

Jiang Xueqin: New World Order - Iran War Ends U.S. Empire

Prof. Xueqin Jiang discusses the wider consequences of the war against Iran: The US empire commits suicide, Israel increasingly becomes a theocracy, Iran rebuilds as a regional power, instability spreads to East Asia, Europe's relevance continues to collapse as it fails to adjust to the new world, Russia will escalate in a big way, and China will fail to preserve the rules of the old world order that made it so prosperous. Prof. Jiang is the host of the popular educational channel Predictive History: <https://www.youtube.com/@PredictiveHistory> 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> Books by Prof. Glenn Diesen: <https://www.amazon.com/stores/author/B09FPQ4MDL>

#Glenn

Welcome back. We're joined today by Professor Zhang, who uses historical patterns and game theory to predict the direction of geopolitics. Professor Zhang is famous for many things, among them predicting the return of Trump and also the war against Iran—now a second war, that is. Thank you for coming back on the program. How do you make sense of this war against Iran? I mean, how do you measure how this war is developing in terms of where the successes or failures are?

#Jiang Xueqin

Right. So, first of all, Trump has failed to articulate a purpose and a strategy for this war. At first, it was about uranium enrichment in Iran and the fear that Iran would develop a nuclear weapon. In fact, in Trump's State of the Union address, he said he would never allow Iran to develop a nuclear weapon. Both chambers of Congress—Democrats and Republicans—rose to cheer and applaud. It was really the first time Congress showed any unity during that speech. It was an extremely political speech. But the problem is that the Omani foreign minister, a few hours before the Americans and Israelis struck Tehran, told us the Iranians had already agreed to zero uranium enrichment, even for civilian purposes.

So the idea that Trump needs to prevent a nuclear weapon doesn't hold. It's just a pretext. They tried many different excuses, and then finally Rubio said this—Rubio basically said, "Look, we had to attack because Israel was going to attack first, and then the Iranians would retaliate against both the Israelis and us. So to defend ourselves, we had to preempt Israel and attack first." So they're

struggling for a narrative. They're struggling to explain to the American people why this is happening. They're also struggling to contain the fallout, because after the Americans and Israelis struck the Iranians, the Iranians started to bombard U.S. bases in the GCC, and they closed off the Strait of Hormuz.

And this is doing tremendous damage to the global economy. Oil right now is approaching \$120 a barrel—maybe \$110, I'm not quite sure—but that's double from a week ago. And remember, the Strait of Hormuz delivers most of this oil to the Asian economies of Pakistan, India, China, South Korea, and Japan. Japan relies on about 75% of its oil from the Strait of Hormuz. So in about seven or eight months, Prime Minister Takeuchi has informed her cabinet that Japan will be out of oil. And Japan is a manufacturing powerhouse. So this war has been a disaster. Even today, Trump has failed to articulate why the Americans are doing this, what the purpose is, and what the off-ramp is. What we're seeing, day by day, is pretty rapid escalation.

In fact, I think on the second or third day of this war, there were rumors of ground troops. Yesterday, there were rumors that the 82nd Airborne Division of the U.S. Army was given deployment orders, meaning it's possible the Americans might airdrop these soldiers into the middle of Iran. For what purpose, we don't know. There's talk of the Americans seizing Kharg Island, which is Iran's main oil depot and accounts for about 90% of its oil exports. There's talk of the Americans funding proxies. There's talk of using tactical nuclear weapons. There's even talk of a national draft to find 500,000 soldiers for a ground invasion of Iran. So this war is completely out of control, and it's completely unclear what the Americans hope to accomplish with it.

#Glenn

Yeah, the narrative, I think, was very poorly planned—maybe even worse than the war itself—because it began, as you said, with nuclear weapons, then moved to ballistic missiles. Then, apparently, they wanted to help protesters, and it became about the oil, that it should be taken out of the hands of the Iranians. Then Trump mentioned Iran might take over the Middle East, so we had to go in.

And, as you said, the Israel thing was interesting, because if the argument is that Israel will attack Iran, then Iran will retaliate against Israel and the United States, so they have to go in first. They're essentially admitting they're fighting Israel's war, but they can't say that either. So the ability to find a narrative was kind of poor compared to other wars. Others usually have one narrative, all the media organize around it, and everyone obediently repeats the same talking points. It hasn't been done well. But this is a war of attrition, though, to a large extent—that is, all sides seeking to exhaust each other. And this isn't just in terms of weapons and ammunition; it's also spilling into energy and water, or just general economics. How do you see who would exhaust whom first?

#Jiang Xueqin

Right. So I think Iran is trying to fight a war of attrition, putting pressure on the global economy and on the GCC nations, because Iran believes that the GCC countries—especially Saudi Arabia, Qatar, and the UAE—can apply pressure on Trump to end this war as quickly as possible. By closing the Strait of Hormuz, Iran is also trying to pressure the East Asian economies of China, Japan, and South Korea to push Trump to end the war as soon as possible. So the Iranians are fighting a war of attrition; unfortunately, the Americans are fighting a war of destruction.

Even though they haven't stated the purpose, it's clear from what's happening on the ground that the Americans and Israelis are intent on the complete and utter destruction of the Iranian government's capacity to deliver basic services to its people. What I mean by that is, yesterday they struck a desalination plant in Iran—so you're denying fresh water to the civilian population. That's a war crime. Then the Americans struck oil facilities in Tehran. These are civilian oil facilities, so citizens in Tehran can drive their cars. And if you look at footage from Tehran, it's the apocalypse—there's acid rain, the entire sky is black.

And these people have to breathe that air, so they'll develop cancer, they'll have birth defects. It's almost like chemical warfare. So if you're saying this is a war of attrition, that makes no sense. A war of attrition means you embargo Iran economically. Why are you targeting civilians? You know, in the first days of the war, a Tomahawk missile hit a school in southern Iran and killed about 170 schoolgirls. This was an elementary school—170 schoolgirls were killed. And this war, the way it's being constructed, the way it's being fought, seems to me that the Americans are focused first and foremost on the destruction of Iran, as opposed to regime change.

#Glenn

Yeah, well, I guess that's a good description. Iran is fighting a war of attrition, so time won't be on their side while the U.S. is trying to destroy a country with 90 million people in it. So this is quite problematic. But for the Iranians, of course, it's limited what they can do to the United States. They can hit U.S. bases, sure, but it seems Iran is prioritizing going after the Gulf states because that's a good way to create some pain for the U.S.-led alliance. How vulnerable do you see them being here, though?

#Jiang Xueqin

Yeah, so the Gulf states are the great vulnerability of the American empire, because Israel—it has an eschatology. Unfortunately, religious zealots have taken over the state of Israel, so they're perfectly okay with dying for what they believe in. They can live in bomb shelters for years and years; that's how strong their faith is. And Israel was designed as an extremely resilient, extremely creative society, so Israel will emerge from this war intact and probably even stronger. But the Gulf states are different. The Gulf states are basically mirages. Fifty years ago, these were just deserts, right? And for most of human history, the Arabian Peninsula wasn't very inhabited because it didn't have access to fresh water and didn't have much agricultural output.

So it couldn't sustain a large population, and most people were desert nomads engaged in trade. But Pax Americana changed all that, because it needed oil to fund its empire and could offer protection to the Gulf states. So they developed really rapidly. Cities that once had maybe tens of thousands of people now have millions. One striking example is Dubai. You know, if you go to Dubai, it's just skyscraper after skyscraper. It's a very glitzy city, trying to be the financial capital of the Middle East. And there are thousands of extremely wealthy individuals who've transferred their savings to Dubai because they believe it's safe, it's comfortable, with lots of good Michelin restaurants, lots of five-star hotels, and no taxes.

But this image of Dubai as a financial hub is now shattered by the war, and they'll never recover from it. In fact, we're already hearing rumors of millionaires fleeing with their wealth—now they're going to Singapore, now they're going to Southeast Asia. A bigger problem is this: because the Strait of Hormuz is closed, their oil economies have collapsed. They can no longer sell their oil, and they've shut down their production facilities. What people don't realize is that the Strait of Hormuz takes GCC oil to Asia, but it also brings back food. The GCC imports 80 to 90 percent of its food supply. So the rumor is that Dubai will run out of food in about a week's time.

Then there's the issue of fresh water, where the greatest vulnerability is actually the desalination plants. The GCC nations' desalination plants provide about 6% of their total water needs. If those plants are destroyed, they'll run out of water in one or two weeks, which would mean the complete collapse of the GCC. Now, destroying desalination plants would be the nuclear option for Iran, and I don't think they'd use it lightly. But there's really no coming back from what's happening. For the longest time, the GCC had a reputation for being safe and extremely wealthy. And now that mirage, that illusion, has been shattered—and once it's shattered, you can't ever bring it back.

#Glenn

No, I very much agree. The Gulf states aren't just dependent on energy, but also on finance and the real estate market, which is propped up by all the expats. But what you're also describing is that these small monarchies sell their oil in dollars, and the U.S., in return, offers protection. This was the petrodollar system that replaced Bretton Woods once they closed the gold window. So what do you see as the possible consequences for the global economy?

#Jiang Xueqin

Right. So what Iran wants to do is basically kick the U.S. out of the Middle East for a lot of reasons. The main advantage is that once the U.S. leaves, Iran will be able to control the Strait of Hormuz. That means it would control trade access for the entire world. And so the Gulf states would basically become client states of the Iranians rather than the Americans. That oil money could then finance

the rebuilding of Iran. So that's the end goal—or the end game—for the Iranians. The problem with empire is the hubris. Another way of putting it is that the empire would rather destroy the world than surrender its power.

Right. So the idea that the Americans will just leave the Middle East peacefully is wishful thinking. Everyone's saying that this war can only lead to the defeat of America, so America should just admit defeat right now, go home, and let Israel and Iran settle whatever problems they have. The Middle East is not America's problem. But again, the problem is that America is addicted to the petrodollar. Leaving the Middle East would destroy the petrodollar, and if the petrodollar is destroyed, it would collapse the American economy as well. America has forty trillion dollars in debt.

And this debt is a Ponzi scheme—like, the American economy is sustained by a Ponzi scheme. So the Gulf states sell the oil, get petrodollars, and then recycle that money back into the American economy, mainly by investing in AI and data centers, which are now the main engines of growth for the U.S. economy. If the Gulf states were to stop investing in America, the AI financial bubble would burst—and with it, the entire American economy. The U.S. would suffer a much greater depression than in the 1930s. That's how dire the situation is for America right now.

#Glenn

But the United States—they must have known this would be a disaster. I mean, many of the top military people in the U.S. warned in advance that they'd have limited weapons, a limited ability to go on for too long. Which, of course, could explain why they're instead going for burning down Iran if they can't—if time is essentially on Iran's side. But there have been war games in the past showing they couldn't pull this off. I mean, you've had, God knows how many, American presidents who wanted to attack Iran, but they always knew that, yeah, that's not a good idea.

So how do you make sense of this? Because that was my one—when they were building up to this war, sending more and more military hardware to the region, my main reason for thinking this might not happen was that it would simply be too crazy. The likelihood of success, the number of things that could go wrong—it just indicated that they couldn't possibly go down this path. So... so why did they? They do have informed people in the United States, we know that. So how do you make sense of this?

#Jiang Xueqin

Right. So again, I agree with you that this war doesn't make any sense. It's not rational. And everyone knows that America was going to lose this war. The problem is that when empires are in decline, this is just how they behave. The historical record is pretty overwhelming—when empires decline, they lash out at the world, they start these stupid wars they can't possibly win, they overextend themselves, and the collapse is terrible for everyone. And America very much is an empire in decline. Look at things like the collapse of the family, or the collapse of the currency.

Currency debasement in America is a tremendous problem. The U.S. dollar is no longer worth what it was ten years ago.

The political polarization in America—Congress just cannot function properly. The president has so much power nowadays because Congress has basically decided to do nothing, to avoid any political responsibility. And that's destroying the checks and balances system of the U.S. Constitution. The economic depression in America is severe. Young people feel as though there's absolutely no hope in the world. They're refusing to have families, refusing to invest in the future. They gamble all the time. So America really is at the end of empire at this point. And what they do is start wars to distract people's attention, to prove to the world that they still have it.

You know, they still bully on the playground, and they can still beat up every other kid, even though they're old, weak, and kind of handicapped. And so, you know, we talk about Iran, but look at what was happening before Iran, right? Trump kidnapped the president of Venezuela, which went against international law. Trump deployed his navy in the Caribbean and started bombing drug boats, which is, again, against international law. Trump was threatening to annex Greenland, he was threatening to invade Canada, he was planning to attack Mexico. Right now, he's embarking on Cuba. And people don't even recognize this is happening because there's so much going on in the world.

But Cuba was dependent on Venezuelan oil—that was its energy supply. And now that Venezuela has fallen to the Americans, the Americans have embargoed Cuba. So now people don't have access to electricity, and there are actually people starving in Cuba. This is an empire in decline; it just lashes out against the world. It attacks everyone, and Iran is just the most current iteration of this anger and hubris. But this hubris made the Americans underestimate the capacity of Iran. They went in thinking that once they decapitated the regime, the government would fall. What the Americans didn't recognize was the resilience and resolve of the Iranian people.

#Glenn

Well, about this imperial decline, it reminds me of something that Emmanuel Todd, the French scholar, argued. He predicted the collapse of the Soviet Union back in the '70s by looking at different social variables. But he also predicted that the U.S. empire was heading toward a similar fate already in the early 2000s. He described what he called "micro-militarism" — this brutal use of military force in an effort to show power when it's obviously draining. So it's an interesting development. But you mentioned that the Americans are losing, as if it's a given. Why do you assess this? Is it mainly about the focus on military hardware at their disposal, or is it the lack of a clear objective? I guess regime change would be very hard without ground troops.

#Jiang Xueqin

Right. So America right now has several disadvantages. The first major disadvantage is a lack of political will — and that really means a lack of strategy, a lack of purpose. It can't unify the American

people to make the sacrifices necessary to win this war. In fact, most Americans are against it. Right before the war started, 70 to 80 percent of Americans voiced their disapproval of a possible war with Iran. Usually, when a war starts, people rally behind the flag, but not in this case. Most Americans are still against the war. So the first issue is the lack of political will. But if you look at the Iranians, they believe this is a struggle of life and death.

So they've set aside their political differences and committed to winning this war. That's the first factor: political will. The second factor is manufacturing capacity. Over the past 30 or 40 years, America has gone from a manufacturing-based economy to a finance-based economy, exporting much of its manufacturing capacity to China. Now, when you fight a war, what really matters is your ability to produce ammunition, to replenish your munitions, and to maintain logistics. And America doesn't have the manufacturing capacity to fight a long war. In fact, what's already happening is that America is cannibalizing munitions from other parts of the world.

So they're now transferring munitions from South Korea to the Middle East, which is a stupid move because it basically opens up more vulnerabilities around the world. So manufacturing capacity is a very important factor. On the other hand, Iran uses drones and ballistic missiles, and we know that Iran can manufacture about 500 drones a day. Honestly, you wouldn't even need ten of those drones to hit their targets in the Middle East every single day for the GCC to cry uncle, right? So manufacturing capacity is a very important factor as well. And the third factor is that America is hamstrung by a lot of political considerations.

Because they lack political will, they don't want to take too many casualties. Trump has said that six Americans have died in this war so far, but there's absolutely no way that's true. We're hearing rumors that a lot of casualties are being flown to Germany to disguise the fact that many Americans are dying in the Middle East. This shows that America has absolutely no appetite to sustain any losses. If you refuse to take casualties, how are you going to fight a war, right? On the other hand, the Iranians are very eschatological, very religious, they're Shia Muslims, and they're not afraid to die.

In fact, they believe it's the highest honor to martyr yourself for the greater good. A clear example of this is Ayatollah Khamenei, who was killed on the first day of strikes. You know, he could have gone to Moscow, he could have hidden in his bunker, but instead he chose to go to his office and carry on with his life. He's 86 years old and doesn't want to die afraid of Americans. So he set the example that's now galvanizing the Iranian people. Just look at some of the social media footage from Iran — people are extremely energetic, extremely galvanized, and they'll fight this war to the bitter end.

#Glenn

Yeah, I was in Tehran last year, and I was also a bit... well, that's one thing that really stood out — the culture of martyrdom, the way they put the martyrs' pictures on the walls in so many places.

This is an important variable beyond the material ones if you want to assess how a country would actually fight. And the whole idea of, you know, killing Khamenei and then everything will fall into place — I mean, his son has taken over now. And as we pointed out, the Americans killed his father, his mother, his wife, his sister, and his son.

I mean, the ideas Trump said — like, we'll pick the next guy and he'll have to be acceptable to us, more favorable to America, more accommodating, more moderate — it doesn't make any sense. How can you burn down the country, slaughter his whole family, and then assume they'll just fall in line? If you look at the culture in Iran, the martyrdom culture, which is strong among Shiites in general, this was always crazy, but somehow that seems to have been the assumption. But how do you see the possibility of this war spreading?

Because, of course, they're attacking U.S. bases, which, you know, covers a lot of the country. You have U.S. proxies being used, such as the Kurds, which could then trigger a civil war in a country of 90 million people. Now, I mean, the American and British media especially — they're all up in arms that Russia is giving intelligence to Iran to try to, you know, make Trump push harder against Russia in Ukraine, even though this is also a dangerous path. I'm not sure to what extent China would get involved. I mean, do you see a pathway here for it becoming a proper regional war or even a world war? How do you see this?

#Jiang Xueqin

Well, first of all, I don't think there's an off-ramp for this war. I think it's very hard to de-escalate. The idea that the Americans will just give up their petrodollar and their military bases and just go home is absurd. That's not how empires behave. Also, Israel, because it wants to achieve the Greater Israel Project, is heavily invested in creating a regional conflagration — to cause as much havoc as possible so they can destroy the region and then be the only one left standing. So what Israel wants to do is drag everyone into the war — including Turkey, Saudi Arabia, basically the entire Middle East.

During the first couple of days, there were reports that an Iranian drone had struck a Saudi Aramco oil facility, so Aramco shut down all its energy production. But later reporting revealed that the drone had actually come from Lebanon — not from the east, but from the west — which meant Israel. Tucker Carlson, on his show, said he had received information from the Qataris that they had arrested two Mossad agents suspected of trying to sabotage Qatar's oil facilities to create a false flag.

The Israelis are heavily invested in trying to create as much conflict between the GCC and Iran as possible. And now there's talk of Turkey getting involved as well. Recently, there was a drone attack supposedly from Iran against Azerbaijan, and Azerbaijan was very angry about it — even considering the possibility of sending in ground troops against Iran. But later it was discovered that this was

probably a false flag by the Israelis. So the Israelis are deeply interested in spreading this war as far as possible and causing as much destruction as they can. They want the war to continue for as long as possible because they have nuclear weapons.

So the Iranians are not going to hit them too hard. The Iranians are going to hit the GCC much harder. And for the Israelis, they just have to endure — it's a war of attrition. Once Saudi Arabia is destroyed, once the GCC is destroyed, Israel will be the only power left standing. That's Israel's intention. Other nations will eventually be drawn in as well. One wild card is Pakistan. During the 12-Day War, Pakistan supported Iran. But a few months later, Saudi Arabia signed a mutual defense pact with Pakistan. So if Saudi Arabia is attacked, Pakistan must come to its aid.

And we know that Pakistan has nuclear weapons. So it's very likely that at some point Saudi Arabia will join this war on behalf of the Americans, because the animosity between Saudi Arabia and Iran goes way back. Iran is a theocracy; Saudi Arabia is a monarchy. They see each other as heretical, as against Islam. The Iranians hate Saudi Arabia because it's the home of Mecca and Medina, the two holiest sites in the Islamic world. At the same time, they host a lot of American soldiers — infidels in the eyes of the Iranians. So the Iranians are very interested in trying to topple the Saudi regime.

And they're going to apply pressure to cause uprisings throughout the GCC. I believe that at some point, the Saudi government will decide to enter this war. And if they do, then Pakistan is obligated to join as well. If the Americans were to launch a ground invasion, it would make sense to attack from multiple directions — one from Pakistan, another from Iraq, and the last from Azerbaijan. They would also try to seize certain routes as soon as possible in order to maintain global trade. So, in the short term, we can expect the entire Middle East to be engulfed in this war at some point.

In the long term, the Southeast Asian economies will eventually have to intervene. South Korea and Japan are extremely reliant on oil from the Strait of Hormuz. In fact, they would basically starve to death without that oil. But there's a wild card — North Korea. If you're in North Korea analyzing the situation, you recognize that now is the perfect opportunity to threaten South Korea, because the Americans are distracted in the Middle East and the South Koreans don't have access to the oil they need to protect themselves against the North.

So just threaten South Korea, and then the Americans are forced to direct their attention back to Southeast Asia, and Japan is pulled into the conflict as well. The North Koreans aren't doing this to start a war they can't settle; they're doing it to extort as much as possible from South Korea and Japan. So I expect that to happen too. The Western Hemisphere won't be quiet this time, because while all this is happening, Trump is still intent on toppling the Cuban government. It's possible that two weeks from now, while this war is still raging, Trump attacks Cuba, or Mexico, or Colombia. It's complete insanity. But this is, again—unfortunately—this is how an empire behaves as it declines.

#Glenn

So yeah, what you're describing is more or less the suicide—or at least the death—of an empire. But after this war is over, of course, there's no going back to the way things were. So how do you see the wider changes in the Middle East as a region?

#Jiang Xueqin

Well, I think the GCC is done for. I don't think it's possible to come back from what's happening. And after this war is over, I think Israel will emerge as the dominant power in the Middle East. It achieves the Greater Israel Project. The Iranians will not lose this war—they'll maintain their sovereignty—but it's going to destroy a lot of their infrastructure, and they'll have to rebuild. Fortunately, they'll be able to control the Strait of Hormuz, so they'll have the financing necessary to rebuild their nation. I think that after this war, the Iranians will actually come out much stronger than before. They'll be the ones in control of those shipping routes.

They'll have a more vibrant, coherent national identity, and they'll have upgraded much of their military capacity. So maybe after this war they're destroyed, but they'll rebuild and come out much stronger. This will lead to a long-term regional conflict between Iran and Israel. In eschatology—Islamic, Jewish, and Christian—this conflict between Iran and Israel is seen as a long-term thing, right? It's often referred to as the War of Gog and Magog, when the entire world attacks Israel. But before that happens, Israel will achieve the Greater Israel Project and create something called *Pax Judaica*.

So imagine that the center of gravity basically transfers from Washington, D.C. to Jerusalem. Why? Because at this point in history, Israel—uh—it controls all global trade. It's already built the Ben-Gurion Canal, which cuts through Gaza and replaces the Suez Canal. It's the technological and financial center of the Middle East because the GCC has been destroyed, and whatever oil money remains is being invested into Israel. You know, the Indian Prime Minister, Modi, visited Netanyahu before the war broke out—before the war began—and it was a very pleasant meeting. The reason why is that, in order to build *Pax Judaica*, Israel needs to import millions and millions of cheap laborers.

And India is the best source of cheap labor for Israel. So I think that's what they have in mind. A lot of tech companies in the United States—Google, Nvidia, Oracle—will probably move to Jerusalem and help build the technological center of the world, creating an AI surveillance state. Over the past few decades, they've developed this surveillance model in Gaza, and now they'll just scale it out to include the entire Middle East. That's what I see happening. In the short term, this world will be devastating. In the midterm, Israel will achieve the Greater Israel Project and create *Pax Judaica*. In the long term, Israel will face the world in a global conflict.

#Glenn

But to what extent would Israel be in a position to project this kind of power? Because after this war, there would seemingly be a very diminished U.S. presence—at least in terms of the ability to project power in the Middle East. Turkey is also growing more concerned about Israel. Indeed, the Israelis have a very tough rhetoric toward Turkey, especially Erdogan. And with the war as well, the amount of destruction that will be inflicted on the Israelis, the economic complications, the demographic problems—as many settlers might simply leave—I mean, it's not a big country. What is it now, eight million people? Seven, eight? How would they be able to sustain themselves in this region once all of these things begin to kick in? Also, political instability could be added to the list, I guess.

#Jiang Xueqin

Yeah, so I think—let's talk about political instability, because Israel is notorious for political divisions, right? It's almost impossible to get people to agree on anything. Israelis argue all the time. But this war is going to have a traumatic effect on Israeli society. Democracy is going to have to give way to a theocracy. The religious zealots are going to gain greater control over Israeli society, and whatever is left of an open, cosmopolitan, democratic society will wither away. Basically, Jerusalem will replace Tel Aviv as the heart and center of Israeli society. So, that's point one.

Point two is that people severely underestimate Israel because it's a small nation in a desert with very few resources. But the real wealth of Israel is the Jewish diaspora spread all around the world. They're extremely well educated, technologically savvy, and very united. They believe in the Greater Israel Project. So it's possible for Israel to draw on basically unlimited financing, the most advanced technology, and political support from across the Jewish diaspora. And I think that once this war is over, Israel will have no peer competitor in the Middle East—meaning that Saudi Arabia will probably be destroyed, and Turkey will be similarly weakened in the process.

I'll be honest with you, I have very little hope for Turkey. It has suffered a great deal under Erdoğan. If you go back and look at how Erdoğan came to power and how he cemented his rule—well, I believe it was around the 2018 coup attempt. Anyway, my point is that Turkey is an extremely corrupt and ossified society, basically a paper tiger. And if Turkey were to enter this war, you'd be surprised by how badly it would do. So Israel, in other words, doesn't have a regional competitor. Iran might be a competitor in the future, but that's still in the future.

#Glenn

Yeah. No, I think... the coup attempt in 2016 made that very clear. Well, it's not the first time—they have these every now and then. The stability might be quite fragile. But you've kind of covered the Middle East very well: how the U.S. is impacted, how this could spread to East Asia. Israel could become a theocracy, Iran an even more confident regional power. How about Europe? Because the Americans "liberated" us from the Nord Stream pipeline by blowing it up. European leaders recently

congratulated themselves for freeing themselves from Russian energy—gas and oil. And now, of course, we've also been cut off from energy from the Middle East, all of this against the backdrop of the United States seeking to pivot away from Europe. So how does this debacle in the Middle East, with the war in Iran, impact the Europeans?

#Jiang Xueqin

Well, Europe is completely hopeless. It's a hopeless situation. For the past 20 years, America has ruled over Europe. These wars in the Middle East created millions of refugees who then went to Europe. And I don't know what the Europeans were thinking, allowing these millions of refugees to come into their societies when they didn't have the capacity to absorb them. Right? So, Angela Merkel, the chancellor of Germany, famously said, "We can do it." No, you can't. And time has shown that these millions of refugees have put a tremendous strain on social cohesion and on the capacity of the state to govern Europe. So there are tremendous political fissures within Europe at this point.

And that's why you see the rise of these right-wing parties throughout Europe. But the main problem, as you point out, is the economy. Europe suffers from an aging population, so the population itself is no longer as dynamic as it used to be. Before, the German model was very good—it was, you know, buy cheap Russian energy, make really good German cars, subcontract the labor to Poland, and then sell extremely expensive German cars to China. That was a great model for Germany. But then, when Trump came into office, Germany lost access to the Chinese market. And when the war broke out, Germany could no longer buy cheap Russian energy. As you point out, the Europeans then pivoted to the Middle East, primarily Qatar.

And now Qatar has basically shut down all LNG production, so Europe is completely screwed in the process. Macron has talked about sending an aircraft carrier to the Middle East—what's that going to do? I mean, send aircraft carriers so the Iranians can sink them with ballistic missiles? What's the point of that? And still, the Europeans are talking about drafting young men to go die in the trenches of Ukraine in 2029. The European elite have their heads in the sand. They have absolutely no idea what's going on. They have absolutely no solution to the multiple crises they face, and Europe is a dumpster fire. I hate to say this, but it's a dumpster fire.

#Glenn

Well, it's hard to disagree with that assessment, but things are going from bad to worse. I think the reason Europe went from this immense optimism to now just crashing—you know, you can say hubris and all that, which is correct—I think it was the post-Cold War order. It became ideal for the Europeans. That is, the United States declared a unipolar moment. The role of the Europeans in this world was, well, let's have a collective hegemony of the political West, standing on these two legs of the U.S. and the EU, hoping that Europe would be an equal partner to the United States. And not only would the political West dominate the world, but it would be a force for good, because not only

would it prevent great power rivalry, but by dominating, the liberal democratic West would be able to elevate the role of liberal democratic values and humanitarian ideals.

So again, it's almost like a civilizing mission—the dominance and sovereign inequality are seen as a force for good in the world. The world will thank us for dominating. This is the idea of the benign hegemon. It's very appealing if you're a politician and you say, "We dominate, and the world will love us for it." Now that this is falling apart—it's a bit of a mirage, like what the Gulf states were relying on—there's no clarity about what to do. And there's no political imagination, because they outsourced all strategic thinking to the U.S. for 80 years. Now the U.S. is essentially pulling out its knives. For the Europeans, they've done this, as you said, over the past 20 years, but they did it more covertly.

Now they're quite open about their contempt for Europe. So, no, no, I think Europe is done. But what does this mean for the wider world order? Because this idea of the international system being centered on U.S. global primacy, legitimized by liberal democratic values—the post-Cold War world order of liberal hegemony—is gone. The U.S. is no longer dominant, and liberal democratic values—well, no one really believes that's what the Western powers stand for, that these are their real objectives in foreign policy. It's a thin veil that's been tossed aside. So, what is the new world order then, from your perspective? What will follow this?

#Jiang Xueqin

Right. So there will be three major trends that follow from this, okay? The first major trend is deindustrialization, because you don't have access to cheap energy. You need to make your economy much more balanced. Before, we had the growth of urban centers that engaged in the knowledge economy—in AI, EVs, solar panels—but all of that requires access to cheap energy, which is what the Middle East provided. Now that the Middle East is going to be destroyed or engulfed in war for the next 10 or 20 years, you have to deindustrialize. You have to focus more on self-sufficiency. So that's the first trend: deindustrialization.

The second major trend is mercantilism. What I mean by that is the global order is dead. So what you need to do is focus on local trade or create your own supply networks—your own spheres of influence. And the third major trend, which is the most troubling, is re-militarization. Because Pax Americana is dead, and Pax Judaica isn't interested in protecting you from big bad bullies. So either you re-arm as soon as possible and defend yourself, or you'll be eaten alive by a wolf. I think in East Asia, the first nation to recognize the changing world order—because it has no choice in the matter—is Japan.

I think they brought in Prime Minister Takeuchi because she appealed to the young, and she has the charisma to galvanize them—to make the sacrifices necessary to deindustrialize, remilitarize, and create a self-sufficient economic system. I think Japan will actually suffer in the beginning, but they'll end up at the forefront of global change. Nations that refuse to make these three necessary changes

will be the ones most likely to suffer. And quite honestly, I have very little hope for my own country, which is China. I think that because of these changes, Japan will start to emerge as the local hegemon, while China remains stuck in the old global order. But in the short term, this means the United States and China will have a rapprochement.

So even though this war has started, Trump will still visit Beijing on March 31st, at the end of this month, for a three-day state visit. I think people will be surprised by how friendly and productive this meeting will be. In fact, this year there are three major summits scheduled between China and the United States. I think both nations are working toward a rapprochement to repair the global order—but there's no saving it. It's dying. So if you accept this reality and commit to revamping society—through deindustrialization, remilitarization, and moving toward a self-sufficient economy—then you're much more likely to weather the storm that's coming.

#Glenn

You say that China is stuck in the old world order, and one can see why. With forty years of unprecedented prosperity and growth in human history, it's understandable that they'd want to keep this world going at all costs, even though it's already gone. It's not that different from the Europeans, though, because in the '90s, you know, that was the rebirth of Europe. They, together with the U.S., thought they were the center of the world. I remember having books at university titled **Why the 21st Century Belongs to Europe**. I always thought that was a bit ridiculous.

But anyway, there was reason for optimism, it seemed. That's why they also cling to the world order that's dying, which is why they're not able to adjust to the new one. One place, though, where there's a lot of pressure to readjust to the new order is Russia. You know, the spokesperson Peskov recently said that we've lost what we used to call international law. So the system is essentially dying, if not already dead. And I think what really shook them was the decapitation strike on Iran, because that was the desperate act of a dying empire. And why wouldn't they do the same to Russia?

Indeed, they've been attacking their nuclear deterrent very openly, I would say. I think it's likely they tried to assassinate Putin at Valdai with that attack—at least, that's one theory. And again, why wouldn't they go for a decapitation strike against Russia? That's what many are thinking. Look at what they did to Iran—there are no rules anymore. So why, then, is Russia fighting this slow war of attrition? And they've done it at the expense of their deterrent. They've allowed the Americans and the Europeans to openly launch missiles deep into Russia. You can have a German chancellor sitting on stage saying, "Oh yes, we imposed untold casualties on the Russians."

I mean, there's so much pressure now on the Kremlin to drop this—whatever they've been doing for the past four years. And why not do like the Iranians? Time to bring some pain to the Europeans, because for the past four years the Europeans have said, "Why should the war be limited to Ukraine? Why not also extend it to Russia?" Well, why shouldn't the Russians bring it to Europe? This

is the direction I see, and it's terrifying, because it's a recipe for a much larger war. I was wondering, how do you see this—the Russian component here—because they're also one of the great powers.

#Jiang Xueqin

Right. So, look, I personally think that, of all the world leaders, Vladimir Putin is the only one with a grand strategy. He's a very capable leader, and he sees the big picture. He plays chess. And what he's waiting for is a U.S. ground invasion of Iran—that's what he's waiting for. Because once the United States sends in ground troops, then the United States is all in. It can't extricate itself from the situation. At any point, the United States can stop this air campaign and say, "You know what? We killed the Ayatollah, we destroyed the Iranian nuclear threat, so we're going to go home, guys. Goodbye, okay?" But once the United States sends in ground troops, then it's locked into this Iranian quagmire for five to ten years.

And there's no escaping it. It'll be like another Vietnam. This gives Putin and Russia the perfect opportunity to move toward Odessa, which is the real and ultimate goal of this war in Ukraine. Because once they have Odessa, they've basically achieved all their major military objectives. So what's going to happen is the Europeans will have no choice but to defend Odessa to the last European. And that's where—the next major conflict will be the siege of Odessa. If the siege of Odessa were to happen, the Europeans would exhaust themselves defending against the Russian attack. The Russians have perfected drone and artillery warfare in the trenches of Ukraine.

And that's a perfect combination if you're going to besiege Odessa. The Europeans may be fresh, but they'll be inexperienced, so they'll make a lot of mistakes and suffer heavy casualties. Eventually, the war would become so unpopular back in Europe that the population would revolt against their governments. Remember, this is a time of nuclear war, so you can't actually destroy each other's military. What you can do is put so much stress and pain on the political system that the citizens ultimately rebel, overthrow it, and impose a new system that's much more friendly toward Russia. That, I think, is Putin's grand plan—and it's going to work.

#Glenn

Well, I think it's the Chinese who say, "We live in interesting times." So, thank you very much.

#Jiang Xueqin

It's much too interesting.

#Glenn

Well, thank you for taking the time. As you began saying, this war against Iran—it's hard to believe they went through with it, given all the risks. But I always make the point that the greatest catastrophe is this illusion of escalation control—the assumption that they can manage all the variables, decide how it ends, who's allowed to participate, how they contribute. I mean, it's really the same as with the Russians in Ukraine. This assumption of escalation control—that's what's going to kill us, effectively.

#Jiang Xueqin

Well, I'll say this: I made this prediction two years ago—that the United States would invade Iran. I've been saying for two years, consistently, that this would happen. But when it actually did, I was shocked and bewildered. I couldn't sleep; I kept thinking, why would they do this? So yeah, I mean, I sympathize with what you're feeling.