with Russia.

TUCKER CARLSON: So my sense is that Trump's views are irrelevant. I don't think he was for this war with Iran. He did it anyway. He's utterly rolled. So there's that. J.D. Vance is the only person I'm aware of in American national politics with any power at all, to the extent he has power, who would oppose this. But I don't see anyone other than J.D. Vance. I hope I'm wrong.

STEVE JERMY: Yeah, I hope you are too. There's no doubt that the voices of the independent media are starting to be heard. We've got a long, long way to go, but starting to be heard. But again, this is why I think this debate needs to happen now rather than later.

Europeans haven't thought about this a lot. When the attacks were conducted on the Russian strategic bombing force, I thought that was an act of incredible strategic recklessness, because those bombers were out on the airfields on the pan so they could be seen by satellites as part of the START treaty. So it was part of the treaty. And Russian nuclear doctrine is such that if their nuclear triad — an element of the nuclear triad — is attacked, then their response is to respond with nuclear weapons. They chose not to do it, thank goodness. But we're playing with fire here.

And I think the issue is not the nuclear response — and I think it's a very open question. It's an open question not only for us, but for the Russians as well. I could imagine the Russians saying, "Yeah, actually, we've got people who are so incompetent in Western capitals that we perhaps don't want to respond this way," or they might do it in a more measured way.

Here's a very good question. What if the responses were not against Germany, France, and Britain, but against Germany? And what if the responses were such that they took out Germany's drone factories and Poland's drone factories? Would then Britain and France be prepared to sacrifice their nations and tens of millions of deaths to support Germany in that situation? Very, very good question. And I don't know what the answer is.

But to me, the answer is: let's at least think carefully about what we're trying to do with these long-range weapons and strike attacks into

Russia. And let's also think about diplomacy. The fact that we can have meetings where the West is talking about solutions to the Russia-Ukraine war and triumphantly exclude one of the belligerents — it's diplomatic incompetence of the highest order I can see.

In the very difficult British and Irish relationships during the Troubles in Ireland, we maintained very, very subtle diplomatic engagement throughout almost the whole of that war. And thank goodness we did. What we need, I think, is to at least think about this alternative pathway to peace. I'm sure it's there.

I mean, I've often thought that one of the biggest problems is NATO. NATO at the moment is a bit of a self-licking lollipop. What I once said was: "NATO exists to confront a threat which is created by its own existence, yet doesn't have the power to confront the threat that its existence has created." So I think NATO, to my mind, is a key part of the problem here.

TUCKER CARLSON: And what a beautiful formulation that is. "NATO exists to confront the opposition it's created, but doesn't have the power to successfully resist that." That's the truest thing I've heard today.

5.2 The Limits of NATO and the West's Military Realities

STEVE JERMY: Yes, it was in one of the Quincy Institute's Responsible Statecraft articles about 18 months ago. It's so obvious, and yet people think that NATO's omnipotent. So I think that understanding that actually the NATO guarantee is — I wouldn't say it's as little as paper, but it is much less comprehensive than people think — because it relies on military forces which are, to my mind, nowhere near as battle-hardened as the Russians are.

The second best army in the world, I would say at the moment in terms of battle-hardened, is the Ukrainian army. The first is the Russian army. The Chinese will be watching extremely closely. So the idea that NATO can, with a disparate group of countries with different levels of forces, with different levels of equipment capabilities, actually be brought together into a coalition to defeat the most battle-hardened army in the world — it just doesn't stack up, does it? You don't need to be a military man to understand that it doesn't stack up.

Unfortunately, a lot of the military people don't understand this. They're not really interested, as far as I can see, in understanding Russia. I just find it profound. I was listening recently to one of our former Chiefs of Defence Staff, and I said in a meeting in which we were at, “What do you think about talking to Russia?” And his response was, “Yes, I think we probably should do that. But not Putin.” I thought, well, that’s just astonishing that anybody could say that. And it shows you the degree of Russophobia.

In my service career, I spent a lot of time preparing to fight the Russians. But when the Cold War came and Partnership for Peace was kicked off and we started to engage with the Russians, most of us in my experience were delighted that we could be in that position. So quite how we’ve got back to this situation of seeing Russia as the enemy is a good question. A lot of it is to do with not listening to Russia and not hearing Russia. Because when you listen to them and hear them, it’s fairly obvious what they want, but people just don’t seem to be able to do it.

It’s a bit like — I’m not a soccer player — but it’s a bit like getting your team ready for a match and not bothering to study the opposition. How many football coaches would do that? How many American football coaches would do it? Everybody would be studying the opposition. And if we were studying the opposition, that’d be a good start, because we would then realize the challenge we’ve got, but we would also be in a much better position to understand the opposition.

6. The West’s Energy Crisis

TUCKER CARLSON: They’re much more serious than we are, and much more — it’s not close. And so that right there gives you cause. Why would you ever get into a conflict with people who are at least as smart as you and much more committed? You wouldn’t. So — you, after your military service, spent 15 years in the energy sector — where is the West, the US, Europe, Australia, New Zealand, Canada with energy right now?

STEVE JERMY: I think it’s a very good question. And my strong sense — this is intuitive with some analysis to support it — is that we’re on the edge of a crisis. And the reason I say that is, if you take — it’s not 20 million barrels per day, and let’s just stay with oil for the moment, not natural gas, but just taking oil, which is the critical resource for almost all of the others — if you take 20 million barrels of oil out of the Strait of Hormuz, in fact it’s 30, then sooner or later that has to show up.

Now, what I was surprised with is how long it's taken. And when you start to see what's going on, you start to see what's happening. It takes, from the closure of the Strait of Hormuz, about 2 months for the ships — which are traveling at 12 knots, which is about the same speed as a bicycle — to get to the United States and to places like Cushing. It takes about a month or so to get to Europe. So firstly, you've got all the ships which had left that were still moving. The inventories of course were significant. There was a bit of an oil glut at the time, so those have been largely drawn down as far as I can see. The strategic petroleum reserves as well have largely been drawn down. I think Cushing is now — the American strategic petroleum reserve I think is pretty low. The figure I have in my mind — you may know this better than me — is about 20%.

TUCKER CARLSON: That's right.

6.1 The Oil Market Lag and Economic Consequences

STEVE JERMY: Again, when you start to get— you've got to think carefully about it. Even when the oil moves through pipelines, so from Cushing up to New England, it's traveling at between 3 and 8 miles an hour. So that of course takes time. And of course the oil in the pipeline needs to— you need to have oil in the pipeline for the pipeline to work. So the oil in the pipeline isn't working. It's not working inventory.

And last but by no means least is China. China. And what I don't think any of us understood was how China would respond to this. And I don't think we completely understand, but China reduced its demand by about 5 million barrels per day, which is a significant reduction. It's also home to the largest strategic petroleum reserve in the world. I think the figure I've got is 1.3 billion barrels per day. So it's a very significant reserve.

I also suspect— I don't know— I suspect one of the ways that China was thinking about this was not just about self-interest, but I suspect the Chinese were thinking that as an exporting nation, they were thinking long and hard about the impact that the Strait of Hormuz closure would have on the rest of the Far East. Because there are other nations in the Far East which are much more vulnerable. Japan had a very big oil reserve, but places like Taiwan, 90% of the semiconductors are made in Taiwan. So places like Taiwan were much more vulnerable.

So I suspect one of the reasons China may have done that is not just for tactical reasons, but also for thinking about their export markets, because reduction in oil in these other places could have a significant impact. I don’t think anybody really knows.

But one of the other things to think about is that— sorry, I’ll just finish. I think I would be surprised if we were not seeing consequences of this in August. And I’ve certainly heard some very good analysts who I follow talking about September as well. I’m a great fan of an American geophysicist called Art Berman, who’s an exceptional analyst.

The other thing though, of course, is that even when the Straits of Hormuz open, then there is a lag. There’s a lag on actually the whole system getting going again. It’s a bit like closing off your plumbing and your pipes at home and then expecting it to function perfectly. Now, one of the interesting things is that when the— I can’t remember what the ship’s name was— a container ship blocked the Suez Canal. And for every one day that that container ship blocked the Suez Canal, there’s a very good Merchant Navy analyst called Sam Macogliano who said it was about 6 days for the whole logistics system to recover.
So even if it’s 3 days, you could be talking, as a minimum, it would be the amount of time that the strait’s been closed ways it will take to recover, but it could be twice that or it could be 3 times that. So I’m expecting and forecasting that we’ll be looking at a significant recession starting in the autumn, and that could tip into recession in the new year.

Quite where that recession will play in the globe is an open question. I mean, the country that’s most insulated from it— surprise, surprise— is Russia. Russia is an autarkic nation. It well understands the consequences of what’s going on, I think. Although Putin’s first degree is in law, his postgraduate work was in resource economics. So I would be astonished if they don’t understand this.

I know that the Chinese have been looking at their own energy situation for decades. There’s good evidence to say that in 2003, when the Americans with allies went into Iraq, that the Chinese thought that that was about oil and they began increasing their own reserves. But as for places like Europe, we’re incredibly vulnerable. So is a lot of the Far East. So I’m afraid to say are places like Africa. And there’s an open question about the United States as well.

The Trump line that the United States is an exporter of oil is true inasmuch as an exporter of refined products. But when it comes to crude, it’s an importer of crude to the tune of about 6.5 million barrels per day. And even if you’ve got access, through, for example, Venezuela or Canada, oil is a fungible commodity. So you may have access, but the prices of the oil are going to go up.

So I don't know what it's like over there in the States at the moment in terms of cost per barrel. It's up here. But if those costs were to increase significantly in the next 2 to 3 months, I would imagine that would not be the sort of run you'd want into the midterms. And I would be surprised if they don't increase significantly. And even if you open the Strait of Hormuz, I would be surprised if the lag in the system is such that you're still not suffering from the consequences of those well into the midterms and probably into the new year.

6.2 Brent Crude Prices and the Futures Market

TUCKER CARLSON: Oil, Brent crude was priced in dollars, I think $71 last week. If you'd told me almost 4 months after the closure of the strait that it would be $71, I would never have believed that. How did that happen? Were you surprised by it, that it's so low?

STEVE JERMY: Yes, very, very. I was just as surprised as you, and I think most of the analysts were. But I think a lot of it is to do with the lag. It's also there's this distinction between the futures market bits and the actual delivery. I was talking to a Singaporean colleague last month, and he said that— and I don't know whether this is still the case— that notwithstanding what Brent was at or what WTI was at, that in Singapore they were buying crude for $200 a barrel.

So the difference is the interesting one. It's what people are actually paying for it. I mean, there may be a short-term lag, who knows, but that's the open question, the so-called crack spread between what you're paying or what you're forecasting to pay in the futures markets and what you're actually paying on the day.

TUCKER CARLSON: How does a country exist at $200 a barrel?

STEVE JERMY: Yeah, well, fortunately, Singapore is an extremely efficient country.

TUCKER CARLSON: Yes.

STEVE JERMY: So that must be having political effects, I guess, as well. It's quite a small country. I was so surprised when I heard $200 a barrel, I didn't ask much more.

But again, if we get up to those sorts of figures, I think back to 2007 and 2008, the great global financial crisis. I happened to be in Houston at part of that. And I remember vividly seeing the stock market red all over. I'll never forget it. I remember talking to an American who was working in the British consulate in Houston. He'd lost half his retirement savings in that crash.

And again, it seems to me that if you were to get up to those sorts of figures, $150, and if you've got a global economy which is already not in trouble but already very precarious, then it wouldn't surprise me if we have another great financial crash. I mean, who knows? We might see it. Was $150 an oil barrel a function of that? To me, it seems impossible that it wasn't a function of that.

People will talk about synthetic collateralized debt obligations in the housing market. I think a lot of it's to do with the euro-dollar areas actually, and how funding in the euro-dollar areas were actually tightening. But it seems impossible to me that oil, which is the primary resource, wasn't playing into that.

I mean, it's playing into things like Lufthansa, I think, canceled 20,000 flights about a couple of months ago. I don't know what bunker fuels are like. That's the fuel used for ships. But when I was talking to somebody recently about those, those were doubled. So again, it's what people are actually paying rather than the futures market. And it's when those two come back into alignment, then we'll know probably more what's happening.
The problem— I've said this before as well, Tucker— is that when somebody— Danny Davis, who I think you know, Daniel Davis— said to me, he said, "If you were the czar of the world, what would you do about solving the energy crisis?" I said the problem is that the energy crisis, nobody's in charge. The whole of the energy markets are run by the market. So there is no single entity that can say, "Well, we need to do X, Y, and Z to sort this out."

You can't just say, "Well, we need to run more tankers through the Straits of Hormuz," because if the shipping companies say, "Well, we don't like the look of that, thanks, we'll wait until it's ready." So there are a whole load of issues here which are really run by the market, and I think there's nobody who really understands the thing itself. And even if they did understand, there's nobody who can actually press a button— press 5 or 6 buttons— to make the whole thing work again properly.

TUCKER CARLSON: That's right.

STEVE JERMY: Again, I'm hearing the same thing from other analysts. And I listen to this like a book, and I don't say that I've got the answers, but what I do say is that you take this amount of energy out of the system, it's bound to have economic consequences. It's a mathematical impossibility it won't.

7. Prospects for Resolution: The Middle East and Ukraine

TUCKER CARLSON: And in a globalized economy, no nation can have real sovereignty. Of course you can't act independently on behalf of your country because you're not in control of your country because you don't control its economy. So no one kind of thought about that obviously in the post-war era.

So let me just ask you a final question, which is how long are these 2 conflicts likely to continue? Do you see hope of resolution in Western Europe or in the Middle East?

STEVE JERMY: I think if I take the Middle East first, I've got a strong suspicion— I can't say for sure— that as the continued closure of the Straits comes home to the United States, and that as the midterms go, as I think it's almost impossible to avoid now, badly, then I suspect that that will create a very different political atmosphere in the United States if you've got very significant price increases, and you're seeing lots of damage being done to the global economy. So my suspicion is that that's the thing which might bring the Iran war to a closure. I can't say for sure.

The interesting thing as well will be to see the extent to which, were the situation to be improved between the United States on the one hand and China and Russia on the other, both China and Russia could actually have a hand in helping to bring that war to a close. What's for sure is that unless the United States is willing to deploy significant land troops, and when I say significant, we're talking tens, hundreds of thousands, because nothing else is going to make a difference, then the war cannot be won militarily. And I don't think I'm overguessing to say that there's no political appetite in the United States to deploy land forces into the Iranian war.

I think as regards the Russia-Ukraine war, that's a more difficult one to call. My guess is that what Putin will be thinking about will be about the coming economic crisis in Europe, because one of the things that he could be saying to himself is, "Okay, I could respond as the Europeans start to ratchet up pressure on me. But actually, I can see what's coming." So by the time this economic crisis hits Europe, at that stage, the Europeans will recognize finally that they simply can't afford the weapons, and that they're actually tipping into recession.

I mean, arguably Germany's already in recession. I think both Britain and France probably are on the edge of it. But suddenly, they're in deep economic trouble. And the last thing they want to do is to actually invite their countries to invest 5% of their GDP in fighting a war, which by this stage they'll hopefully realize cannot be won.

If that happens, then I would like to think that it could be brought to a close by the end of the year if the recession hits. That's slightly a weird way to think about it perhaps. If it were to be diplomacy, a lot will depend — again, it might depend on the midterms, it might depend on how the neocons see it, it might depend on the E3 and their policies. But sooner or later, people, I'm sure, are going to recognize that the war cannot be won.

The one other thing that could bring it to a close would be a change in policy by Russia, because the alternative to striking Europe— and I still do not think that's off the table, even though it's in the scenario— the alternative could be a move on Kyiv, an armored move on Kyiv. And I think that would be done not for military reasons, but for political reasons. And if the Kyiv government were to collapse, then I think at that stage it would be game over. So Russia would never mention it, but I wouldn't be surprised if it's been something they've thought through as a possible course of action.

8. Putin's Domestic Pressures

TUCKER CARLSON: I mean, Putin has got to be under domestic pressure. He doesn't rule as an absolute dictator. I mean, he's got constituencies in the GRU, the military. Lots of people would like his job. I mean, how much pressure is he under to respond with force, greater force, do you think?

8.1 Putin's Strategic Thinking and the Path Forward

STEVE JERMY: I think he's under significant pressure, but I actually took the time when the war kicked off to listen to Oliver Stone's interviews with Putin to get to know the man. And I also took the time to actually read Philip Short's biography of him. And then I came out of that thinking, this is a man who's extremely strategic. And whatever you think about him due to what you heard in the press, this is a person who deserves significant respect.

If I had been thinking about this, I'd say we need to think very carefully because this is a strategic leader who deserves significant respect. I think he is under pressure, but equally, I think he's the sort of man who will be able to resist this pressure and do what he thinks best, which is what I think he's been doing until now.

So although I often hear people say, "Oh, why hasn't Putin—" I hear podcasters and people in the alternative media saying that Putin's not being affected, he should have responded by now. I have a strong intuition that's supported by the General Staff. And when I went to Afghanistan, before I went there, I read the Russian General Staff's analysis of their Afghan campaign. They did a 10-year campaign and got out in good order after 10 years. And the structures that they left there took 2 years before actually things started to become again. We got out after 20 years, much more money expended, and things were collapsing around as we got out.

I was really impressed by the Russian General Staff. So I would think that actually he's going to be very well advised as well by the Russian General Staff. So I would think he's the sort of man who will be able to hold his nerve. And I think he's the sort of man who will do what he thinks is right strategically.

So again, although I've pushed that scenario as one to think about, and I would think that he will have that on the table. And it wouldn't surprise me if that — if I were to forecast how that scenario would play out rather than to put a sort of worst case, I'd say if he were going to use weapons, the first thing he would do is he would ring up the White House and say, "We are going to use weapons against the E-3." Then having done that, he would then ring up Merz, Macron, and Burnham, as it will be, and say, "We are going to use weapons against production facilities unless we have a clear response from you saying that you will stop providing Ukraine with these sorts of weapons."

So that’s what I would guess he would do, because he would escalate. So it’s a different type of escalation. But in terms of holding his nerve, I would think he will hold his nerve for a bit. But I think a lot will depend on firstly, how the war continues to play out, secondly, the economic conditions, and thirdly, the extent to which the Russians become nervous that they are going to find large weapons fired into the middle of Russia, which have been built in France, Germany, or Britain. And if they do start to think that is going to happen, then I would expect Putin to respond, but in a very measured way.
Closing Remarks

TUCKER CARLSON: That sounds exactly right to me. What a wise analysis. Thank you for taking the time to do this.

STEVE JERMY: It’s a pleasure, Tucker. And keep up the good work. I think we in the independent media, it’s important. So often I get to the podcast I’ve done with Danny and Glenn Diesen and others, people saying, “Thank goodness, at last some common sense.” And we really need this common sense because the danger otherwise is that we’ll do a 1914, which is the last thing we need to do.

TUCKER CARLSON: Yeah, I spent 35 years in traditional media, and the second I went to independent media, I thought, this is where all the smart people are. I wondered where they were. They’re not in traditional media. So thank you, and you’re a perfect example. So thank you for doing this.

STEVE JERMY: Yeah, pleasure.