

Richard Wolff: US Empire is OVER, Trump's Iran War Blunder SINKS Petrodollar

Prof. Richard Wolff discusses why Trump's biggest mistake in the Iran war keeps getting worse, and how this quarter trillion dollar nightmare is digging the petrodollar, and the US empire's, grave. Prof. Wolff's work: <https://www.democracyatwork.info/> <https://www.youtube.com/@UCK-6FjMu9OI8i0Fo6bKW0VA> LIKE the video and Subscribe for more in-depth geopolitical analysis Leave your thoughts in the comments below! Support the Channel: Patreon: <https://www.patreon.com/dannyhaiphong> SUBSCRIBE ON RUMBLE: Rumble: <https://rumble.com/c/DannyHaiphong> Follow Me on Social Media: Twitter: <https://twitter.com/DannyHaiphong> Telegram: <https://t.me/DannyHaiphong> Support the channel in other ways: <https://www.buymeacoffee.com/dannyhaiphong> Substack: chroniclesofhaiphong.substack.com Cashapp: \$Dhaiphong Venmo: @dannyH2020 Paypal: <https://paypal.me/spiritho> #iranwar #useconomy #usempire

#Danny

Welcome back to the show. As you can see, I am joined by economist and Professor Richard Wolff to go over the latest developments. Well, Professor Wolff, I wanted to begin with the state of the U. S. empire, in particular, what is going on with Trump's—a big mistake that they seem to be—the administration is scrambling over inflation. Scott Bessent told Axios that Trump is walking a tightrope of messaging a strong economy amid high prices. Now, due to the fighting in Yemen and the continued closure of the Strait of Hormuz, there is a global oil supply buffer running scarily thin. This is according to Saudi Arabia's oil company Aramco, their CEO, who says that until Hormuz fully reopens and confidence returns, the crude reality is that pressure at both ends of the barrel will intensify.

While the squeeze on crude is serious, refined fuel prices have risen even more sharply. Now, Professor Wolff, I wanted your thoughts on this. This is what Scott Bessent posted today. He said that the United States is showing what real economic growth looks like, with just around 4% of the world's population producing 26% of nominal GDP. Firms in the U.S. are leading the G20 in productivity. More than 60 of the 100 most valuable companies are American. Americans saying that the best days are ahead. But Professor Wolff, you've often said that these statistics can be misleading, and this data can be misleading. So what is the actual state of the U.S. empire, especially given now that the foundation, or the roots, of the petrodollar that is so valuable to the U. S.'s imperial dominance is now under literal fire, with Saudi Arabia at war with Yemen and Yemen striking back? Your thoughts on what's going on?

#Guest

Before he was made Treasury Secretary by Donald Trump, Mr. Bessent was reasonably well regarded in financial circles for being a pretty good stock picker, a pretty good analyst. Not great, but pretty good. Since becoming Treasury Secretary, he has distinguished himself by saying what his boss wanted him to say to a degree and with an enthusiasm that may make him secure in his post, but whatever reputation he had is gone, is shot. And this latest election-aiming nonsense only finishes it. Any reasonable assessment, I mean any, of the American economy would reach the same conclusion, which is: while there are a few things that point upward, that they're going well in some sense, an enormous number, a larger number and a more important number are pointing downward to decline.

I really don't know where to start because everything he says is so lopsidedly tilted that you really stop paying attention if you're familiar with the statistics. The United States' position in the world, relative to the other industrialized economies, is smaller, lesser, weaker today than it has been any time since the end of the Second World War. Now, it's true that president after president tells the American people, "Your best days are ahead of you." And Mr. Trump goes further than the ones who preceded him in that direction. But the reason he's doing it is because this sort of cheerleading is necessary, because the opposite is the sad truth of it. Look, the number of ways of indicating this are legion.

Up until 25 years ago, the U.S. dollar was so powerful in the world economy that 60, 70, 80 percent of the reserves held by central banks around the world were in dollars. Today, it is much, much less. Trade in the world was done in dollars overwhelmingly. Now it is much, much less. I could go on. At the end of World War II, the United States was a less unequal economy in the sense of the distribution of wealth and income from the richest to the poorest. We were less unequal than the other industrialized economies. Now we are more unequal than all of them. This is not an achievement. We talk openly about the disappearing middle class. That's not an achievement. The stock market is one of those numbers that Mr. Bessent likes to point to. So does Mr. Trump.

But here's the fact they always leave out when making their allusions to the bright stock market. The 10% richest people in America own 80% of the shares in the market. So if you're pointing to the market, what you're doing is pointing, A, to the people who are the richest, therefore, B, to the people who need it least. And you're talking about a good statistic that bypasses the 90% of the people who don't own significant amounts of shares, or in the case of the majority of Americans, no shares at all. It is extraordinary what's going on. But I understand it. The election is looking bad. Every poll I see indicates that the majority of the American people are quite well aware, thank you, of what the condition of the economy is, because they give Mr. Trump lower marks on economics than almost anything else.

They know that the inflation they face, the poor job prospects... Last week, just to give you a couple more, just to give you the flavor... The Wall Street Journal today has an article about how commercial real estate is in desperate trouble because rising interest rates have made the projects they were thinking of undertaking—hotels, shopping malls, all of that—off the drawing boards. Can't

afford them because the cost of borrowing money has gone up too far. Mortgages for homes are now in excess of 7.5%, meaning that in the range of people from the age 19 to 29, 3% can afford to buy a home. A majority of those who can't are living with their parents years beyond what people had to do before.

These and many more statistics are the carefully avoided references. Mr. Bessent has a hard job. He should be called not the Secretary of the Treasury, but the Supreme Cherry Picker. Why? Because he's like a cherry picker, picking the few statistics that point upward, a mass of downward-pointing ones that are being ignored. It's as if you went to a doctor and you wanted a checkup, and the doctor said, "Well, your temperature is good and your blood count, platelets are good," and then stopped. And you had to say to him, "Are there any negatives?" "Oh yeah, a few. Not important." "Really, what are they?" And then he trotted out, and before he could finish his long list, you understood with a flash of insight: you need a different doctor.

#Danny

And, Professor Wolff, before, I definitely want to get into the bond yield and bond market crisis. But before we get there, you know, part of this, I guess, evading of reality, evasion of reality, too, is that there are two major wars going on that directly impact China, global energy. And here are just some of the images coming out of Saudi Arabia after Yemeni airstrikes, Yemeni strikes, missile strikes on oil facilities there, which over the last 24, 48 hours have intensified. And then, of course, there's the Strait of Hormuz situation, where we just hear optimism all the time, optimism, optimism, yet there is still no progress in terms of how that situation will be resolved. And as I put up earlier, even Saudi Arabia's top oil company is saying that the Strait is not open. It is indeed very much in turmoil. So how does this affect things? You know, the United States' entire financialized economic empire is reliant upon energy, the petrodollar. How is this affecting the state of the U.S. empire now?

#Guest

Well, I think on two levels. One that you cite has to do with this endless lying. You know, the Strait of Hormuz was never closed, according to them. They added control. They were making sure. They were... Mr. Trump never stops. It is stunning. You know, all politicians lie. We're kind of used to it. At least here in America, we are used to it. And then around election time, like now, the hyping of the lies, that's impressive too. But I must say, having been around a long time, the level of BS flying around these days is truly incredible. It's truly off the chart. It's about equal to the billions of dollars being poured into this off-year election. The money and the BS maybe have some deeper connection than I'm aware of. Yeah, the oil markets are terribly roiled.

I want to remind people that we now have a war on two fronts. The Strait of Hormuz is one, but the Red Sea and the Yemen Houthi movement is a second one. Now, a while back, the United States, at the request of Saudi Arabia, undertook to bomb and destroy the Houthis. And after some period of time, the United States announced two things: number one, destroyed them; number two, we're

leaving. As the dust settled, and in the period of time afterwards, it became clear that the second one, their leaving, was true. But the first one, that they defeated them, that was another lie. They hadn't done anything of this sort. What proved it? The decision of the Houthis to control the little strait at the bottom of the Red Sea, and the Red Sea as a transport area, as a docking area for Saudi oil. Okay, the lie.

Now the next lie. We're going to have Saudi Arabia go and deal with the Yemenite Houthis in a way the United States couldn't. Well, if you compare the American military capability, the Saudi Arabia military capability, you die laughing, because the latter is a fly and the other one is an elephant. What the elephant couldn't do, the fly is going to have some difficulty doing too. Yes, they'll get help, covert, overt, but who wins that one? Unknown. I'm not going to predict, and I know that no one else's prediction is worth anything. That's why the announcement yesterday that they were bombing the capital of Yemen is followed today by your showing us a clip of burning oil facilities in Riyadh, Saudi Arabia.

So, yeah, I'm not surprised. We're hearing one thing after another. The president is desperate. He is on the losing side of two wars at the same time. You're not supposed to run for office losing one war. This genius, stable genius, is losing two: the one in Ukraine and the one in the Middle East. It is extraordinary that he should show his face, let alone constantly make statements that even the media that carry them have to quarrel with, have to question, have to throw doubt on. And that leads me to tell you what I think is the greatest significance here.

The New York Times had an article a few days ago with a title something like, "The World of Investment Is Losing Confidence in the United States." That's right. That's what's going on. The American dominance that was so remarkable from 1945 to 2015, right? Seventy years of extraordinary dominance, where the United States inherited all the empires that the British, French, German, Spanish, Italian couldn't hold on to. They all gave them up right after World War II, and the United States rushed in to take their place. And so we had the rule of the world's majority, the people who live in the former colonies of Asia, Africa, and Latin America.

And we lived, we in America, an extraordinary life. The importance of all of these details—Ukraine, Red Sea, Strait of Hormuz, on and on and on—the level of grotesque inequality, an economy like ours that celebrates yesterday that, with the rise in the value of certain shares, Elon Musk once again becomes the world's number one and only trillionaire. My God, what capitalism delivers to a world in crisis is hundreds of billions of dollars to make the already richest man in the world richer still. This is not an economy to boast of. The word that comes to mind for an economy doing what we are doing when we're in the midst of what we are living through, that word is shame.

#Danny

Yeah, well put, Professor Wolff. And I'm glad you brought up earlier the discrepancy between what we're being told in the mainstream media and what is actually happening on the Yemen front, where

it seems like that Saudi so-called defensive is not so much an offensive anymore. They've been pushed back. I think they're actually getting pretty bludgeoned in the areas in which they try to retake close to the Bab al-Mandeb Strait. And that's where the situation is. And that only adds on to this global pressure because Saudi Arabia is such a key hub of global oil markets, the petrodollar.

It adds further pressure onto the Iran situation, which I saw estimates for was up to \$260 billion this war has cost, in total, the United States, if we add in the military losses, the equipment losses, as well as the expenditures for the war, and then the straight-up foreclosures and the economic losses. So your reaction to this, because the Trump administration often boasts that the U.S. is in a far better position under it—not only under it, but, you know, even through this war against Iran—that the U.S. is now in a better, not just economic position, but it's back in total. How do you react to that, given these numbers that I just put out?

#Guest

Just more BS, endlessly flowing. Say whatever the situation suggests to advantage yourself. The elections are coming. They're less than a month away. It's looking real bad for the president, real bad for the Republican Party. They can't do anything about it. This nonsense: "I may invade Iran after the elections." If he could invade Iran, there'd be no point in waiting until after the elections. All that you're doing is giving Iran and its allies, which include these important countries called Russia and China, more time to amass the drones and the missiles that are going to make any invasion by the United States a colossal mistake on top of the mistake already made.

Look, they tried to control and dominate Iran with a war in June of 2025. It lasted 12 days because the ability of the Iranians to strike back had not been understood or planned for. In February of this year, even though the president told us last year that we've annihilated their nuclear, we have nothing to worry about. It's all taken care of. Those are virtual quotes. In February of this year, barely a half year later, we have to attack again, we're told. And guess why? To prevent them from having a nuclear? I thought we did that last year. But that's because he lies. And the lies are now so normal, so routine, so frequent that we're in the case of that famous story of the boy who cried wolf. You keep crying and there is no wolf, and you keep yelling and there's no wolf.

Then a wolf once comes, you yell again, but no one believes you because you've lied too often. Mr. Trump never heard that story, or he didn't get it when it was told to him. So no, I don't think very much is changing at all. That's why the price of gas stays up. That's why the price of diesel oil has gone up, by the way, more than gasoline for our cars, which means every truck that works on diesel, and that's most of them, and every farm equipment tractor and so on, which works on diesel, are costing the farmers more, squeezing their ability to make a living. Our affordability crisis is worse than it was when people started talking about it half a year ago. So no, the economy is in terrible shape. The wars are not going well.

And let me say something, because Americans don't pay attention as much as we should to what goes on in other countries. France, as a nation, is closed down as I am speaking to you. The city of Paris has many of its streets impassable. There are areas into which the police dare not go because the students, high school and college, are organized to protest. And here's what they're protesting: their schools, their universities, don't have the teachers they're supposed to have. They don't have the toilet paper they're supposed to have. They do have a population of rats that they're not supposed to have. Why? Because the government is saving money by not spending on the people's education. And why is that?

So they can send money to help the Ukrainians. Well, the French have said, no, no, you're the French government. Your first responsibility is to the French people who pay your taxes, pay your salaries, and are the people you are supposed to constitutionally serve. You're not serving us by starving our schools, therefore inhibiting the future of our young people and of our country's economy in order to help the Ukrainians. Are you crazy? And by the way, in Germany, the last three elections, the big success is the Alternative für Deutschland, a right-wing political party who doesn't want to send German money to Ukraine anymore. Long ago, Ukraine couldn't have fought with Russia.

That's an unfair fight. The Russians are much bigger. What sustains Ukraine? A war to the last Ukrainian. There are many weapons that used to come from the United States and Europe, now mostly come from Europe. And the anger there should give us all a warning. It led the leading left-wing politician in France, Jean-Luc Mélenchon, the head of the left-wing bloc in the National Assembly, which is the largest bloc in that body, larger than that of President Macron and larger than that of Le Pen, the right wing. And Mr. Mélenchon said yesterday that if the government needs money to maintain the schools, cancel 18%, that was his proposal, of the national debt.

Go to those big banks and corporations and rich people, the ones who own most of the French national debt, and tell them they're not going to get interest, they're not going to get the money back, because there's a higher priority. They are small in number, and the people who need an education is the entirety of the French country. You know what that is doing? Every banker, whatever else they tell you, is meeting right now in emergency because the entire financial system, which rests on government debt, just got plunged into yet another sign that our economic system is not what Mr. Bessent and Trump are telling us. It's literally the opposite.

#Danny

Yeah, well, Professor Wolff, I think those are great points. And I'm glad you brought up the global impact of the decline of the U.S. empire and these wars that it is engaging in, and how we're seeing across the world just how squeezed especially the ordinary person is becoming. And I guess my question to you is this: the major cost of just this one war alone, the war on Iran that began on February 28th, some estimate is actually in the trillions if you look at the overall economic costs over

time, future projections. But maybe you can talk about how this parallel process that you have pointed out, the economic calamity of the empire as a whole, its effect on everywhere, including the West, as we're seeing in France, how that affects ordinary people so severely.

But also, there's now, it's going in parallel, the decline of living standards, the pressure that ordinary people are facing. We're seeing it with diesel. We're seeing it in the bond market crisis. We're seeing it with the phenomenon of the rich getting richer off of all of this, while ordinary people get a lot poorer. That is also moving in parallel with the United States and the West as a whole finding themselves a lot less trustworthy and, ultimately, a lot less influential on the affairs of the planet. How do these two things go together?

#Guest

Well, let me pick up from what we were talking about, the decline of the American empire, because it has consequences and effects. And once you see them, it'll help clarify where we are. So notice something bizarre about the United States and Europe in these years. The two areas are bizarre in the following way: the United States is in less horrible economic condition than the Europeans, a fact that people in the United States, like Trump and Bessent, repeat over and over again. We're better off than they are. In the same way with China, China is much more economically growing, and growing fast, than any country in Europe or than the United States. If you wanted a measure of our empire's decline, I got news for you: the global reach and the global power of China is bigger each day.

We are declining; they are rising. That ought to be an issue. It's not that they are aggressive towards the United States. They don't need to be. They are growing very well for the last 35 years without expansion. Let me do that again: without expansion. The Chinese have one military base outside their country. The United States, 750. There's no comparison here. United States troops are all over the world in 20, 30, 40 countries. Where are Chinese troops? In China. This is an important basic understanding. It's never discussed here, which is why it's not in your head. And now let me show you some other consequences. You know, the Europeans and the American leaders, they know what I'm saying. They know that the wealth of those countries in Europe and here was crucially dependent on colonialism.

It's obvious in the case of France or Germany or Britain. Britain is a little, cold, wet island off the mainland of Europe, but when it could take over India, a country vastly richer, vastly larger, vastly more populous, with more resources than anything Britain ever had, so they took over India and they moved the wealth to Britain. Belgium took the wealth of the Congo, the richest area in Africa, and brought it to the little country in the northwest of Europe that would be a little poor country if it weren't for their colonial time. And then, when the colonial powers, above all France, Britain, Germany, Russia, culminated in killing each other in World Wars I and II, because that's what those wars were about, the competition of the empires.

They all destroyed each other, with one exception: the U.S. Because air power hadn't been developed yet, the Atlantic and Pacific Oceans protected us. In World War II, 27 million Russians died. In World War II, 400,000 Americans died. Elephant, fly. All deaths are horrible. All wars, terrible. But you cannot compare. So out of World War II, the destruction of all the old empires, and the Americans inherited. Our prosperity of the last 70 years is the prosperity of people who inherit their wealth. They don't make it. They inherit it. And therein lies, then, a desperation because we know, and the Europeans do, that we can't quite recover those colonies. They won't let us. So we have, and I mean this seriously, fantasies of a renewed colonialism. The Europeans are hysterical to have a war with Russia. Why?

Russia doesn't have military bases around the world. Russia has said nothing about wanting to expand into Europe. Why would the European countries? The Russians are taking years to fight a war with one little corner of Europe. They're going to undertake colonizing Europe? Stupid. Why? Why would you come up with that? Russia is the biggest country by geography in the world. The vast Asian part of Russia and a good bit of its European part are not well explored. They no doubt have every kind of rare earth and other valuable oil and minerals below that. Russia is already the largest producer of oil in the world on many levels, etc.

The fantasy of the Europeans is to fight a war with Russia, to somehow defeat Russia, and then, in the words of Kaja Kallas, the foreign minister of the European Union, carve up Russia into little countries, and each of us in the West can have one as a colony. And to show that we can outdo the Europeans in colonialist fantasy, Mr. Trump wants to take back the Panama Canal. He wants to grab Greenland. He wants to make Canada the 51st state. You get the picture? Colonial fantasies. So we can be rich again. He attacks the whole world with his tariffs. This is craziness, folks. It's the sign of an economy that's desperate to recover what isn't available.

To try to be a colonial power today is not to understand that the 17th, 18th, and 19th century, the era of colonialism, when the Europeans created the world economy, brought us all together, a great achievement of capitalism. We have to face the fact that the world economy they created was one ugly, lopsided production: wealth in Western Europe, North America, and Japan; poverty everywhere else. Wow. Not a good job. Good that you made a world economy. Terrible, the unjust, imbalanced, unequal, weird way you went about doing it. And that's okay, because that's behind us. We are living in the anti-colonial era, period of human history, when the whole world wants nothing to do with one country doing that to another.

If you try now to do that, you're going to get weird results. I'll give you an example. The little country of Israel is interested in becoming Greater Israel by taking Gaza, West Bank, southern Lebanon, and so on. And you know what that results in? Genocide. It's time to understand that, yeah, we are also a shrinking empire, and that is going to cost all of us. But we are living in an America in which the rich and the powerful, they want to keep all that colonialism. They don't want to give any of it up, and so as the empire goes down, they hold on to theirs. We, the rest of us in this country, have to give up more and more.

That's why you have the richest man in the world, Elon Musk, brandishing a chainsaw last year, cutting the government jobs of hundreds of thousands of Americans delivering services to our people. That's why last week, Vice President Vance announced proudly that they had removed 750,000 families from the Obamacare program so they wouldn't have to spend money on the health care of these people. The French people are in the streets saying, "No more of that." And the world watches to see whether and when and how other people—the French are always first at this sort of thing. That's why we are all interested in and learn about the French Revolution back in 1789. But it's coming here. Such things do come when the problems afflicting them are so similar to those afflicting us.

#Danny

Yeah, well, this point that you made about the United States empire receding and the colonial ambitions of the U.S., of Europe, and of Israel, how they are getting weird results. I think one of those weird results is what you mentioned, which is that the world is indeed shifting away, very, very violently, actually, away from all three of these entities, very much interlocked ideologically and, of course, economically. How do you see this affecting the global financial system? I said I wanted to get into this.

Everyone's talking about the bond market, the yields, the, you know, you mentioned the increasing rates in mortgages and investment and all of this. How does this part of it relate to this shift in the world that we're seeing, and how ultimately we're hearing all kinds of talk about the dollar being much stronger now, that the effects of the Iran war have been mitigated, but there might be something bigger and broader happening that perhaps the mainstream economists and think tanks and whatnot are missing.

#Guest

Yeah, I think that Mr. Bessent, he may have said—I can't remember whether he said it or somebody else did—this business about the dollar. The dollar is less of a factor in world trade today than it has been at any time since World War II. I mean, it's just silly. The line of development is unambiguous. It's not bouncing up and down. It's going down. It's just remarkable to me what is said. All right, here's the story. Around the world, when rich people or big corporations have money, wealth, and they're trying to hold on to it, I like to remind the world you can divide us into two groups of people.

Those who are focused on making a living, who don't have any wealth to speak of, and those who do have it, because the difference is those who have it are mostly concerned with how to keep it, whereas the rest of us are concerned about wealth only in the idea maybe there's some way we could get it, you know, some clever way, like buying a lottery ticket or something like that. And the safest way to hold wealth for rich people, corporations, and so on is the debt of a government. Why? Because if you have money and you just sit on the money, it's useless to you. And if prices are going

up, inflation is occurring, as it is now, well, then the value of that money shrinks. As prices go up, you're sitting on money. What you can buy with that money shrinks as the price of items go up.

So people who have a lot of money don't like to keep it in the form of money. Well, what can they do with it? They can lend it. There are markets where you lend. They're called capital markets. You're lending your money to others, and they're called capital markets because the major borrowers are people who have some projects, some investment they want to make, and they want to borrow the money, some or all of it, to make the investment. For example, every shopping mall you've ever seen was built by somebody who borrowed the money to pay for having it built, to pay the workers and to buy the steel and the cement and all the rest of it. Every hotel is constructed with borrowed money. The banks collect all the money people have, give them some piece of it, interest for it, and turn around and lend it.

But suppose you're worried about the safety of lending to Joe Blow or to Donald Trump or to anybody else because you're not sure they know what they're doing. You're not sure that their project will succeed. And you're terribly afraid that if they don't succeed, they will declare bankruptcy. We didn't make it. And one of the things you get when you go into bankruptcy is you get some or all of your debts erased. Whoa, that changes everything for rich people. They don't want to lend to anybody who might not pay them interest, might not pay them back the principal that they lent. And that has meant over the years that many people prefer to lend to a government rather than a hotel builder or a shopping mall builder or any builder or any major project. Right now, billions are being lent to produce AI facilities, data centers, and all of that.

But that's very risky. So people want to lend to the government. And the government particularly borrows. The United States is the biggest debtor country in the world. We owe \$40 trillion. Nobody else. We are it. We owe an enormous amount of money. People have been willing to lend to the United States government because it is sure to pay back, they think, they hope. In any case, it's in a better place to pay back than a private builder might be. First of all, the government has to publish lots of data about its own finances. Many companies don't have to do that. Borrowers, they have to show the bank, but who knows whether you can rely on them telling the truth? A crook is caught every day.

So lending to the government has been attractive until now. Why now? Because governments have borrowed too much. See, all this problem of human history: they borrow so much that potential lenders are beginning to scratch their chins, their heads, and other parts of their body, wondering to themselves, is it safe to do this? And the answer is, as the debt goes higher and higher, say in the United States, they're beginning to say, we're not willing, as we once were, to lend to you as much as you want. And the first sign of it is, suddenly more and more people are saying, I will lend to you, America and the United States, but because you're a big deadbeat borrower, you're going to have to pay me more interest to lend to you.

And so we read that the long-term borrowing debt of the United States is costing the government more and more interest. And in case people are wondering, what's this got to do with me? Here's the answer, Mary and John. Where do you think the interest comes from that governments pay to the lenders? Your taxes and my taxes. We send those taxes. When we drink a can of beer, or we fill our car with gasoline, or we pay our April 15th income tax, those taxes go to a government that takes now a huge chunk of that and does not use it to provide any service to the United States whatsoever.

It just takes that money and delivers it to the rich people, corporations, and a few foreign governments who are the major creditors of the United States. Look, friends, this situation is killing us. Mortgages are now 7.5%. You cannot afford a home. Most Americans can't anymore, and there's no end to that in sight. Hotel projects, half-constructed, are stopping because they won't borrow any more money to finish the project because they have to pay interest rates that make it unprofitable, which is why they built it in the first place. Things are falling apart around us. The gas costs more. Everything we buy in a supermarket costs more because it comes by truck.

And the truck uses diesel oil. And diesel oil went up even more than gasoline over the last year or two. So we're getting it from all sides. And then Vice President Vance cancels the medical insurance for 750,000 American families. It's coming at us from all sides. Meanwhile, the stock market is doing very well. It is. That's why Mr. Trump and Mr. Bessent point at it. But the statistic they never add to their remarks is the following: the richest 10% of Americans own 80% of the shares. In other words, those are the people who can hold on the longest. We are the ones who have to pay the price of a declining empire.

And because we don't sit down with the rest of the world to work out the decline of our empire, because we think we can get more empire, we can rename the Strait of Hormuz to be the Strait of Ivanka Trump, or whatever the orange man has in mind. We are wasting vital resources, hundreds of billions of dollars, in Ukraine, now in the Middle East, and supporting Israel, and so forth and so on. That's money that could have and should have been used to work out a livable planet. Why are we tilting everything against China? This is not a war. What's that going to have, a war? China has four times or five times the population of the United States. The alliance between Russia and China makes them more militarily powerful than we are, by a lot. Are we going to continue to make believe that isn't true? That's what we're doing now.

We're fighting a war thousands of miles away over the Strait of Hormuz, before the United States, thinking it could hold on to its control of the world, initiated a war against Iran in June of last year and then again in February of this year. Before that, the Strait of Hormuz was open. Mr. Trump is going to say, "I opened the Strait." You didn't open it. You closed it by what you did. Now you want to open it. The world is looking at this and saying, "What do we need this clown for?" If he weren't around to have attacked Iran, this whole issue—the Strait wouldn't have been closed, the oil would have continued to flow, the price of gasoline... The things Mr. Trump wants now, he needs to fight

for because he did that which caused the problem. To re-elect people like this is the equivalent of shooting yourself in the foot.

#Danny

My final question to you, Professor Wolff, given all that you just said, there is this hubris that I've identified around, especially this notion that you just laid out in terms of impact on the dollar, the impact on ordinary people, the way that money is spent. There's a lot of people who say, well, the United States can just print money for whatever it wants, however it wants, and this makes it almost insulated from not just economic crises, but also inequality. The notion that any war, like the Iran war, could bankrupt the United States or could have a longstanding fiscal and economic impact on the United States economy. What do you say to this? Because this is something that always bothers me. I hear it all the time. Well, the United States is going to keep printing money. Taxes don't matter. Just print, print, print. How do you address this statement I've heard from, in particular, mainstream—even mainstream economists, but even those who are very critical of what's going on right now?

#Guest

I hear it also, Danny, so I'm glad you bring it up. Let's begin this way. The statement is roughly true. Of the 70 years from 1945 to, say, 2015, for that period of time, the United States could print dollars, and the world was so hungry for the dollar, either to get it and keep it as a reserve in their central bank, or for rich people in other countries who wanted to hold a portion of their wealth not in their own country's currency, because that wasn't so safe, but to keep some of it in American currency. Yeah, the American government could borrow, and everybody would lend because it was the safest, securest company—or government, in this case—to lend to.

So for 70 years, the dominant position of the United States, the inheritor of all the empires when they were no longer able to continue running their empires. For a while, you could do what that saying says. The mistake those people are making is the same thing that we are talking about this entire hour. The empire is over. It's not growing. It's not peaking. It's declining. And so everything that we thought we had is, step by step, not in a straight line, not all at the same rate, but it's declining. Let me give you an example from the military, because we haven't talked about that. In 1975, we lost the war in Vietnam. We lost it.

We went 10,000 miles away, as far away as you can get from the United States. Before you've gone so far, you're coming around the other side of the planet. We fought a war some years long. Half a million American soldiers were sent there. Our enemy was what? The Communist Party of North Vietnam. At that time, Vietnam was one of the poorest countries in the world, and the United States was the global inheritor of the whole world as its empire, richest, most powerful, biggest military, and we lost. You know how we know we lost? Because the government of Vietnam today is the Communist Party of North Vietnam. That was the people we fought. They won. We lost.

All those American troops are gone. The United States has nothing from that war except all the dead, all the wounded, all those who committed suicide, and the tens of billions of dollars lost. A little bit later, we had another war in Afghanistan. The enemy then was the Taliban. You know who runs Afghanistan today? The Taliban. That's another clue who won and who lost. We just left Iraq, finally, after many, many years. And Iraq is now mostly a good ally of Iran. We didn't win. And now Iran. And Iran is different, because unlike the Vietnamese, they won by outlasting the American military. The Taliban won by outlasting. They couldn't fight back. They didn't have an air force.

They didn't have a significant navy. But the Iranians—the Iranians are something new. We're probably losing, but the Iranians hit back. They have drones. They have missiles, lots of them, and they're buried in places where the Americans can't get them. Tried twice, failed twice. Wow. You notice something? You lose. You lose. You lose. And now you're losing more dangerously because look at the damage Iran has done. Flattened the American military bases in four or five countries in the Gulf area. Wow. But here in America, no one explains. And I'm not making this up, and I'm not using any secret data. This is all public information. It's everywhere, friends. And nobody, nobody dares to say this to us.

American companies moved production out of the United States to China over the last 40 years because it was profitable to do so. No one held a gun to their heads. The American government didn't make them go. The American worker didn't make them go. Profit—which they were already making—they wanted more. And going to China got them lower wages and a government eager to bring U.S. technology and all that for them to learn and for them to use, which is what they've done. Just like early America used European resources and skills and technology. That's what countries that come later do. We ought to be aware of our decline, not because, you know, we should be shamefaced about it. Decline has happened to every empire in human history.

The Greek, the Roman, the Ottoman, the Persian, you name it. We have nothing to be... You don't see Greek people walking around shamefaced because their empire declined. It's not a question of stopping it. You can't do that. Nobody can. The question is how you do it. Will you gracefully decline, make that a shared sacrifice, bring the country together to go through this phase in a solidaristic way, in a community way, rather than being at each other's throats? And that means not just internally, but with the rest of the world. The Chinese want a chance to grow and be rich, to do for themselves exactly what Americans did. Are we going to be the enemy of that? If you're the enemy of that kind of progress for a country four times larger than you, then you're being stupid.

#Danny

Professor Wolff, it was a great program today. I want to make sure everybody knows that your website, Democracy at Work, is in the video description, so everyone should check that out, as well as the YouTube channel for Democracy at Work. I want to thank everybody who viewed today. Thanks for the super chats near and far. I appreciate it. Thank you so much, Kirk, for your super

chat. And thanks to all the moderators who are in the chat today. Thanks to everyone who was watching overall. Hit the like button before you go. Professor Wolff, any final words before we head out of here?

#Guest

No, it's just, I want all—you know, you kindly invite me, and I'm very glad to be here. But I want to give some kudos to you for doing what you do and doing it regularly and consistently. The country needs this kind of conversation more than ever before, and people like you that provide it are doing a very, very important public service. And I just want you and the listeners and viewers to think about that for a moment.

#Danny

Really appreciate that, Professor Wolff. I can't wait to have you back on again very soon. We'll head out together. Everybody, hit the like button before you go. All the places to support this channel are in the description below, as well as the places to check out all of Professor Wolff's work. All right, until tomorrow, 2 p.m. Eastern Time, I'll be back. I'll announce who's coming on then. Bye-bye.