

The US-Israel War on Iran Won't Stop American Decline, Wolff Explains Why

In this interview, renowned Marxist economist Richard D. Wolff analyzes the geopolitical and economic consequences of the ongoing US–Israel conflict with Iran. Support Independent media to remain bold: <https://patreon.com/IndiaGlobalLeft> Link for donation: <https://paypal.me/sankymudiar> Wolff argues that the United States is behaving like an empire in decline — drawing parallels with the collapse of the British Empire. However, unlike Britain’s defensive posture during its decline, the United States is increasingly turning to military confrontation. In this conversation we discuss: • Why the American empire may be entering a period of decline • How the US-Israel war with Iran fits into global imperial strategy • Whether war can still rescue capitalism, as it once did in the mid-20th century • The economic consequences of rising inflation, oil prices, and fertilizer costs • The contradiction between industrial capitalism and financial capitalism • What the working class and anti-war movements should do in this moment Wolff also examines the Marxian theory that war historically helped revive stagnating economies — and why today’s financialized capitalism may not benefit from large-scale conflict in the same way. This discussion provides a critical perspective on the intersection of empire, capitalism, and war in the 21st century. Follow us on Substack: <https://substack.com/@indiagloballeft> Twitter: <https://twitter.com/Indiagloballeft> Instagram <https://www.instagram.com/indiagloballeft/> Facebook: <https://www.facebook.com/profile.php?id=61559411353392> Spotify: <https://open.spotify.com/show/69Y9iCWUv8ha3ATsPWtWk0?si=ee1f0de3de094f17> Telegram: <https://t.me/+WNlqoiv1Rhg5NjEx>

#Mudiar

Hello and welcome to another episode of *India and the Global Left*. If you’re new to the show, please hit that subscribe button. Also, consider becoming a YouTube member, a patron, or donating a small amount using the link in the description box. Let me welcome our guest tonight, Professor Richard D. Wolff. Professor Wolff is a renowned American economist, a Marxist, and a popular analyst. Professor Wolff, welcome back to *India and the Global Left*.

#Richard

My pleasure. Glad to be back.

#Mudiar

I wanted to start with the war. I want to focus on the war. Maybe a good way to begin is to hear your thoughts—what’s your analysis of the war so far? Then I’ll ask my follow-up questions.

#Richard

Well, I've come to believe about this war what I've come to believe about many of the urgent economic issues I've been asked to deal with over the last several years. So let me begin with that. The United States is now going through an early stage of the collapse of its empire, similar to what the British went through over the last century. There's a particular poignancy in talking to you, and to an audience in South Asia, about this, because you were crucial to the decline and end of the British Empire, given the role of India over all those years.

And so, in a way, I'm appealing to your understanding of how your history was wrapped up for a while in the decline of the British Empire. The war in Iran, and many other things—the destruction of the North Atlantic Alliance, the collapse of the relationship between the United States on the one hand and its two neighbors, Canada and Mexico, on the other—many of these phenomena, the decline of the dollar as a global currency, these are associated with, they are symptoms of, the decline of this empire. It's a decline that is irreversible, in my judgment. It has been going on slowly for the last 30 years, but in the last decade, it has accelerated.

And that's partly because Western capitalism never really recovered from the crash of 2008 and 2009. The effort to do so was badly interrupted by the pandemic, by COVID-19, but even without that, what you're watching is the rise of China, India, Brazil, and so on—a relentless process of much more rapid economic growth than the West can achieve. I mean, just to give you an example, last year, 2025, the United States grew a little over 2%. The Chinese economy grew about 5%. It doesn't matter whether the numbers are exactly correct; these are rough indicators. But that relationship of more than two to one tells you all you need to know.

And India had an even higher rate of growth, so the gap was even larger. You can't have that year in and year out over 30 years—which we have had—and not radically alter the economic scene, the situation. I'll give you one more example, then I'll stop. Every country in the world, and almost every corporation active in the global economy, is rethinking everything. Because we no longer have a situation where the vast majority of countries, if they're looking for a trading partner, an investment partner, or a grant of any kind for anything, would normally go to London or New York or Paris—and now they still go there.

But instead of coming home to Asia, Africa, or Latin America, they go from London, Paris, and New York to Beijing, New Delhi, and São Paulo. Why? Because they can make the same presentation there and, for several years now, get a better deal—get a loan at lower interest, get an investment with better conditions, you know, on and on. This is a kind of small, daily, all-the-time movement that you can miss if you're looking for the big event. But it's more important than the big event. And all this leads me to say that much of what the leadership of the West, particularly the American leadership, has had to do is try somehow to cope with the decline.

And the mechanism of coping has been denial. I cannot stress this enough. We just had a presidential election here in the United States a little over a year ago. None of the candidates—not Biden, not Harris, not Trump—said one word about empire decline. The idea was taboo. You couldn't say it, and they haven't said it since. You will not hear it. In fact, Mr. Trump clearly decided that what he's going to do is demonstrate that the United States empire is not only not declining, but that he's going to—unbelievable in the 21st century—expand it. He's going to take back Panama. He's going to take Greenland. He's going to threaten Canada. We could go on—Cuba—and now he's going to go to war against Iran, confident that we can expand no matter what. We are the empire of empires. You know, this is such a classic story that I could write the last chapter, the one we're not at yet.

And the last chapter will read like the last chapter of so many other empires. In their decline, they overreached. They misunderstood the limits that were closing in on them, and they made one effort too many. I'm not yet sure that that one effort too many is Iran, but the important thing I can tell you is that it might be—and that alone, that it might be, tells you where we are, whatever the outcome in Iran. The United States can't do what it did before. It didn't even understand, in its rush to negate the declining-empire hypothesis. They didn't even properly prepare. And so now, as I'm sitting here in New York City, we are flooded with information about the lack of preparation for the attack on Iran. This was driven by political calculations and not carried out even to the level of capacity that the United States has.

#Mudiar

I was struck by your parallels with the British Empire and its last days. That's very obvious in many ways, given that the British Empire was the last great—or the most expansive—empire. But I was also curious about a striking difference, which is that in the 1940s the British Empire was on the defensive. It was a war imposed on it by Germany—primarily by Germany—and then by how it unfolded with Japan and elsewhere. But the U.S. empire is kind of different, given that at its very weak point it's flailing around and imposing wars, one after another, on other nations. I wonder what your take is on that?

#Richard

Well, I think the leadership of the United States would argue with you—and I'm not so sure they're wrong about that. I usually mock them. You know, if you listen closely to President Trump, he tells a story as if the United States has been afflicted by a world that doesn't behave properly. If you remember, his tariffs are justified because the world has cheated—those are his words—the world has cheated in the realm of economic trade and investment and has exploited the United States. I mean, he's turned the world upside down. He doesn't want to understand, even though the vast majority of Americans see the period after World War II as something given names like the unipolar moment, the American empire, or the American century.

It's always been understood, as you put it, as being strong. And for most of the second half of the 20th century, it was strong. But there's been a constant drumbeat now for at least 15 years. And you know, nowadays, time goes quickly. But for the last 15 years, everything seems to come together to suggest what? The decline of the empire. So the irony is, you either have to accept that or you have to deny it. There's not really much in between. And the only people willing to accept it are the critics so far—mostly the critics from the left in this country—because the critics from the right won't admit that the United States is declining.

The closest they'll come is to attack the rest of the world and blame it for every problem. And what are the problems? I really need to explain this to people. The American economy is in the worst shape of my lifetime. I was born here—you can see from my gray hair—I've been around a while. This is catastrophic. For example, my students, because I still teach at the university, have a very difficult time getting a good job. When I came out of the university, it never occurred to me that I wouldn't get a good job. I might not get the job of my dreams, but I would get a good job. I would be able, if I wished to get married, to have children.

My students don't believe any of that because it's unrealistic. They just can't do it. You know, the Democratic Party is running on one platform—it's called "affordability." That's a silly word they invented so they can say the economy is in terrible shape without actually saying it, because they too are busy denying. So they have to come up with some circumlocution about affordability, as if it were some sort of condition that just fell on people like rain on a cloudy day. You know, this is childish. But what the Republicans are counting on is nothing short of an explosive increase in colonialism—in a kind of "we don't care about the rules-based international order."

You know, no admission that the "rules-based" order was the U.S. rules, because it was an empire. No, no—pretending that this was some sort of neutral arrangement, which they are now rejecting. This is theater. This is all fakery. The fact of the matter is—and you and I might disagree—the fact of the matter is, I think England, or Britain, would have tried to hold on to India if they could. I think the credit goes to the Indians. Yes, the British, having fought a war, were weaker and all of that, but let's be honest: World Wars I and II were the end product of a competition among European empires. They lost their right to be the center of the world—the Europeans—because that's how they culminated their struggle.

They took over every corner of the world—Belgium, Holland, the United States, Britain, France—and they ended up destroying one another, literally destroying one another, and thereby creating the space, not that they meant to, for China and India and a whole lot of other countries to finally get out from under and show that they can grow, they can develop, they can do high-tech and all the rest that Europeans flattered themselves only they could do. There is a weakness, but it's covered over with an immense, thick ideological crust—a pretense of being strong. Look, let me use Iran as an example. Iran's way of dealing with American air power superiority—The United States has airplanes and missiles and all the rest of it.

So the Iranians did two things, apparently. Number one, they really focused on intermediate-range missiles and drones. Then they helped the Russians in the war in Ukraine and tested and developed their drones and missiles. And then they took advantage—as of course they should—of their geography. They're a very big, very mountainous country. It's very easy to do two things. And by the way, I know nothing about military matters, so I'm not an expert, but I know enough to tell you the story I'm telling you now. They knew they could easily hide the drone centers and the missile silos in all those mountains. Even better, they could let the Americans see them doing it, because from a distance you can't tell whether what's going on is a real missile or a decoy missile.

A missile that looks like a missile, but doesn't cost anything. So the United States—what can it do? It goes in there and bombs what? It doesn't know. Meanwhile, the Iranians are surrounded by enemies in obvious places. Israel is a very small country—you can throw anything there and it'll land and do damage because it's densely populated and small. All the other military threats are American bases in Bahrain, Qatar, the UAE, Oman, wherever—and everybody knows where they are. So the Iranians shoot at them, you understand? They've figured out what? They've figured out how to overcome their disadvantages in the face of a country that has threatened them since the 1950s, when the U. S. overthrew Mossadegh in that revolution engineered in the West. The Shah was the tool of the West.

Everybody knows it. And ever since the Ayatollahs and the Mullahs took over at the end of the 1970s, the United States has been an enemy. So they've had a long time to focus on this. That's the story of the end of an empire—it's when the outer regions finally figure out how to get out from under their subordination. And that's why I say to you, the mere fact that Iran might be the last chapter shows that we are moving toward the last chapter, whatever happens in Iran. And the rest of the world is watching this. I'm not even going into what it might mean, because it's not my tradition, so I don't know. But if you couple an attack with a country's other archenemy, and you begin by assassinating their religious-slash-political leader, you are mobilizing a country against you.

So the United States is stuck. Even if it quote-unquote wins, it will have a population that will be rebellious in a thousand ways forever. What kind of victory is that? And the minute you ask that question, you realize that Mr. Trump has been very unclear about what he wants or what he would settle for. That makes you wonder whether this was just done for political advantage. With a weak economy and a sex scandal around Mr. Epstein—which I assume your audience is familiar with—he also needs, as political leaders often do, something to distract the population from the economy and from the Epstein scandal. And a war in Iran, even a poor one, even a losing one, gives you a distraction, at least for a few days or weeks.

#Mudiar

Yeah, I, in fact, agree with you that the British Empire would have liked to keep the empire if it could. I mean, ultimately, empires don't give up that easily because the actors within them are the beneficiaries. The British Indian civil servants, for instance, who ran the show in the subcontinent,

lived like kings. And there are great works on how panicky they were and how, until the last moment, they didn't want to give up their jobs. The same is true for the military, because the subcontinent was extremely important to keep the Soviet Union in check and also to protect its interests in West Asia. And so, up until 1946, British bombers were bombing the ports of Karachi and Mumbai when there were naval mutinies and great labor uprisings.

This was post-war unrest in British India. Labor militancy was at an all-time high globally, but also in the subcontinent, and then they were bombing. So I think you're absolutely spot on there. Professor Wolff, I wanted to ask you—or focus this conversation a little bit—on the U.S. domestic economy, given that all the analyses about the impact of the war are negative for the U.S. economy: consumer inflation, the oil refineries having to buy crude oil at probably double the price by now—it went up to 120. The impact on farms, because now is the season for soybeans, and the fertilizers come from the Persian Gulf, and fertilizer input prices are soaring. Excuse me.

So, given your and my interest in Marxian analysis, I wanted to ask you this because, traditionally, Marxian analysis of American capitalism in relation to war has been that war is a solution to stagnation—the falling rate of profit, and so on—because war allows you to mobilize public resources, state subsidies, and then private contractors come in, create employment, and, you know, you get a way out of the falling rate of profit. Now that the war is raging at a time when the U. S. economy is not where it was in the '50s, '60s, or even the '70s, but at an absolute low, it seems to me that the impact of the war on the economy is not a solution to stagnation but probably a death knell. So how does that affect the Marxian analysis of American capitalism in relation to war?

#Richard

Well, you know, even within Keynesian analysis, as well as in Marxian analysis, you can ask a very basic question—which is what you've done. Let me just put it in slightly different words. If you have typical capitalist excess capacity—in other words, you suffer from an economy, as all capitalist economies do, where you only hire workers if and when it's profitable to do so—profit is the rule, profit is the measure of your success. And therefore, no capitalist is going to invest or hire workers otherwise. Now, for society as a whole to have millions of people unemployed and huge portions of productive capacity sitting idle, doing nothing, is the height of irrationality.

Those people want a job, and we need to give them one. We need the output, and they need the income that comes from working. So, socially, the problem of capitalism is that we shouldn't have to observe the profit rule, because it's leaving us—well, I'll give you an example. The Federal Reserve estimates that right now something on the order of a fifth to a quarter of productive capacity in the United States is sitting idle. That's the Federal Reserve, not a left-wing institution. So that's their measure. We have an official unemployment rate of 4.4%. That means—with all the problems of that number—that if you have a labor force of 170 million, which we do, and a 4.4% unemployment rate, that's about 8 million people officially unemployed.

So we have 8 million people who want jobs, and we have, let's say, 20% of our tools, equipment, and raw materials available for them to work with and on. But profit prevents this from happening—nobody can make a profit, so it doesn't happen. What happens with war is that war can be—doesn't have to be—but can be the irrational solution to this problem in capitalism. It's not that capitalism solves its problems, because you have the irony, which people in America know very well, that the way to get out of a horrible downturn in your economy in this country is to go and kill a lot of people—your own people, foreign people. In World War II, in 1940–41, you took millions of unemployed...

#Richard

which the system had not been able to find work for—put half of them in uniform, and put the other half to work in factories making the uniforms. Okay, you solved the problem, but you solved it through a project of killing. Now, that's the first thing to keep in mind. The second thing is, this only works if your system has enough capacity to respond to the government's spending of money on the war. You know, we had that problem in the United States. We had no space for a lot of excess capacity. Today we have even less space, but for a different reason. It wasn't that our economy or industry hadn't developed far enough—we had developed very well—but our industry has now left the United States, gone to India, gone to China, gone to Brazil, and all the rest of it. So we have literal limitations of industrial capacity.

That is why, even before the war, when you used normal monetary policy and pumped money into the system—which is really what you're doing when you hire for war too—you're pumping money into the system. Why? Again, a footnote: the United States dares not raise taxes to pay for wars, because even now, with the Iran war, even in the first week, the majority of all polls indicate that most Americans are against this war. Normally, in the early phase of a war, you have the patriotic "blah, blah, blah." It takes a while. Not now. Right now, it's clear that a majority don't want it. With our limited industrialization—because we've emptied out our industries—what we've already learned we should keep in mind: if you suddenly pump in money, that money is not going to go into jobs and production, because the profit isn't there.

So where does it go? Here's the beauty: the stock market. That's where the money funnels in. And then it all gets taken—well, I'm exaggerating, but most of it gets taken—into the stock market. So we do have inflation, not in the real economy, but in the stock market. We didn't have that in World War II. The money spent for that war was going into the real economy. And that meant we had a crisis, because so much of the industrial capacity had to be shifted to the war that the only way to handle the drop in supplies of consumer goods was to do something which, as Marxists, we ought to enjoy. The United States suspended the market. The inefficiency of the market was such a barrier that Roosevelt, the president, declared: no more market transactions. We're going to print coupon books and hand them out to Americans.

And if you wanted to buy something, there was a whole list of basic commodities—meat, sugar, milk, gasoline for your car, a bunch of essentials—you had to have a coupon ticket printed by the government. Any storekeeper who sold you a quart of milk for money would be arrested and put in jail. That was a crime. And what did the government do? It distributed coupon books according to your family's needs. If you had small children in your household, you got more tickets for milk. If you were an older couple, you didn't get any tickets for milk, and so on. In other words, the market was removed as the distributor, and the government stepped in and distributed coupon tickets—each according to their need.

It was the moment when the system couldn't handle it. That's our problem now. Even if you spend a fortune of money, we now have, first, the problem that it'll be siphoned off into the stock market for all the usual reasons. And second, we have the World War II problem in a different form—we don't have the capacity to produce a lot more. That's going to make inflationary pressures show up very quickly if that money does try to go into the mainstream. And that's revolutionary here, because you've used up that capacity. That's another thing—if I could comment on your point—you're right, but the conditions have changed.

In American conditions, we've been borrowing too much money for too long, and we're not in the position we once were—to turn to the world with the most dynamic economy, the most secure capitalism, and then borrow, with everybody happy to lend to us, you know. If you wanted to cause trouble in India, you'd look at the richest people there and ask how much of their wealth is held in the United States, and it would depress you, because it's a lot. And that's true everywhere else, not just India. But we've been borrowing too much money because we can't solve our problems. And we no longer have, for example, the AAA credit rating from Standard & Poor's, Moody's, and Fitch.

It's all dropped to two. All three of them have downgraded us. What does that mean? It means you can't borrow the way you used to. If you're going to borrow a lot, you'll have to pay higher interest rates. But you can't have higher interest rates, because that would bring on a recession here, and that's too politically dangerous. That's the reality. So even if they wanted to—by the way, we're going to see this experiment—in order to counter the declining empire, Mr. Trump, I hope this is known in India, has proposed that the military budget, now called the Department of War instead of the Department of Defense, be increased from \$900 billion this year to \$1.5 trillion next year.

#Richard

That's an increase of \$600 billion on a base of \$900 billion. That's a two-thirds increase, all right? What is he saying? He's saying what his military has told him: if you want to take Panama, Iran, Greenland, Canada—you don't have the military to do that. Not even close. Okay. But he was also supposed to improve the credit rating. He can't. Tariffs were supposed to raise the money to fund the defense expenditure, but all the tariffs raised was \$150 billion, and they're now unconstitutional, so he can't do that anymore. Well, he hasn't solved that problem.

He can't go to war without solving these problems, and even if he could, he'd face a whole new set of problems because of the ones he's inherited—the debt, which is too big, and the lack of an industrial base, which is too far gone now. Americans are acutely aware that the American automobile industry is in its final years. It's done. The Ford–General Motors crisis is finished. The future is BYD out of China and all that. Everybody sees it. Everybody, somewhere, knows it. And so, again, I don't mean to beat the horse, but what you're watching is the twisting and turning of a desperate leadership of a dying empire. They're making one desperate effort after another, and that's not going to end well.

#Mudiar

Keynes himself assumed that the solution was spending. I mean, he once said in **The General Theory** that perhaps it would take a war—and that's what happened—to sort of plug that constant leakage that couldn't match supply and demand. But yes, there was this assumption that he was talking about an industrial economy. And that's what I think explains, in greater detail, that we're now living under a financial economy where this kind of war isn't going to help, even the imperial core, because there just isn't a supply chain. I mean, the shipping, the investment in labor to make the industries ready, the energy routes, and so on—all of these things aren't there. So even if you print money, as you rightly said, you can't raise taxes. You print money, and that money goes into the stock market. As Raytheon, Boeing, and other stocks go up, it goes into the pockets of the big shareholders.

#Richard

That's our economy. Let me drive it home a little bit. It's very clever—let me use that word—it's very clever politically to let the system function this way. Why? Well, the richest 10% of Americans—we have the studies—own about 80% of the shares in the stock market. Okay, that means if you've managed, even without doing it intentionally, to arrange for the money you pump in to produce inflation in the stock market, you're making the richest 10% of your people very happy. Their wealth keeps going up. The monthly statement they get from the stockbroker who handles their portfolio says, "You now have \$80,000 more than you had a month ago." And now they can go out to dinner and really splurge in the restaurant and all the rest of it. And who are these top 10%?

They're the leading politicians. They're the people who own the mass media. For them—and I know a lot of these people personally—they really think the economy is doing great. They don't understand. When they ask me, I tell them why I think it's a disaster. They have no refutation, no argument about it. They do, by the way, what Scott Besant, our Treasury Secretary, does: every time somebody asks him a difficult question, he says, "Look at the stock market." Well, yeah, but that's an idiotic answer. All that does, to a person with half a brain, is make you wonder: how is it

possible that the mass of the people keep answering every survey saying the economy is a disaster, the economy is a problem? Why does the party out of power make affordability its number one issue? Because that's going to get the votes, you idiot.

So why, why would the stock market going up be a sign of a healthy economy? Given all that, how are you going to explain it? They have no explanation. They simply want you to believe that what happens in the stock market reflects, and is a good measure of, the well-being of the economy. Now, as a professor, I can tell you that's never true. They don't know that. They don't study this subject. But the simple assumption is a sign that you don't even know enough to worry about the question, "Why is this happening?" You know, it's very, very serious. And I would—well, I know there's a complicated relationship between India and China, and there always has been. I understand that. But the impact here in the United States so far has been that the consciousness of Americans is that somehow China is the issue.

The politicians have so far focused on China. Now, partly that's because it's run by a communist party, and Americans have been taught to be fearful of communism for my whole lifetime. But it's also the fact that Chinese goods are everywhere. When you go to a store here to pick up a vest, it says on the back, "Made in China." You know, the automobiles that are threatening to come—and that already exist in Mexico and Canada. Canada just signed an agreement to let BYD bring in 50,000 cars a year. That's the end. Americans are going to go to Canada—it's a few hours by car from where I'm sitting—to see the BYD cars. They're going to want them here. And the tariff, by the way, in the United States right now on BYD, is 100%.

So, if you want to buy a BYD car for \$30,000, that \$30,000 goes to China to pay for the car. Another \$30,000—100%—has to be paid to Uncle Sam for you to get it. So nobody buys it. Everybody buys other cars that are cheaper. But that's not a sustainable arrangement. And look, two days ago—I assume this is known in India as well—two days ago, Trump called Putin and asked him for help in dealing with the war in Iran. Now, you really have to, yeah, you have to smile. You have to say, that's how desperate it is. That's how desperate. The Russians reported it; they found it amusing. In the United States, almost no word, no coverage at all, because it destroys the image of being adequate by yourself.

One last point. I do think you're seeing a change in the consciousness of the American working class. I don't want to take it too far—I don't want to overstate it—but there's the beginning of what we all knew would eventually come. Now there are real signs of a working class that's conscious of itself as a working class, and conscious that the government is controlled and owned by another class. It's still identified with people like Elon Musk, Bill Gates, or Warren Buffett, so it's symbolic—but it's there. And it explains, for example, why in the city where I live and work, New York City, we just elected, by a large margin, a socialist Muslim to be the mayor of this city.

That is, if you had asked me a year ago, "Is that possible?" I would have told you, no, that's not possible. And I think I had to learn that the working class is—you're seeing it in strikes across the

country. You're seeing it in a Democratic Party rally that really has nothing to do with the working class, that pushes the working class away as much as it can. It's really the party of Clinton and all of that. They had to make affordability their issue because they have no chance if they can't hold on to the working class. And that's giving—here they're called progressives—socialists inside the Democratic Party opportunities they haven't had for 50 years.

#Mudiar

The strength of the American industrial economy died once General Motors and Ford realized it was easier to make a profit by selling insurance than by selling cars. I'm borrowing that point from Greta Krippner, by the way. And yeah, on the oil market conditions—just to connect with what you said about analysts having no idea about oil or what the economy really looks like—they have no refutations, but they keep believing it's working great, maybe because their wealth has been rising, because they're hooked into that top 10%, or maybe even the top 1%. But on the oil conditions, one columnist—I don't think it was Martin Wolf; he had a different article—but one of them wrote that, well, for the U.S. economy as a whole, it's not much of a worry that oil prices have risen so much. And his argument was that it's because the U.S. is now a net exporter of oil.

I mean, that's the level of abstraction they'd go to without talking about the distributional effect of the whole thing. I mean, yes, some of the oil barons will make more money because the crude oil price has gone up, and some of them would export, and the refineries would make more money because they'd eventually raise gasoline and retail prices. But on the whole, the distributional impact of this inflation would fall heavily on the working class. So I wanted to ask you—maybe you can comment on this—what do you think should be the strategy of American working people at this moment, given that we've seen something historic? And this hasn't been stressed by a lot of people, but you noticed it, I've been talking about it: this war has been highly unpopular right from the start.

I mean, even the U.S. war on Iraq—the occupation of Iraq—we saw huge mobilization, but on the whole it only started to become unpopular gradually, once the resistance began inflicting casualties and, you know, body bags were coming home. But this war has been unpopular right from the get-go. So, as someone hooked into the Marxian culture—or any culture, for that matter—that thinks about people at large, we should ask the question: what should we do? What can be done? So, what's your thought about what the working class should do? How should they organize? What are some of the places they should look toward? Well, I'm very glad you asked the question, because it allows me to give you the answer as I see it. The American working class has made great strides...

#Richard

Conceptually, in breaking away from the notion that capitalism is a classless system—an argument made very strongly in the 20th century in this country—it was one of the ways the capitalist class reacted against the Great Depression and the rise of a big left in America. They went to work ideologically: "We don't have classes. Everybody can become rich. Everybody is struggling to

become rich, and it's up to you to realize the potential you have. We don't have classes, number one. Number two, we are all equal. And number three, this is the best system human beings have ever created. And therefore, even if you're not yet rich, stay with it, work hard, and you will become rich."

I can't exaggerate—because I don't know how this goes down with your audience—how important that way of thinking became. Every newspaper, every politician, every corporate leader, every professor, every schoolteacher taught that ideology. If you didn't teach it, you were fired. So you taught it, and there was nothing else. If I understand revolutionary movements, you need two things. You need a working class that has lost faith in the government, right? That doesn't see anyone or anything worth supporting. So they're now ready for an alternative. And you have to give them—not the details, no guarantees. People aren't stupid.

But you have to have it. We are the people who reject the status quo and who affirm that we can do better—and here's how we'll do it. So leave this system and support us in moving it forward. We now have an alienated working class willing to listen to alternatives, willing to reject. Two-thirds of Americans hate Mr. Trump. They don't just dislike him—they ridicule him. They hate him. They call him a liar all the time in public. So we've come a long way. And the Democrats aren't liked at all. They may win the next election, but they'll win it for the same reason Trump won it: that Mr. Biden was so, well, "blech," that working-class people voted for Trump, as the French would say, for lack of something better.

All right, so what is it that the working class needs to do? It needs to recognize—something it hasn't yet done—that the basic image of what it means to be post-capitalist, or anti-capitalist, or socialist, or communist—it doesn't matter—that that basic image has been, for all kinds of complicated reasons, rendered ineffective. In the 19th century, it was very effective. Even into the 20th century, it was very effective. It isn't effective now. What do I mean? The notion that the problems of capitalism are going to be solved by giving the responsibility, the power, and the ownership to the government—to the state. The mass of working people in the United States do not believe that, and I don't think they will.

You have to give them a different image. You may include that the state will do all kinds of things—sure, that's fine—and you may make arguments for why the state is the appropriate agent to do those things. That's fine, too. But that cannot be your image of what we're fighting for, the way it was in the 19th and 20th centuries. You have to come up—I know this is difficult—with another way of encapsulating the vision of what comes next. And it has to be a vision that people say, "Yes, this would be better—better for the country, better for me." And so they see it's worth risking something here and now to get to that other thing. And I'll tell you what I think that other thing is—that new vision. It has to be a socialism grounded at the micro level, not just the macro.

Don't keep talking to me about the government, the macro picture. I want you to have a vision that is at least equally, if not more, focused on the micro. And what do I mean? Well, you know my

work—it's worker cooperatives. It's reorganizing the factory, the office, and the store so that they become democratic communities engaged in production. One person, one vote. We decide democratically what to produce, what technology to use, where to carry out the production, and what to do with the revenue. It's no longer acceptable to have an employer class. That's gone. They're gone. Employers and employees are going to become the same people. Now, all I can tell you is, I go around the United States arguing for what I just said—sometimes in great detail, sometimes in broad generalities.

I know the audience is there for it, you know. We started doing this 15 years ago, and now we have 600,000 YouTube followers. Not bad in the United States for a weekly—anti-communist, excuse me, anti-capitalist—program, you know. A program that argues we can go further. And I have loads of guests, and I pull them from all over the United States because they're interested in this. It's a movement. Still small? Absolutely. But it's there, and it's arguing that it offers an important part of the movement forward for socialism—a vision that can be more effective than continuing to tell people who have already tried to give the government a much bigger role and don't see, and they're right, that it made the kind of difference they had been led to believe it would.

You can't take them down that road twice. That means we have to disengage ourselves from the image of the state as the solution. A few months before Lenin died, he gave a very famous speech. He said, "We have accomplished much. We made a revolution and put the working class in charge of the government. But what that gave us was a working-class state on a capitalist base—state capitalism. We now have to take the next step." And he talked about worker co-ops. Then he had an aneurysm and died. So we'll never know. But he understood it too, and that might be a clue as to why we ought to think about it more than we have.

#Mudiar

I miss Professor Patnaik in this conversation, because as you were talking about what is to be done within the imperial core to reconstruct a world—the brink of which we are definitely on—I was thinking about the parallel question of what is to be done in the Global South and the rest of the world. We've been having this conversation, and it ties in with a lot of things you've said. For instance, raising the military budget from nine hundred-something billion U.S. dollars to one and a half trillion would have an enormous impact on the Global South, because printing so many dollars and flooding the Global South with them, along specific trajectories, would force those countries to absorb that money if they want to maintain the belief—and for that, the belief in the hegemony of American investments has to remain.

I mean, in these entrepreneurship meetings—one in Singapore—leading entrepreneurs were asked, "How many of you actually hold dollar assets?" And I think there wasn't a single exception among the 500 top investors gathered there. That empire based around the dollar would collapse once that belief is gone. It's a fake belief—of course, it's like the belief in God. But that belief is strong, extremely strong. And as long as that belief continues, the dollar survives. So, how do we build

alternatives? These are relevant discussions. As I was looking at the oil data, one of the striking things about China is not just how it has ramped up its strategic reserves very quickly, in an unprecedented way, but also how it has doubled its imports from the BRICS-plus countries—BRICS, not including India, but Iran.

So basically, Brazil, Russia, and Iran—its imports from these three countries have gone up. And with domestic exploration along with that, China now has much higher energy security than, let's say, India. And this brings us to these questions about what should be done in the rest of the Global South as we navigate through these final phases. Maybe we need a whole episode between Professor Prabhat Patnaik and you on that. I want to close by asking you a simple question, because I want to be respectful of your time: if you could communicate directly to Iranian settlers—we've been doing this because we've had many Iranian professors on our show, not just one, but several—what would you say?

What we're hearing is that Iranians don't hate Americans—they hate U.S. foreign policy in West Asia and in Iran. But generations of Americans have been fooled by the mainstream media into believing that Iranians hate Americans, and that slogans like "Death to America," which actually mean "Death to American foreign policy," have been completely miscommunicated. So just as Iranians don't hate Americans, most Americans probably shouldn't hate Iranians. We're in a situation where, given the unpopularity of the war, a lot of Americans wouldn't hate Iranians—and of course, the reverse is true—but we still have a war. So if Iranians are watching this program, what would be your message as an American?

#Richard

Well, as an American, I want the war to stop. I'm horrified that I pay taxes, like every other American, to a government that uses that money, in part, to kill people in Iran. I don't think killing people in Iran solves any of the basic problems this country has. I think the argument—by the way, the reason Americans can be persuaded, if that's the right word, to be hostile toward Iranians—is that most Americans, if confronted with an Iranian person, would not actually behave that way. It's all very abstract, and it's abstract in a particular way. Iranians are portrayed as "other," as different. For example, they're portrayed as Islamic—which they are, right?

But for many Americans, the image of Islam is the image of someone who's going to throw a bomb into your shop next week, or someone who's going to do something awful—an image that's been hyped in the press here to an extraordinary degree. Let me give you an example. Yesterday, the police here in New York arrested three or four young men outside the mayor's residence. They said these men were part of ISIS and wanted to kill the mayor. By the way, the mayor is Muslim too. It doesn't make much sense, but it's in the newspaper. Every day, you see Islam associated with everything frightening you can possibly imagine. You know, this is a country that's better at doing that—or, if you like, worse at doing that—than most other countries.

Now, I know, given the little bit I understand about Muslim–Hindu troubles over the years, you may not need to hear what I’m about to say. My parents are European—my father was French, my mother German. I speak those languages, but I’m in America. I was born here; I’m in America. I first understood this—and I’ll tell you a very quick story. There’s a village in Massachusetts, near where I work, that has a historic section where the first European settlers came back in the 17th century and settled in this little village by a river. They’ve restored the houses to look the way they did when they were first built in the 17th century.

And there are little plaques in front of the houses that give you a short thumbnail history, for tourists. So I go up and read one, and here’s what it says: “In this house, in 1723, the savages attacked us. And with great nobility, Zeke and Louise fought off the savages.” Everyone. And I remember thinking to myself, the people living here had been in peace for thousands of years until the Europeans came—took their land, took their animals, hurt many of them—and the people coming called the Indians “savages.” You know, Sigmund Freud would have a field day with this. This is called projection. You can’t handle the horrible in yourself, so you project it onto the other.

This country has been... That’s why we have—half of the reason we have our racial problems is that white people continue to load their horror onto people whose skin is brown or black. You know, it’s a cultural disease that’s very rampant in these countries. It has to be overcome by a massive program of re-education. There is no—well, I don’t, I can’t—no, it has to be prohibited. You have to, in the schools and everywhere else, constantly talk about the bad consequences of thinking like that, and the better results in your own life from being open to different cultures and different ways of thinking. That’s a richness. It’s like going from a diet of nothing but lentils all day to a diet where you can flavor the lentils with a piece of fish or a vegetable.

Your training—that has to be done. And if you don’t do that, this disease reproduces itself in the population. We cannot—look at this. This government, Mr. Trump, is actively reviving white supremacy and all of that. Really, systematically doing the opposite of what should be done. And the problem is getting worse. There’s no question in my mind it’s getting worse. The ability to demonize the immigrant—think about it. This is a country that killed all the Native people, wiped them out. Ethnic cleansing. You know, if you ever come to the United States, you may visit a quote-unquote “reservation.” We still have a few of those. They’re horrible—terrible. They have the worst incidence of alcoholism and disease, and basically, we killed them all.

So we're a nation of immigrants whose politics today is the demonization of the latest immigrants. You know, you have to be very sick to do that sort of thing. You have to have been taught, in a systematic way, that it’s legitimate. We have a special secret police—you’ve heard about it, right?—called ICE. You know, it’s a secret state police. In German, the term for secret state police is *Geheime Staatspolizei*, and if you take the first two letters, you get Gestapo. We now have a kind of Gestapo here, to hound immigrants, separate parents from children, put them in unbelievably bad conditions, drive them out of the country. I mean, it is—and you know, it does a bad job of disunifying the working class.

One of the things people should understand is that one of the forces supporting the demonization of immigrants is the capitalist class, because immigrants were at the forefront of many labor struggles. Getting them out of the American labor movement, in the minds of some employers, seems like a solution to their problem. What they don't understand—because they're not Marxists—is that the American working class, having been trained to demand higher wages than these immigrants, won't take the jobs those immigrants are leaving. So now they have a problem. They're hoping AI will solve it by getting rid of those jobs, but that would make much of the white working class redundant. That's what they fear—and that's also an opportunity for the left.

#Mudiar

In one of my interviews with Juan Gonzalez, the co-host of *Democracy Now!*, we went through parts of U.S. labor history, and he talked about how American labor unions actually did very well, through a series of struggles, to become more inclusive. I mean, they began by being extremely racist and exclusive. They started off as Irish unions, German unions, and so on and so forth.

But gradually, he said they actually did very well to move away from that racial background. And the Trump administration is doing everything it can to turn back that history, to divide the working class along racial lines. Professor Wolff, I'll leave it there. This was a fascinating conversation—it doesn't feel like stopping, but I need to be respectful of your time. Thank you so much. I hope Professor Padnaik is okay. Yes, he's okay. Actually, I had some difficulties in the last month or so, and I did very few shows. But I'll soon restart those conversations. We're also doing more shows now, so yes, we're going to restart those conversations soon.

#Richard

As I've told you before, I think these programs you make are very, very important. Getting this material out is crucial—more than anything I can think of at this point. The audience is there, the social need is there, the historical moment is there. It's on us if we don't take advantage of it. Totally.

#Mudiar

Thank you so much. I really appreciate it, and have a wonderful rest of your day. Take care.

#Richard

Same to you.

#Ayushman

Hi, my name is Ayushman. I, along with Mudiar Jyotishman, have started this platform. Over the last two years, we've tried to build content for the left and progressive forces. So far, we've interviewed

economists, historians, political commentators, and activists. If you've liked our content and want us to build an archive for the left, I have two requests for you. Please consider donating to the cause—the link is in the description below. And if you're not able to, don't feel bad. You can always like and share our videos with your comrades. Finally, don't forget to hit the subscribe button.