

Peter Schiff: Iran War Creates Chaos in the World Economy

Peter Schiff is the CEO of Euro Pacific Asset Management and the host of the Peter Schiff Show. Schiff explains why the war against Iran creates chaos in an already fragile US economy, and sends shockwaves through energy markets. Visit Peter Schiff's Euro Pacific Asset Management: <https://europac.com/> Follow Prof. Glenn Diesen: Substack: <https://glennDiesen.substack.com/> X /Twitter: https://x.com/Glenn_Diesen Patreon: <https://www.patreon.com/glennDiesen> YouTube: <https://www.youtube.com/@GDiesen1> Support the research: PayPal: <https://www.paypal.com/paypalme/glennDiesen> Buy me a Coffee: buymeacoffee.com/gdiesen Go Fund Me: <https://gofund.me/09ea012f> Books by Prof. Glenn Diesen: <https://www.amazon.com/stores/author/B09FPQ4MDL>

#Glenn

Welcome back. We are joined today by Peter Schiff, the CEO of Euro Pacific Asset Management and host of the very popular Peter Schiff Show podcast. I'll leave a link in the description. Thank you for coming back on again. Glenn, thanks for having me on. So, we know that politics and economics often go hand in hand, and I've been looking forward to the opportunity to ask you about the economic dimension of this war against Iran. I'm not sure where the best place to start is—perhaps Iran's deterrence. Is this simply an effort to push back against the United States? Is it mainly aimed at damaging the economy? Or how do you see the economic dimension of this war?

#Peter Schiff

Well, I think it's going to have negative implications. The economy was already weak before we launched this war. In fact, we just got the February jobs numbers, which, of course, were from before the war, and we lost 92,000 jobs. It was the worst report in five years, at least based on the initial data. But with downward revisions, there was actually a bigger job loss in October 2025. Three of the last five monthly job reports have shown net losses in jobs. So we have a very weak labor market that's now going to get even weaker because of the war. We already had inflationary pressures building, and now they're going to build even more.

In fact, oil is now almost \$90 a barrel. It's up more than 60% so far in 2026. So, you know, consumers are going to get hit with the worst of everything—a weakening economy, job losses, and a rising cost of living. This is very damaging. The war, you know, obviously is expensive. If it lasts longer than the administration hopes—which it probably will, because I don't know a war that's ever really gone the way the warmongers have promised—you know, we get into the Middle East and we're there a lot longer. It takes a lot longer. Who knows if we can even win the war based on what our objectives are? I mean, can we bomb Iran, ultimately, into submission?

I suppose we can drop enough bombs on them, but I don't know that that accomplishes regime change, because the regime that rises to fill the vacuum we create could be even more hostile to the United States than the one we destroyed. And who knows? I mean, we may not be able to do this with missiles and bombs. We may have to put troops on the ground, and that could be an even longer process. There could be a lot of casualties—on both sides. So, you know, I think this is a net negative. Wars are expensive, and they often lead to a lot of inflation because governments tend to pay for wars with debt and money printing.

So I think this is bad. And I think it's also politically going to damage the president further. I think Republicans are going to take a slacking in the midterms, and I think the Democrats will get the White House back in 2028—which is not positive for the U.S. economy, because I think they're going to be emboldened with a socialist mandate. At least that's what they're going to claim. And a complete repudiation of everything Trump supposedly stands for, which would be capitalism, even though he's really a socialist too, based on the policies he advocates. So I think, all in all, it's a big problem.

#Glenn

But isn't one benefit of war that it diverts attention away from failings at home? I mean, definitely here in Europe, whenever things are going badly domestically, there tends to be an excessive focus on foreign policy. But with this war in Iran, there are already problems with the tariffs and the bond markets. You can look at the Epstein files. Do you think at least this will fade into the background as the war progresses, or not this time?

#Peter Schiff

Well, there's always the chance that that's exactly why we went to war—as a distraction from all these other problems. In fact, if you look at some of Donald Trump's older posts on X—at the time it was Twitter—he accused Obama of potentially starting a war with Iran to use it as a distraction from his inability to negotiate, from his faltering poll numbers, from problems in the U.S. economy. So it's very possible that Donald Trump is doing exactly what he thought Obama was going to do. And, you know, he did have some significant losses. The Supreme Court rightly declared his tariffs unconstitutional. Also, the tariffs were never paid by foreigners the way Trump claimed—they were paid by Americans.

In fact, if you look at import prices year over year—from before the tariffs were implemented, or even before Trump was really president, until now—import prices are basically flat. They didn't go down. And the only way foreigners would have paid our tariffs would have been if they'd dropped their prices enough to compensate for the tariffs we pay. But they didn't do that. So Americans are still paying full price for the imports, and they're paying the tariffs on top. Now, I think that's going to change this year. I think you're going to see import prices rising in addition to the tariffs. The

tariffs might be lower now because the Supreme Court has struck down a lot of them, so we'll see. But they're going to end up being a policy and economic disaster for the president.

And of course, yeah, look what was going on with the Epstein files. Howard Lutnick, you know, in the president's cabinet, looking particularly bad when it comes to his relationship with Epstein and the obvious lies he's been telling to try to downplay the significance. Not that I necessarily think he was involved with anything illicit, but I think he's lying about his relationship with Epstein. Uh, he's afraid to come clean and admit, I think, how big that relationship actually was. And it wasn't just Lutnick. I think the whole Trump administration wanted to get past the Epstein files. It was a developing story. And yeah, this war certainly knocked everything off the headlines. And now the war is the big topic of conversation.

And so it may have been started to achieve that purpose. I don't know. But I don't believe what Trump said. I don't believe for a minute that he had any credible reason to think Iran was about to attack us. It doesn't make any sense that they would do that. And I think we put them in a stronger position by attacking them, because now they look like the victims and we look like the bad guys. And, you know, if they were going to attack us, we should have let them do it. Then we could have retaliated from a much higher moral ground, and there would have been a lot more support for the war had we been attacked by Iran. Instead, we chose to go to war with Iran and put them in a position of having to defend themselves.

#Glenn

Yeah, that's a bit disappointing. I was initially pretty enthusiastic about the potential of a Trump presidency—the promise of reindustrializing, ending all these expensive forever wars, and having more transparency in terms of flushing out the Epstein class. But all of that kind of reversed at some point, which was disappointing.

#Peter Schiff

I mean, I was disappointed in the president's economic policies. The big, beautiful bill was a spending disaster. I was against the tariffs. A lot of his other economic policies that he's advocated—capping credit card interest rates, banning private companies from buying residential real estate, the efforts to potentially privatize Fannie and Freddie, what he's already done with the GSEs as far as having them go into the market and buy mortgage-backed securities—pretty much all of his economic policies have been wrong. But at least, you know, on the military, on defense, he wasn't starting any wars. But now he's ruined that. So he's betrayed everything that he supposedly stood for.

And I think this is going to be the biggest political blunder since George Herbert Walker Bush—"Read my lips: no new taxes"—because he made a promise to the American people and then broke it. That's exactly what Trump did. Trump ran to end wars. He specifically criticized prior presidents who

went to war in the Middle East and said that never would have happened if he were president. So nobody voted for Trump hoping he was going to start a war with Iran. In fact, people were told that if you voted for Harris, you were voting for war with Iran, and that we needed to vote for Trump to make sure that didn't happen. And now Trump is president, and we're fighting a war with Iran.

#Glenn

Yeah, there was the advertisement as well—Trump vans, the peace ticket. So that didn't go as planned. But this war, of course, is taking place in a very sensitive part of the world. And given that the retaliation from Iran isn't only going after the U.S. military, but also appears to be targeting U.S. allies—more specifically, economic interests—the Gulf states have an interesting position, I think, in the world economy. Many of these, well, family-run countries are organized largely around energy because they're rich in it, and also around finance and real estate. They're often populated mostly by expats. So how do you see the potential of this region unraveling?

#Peter Schiff

Well, I mean, obviously there's a lot of potential there. First of all, you've got the disruption in the Strait of Hormuz—you've disrupted all the traffic through that particular waterway. About a quarter, maybe 20–25% of all the world's oil moves through there. But you've also got missiles flying around the Middle East because Iran is in a position where it has to attack U.S. assets in neighboring countries. And we've got bases all over the Middle East. Now Iran is launching missiles at those bases to try to take them out, because we're using those bases to attack them. But in the process, with all these missiles flying around, you're going to have some collateral damage.

You're going to have some civilian targets that are inadvertently hit. But there's also the chance that other countries get dragged into the war because they perceive what Iran is doing as an attack on them, since the missiles are landing in their territory. But you never know—other countries could side with Iran in the Muslim world. They could see Iran as the victim, especially since we put them in a position to claim that status by being the aggressor. And by launching an attack on them—I mean, there were negotiations going on. Now, Trump claims they weren't going anywhere, but, you know, you're not supposed to attack the people you're negotiating with.

I mean, it's not really good form to do that. You should break off the negotiations first. But I think other countries could side with Iran. There could be an entire war in the region, and who knows—other countries could be dragged in. Iran has some powerful allies—the Russians, the Chinese. I mean, now you're talking about a world war. So you never know what could happen. You open up a can of worms, and you just have no idea what you've let loose. And that's why we shouldn't have done this in the first place. I've been against it for all sorts of reasons. First and foremost, I think it's another unconstitutional war.

It's another war started by a president. Presidents are not supposed to start wars. Congress needs to declare war. The decision to go to war needs to be deliberated, and it needs to be reached by a consensus of Congress, not just the whim of one man. We can't have one individual deciding that America is going to war—that's not how our republic was formed. And I don't think it's a good idea, because wars are going to be a lot more common and a lot more frequent if one person can just decide to take us into a war for whatever reason he wants, or no reason whatsoever. It's much more difficult if you have to convince Congress that the war is necessary and they all have to go on record voting for it.

You know, I'd much rather see that than have a president who doesn't even have to be accountable. There's not even, you know, a reelection—Trump can't run again. So, you know, other Republicans could bear the consequences of his decision, but he doesn't. But at least the congressmen and the senators, you know, they're always going to be held accountable for their decisions and their votes because they have to run for reelection—or at least they want to. These guys are constantly running for reelection. So I'd rather have accountable politicians deciding to take us into war than someone who's not going to be accountable to anybody.

#Glenn

Yeah, I guess the strange dimension was that Trump seemed to be leaning toward the idea that the U.S. had to make a pivot—that it can't be everywhere. So, pivot to the Western Hemisphere and Asia. In other words, get out of Europe and the Middle East now.

#Peter Schiff

Yeah, I guess... I guess the Nobel Committee is happy now that they decided not to give him the Nobel Peace Prize after all. He was really pissed off that he didn't get it. They'd be asking for it back if they had given it to him. And then he goes and starts a war.

#Glenn

Yeah, well, I guess it is a bit strange. The military should be the last resort because it's expensive—not just in monetary terms, but also for society.

#Peter Schiff

We dropped a bomb on a school. We killed, like, a hundred-plus schoolgirls. Obviously, that wasn't our intent, but stuff like that happens. It's just an unavoidable consequence when you're launching missiles—they don't always hit the target or whatever. But I just think about all the brothers and fathers of those girls. How much are they going to hate the United States now compared to before? We're making a lot of enemies when we do stuff like this.

#Glenn

Well, that's the problem when all you have is a hammer—every problem looks like a nail. I think it's one of the curses of having a big military. When you have the supply, it creates a seeming demand for it. But regarding energy—because you mentioned not just the Gulf states, but, as you said, they closed down the Strait of Hormuz, where 20% of the world's oil goes through—what are the wider consequences, though, in terms of the energy wars or how the other great powers might position themselves?

#Peter Schiff

Well, I mean, obviously higher energy prices will take a toll on energy consumers. When it becomes more expensive, and to the extent that we have to spend more money on energy, we have less to spend on other things. So yes, there are obviously consequences. Now, there are winners—obviously energy companies, to the extent that they can actually produce and sell their oil at higher prices. They're going to be the winners. But overall, I think it's going to do a lot of harm to the global economy that runs on energy, and we need more energy than ever before, especially now with all the build-out of AI data centers.

All these data centers need energy. They all need to be powered. So this was not a good time to start a war in the Middle East—not that there ever is a good time to start one—but there are a lot of reasons we should have tried to avoid going to war. And I don't think there was an imminent threat to the United States. I don't know exactly what the threat was to Israel, or why they thought it was so imminent that they needed to attack Iran. But if it was really something Israel needed to do, I still think the U.S. could have stayed out of it.

And, you know, that may have been better for the U.S. and for the region, because then Iran wouldn't be attacking our military bases and those other countries. It would be concentrated between Israel and Iran. I'm sure the Israeli army could take care of itself, but, you know, by having America come into it, that really raises the stakes and makes it a much bigger deal. Because, you know, we're the big, bad, evil guys as far as they're concerned—and a lot of other people in the Arab world will see it that way. And the longer it drags on, the more they're going to see it that way. The more civilians that end up dead, the worse we're going to look.

#Glenn

Well, regarding energy supply—China, of course, has been building up its energy production in a very impressive way. It's quite astonishing growth in terms of the supply of cheap energy, which is a great indicator of industrial strength if you want that lifeblood to feed your industries. But in Europe, we have a bit of the opposite problem. Our leaders recently celebrated that they'd liberated themselves from Russian energy, and now, I guess, against our will, we're also liberated from Middle Eastern energy. How do you see the European economies being influenced by this?

#Peter Schiff

Yeah, I mean, they've made a lot of bad decisions on the altar of global warming and trying to move away from fossil fuels, and that's been a disaster. They need to move away from that and start exploiting the best possible sources of energy, and forget about this nonsense. But politically, that's kind of how the pendulum has swung. I do believe that eventually high energy costs, and the damage they inflict on economies, will have blowback against these politicians and force some kind of change in the agenda over there.

#Glenn

I also wanted to ask about the gold and silver markets, because after reading your books, that's what really motivated me to buy gold and silver. How do you see these prices—since they've already been exploding over the past few weeks—how do you see gold and silver moving as a result of this? Well, they haven't really...

#Peter Schiff

They haven't really moved much at all over the past week. I mean, gold's still around 5,100, 5,150. Silver's 82, 83 dollars, somewhere in there. So, the metals prices haven't moved very much. There was an initial move up the evening—the Sunday night after the bombs dropped on Saturday—but it was muted. I mean, gold didn't even make a new high above 5,500, and of course silver didn't even come close to the high it had set. And then, you know, we got the classic "buy the rumor, sell the fact." I think it was pretty obvious for a while that something was going to happen with Iran, and some traders had positioned themselves long in the market in anticipation of that. When it happened, they sold the news. But I think after we start digesting the implications, gold and silver prices are just headed much, much higher.

I mean, it was already a bullish case even before the war, but the war just makes it even more bullish. So I think we're going to see a big move up, especially when the dollar rolls over and falls. The knee-jerk reaction, just like in every conflict, is buying the dollar as some kind of safe haven. But I think that's going to wear off pretty quickly, and the markets are going to resume the de-dollarization trend that was already in place—especially when they start to pencil in the massive deficits we're going to be running as a result of the war and the recession the war helps create. The deficits are going to be in the stratosphere, and we're going to be cranking up the printing presses like never before to pay for it. I think the world's going to recognize that and move even faster to de-dollarize and embrace gold.

#Glenn

Well, last time we spoke, you mentioned that you foresaw a big economic crisis coming—much worse than the one in 2008 and 2009. How do you see the overall trend now? Is it speeding up toward that end, or do you see any possibility of America somehow coming out on top of this, maybe with some economic benefits? I mean, because of the war?

#Peter Schiff

Look, I suppose if we actually can achieve the objectives in just a few weeks—where the Iranian government is replaced with a more Western-friendly government that's not a religious state, where the Iranian people enjoy more freedoms and liberties—so it's a more tolerant society with more Western-type values, and it's not a military threat to anybody, not a sponsor of terrorists or any of that—if we get this Goldilocks, perfect scenario and the Middle East ends up being a lot safer and more prosperous, then yeah, I guess it would be a win.

But I mean, I think it's kind of Pollyannish to believe that that's going to be the outcome. Yeah, I just don't see any historical precedent for that kind of result. All of the prior adventures we've had haven't ended that way, so I don't expect this to be any different. I think we're going to be in there for a long time, we're going to spend a lot of money, and we're not going to make the situation better. In fact, there's a pretty good chance we make it worse. You know, that's what I think.

#Glenn

Just one last question, though. Do you see anyone gaining from this war at all, or is it just a massive loss for the world?

#Peter Schiff

Well, there are always gainers. First of all, the military-industrial complex gains, because now they get orders from the Pentagon for more weapons and more bombs. These things are expensive, and that's why military stocks have really taken off—because their earnings are going to explode based on this war. I mean, war is very profitable for the companies that supply the war effort. And yes, the war is going to disrupt things in ways where some lose and others gain. So there are going to be companies and countries that are better off because the world's at war. But, you know, there are also going to be plenty of countries and companies that are worse off. And overall, it's a net loss for the world. I don't even think it's zero-sum.

I think overall the world is poorer. And that's not even taking into account the human toll. Forget, you know, the individuals who lose their lives and the impact that has on their families. Apart from all that, the world is worse off. I mean, we're talking about destroying a lot of infrastructure in Iran, and now we've got to rebuild it. In fact, Trump is saying that we're going to help rebuild it. With what money? I mean, we're going to destroy the infrastructure with expensive bombs, and then

we're going to build it back up again—so we're going to pay to destroy it, and then we're going to pay to recreate what was already there. What a waste. But we're already in debt. So, look, I think there are going to be winners and losers.

I think the U.S. will ultimately be a big loser. I think the dollar will be a loser, especially if we lose the war. I mean, imagine that. That's not outside the realm of possibility. What if Iran hangs tight? What if we fire off all our bombs and missiles and they're still there? Yeah, we kill a bunch of them, but they don't surrender. The regime is still in power, and they're still firing missiles at us. Then what? Are we going to have to fight a ground war? Are we going to bring all our troops in? If we have to do that, we've pretty much lost the whole idea that we were just going to do it from the sky. And then could we win on the land? I mean, Iran's a pretty big country.

You look at it on a map, you know? And, I mean, how many troops are we going to send over there? The Iranians could be hunkered down deep underground. I know it may not be a cakewalk. Look, we didn't win the Vietnam War. We're obviously a much bigger country than Vietnam, and we couldn't beat them. So who the hell knows? It's possible it could be an embarrassment to the United States, and our military reputation could go down. You know, Trump is out there saying we're so strong, we're so great—we've got the greatest this, the best that. Well, we'll see. Anything is possible. As I said, you open up a can of worms, and you just have no idea what you're in for.

#Glenn

Yeah, well, it's a country with about 90 million people, roughly 2.7 times the size of Ukraine. It's a massive, mountainous country too, so without ground troops, it could be a difficult thing to pull off.

#Peter Schiff

And Russia hasn't even won in Ukraine yet. Look how long they've been fighting that war.

#Glenn

Yeah. Yeah. No, it doesn't seem like a very good strategy at all. But just a final question: a lot of the post-Bretton Woods system is built around the petrodollar—the Gulf states selling their oil in dollars and then reinvesting those dollars into the U.S. A lot of this is based on the idea that the United States' security guarantee would be solid. Do you see a possibility of the Gulf states pulling back after this, or any disruption to the system?

#Peter Schiff

Yeah, I mean, I've been predicting that even before the war. I think this could actually hasten it. Now, maybe some people think it'll slow down—that the war will cause people to buy the dollar, which has happened so far—but I don't think so. As the war goes on, you're going to see a reversal

in the dollar. You'll see more money continuing to flow into gold, and that's going to undermine the dollar's position as the reserve currency.

#Glenn

Well, as always, thank you very much for taking the time. I know you're busy, and I really appreciate it.

#Peter Schiff

Yeah, and, you know, your listeners should take advantage of the fact that the markets are in a lull right now. Just like oil had a delayed reaction—for the first couple of days, everybody was celebrating, like, "Oh, look, oil's barely up. It's all because of Donald Trump's 'drill, baby, drill.'" Well, we're barely producing any more oil now than we were in 2024, so that's got nothing to do with it. I think it was just a delayed reaction. And now oil's up almost ninety dollars and headed higher, and I think gold is going to have a delayed reaction too. I think gold is going to explode much higher—we could be at six thousand very quickly.

So before that happens, people should buy it. You should go to my company, SchiffGold, at schiffgold.com, and buy gold—buy silver now—before the next big move up, which could happen any day. And also, as I mentioned, there are winners and losers. I think the investment strategies we're pursuing at Euro Pacific Asset Management will make our clients big winners economically. I mean, we all lose as Americans—we lose as human beings—but we could win as investors. And, you know, that's all we can do. We can't control the war; we can't stop it. So we can either lose or profit, and given those two choices, I'd rather make money than lose money.

Most people are going to lose money because they're following the wrong strategies. But I think the strategies we're pursuing at Euro Pacific Asset Management are going to win. People should go to our website and contact our advisors at europac.com. Or, if you want to do it yourself, learn about my mutual funds. I've got five mutual funds that we manage, and you can get information on all five at europac.com. You can buy them no-load at any of the major discount brokerage houses throughout the country. So do your homework now and get positioned, because if you wait too long, I think it's going to be an unfortunate outcome—and unfortunately, most people are going to be in that boat.

#Glenn

Well, I'll leave a link in the description, because I very much agree—when the world burns, it's important to protect your wealth as well.

#Glenn

Thank you very much.

#Peter Schiff

All right, take care.