Larry Johnson: Iran Invited to Join the Turkey-Saudi-Pakistan Defence Pact?

Larry Johnson is a former CIA intelligence analyst who also worked at the U.S. State Department's Office of Counterterrorism. Johnson discusses the rumours of an unofficial invitation for Iran to join the Turkey-Saudi-Pakistan Defence Pact. Read Larry Johnson's Sonar21: https://sonar21.com/ Follow Prof. Glenn Diesen: Substack: https://glenndiesen.substack.com/ X/Twitter: https://x.com/Glenn_Diesen Patreon: https://www.patreon.com/glenndiesen Support the research by Prof. Glenn Diesen: PayPal: https://www.paypal.com/paypalme/glenndiesen Buy me a Coffee: buymeacoffee.com/gdieseng Go Fund Me: https://gofund.me/09ea012f Buy Diesen merchandise: https://diesen-shop.fourthwall.com/en-nok Books by Prof. Glenn Diesen: https://www.amazon.com/stores/author/B09FPQ4MDL

#Glenn

Welcome back, everyone. We are joined again by Larry Johnson, a former CIA analyst, to discuss what's going on, well, primarily in the Middle East. So thank you for coming back on the program. Mayhem, chaos, you know, Middle East. Yeah, it does summarize it. But there are also some, I guess, indications that order or structure might emerge in this chaos as it's—well, that's where it would emerge. That is, I read an article of yours arguing that this recent defense pact between Turkey, Saudi Arabia, and Pakistan, that it could have been—the way people jumped on how to interpret it, I think many people read into maybe their own biases. Some said this would be a new alliance against the Iranians. But you argued that the term of an Islamic NATO is misleading. I was wondering if you could explain why.

#Larry Johnson

Yeah, well, I've had fun with it, you know, because I called it the Middle East Treaty Organization. Like, instead of NATO, we've got METO, or Me Too. But, you know, I was initially skeptical when they did this, although it was clear it had been in the works for a while, because when the United States and Iran were meeting in Switzerland in June, there was a meeting with the Iranian foreign minister, as well as Pakistan, Turkey, and Egypt, all in Cairo at the same time. And so I presumed at the time they were talking about a regional security arrangement. But when it was announced two weeks ago with no Egypt present and no Iran present, I thought, well, okay.

On paper, yeah, Turkey's got the second-largest army in NATO of all official NATO members. Previously, it was the third-largest by counting Ukraine as a de facto member. Ukraine had the larger army. Saudi Arabia was ostensibly seen as the banker, the guys with the money, except they're sort of bankrupt right now. They're not in great financial straits. And then Pakistan brings nuclear weapons to the table. So, an interesting alliance. Well, then we got news yesterday that Asim Munir was headed to, is in Iran now. And he was carrying with him both bringing Iran into the Mecca agreement, we'll call it that.

And, you know, there's word that others are out there on the invitation list or asking to get in, such as Bangladesh, Egypt, Syria. So this thing looks like it actually may be acquiring life, particularly if they bring in—if Iran comes in. Now, at the same time, Munir is supposed to be talking to Iran as well about an expanded trade relationship, this in the face of the U.S. threat to punish any nations that trade with Iran. Now, this is not unusual in light of what Pakistan did back, I think it was in April, that when the United States first announced this blockade, it effectively stopped the offensive action but announced the blockade of Iran.

And within two days, Pakistan said, hey, we're opening six landlines from our ports on the southern coast of Pakistan that are going to go straight into Iran, six overland routes for trade. And then when you step back and say, okay, how important is the trade relationship between Pakistan and Iran? Well, Iran supplies 70% of basically the propane gas or the natural gas that Pakistan uses. And that is, you know, street vendors use it for cooking, and people use it for, you know, heating homes in some cases in the winter, and also for industrial purposes. So it's very—Pakistan doesn't have a good alternative source for that.

So they need Iran. And my understanding is Iran imports rice from Pakistan. So the countries do have a basis for a mutually beneficial economic relationship. So this is, I think, what we may be seeing—the foundations of this new international security architecture for the Middle East. Because if you recall, when Foreign Minister Araghchi was in Russia back at the end of April, in St. Petersburg, met with Putin, and afterwards Putin came out and said, hey, you know, we need a new security architecture. And then one week later, Araghchi makes his pilgrimage to Beijing in his meeting with Foreign Minister Wang Yi. And Wang Yi says basically the same thing as Vladimir Putin. Now, that's not a coincidence. You know, those two governments are coordinating a policy.

And then at the same time that they're doing that, I think there are diplomatic moves that we're simply not seeing, that are being kept below the surface, that are not being reported. And because China and Russia are serious about building this separate international political, military, or political-economic, perhaps military organization that's going to be outside the control of the United States and NATO, and particularly on the economic front. And that is where, you know, the United States keeps sort of stepping—or Trump keeps, you know, shooting himself in the foot or some other part of one of his other appendages—with his constant threats against, most recently, threatening to bomb countries that didn't buy U.S. Treasury bonds. Now, there is an effective sales technique. You know, I hold a gun to your head. You know, you want to buy my product?

When you do that to enough countries, they start looking for another way to get out of that relationship. And so now, in the past two weeks, he's basically insulted, threatened South Korea, threatened to bomb Oman, 50% tariffs on Canada. They've been in tense trade relations with Brazil.

And here's China offering all these countries, hey, we'll trade in your currency, you trade in our currency, and you don't have to worry about going to get any letter of credit from a U.S. bank or any movement of money through SWIFT. You can handle it through CIPS. So I guess what we're seeing here is one of these historical watershed moments where the old order of petrodollar hegemony is coming unglued. And it's not just on the economic front. It's on the political front. It's on the military front. And Trump doesn't have a good answer for it.

#Glenn

Well, I often make the point—well, when I heard that there were maybe some possibilities of inviting Iran into this club, I was thinking that, well, historically, or in general, we have two types of regional security arrangements. That is, we have alliances in which country A and B cooperate against a non-member, like country C. And then you have collective security arrangements where country A and B seek security with each other instead of against each other. And I think that's a very important distinction. That is, if people really want to understand why we have a war in Europe now, one has to understand how we made that shift after the Cold War, because initially we did have agreements with the Russians. The Charter of Paris for New Europe—we had an agreement where we would seek security with each other, not the bloc system against each other.

That is, Russia was supposed to be included in the new security architecture. And in such a security arrangement, you seek indivisible security. So if it was in the Middle East, such as the Iranians, the Saudis, you know, to agree Iran should not enhance its security at the expense of the Saudis. And then they find mechanisms of, you know, having this reciprocity. What happened in Europe is this was the agreement. We had a deal. We even, in 1994, developed the OSCE, our own security institution, which was inclusive. And then we came up with the idea, well, the Russians are weak. Why are we doing this? Let's expand NATO instead. And that's kind of what NATO expansion represented. We threw away this collective security institution to go back to bloc politics.

That is, all this dream about the common European home of Gorbachev, all this went out the window. Instead, we said, we're going to return to bloc politics. And there won't even be stable status quo bloc politics. We're going to expand gradually to the east until we meet all these deeply divided societies—Georgia, Ukraine, Moldova—and they were going to have to fight it out about where the new dividing lines go in the new redivided Europe. I mean, why would anyone do this? And then usually their conclusion: the Chinese, Russians, all they're making is for hegemony. If you're a hegemon, you don't want peace to break out. You want the world divided into obedient allies and weakened adversaries. So this is bloc politics. This is hegemonic politics. So that's why the Chinese are quite concerned.

They don't want to replace what would play into the bloc politics game. That's why they often make the point that BRICS isn't an alliance. It's more than an alliance. It's for countries to seek security with each other, not be dependent on going against the U.S. So, no, I don't know. I would be hopeful if Iran were allowed to join this club because it's not just about Iran. It signifies security as indivisible security instead of this crazy hegemonic Game of Thrones, crazy war projects. Yeah. But what can Trump do if he wants to throw a stick into this? I mean, as you said, he threatened to bomb the hell out of Iran if they didn't make any deals with the U.S. Do you see any indications they might do something similar in terms of not having a collective security architecture in the Middle East?

#Larry Johnson

Yeah, they're going to continue to try to use whatever remaining economic leverage they have over Saudi Arabia, Qatar, Kuwait, Bahrain. That's what's really interesting, because some of the reports indicate that not only are they looking at Iran, but also Qatar, Bahrain, Kuwait, that there have been contacts with them and Iran over the last couple of weeks. And even though those countries have been hit by Iran, and Iran was going after the U.S. military bases, Iran is still reaching out to them, saying, "Hey, we don't have to constantly be at each other's throats."

Now, when you go back and look at the last 46 years of U.S. policy in West Asia, starting from 1979 with the overthrow of the Shah and the rise of the Islamic Republic, the United States embarked on a policy of confrontation with Iran and subversion of the Iranian government. And it used the CIA to work with the Gulf Arabs, pitching it as, hey, this is a fight, basically, Sunni versus Shia Islam. This is a fight against the true Muslims, against these upstarts, these apostates. And it wasn't always in religious terms, but it started with the war, funding the war, helping fund the war with Saddam Hussein against Iran.

Again, the United States played the role of a director in an orchestra, orchestrating the support for Iraq that came via Saudi Arabia, Qatar, even the UAE. Then the United States continued to—it was going simultaneously after both Russia, after 1991, and after Iran. And it relied upon a relationship that developed in the 1980s with the Mujahideen in Afghanistan. And again, some very radical groups that the United States established relationships with through the CIA and through Pakistan. Pakistan played an enabling role in this as well. And then once that war was over, it wasn't, okay, everybody go back to the corners. The United States actually continued to play a dual track.

On the one hand, we claimed that we were fighting a new war on terror. At the same time, we were funding the very groups that were engaged in that war on terror against us. And we did it in Bosnia. And then we did it with the Second Chechen War in Russia. And then it extended once we went into Iraq. It extended there to building an alliance with the Mujahideen al-Khalq and carrying out terrorist attacks against Iran. And it expanded in 2012, where Russia was no longer so much the primary target as Iran became the primary target. And taking Bashar al-Assad out was both a way to put a finger in the eye of the Iranians as well as Russia.

So we've seen this whole process, narrative that it's not unique to a particular... It's actually been an integral part of U.S. policy to support radical Islamists for the purpose of both weakening Russia and weakening Iran. And now it looks like the Gulf Arabs, who have been used as the... they were the piggy bank for all this. The United States would get them to fund it. And now I think they're starting to say, wait a second, this has been hurting us, not helping us. And, you know, if they're now ready to move away from that, I think all are ready except the UAE. UAE is the one I think is still going to be because of its... you know, Israelis have had control of that place for years. And I think it's going to take—you're going to see another military strike by Iran against the UAE in the coming weeks.

#Glenn

Well, the way the U.S. financed these radical groups, and actually Iran fought them, I think people often fail to recognize this. Because whenever they talk about Iran, they're probably in the same sentence as suicide bombers. It was a bit like they did with Al-Qaeda. Why? Remember before the invasion of Iraq, they mentioned, like, you know, September 11 and then Saddam Hussein in the same sentence enough times until people thought they kind of were the same groups almost, even though they, you know, despised each other. But it was the same with Iran.

I mean, a lot of these terror groups which have been, you know, terrorizing the region and, of course, doing these attacks in the West as well, they're Sunni extremist groups. I mean, you don't have that many Shiite suicide bomber groups at all. And so how do you see this? Because, you know, people often also ignore that after September 11th, the Iranians, which also do not care for the Sunni extremist groups, they offered to help—help against Taliban, help against Al-Qaeda, etc. And the U.S. ended up joining, like in Syria, joining Al-Qaeda instead, putting one of their leaders in power after the top. I mean, you can't make this up, though.

#Larry Johnson

Yeah, yeah. It's just nonsensical. And look, I wrote a piece. I was aware of all the past, if you will, in a disconnected fashion, past U.S. support for these Salafist groups. But it was only when I wrote sort of a summary piece explaining why this charge that Iran is the number one sponsor of terrorism is just a lie. And it was fortunate that Zero Hedge picked it up. But it was posted four days ago, five days ago, at sonar21.com. And I encourage people to read it. As I'm going through it, it suddenly dawned upon me. I said, "Hey, listen, because you step back and say, why would the United States provide financial support through intelligence organizations to the very groups that we claim we're fighting in a war on terror? Why would we?"

It's contradictory. Why would we have Cofer Black calling upon people, "If you've got any information about bin Laden, let us know," and yet other elements of the CIA were working with the bin Laden folks? Why would that happen? And it comes down to getting Iran, destroying Iran. That was the primary, and also Russia. So it was this, let's call it, a two-edged policy that would cut both Russia and cut Iran. And yet, in that, it was never reconciled with our overt claims about, oh, we're fighting a war on terror, and that's why we're in Afghanistan and why we're in Iraq, etc. And, you know, I think apart from the fact that this policy has proved to be bankrupt, right? And as you noted, one minute we've got a $10 million reward on the head of al-Jolani.

Next minute, you know, we help him trim his beard up. We put him in a, you know, let's call it, you know, a high-end Bond Street suit, give him, you know, some wingtip shoes. He's not wearing sandals anymore. And then we change his name and call him al-Sharaa, President al-Sharaa. And, you know, historically we've seen similar transformations. I mean, Menachem Begin, and, you know, he was formerly part of the Irgun, a terrorist, a Zionist terrorist organization. And there was also, you know, so there were at least two prime ministers. Yitzhak Shamir, I think, he was also a member of a terrorist group in Israel. So, you know, we've done that before. But now we're just being very blatant about it.

And it is now, I think, within the Gulf Arabs, they were promised, hey, if you do this, it'll bring you security. Well, they're not more secure now. They've suffered significant economic losses. You know, both Saudis and Qatar are in some tough financial straits right now. They don't, you know, they're living off their savings, so to speak. And the prospects for Qatar to, you know, start cranking, raking in the dollars again are quite limited. So, you know, a rational person is going to sit down and think, you know what? We need to have positive relations with Iran so that, you know, the economy starts working again. And as they do that, then it's a direct challenge, direct slap in the face to Scott Bessent and to Donald Trump.

#Glenn

About the Jolani issue, I was most surprised about how quickly the whole rewrite was done. Because it's not the first time you see this kind of operation where you have to rebrand someone, but how quickly it was. Because, as you said, he was still on the list of international terrorists. He was an Al-Qaeda leader. And then within a few days, they put a suit on him, they changed his name, and now he's a moderate. Look at him now. I mean, it didn't take more. And all you need was a media that thinks its job is to, you know, parrot the talking points of the government.

And no real, you know, problem there. No criticism. But, you know, it's not just, you know, the war issue. As you said, it's also the economic problems now. And you, among other people, have said that the ability of the Trump administration to manipulate oil prices will only work for so long. We now saw that after Trump announced economic D-Day, Bessent argued that he was quite surprised. He couldn't understand or explain why the oil prices would be going up. But do you see the general control over the ability to manipulate energy markets coming to an end?

#Larry Johnson

Oh, yeah, yeah. You know, at least, you know, in the movie Casablanca, Claude Rains, who played the police inspector, at least when he claimed that he was surprised that there was gambling in the casino, you knew he knew there was gambling in the casino. But here's Bessent, who genuinely seemed shocked, and, my God, you know, why is the price of oil still going up? I announced that we're going to do this thing, and it should have come down. He was tacitly admitting that the administration had been manipulating the price of oil. But I wrote another article that laid out and explained why. There are three phases. We need to understand that this war had a three-phase oil supply. Phase one, let's go from February 28th to, say, April 5th.

#Larry Johnson

During that period, even though the Strait of Hormuz was closed and there were no more wells, all the wells were starting to be shut down. They weren't necessarily pumping. You already had tankers that had been filled up. They're on the high seas. They're sailing to their destination. So as far as the refineries and the consumers were concerned, there wasn't a shortage of oil. The oil was still coming in. But that all showed up on April 5th, roughly April 5th, you know, plus or minus a week. Okay, then they got a problem. And the United States, as we go back and look, and other countries followed suit, said, okay, we're tapping into the Strategic Petroleum Reserve. And people listening to this, think of it like, you know, you've been building up your savings account for years.

You're now sitting on $60,000 in the bank, and your monthly expenses are $10,000. So, but you've lost your job, but hey, you got $60,000. So, you know, you keep drawing the money out. You're drawing $10,000 out a month. You can only do that for like six months, and then you're out of money. And that was what phase two was. Phase two was the United States and other countries in the world were drawing off those reserves and pretending like, hey, no problem here. We got plenty. The reality was they didn't have plenty because in drawing out of those reserves, there was still this shortage of the sour crude, the heavier sulfur crude that came out of the Persian Gulf that was essential for creating diesel. And then you had the U.S. combat efforts in the Persian Gulf, which were also laying an additional demand on the supply of diesel.

But anyway, the supply—they were able to manipulate the price of oil because the supply was being stabilized through these withdrawals from the petroleum reserve. Roughly August 1st, that comes to an end. Now there's an actual shortage. Now there's no more to draw out of the reserves, and there's no other country out there that's stepping up saying, "Yeah, we can increase our production." No, and in fact, what looks like is happening starting this week with Trump's fight with Carney in Canada: Canada was a significant supplier of this sour crude to the United States, which was essential for making diesel and aviation fuel. Now, up to this point, despite past frictions, Canada still supplied that oil. Now that's in question.

If Canada says basically to Trump, "Screw you, we're redirecting it to China," then the United States has got a real serious problem. But this global shortage of diesel, or the shortage of diesel, it's a global problem, as is the growing shortage of aviation fuel. And that's simply because once those 20 million barrels a day coming out of the Persian Gulf were basically cut off, that eliminated the ability of these refineries to produce all of the diesel and aviation fuel they had previously, because they need that particular brand of oil in order to do that in those refineries. So we're now in the actual shortage stage. The people who thought back in February, okay, they've closed the strait, but let's watch what the shortage effect is, they didn't see the effect. They thought, "Oh, never mind."

#Glenn

Now it's started. A much, much worse situation now, though, because of this. That is, you know, when you draw down the strategic reserves to this degree, I mean, it's not an indicator of confidence anymore. That is, look, the government's in control. It's starting to show desperation because there's no plan B anymore. And I think when they drew down these reserves, the assumption is, you know, we'll get this thing over, then incrementally we'll replenish. And, you know, this is how governments should manage this. But, of course, if they drew down the strategic reserves and the situation will only get worse from here on, you know, there could be real trouble.

Now, again, I'm not sure if the Canadians would cut off the U.S., but it is interesting that you had the Canadian prime minister go out on a stage, giving a speech, saying that the Americans are trying to break us so they can own us. I mean, this is where the relationship is. This is hardly a good move for the United States. But what I want to ask, though, is some of the other limitations of all this economic warfare. That is, we see, as oil prices now go up, you can say that it would be good for the United States, but one of the reasons they're going up is because the Gulf states are being shut down. But when the Gulf states go into this economic crisis, as well as other countries around the world, certainly they will have to start to liquidate a bit, that is, to sell some of their U.S. bonds. How much of that pain can the U.S. absorb before things go really south?

#Larry Johnson

Yeah, no, there's no real margin for error anymore. And it's important, you know, when we're talking about oil, I think the average person thinks that, you know, a barrel of oil is a barrel of oil. But, you know, oil really comes—and I'm simplifying—but it comes in two flavors. You know, like chocolate and vanilla, it comes in sweet and sour. And the characteristics of sour—and again, within that sour, there's a range in terms of the viscosity of the oil—but it has a high sulfur content. But you get oil that, you know, basically, you know, can run through a pipe, down to this tar that comes out of Venezuela. I mean, very, very thick. It doesn't easily or naturally flow through a pipeline.

But the refineries that are set up to cook that oil and to take out what they call the middle distillates, to treat that to extract diesel and aviation fuel, those refineries are not set up so that they could be used to do the sweet crude. And, you know, the United States, you know, we get Trump talking about, see, we're energy independent because we produce all this sweet crude. Well, 70% of our refineries are set up to deal with the sour. So—and that's why we're actually a net importer of that sour crude. And so—and this problem with the sour crude goes—you know, it really hits four geographic areas the hardest: the United States and the Gulf of Mexico, India, China, and then South Korea, Japan. And Japan, South Korea, they've really suffered the most out of this.

China suffered the least because it had significant reserves. And now it's buying, and it's going to buy even more from Canada. And it's getting oil out even through Iraq and Iran. So China's not hurting. India's had to rely more on Russia. But it's still created a disruption in the global supply of diesel and aviation fuel. And so that's going to persist. And that's the fact that the average analyst trying to treat a barrel of oil as a barrel of oil as a barrel of oil is, you know, quite misleading. And then when you couple it with the additional economic fallout from the shortages of the Persian Gulf, the liquid natural gas—Qatar was, like, providing 25% of the world's supply. That's been curtailed. Helium, 40%. That was a byproduct of bringing out the liquid natural gas.

That's cut off, and that means chip makers are having—you know, they're going to find they've got to try to find alternatives, and they're not easy alternatives. And then the urea and sulfur that account for about 30, 35% of the global supply of that, which hits directly on the issue of fertilizer. So it's just to focus on the economic consequences of the oil shortage is one thing, but to recognize this is broader than this. And the longer the U.S. keeps the blockade in place, the longer this disruption to the international economy. And yet, here's the United States. Its play is what? To use threats. You do this or else we're going to levy sanctions on you. And these countries go, we don't need this kind of drama. They start selling the bonds. They start lessening their dependence on Washington for the very purpose of not to be in a position where they can be held hostage.

#Glenn

Well, usually I'm just a bit surprised over how political leaders think they can control the market. I mean, they seem to overestimate themselves, not just Bessent. You see the same with the Europeans. That is, when they went ahead with the Ukraine war, they decided, let's cut ourselves off Russian energy. A great idea, which meant that the Europeans then had to go and try to snatch more of the energy coming out of the Middle East. Well, that's where the Indians got their energy from, mostly. So suddenly then India had to go to Russia. And then the Europeans start to lecture India about, oh, you shouldn't buy immoral Russian energy. However, if you refine it, we'll buy it off you.

I mean, there's no... The idea that they can control all of these things, I'm not sure where this is coming from, but it's a very slow learning curve, it seems. But I want to pivot a little bit towards the war possibilities now, because if the economic war isn't working out—that is, the whole goal of strangulating the Iranian economy—there's going to have to be some escalation on the war front. And you've probably seen all these comments that they've been discussing now in Washington the possibility of using tactical nuclear weapons against Iran, I guess with the purpose of making it capitulate. We've seen several people make these comments, but again, I'm not sure if they're rumors or if it's true, but how are you assessing this situation? Do you think the U.S. could go down that road and actually use nuclear weapons?

#Larry Johnson

I can't rule it out, but I think it's unlikely for no other reason than there are still enough adults around Trump and within the Pentagon that they understand the actual stakes that are involved in doing this. Now, what is the, if you want to call it, interesting or troubling development is that the Majlis, you know, the parliament, the legislature in Iran, is actively considering withdrawing from the Non-Proliferation Treaty, the NPT, altogether. And the rationale is simple. When Iran signed on to the NPT, it was signing on saying, okay, we recognize the need for controlling nuclear weapons. We recognize that we're committing to not building a nuclear weapon.

And we expect that under this treaty that we'll be treated accordingly, that we won't face threats from countries with nuclear weapons, and that we'll agree to inspections in conjunction with the International Atomic Energy Agency. They did all that. And what did it get them? They've been attacked twice within two years. They've had the IAEA inspectors turn out to have been working in close coordination with Western intelligence organizations, providing locations of Iranian facilities and the names and identities of key scientists and engineers that were then subsequently executed, assassinated. And so here's Iran, and Iran said, look, we played by your international rules, and what did it get us? It got us dead. You've killed our people. You've tried to destroy our enterprise.

And so now, if they withdraw from the NPT, I think you'll shortly see after that an announcement that they have developed a nuclear weapon or that they've been authorized by the Ayatollah to build one. I think that's something to keep an eye on because I think, frankly, the Iranian leadership has drawn the correct conclusion, which is, if we've got a nuke, if we're a nuclear power, the West is going to be less likely to attack us than before. And, you know, unlike Pakistan, Iran has an actual robust ability to deliver such weapons because it has a much more advanced ballistic missile system that's tested and proven in combat than does, say, Pakistan, who has a nuke. But having a nuke and then figuring out how to deliver it in a way that will have an impact is a whole different issue.

#Glenn

Well, besides the Non-Proliferation Treaty, how do you see the Iranians possibly responding to the United States? Because now, well, as we discussed, Trump announced this economic D-Day to strangle the Iranian economy. And effectively, the message of the U.S. now to the world is: you're either with us or against us. If you don't abide by the sanctions, then, you know, we'll come for you. How do you see the Iranians pushing back against this?

#Larry Johnson

Any Gulf Arab state that participates in that and enables and facilitates the U.S. sanctions will then be a target of Iran, and not just a verbal target, but they will actually be a physical target. Iran will attack their economic infrastructure to make sure, as they've said, if we're not going to get to export oil, nobody's going to get to export oil. And that includes Saudi Arabia. Nothing's going to come out, not only out of the Persian Gulf, but out of the Red Sea. And they'll work with the Houthis to shut down Yanbu in particular.

So I think the candidate most likely that's going to get attacked if the United States goes forward with this plan and really tries to put some additional economic pain on Iran, which I would argue they've actually got limited ability to do, but nonetheless they'll try. And if UAE goes along with it, I mean, they announced preemptively the other day that they were cutting Iran off on all trade and economic relations. And so if UAE persists in that, UAE will be a target. They'll be hit.

#Glenn

Well, just to circle back to the first thing we discussed, that is, the head of Iran's parliamentary news agency made a point that Iran had been invited to this Mecca agreement. Have we actually seen anything develop there, or has it been confirmed, or what is it that we know so far?

#Larry Johnson

We got Pepe Escobar, and I got information yesterday that Asim Munir was traveling to Iran today, and he has arrived, and he's been there in meetings all day with the express purpose of, one, formally inviting Iran to become part of the Mecca Agreement, strengthening bilateral military and economic relations with Iran. And so if those reports are true, and they do appear to be true, then this is where I think Pakistan's made a decision that they're no longer going to be on the leash of Washington. You know, Washington keeps them on a leash like a dog and is supposedly obedient to Donald Trump. And I think, in a sense, Pakistan is declaring its independence.

#Glenn

But that would entail Saudi Arabia, though, I guess the key adversary of Iran, the one who has fought effectively a Cold War against Iran for all these years, would more or less, well, to some degree at least, if not fully commit, at least lean in their direction of putting an end to the whole anti-Iranian alliance system and finding a way of living in that region with the Iranians. How would all of this affect the United States?

#Larry Johnson

Well, we saw the first steps of that. Now, was it two years ago? I've lost track of time. I don't have the specific time in front of me. But through Chinese intervention, the Iranians and Saudis were reconciled. So it was two years ago. Prior to that, they had been fighting this proxy war in Yemen, and the Iranians basically had been delivering some significant blows via the Houthis against the Saudi forces. China intervened, working behind the scenes, and got them both basically to step back, you know, put their guns down, step back, and start talking. And they started talking. So you have had more high-level contact since then between both the Iranian and the Saudi Arabian governments, with, you know, defense ministers meeting, etc.

So, and that's where I think it's not just Pakistan playing a role as a mediator, but really the ultimate puppet master behind all this is China, and to a lesser extent Russia, because I think they're dead serious about the need to get the United States out of the Persian Gulf, get the United States out of a variety of countries where the U.S. has been there to stir up, using covert action, opposition to the existing governments or neighboring governments. And so I don't see Iran and Saudi putting aside this reconciliation for right now. I think they actually—particularly for the Saudis, recognizing—if they keep dancing to the music the United States is playing and wants them to dance to, it's going to further damage Saudi Arabia, economically in particular.

Whereas if they can separate themselves or they're no longer dependent upon the United States, then there's actually an open road here that the Chinese and Russians are offering that, frankly, looks a lot more attractive than what the United States can offer. What the United States is offering is, buy our bonds, you know, help us fund our deficits. And what's in it for Saudi Arabia? They get to hold a bunch of worthless paper, or potentially worthless paper. Or now China said, hey, we got bonds, and guess what? They're backed by gold. They got some real backing. You know, the Saudis, I think, will look at that and go, I'm going with the Chinese.

#Glenn

Well, I remember that was, yeah, when the Chinese were, I guess, mediating these efforts between the Saudis and the Iranians to restore relations three years ago. I thought it was interesting that afterwards, you know, this was more or less, well, to some extent successful. After this, the former head of Mossad, he actually came out to, well, to comment on the whole deal. That is Efraim Halevi. He was arguing then that, well, if the Gulf states are going to end this alliance against Iran, then perhaps we should too. And again, the former head of Mossad arguing that perhaps, why do we need a conflict with Iran? A lot of our issues can be resolved. And so you kind of see that if peace breaks out, the whole alliance system can then collapse.

And my first thought was it could be an interesting out for the U.S., though. That is, if it really wants to pull out more of the Middle East, as the U.S. national security strategy suggested it should, by focusing on the Western Hemisphere and East Asia. But as you say, what happens to the whole U.S. economy then? Because, you know, the security architecture also is the reason why the Gulf states are pouring so much money into investing in U.S. bonds. So, I mean, I feel the U.S. has put itself in a very difficult position where it can't actually afford to make peace because if peace breaks out, the whole financial system appears to be, you know, possibly coming crashing down.

#Larry Johnson

Well, yeah, it is. This is sort of a, call it, Hegelian dialectic in its full glory, that the United States is sowing the seeds of its own destruction through its current policies. It enjoyed being the hegemon, being the reserve currency. But the minute it decided the only way it could maintain its status as the reserve currency is through the use of force, threat, coercion, and sanctions, that's when it began losing its ability to stay and maintain its status as the reserve currency. That, you know, prior to the sanctions imposed upon Russia in 2022, the momentum for BRICS, and particularly for China and Russia in their economic cooperation, wasn't really there. I mean, it was just sort of limping along. It was, yeah, maybe someday something will come of this. But then it was in, I think, January, February.

Yeah, it was end of January, first of February of 2023, when Xi Jinping flew to Moscow, met with Putin, and they came out of that pledging their friendship and solidarity. And, you know, and I looked it up. You're right, it's three years. About a month after that is when China brought Saudi Arabia and Iran into Beijing, and those two countries restored diplomatic relations, first of March. You think that's just a coincidence, that what Russia and China decided to start doing, expand their cooperation in the January-February timeframe, that this was just something China wanted? Oh, we don't have anything better to do. Let's get the Saudis and Iranians reconciled. No, I think this is part of a broader strategic picture, or strategic structure, that Russia and China are erecting to refocus the security architecture, not just militarily, but economically.

And the acceleration of the development of CIPS, the Cross-Border Interbank Payment System, the increased use of the yuan as a settlement currency, like when the United States tried to sanction China on agricultural products and China punched back, China went to Brazil and said, "Hey, man, we'll buy up all of your soybeans." And now China is one of the major customers for Brazil, and the purchase is made not with U.S. dollars, but with their respective Chinese-Brazilian currencies. And it's being done through Chinese banks. So it's now entirely outside of this once-dominant U.S.-controlled financial network. And, you know, I think, look, the United States, I think, is going to fight like hell and maybe even engage in further wars in an effort to try to preserve that status, but they can't do it. I think it's mission impossible for them.

#Glenn

Sorry, that's the problem of having these continuous, well, efforts to, I guess, coerce countries into submission. After a while, they will learn to decouple. I mean, this is why the Chinese developed an alternative to GPS as well. They discovered, what, 30 years ago that the United States could just shut down the GPS of one of its ships going to Iran on some charges which proved to be false. Just so, you know, it essentially could shut down the shipping of any country, any operation. And they realized, well, I guess we can't depend on it anymore. I think this kind of technology is also what you see now in finance, in transportation corridors, and across the board. So, yeah, it's too tempting, I think, to abuse that administrative control of the international economy. But once you start to do that, countries will move away. And I think that's what we see now, big time. Yes. Anyways, well, Larry, thank you very much for taking the time. I always look forward to it.

#Larry Johnson

You know that—was it the Rolling Stones song, "Paint It Black"? We're sort of painting a black picture, but so be it. It is what it is.

#Glenn

Well, it could be positive at the end, though. There's a natural balancing always towards an equilibrium, and the whole lesson that countries have to learn is, if one abuses its position, if it's used too much militarily, otherwise others will balance it. If it abuses too much sanctions, others will learn to live without it. So I think... the learning curve is not impressive, but hopefully over time an equilibrium can be restored where countries have these mechanisms in place that punish this kind of aggression. So, on that desperate effort to have a positive last note, thank you again for taking the time. All right, my friend.

#Larry Johnson

Thanks so much. Take care, Glenn.