

# Transcript — Why America's Crisis Is Predictable: George Friedman on US Cycles & Trump's Role

**Christian Smith:** Hello and welcome to this podcast from Geopolitical Futures. I'm Christian Smith. As the US Enters the third week of government shutdown, many not directly affected may be tempted to just sigh and turn away. Just another example of divided America. And it is, in many ways, it's a sign of a country in crisis. Now, in recent weeks on the podcast, we have looked at the futures of Turkey and Poland. But today we turn to the domestic in the U.S. listeners may remember our podcast back in March when we assessed Donald Trump's first 50 days and placed it in the wider context of US history. We are now over 250 days into the President's second term in office. And as we return to the question of the US and the crisis of the 2000s, we're joined again by Geopolitical Futures chairman and founder, George Friedman. George, welcome. Good to have you back on the podcast. As always, you've actually just a side note, you've actually just sent the first manuscript of your new book off to the publisher today. So congratulations for that. You are supposed to be on holiday. Think clearly. Doing podcasts is how you relax. I mean, each to their own, I suppose.

**George Friedman:** Well, I'd be drinking heavily today.

**Christian Smith:** The champagne's on its way. Well, look, before we get to the champagne, let me ask you about this renewed trade war between the US And China as we dive into US Domestic politics. I mean, we've seen sabre rattling on each side in recent days, threatening new tariffs and things like that. Sometimes I do wonder if they do it just to keep us on our toes. But I mean, is this a sign of American strength or weakness or Chinese strength or weakness?

**George Friedman:** It's a sign of necessity. The United States has a dual relationship with China. On the one hand, we're economically intertwined. On the other hand, we're militarily hostile. It is very dangerous to have a intense economic relationship with the country where you might fall into war. If you remember the Arab oil embargo after 1973, Arab Israeli war, it almost wrecked the American economy. So from the American point of view, the relationship we have with China has become too dangerous. On the economic side, there is not really a danger of military action, but there's a possibility for the Chinese side. They built their economy based on being able to export to the United States, which is one quarter of the world's GDP and therefore a massive importer and stuff, and on American investment. So they have a huge dependency on the American market. And the United States is using economics in part as a lever for changing the military relationship. In other words, it is not possible for two nations

to be both economically dependent on each other at the same time. They're threatening war. So what Trump is doing, as he did in Israel and tried to do in Ukraine, is remove the probability of warfare from the United States. Limit it, because since the last 80 years, we've been constantly, from Korea to Afghanistan, been in a state of war. And he's also trying to disentangle from deep dependence on any one country and so on. So this is not a confrontation that emerges from hostility on the part of the United States. The hostility emerges from depth and ambiguity of the relationship. So in this sense, it's obviously rational for the Americans to want to have a different relation with China. China has an internal problem in doing that because it's ideologically hostile to the United States while economically dependent on it. The Uyghur Party is China. China very badly needs access to the American economy. There is no set of economies that can metabolize the stuff they export to the United States. So on the other hand, the United States has become too dependent on China in many ways, and we just can't have a hostile military relationship and economic one.

**Christian Smith:** I mean, the US is in many ways, trying to withdraw from the world in some ways. We talked about this to an extent on our last podcast about the deal with Israel and Gaza. I mean, are these trade wars a sign of that, or are they, as they're often interpreted, being about domestic politics in the US about manufacturing and returning that to the US as well?

**George Friedman:** Well, you have to remember that the economy that we regard as normal is very abnormal. It emerged after 1945. It was a creature of the Cold War. We were facing the Russians. We wanted the Europeans to revive themselves rapidly. So we had the Marshall Plan and free trade. We then fought in the Third World, as they called it before they called it Global south, fought with the Russians various conflicts, and used foreign aid as a tool to put us in a better position. So the economy we had up till about a year ago was a product of the Cold War, which is over. And so the idea that the United States has to constantly be on military alert to move into the Eastern Hemisphere and simultaneously very vulnerable economically because it has to be very careful with the needs of its allies. That period is obsolete at this point. No matter who would be president, both the military relationships and the economic relationships would be shifting. Now, Trump has a particular style of doing things, but this was predictable, and I did predict it, that the disengagement from the world, not abandoning the world, but not being so exposed. It was seen that we were the major country and therefore responsible for everybody else's safety. This is not a normal thing for the United States. It went into it 80 years ago. But our normal thing is to be involved with the world but not terribly exposed to it.

**Christian Smith:** I mean, this idea of the US Wanting to withdraw from the world, part of it, or at least be less heavily involved, as you say, George, part of it comes from effectively US domestic politics and cycles as you refer to them. We're just talking about your upcoming book that will come out at some point in the future, but your most recent book, the Storm before the Calm. You set out two cycles of American politics in that of American society, really. And you forecast that the 2020 would be a decade of internal chaos in the U.S. let's look at these two cycles and how they work. You've got the socioeconomic and the institutional, and they are both effectively changing at the moment. Talk us through the socioeconomic to start off with. George.

**George Friedman:** Well, the first is a culture war. There is a deep divide in the culture of the United States. Left, right, you want to call that. The left was what we call hyper, hyper elective, hyper hyper egalitarian. The left was hyper egalitarian, extending it to first race, to gender, to sexual profession and so on. Part of the country was deeply on that side. Another side was appalled by it. And so there was this social divide that had invented itself. There was also economic issues that were not nearly as serious as sometimes in the past, but there every 50 years in American history we've had this crisis. The last one occurred in the 1970s when the anti war movement, violence in the streets, the 82nd Airborne going out to put down a race riot and so on. I mean, these things all happened during that time. It lasts about a decade or five to 10 years. And then there's a calm. Ronald Reagan's election signaled a calm. It was starting on Lyndon Johnson's watch that the storm began, starting with Vietnam and everything else internally. But this is the nature of democracy. So we love democracy, we hate the disagreements, and we regard any disagreements as a sign of collapse. It is in the nature of democracy to have divisions in the country. It is also the nature of people who are divided to despise each other. It is also the nature of getting over it. So one of the real structural fascinations of America is that we have these crises regularly and in the process reinvent ourselves. And then we've got forget what it was like 50 years before, because everybody's younger than that. So this is not abnormal. It's just a way in which the United States restructures itself that's on the social, economic side.

**Christian Smith:** And in your book, you sort of talk about how you mentioned the 1970s and then Reagan coming in after that. There as well, you talk about also the 1920s, the late 1800s, that sort of thing. The other side of the coin is the institutional crisis, as you call it, which lasts for longer while the cycles last for longer. Rather talk us through that, George.

**George Friedman:** It's an 80 year cycle. I have no idea why, but it repeats itself. The current federal government was invented in World War II. World War II created a massive increase in

the size of the federal government and made the federal government responsible for many dimensions of American life out of necessity and created a vast bureaucracy that was necessary in order to do these things. Over 80 years, this institution became less and less viable. In other words, during the COVID exercise, we saw Dr. Fauci. I don't believe he's a Chinese spy or anything like that. Dr. Fauci said to take care of yourselves, not get Covid. You must stay at home, put on masks, blood, luxury, children go to school. From medical point of view, this is very good. From an educational point of view, it was catastrophic. I mean, how can you keep a 5 and 6 year old not from playing with people? They'll become homicidal maniacs or something. I mean, it is psychologically impossible. Now, did these two departments ever get together? No, they were absolutely separate, distinct, powerful in their dimensions. And this became the problem. The federal government became inefficient. It was not that it was too powerful, it was too incoherent. So I predicted years ago that in the 2020s we would see a massive reconstruction of the federal government. To reconstruct something, you must first destroy it. I had no idea Donald Trump would be the one to do it. And others could have done it more gracefully, perhaps, but the federal government as it was structured was ineffective. So between the two crises, the cycles, the two different cycles, socioeconomic, institutional, there was something very new in history. This was the first time they both bottomed out in the same decade. So what was predictable was this is going to be one hell of a decade, and that's what we're having. But the one thing the United States does from World War II, the Great Depression, the Civil War and everything else is recover. We are very good at reinventing ourselves. And that's what's going on.

**Christian Smith:** I mean, just to drill down into this institutional side of things at the moment. I mean, we've obviously seen, I mean, Elon Musk, of course, coming in earlier on in the Trump presidency and taking a, well, a metaphorical and literal chainsaw to federal jobs in many departments. We're now seeing a government shutdown. Is this what you think this is the institutional cycle coming to an end? This is the change that we are now seeing?

**George Friedman:** Well, we've had shutdowns in the federal government before. This is far from the first time that the Republicans, Democrats, couldn't agree on everything and therefore was shut down. Of course, Americans and most people have no memory of these things. So every time is a stunning event. The fact of the matter is fairly mild compared to some of the others. The issue here is two fundamentally different models of governance. Trump's is to reduce the government's involvement in many things because it is inefficient and doesn't work. Hence reduce the amount of intrusion into the medical system in terms of insurance and stuff like that. The Democrats from the brass generation saw these institutions as fundamentally

necessary to helping people, to keeping a stable society. So you're having a collision between the old order, which are the Democratic Party, who clearly wants to have more government involvement, and the Republican Party, which historically has wanted less at this point, where, for example, Roosevelt represented the left and revolutionized it, now it's in other dimension. We've gone too far in one way and we pull back. The engineering of all this is what politics is all about and what these fights are all about. And it's a pretty ugly thing to see when you see it. If you'd seen some other country, you'd say, this country is about to collapse. When you see it in the United States, you say, ah, it's 50 years, 80 years, sure. So it's a very different thing. And most Americans don't understand it. They're too engaged in the wars, and most foreigners have no idea what we do.

**Christian Smith:** Enjoying the show? Take a moment to follow and rate us on your preferred podcast platform. For video versions of the show and much, much more, subscribe on YouTube. EopoliticalFuturesGPF. That's EopoliticalFuturesGPFs. And as always, you can find expert geopolitical analysis@geopolitical futures.com Few would deny that the US is obviously is going through intense crises at the moment. You said you forecast that sort of around the 2024 election. Where we are now is when this will all kick off. I mean, Trump here, he's Obviously, sort of what we would call in, in this side of the world, a Marmite figure. You either like him, you love him, or you hate him. Is he the symptom here, though, or is he the initiator?

**George Friedman:** Presidents of the United States are created by the citizens of the United States, not just by election. The issues that they win on are the issues that are implicit in the country. Ronald Reagan was elected at the time, last time we had it 50 years ago because of deep divisions in the country about the nature of the economy and many other things. Okay, if he hadn't done the things he did with the economy, anybody else coming in would have to do it. So the idea that the federal government is not a massive, complex entity that no longer is democratic in nature because nobody understands what it's doing. Whoever was president at this time would be like this, would be engaged in this change. Now, remember when Roosevelt faced this problem, he was called a dictator. He was called all sorts of names. He was hated by many, loved by many. This is the normal process inside, radical change. But what America is very good at is having radical change, whereas other countries that bogged down, we reinvent ourselves, but then we're an invented country. So my point about this is that looking at it from inside or from outside, it looks like a crisis. What it actually is is a process that we undergo periodically, predictively. And in the same way, we go back over the years, we've had civil wars, we've had all sorts of depressions and everything else. These were both crises, and they were processes that cleared the stage and prepared us for the next period.

**Christian Smith:** I mean, looking at these institutions again, is it possible for. The US has changed in the past, as you suggest, of course, but is it possible for it to do it again? I mean, so much of this stuff is now so ingrained in the way the country works.

**George Friedman:** Well, the ideas that existed before the Great Depression were deeply embedded in the United States. On the other hand, there was massive problems for other people. So the masses of the unemployed and so on and so forth in a kind of crisis, attacked the norm because the norm wasn't working. Of course, those who liked the norm attacked the working class, if you will. Okay? So the division is divided by those who have benefited from the prior sector, who have been in power. Someone like Biden and someone who is regarded as a disruptive, dictatorial brute. Abraham Lincoln, when he was in this position, was regarded as an illiterate fool who had no idea of what randomness he's engaged in. Same with Roosevelt and The other cycles. So this is a time of mutual loathing in the United States, but it's predictable what will come out of it, which will be a federal government that's definitely streamlined, a university system, which is also changed in certain ways. These were the two institutions I predicted would be transformed. And at the same time, around 10 years later, we'll forget. None of us remember the 1970s, for God's sakes. Kidnappings, murders, riots going on. It looked like the country is going to collapse. Then it didn't. We went on. So if you look at history, I don't know why the cycles are perfectly 50 years apart and 80 years apart. No idea, but they are. And if you take a look at the history, one of the most amazing things is how quickly you forget it.

**Christian Smith:** Trump is the symptom in many ways. Then is he the Ronald Reagan and the roosevelt of the 2000s then, or is he the disruptor?

**George Friedman:** He is disruptor. In the 1970s, the disruption came from within the Democratic Party who had, you know, been opposing Nixon and these people, okay, and they changed socially in terms of hippies and everything else in one direction and anti hippie movements in the other direction. And we had the same social thing. At this point, it's somewhat more intense because the two cycles coming together. So we have many things underway that's to some extent unprecedented. But the fact that there's mutual loathing is systematically part of this thing. Those who benefited from the prior era, either ideologically or financially, want to hold on to it. Those who are losers in it want to change it. And those who have a cultural commitment to the prior era believe that this is a betrayal of everything America stands for. Then around 10 years later, they forget the whole thing, go back to work.

**Christian Smith:** Well, bringing it back to geopolitics, global geopolitics, foreign policy, if you will. America is changing domestically. And the fact of America's size, frankly, just means that that affects geopolitics too. A US Wants to pull back from the world in many respects. I mean, are they. Is the US trying now to play more of a role that perhaps a comparison could be Britain that Britain had in Europe, you know, during the time of the British Empire for several centuries, attempting to maintain a balance of power for its own ends.

**George Friedman:** The United States historically has not had ends in foreign policy. It was divided from the Eastern Hemisphere by the Atlantic and the Pacific. And it kind of looked on at what was happening in these wars. As I've said before, we only went into World War I when the Atlantic was being challenged by the German U boats. We only went into World War II when the Pacific was being challenged by Japan. And it should be remembered that Germany declared war on the United States. We didn't declare war on them. So the idea that the United states, the last 80 years was the norm of the United States, they were violating that was a very abnormal period. The idea that the world could not sustain itself except for the involvement of the United States both militarily and economically, and that there was some sort of moral obligation on the part of the United States to carry out this role was absurd. So for most of our history, up until 1941 or so, we kept our distance from the world because we were distant. For 80 years, we were deeply involved, worrying about Southeast Asia, worrying about Korea, worrying about Afghanistan. And at a certain point, particularly in Afghanistan, it reached a point of absurdity. What are we doing here? What are we doing in Iraq? And so on. So at a certain point, without academic processes, it became obvious to American citizens that this involvement was neither necessary nor beneficial to us. Not in the sense of international trade won't continue, but the tariffs would not be set to make sure that other countries benefited and therefore remained anti communist, which was one of those things. Communists were long gone. And this was really a way in which we do things. There was that faction that's half of the population committed to the old order, seeing themselves as the future as well. There was the other one that couldn't bear it. And so it created a political structure which is personalized in Trump in many ways. And therefore we go on there. But the idea that the United States by nature had to be responsible for the situation in Vietnam, for the situation in Korea, for the situation in Iraq and so on and so forth, all these things were not institutionalized in the United States, but temporarily necessary. And now it's over.

**Christian Smith:** So how does the US Maintain its domination, for want of a better word, of the seas, in particular for trade, but also of global politics to ensure that its economic interests aren't affected?

**George Friedman:** Well, the first step is to limit our exposure to what happens to the rest of the world. One of the things the terrorists was designed to do was to limit the amount of dependency we have in the rest of the world, because that would draw us into it. Okay, so the idea that emerged in 1945 after the war is that Eastern hemisphere is so unstable, so insane, that unless we are there to police them, to be daddy, it can't work. In that 80 years of American lives were spent American money and so on, and so forth on stabilizing the world. When the Soviet Union collapsed, the threat of the Cold War ended in Ukraine. It certainly ended when the Soviets, when the Russians showed their military was incompetent in not being able to overcome the country, and therefore it was time to draw back. It's not that we're not involved. There's going to be international trade, there's going to be involvement in various things. But on the whole, the idea of spending lives and fortunes trying to stabilize the Eastern Hemisphere is not only irrational, but undoable. The Eastern Hemisphere is a violent place. So we draw back.

**Christian Smith:** George, to wrap up, you mentioned before about these two sides of the kind of struggle, in many ways, for America's future. The ones who are part of the old order who think they are the future, and the ones who are part of a newer order who are the future. Is that inevitable, these two sides? If we look back at the 1970s again, say, or the 1940s, 40s, did one side inevitably emerge in front of the other? Or is there a struggle always ongoing there? And we don't really know who's going to emerge as the future.

**George Friedman:** No, we know who's going to emerge as the future because we know who's in the past. The last 80 years are over. The last 80 years were dominated by the Roosevelt conception of America, a Rooseveltian view of our obligations and necessities in the world, and that after 80 years becomes obsolete in a way that's not the way the world is. So we have to remember something about the United States. I've said many times, we are an invented country. At a meeting in Philadelphia, at a constitutional convention, we invented the naushat of the United States. Invention is inherent in the United States and so is reinvention. Why it's so predictable when it'll happen, I really can't tell you. I just know it's true that you can predict it. And one of the things the United States does is reinvent its nature. It reinvented its nature to a small extent when Reagan became president, to a vast extent when Roosevelt became president, and so on back. But reinvention is built into American culture because we are by nature an independent country. That's the only explanation I have of this. I also will say it's a very efficient process where other countries around the world, perhaps even England, is in a situation where it cannot get free of its past. It's trapped in its past. The Americans are quite good at discarding the past, but during the time it's being discarded, it's a terrible time. It is a

time that's a storm. I call it a storm before the calm is that I said, look, the 2020s are going to be a time of storming on all dimensions. Everything's coming together and we will emerge by the end of the decade in a very different condition. And then, just as we laugh at the people who hated Roosevelt or hated Lincoln, well, so we will laugh, but that'll be later. Right now we hate.

**Christian Smith:** And what about those people who. Well, as you say, the people who are left behind, whose future that they want isn't going to happen. What happens to them?

**George Friedman:** Well, they grow old and their children come and they don't know anything else, and it passes. The hostility to Roosevelt went deep into 1950s. The idea that the government should be intruding on my private life, the idea that we have to help people all the way, that we have to be involved in the world. There were substantial opposition, but declining it became the norm. And where Roosevelt had violated the norm, privately, he became the norm. This is the ideologist principle we'll call that became it. And this egalitarianism that took place had run its course, and people will remember it and remain bitter for decades after. But life ends and they go away and everybody goes back and forgets how it was before. So if they take that as a norm. But a country that cannot change its culture, it cannot change its life, its relationship with the world is a country that's trapped. The genius of the founding of the United States is not contained in the genius of our presidents and so on, so forth. Many of them are idiots. But it is contained in the nature of democracy, which is playing itself out. Democracy guarantees that the old order can be overthrown when the people see that as a necessity. It also guarantees that those who thought the norm was just fine will oppose it. But democracy without conflict is a fantasy. It is in nature democracy to push out the contradictions into the open and allow hopefully peaceful battles. And they weren't all. God knows. The Civil War was not peaceful, okay, but able to go beyond it in the end, because it's necessary, because the old system simply didn't work. So just as we get rid of old cars and buy new ones, or used to, just as we have fashions and so on and so forth, and we're easy moving on to something radically new, like the Internet, like social media and stuff, television and everything, we are by culture used to radical change, even though we hate, may hate or welcome it.

**Christian Smith:** George Friedman, as always, thanks so much for coming on this podcast from Geopolitical Futures. Thank you out there for listening as well. We'll be back again next week with another episode from Geopolitical Futures. But until then, you take care. Goodbye. And George, enjoy your holiday. Crack out the champagne. Talking Geopolitics is brought to you by.

**George Friedman:** Geopolitical Futures, your source for geopolitical forecasting and analysis. SA.