

# Michael Hudson: World Will Not Be the Same After the Iran War

Prof. Michael Hudson, a world-renowned classical economist, discusses why the war against Iran has changed the global economy permanently. Please support Michael Hudson's important work on: [patreon.com/michaelhudson](https://patreon.com/michaelhudson) Follow Prof. Glenn Diesen: Substack: <https://glenndiesen.substack.com/> X/Twitter: [https://x.com/Glenn\\_Diesen](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](https://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. Today we're joined by Professor Michael Hudson to discuss how the war against Iran is impacting the global economy. Thank you, as always, for coming back on the program.

## #Michael Hudson

I'm glad to be back, Glenn.

## #Glenn

We often talk about the deteriorating state of the U.S. economy, as well as the global economy, which is obviously built on a foundation that's no longer sustainable. The U.S. knows this. Some countries are trying to adjust to new realities, others are trying to delay them, and some are even trying to reverse what's already happened. This war against Iran really seems to intensify all these dangerous symptoms we've been talking about, and it feels like the world can't go back to the way it was after this. How do you assess it? Because this war affects the global economy on so many levels—energy, obviously, and fertilizers are key—but how do you see the broader ramifications?

## #Michael Hudson

Well, we've discussed before how I think this is World War III, precisely because energy, fertilizer, and the other exports of oil-producing countries are so important for the entire world. That makes it a war with worldwide implications. And despite the fact that, in the last hour or two, the U.S. stock market has gone up a thousand points—because they imagine that somehow what has happened is reversible, and that when Donald Trump says Iran is talking about making an agreement, and there are signs online that Iran says, "All we're trying to do is protect ourselves"—they think somehow the world will go back to the way it was, not only before the attack, but really after.

Back to the 19th century—maybe even the 18th. This isn't simply a war in Iran. It's a war that, as we've discussed, is being waged by the United States to maintain a chokehold on the entire world economy by controlling oil, because everybody needs it. And the reason it went to war with Iran is the same reason it went to war with Venezuela last month—kidnapping the president and taking Venezuelan oil under U.S. control—so the United States can decide who gets that oil from Venezuela and who gets the money from those exports.

Now, the United States, as I think we've discussed, realizes that in order to base its foreign policy on the ability to cut off oil shipments to the world, it has to, first, prevent any other country's sovereignty from being able to export oil that's not under U.S. control. So far, the United States has imposed sanctions—first on Iran, which remain in place; secondly on Venezuela, which are now relieved; and finally on Russia—so that the only places where America's allies that agree to impose sanctions on Russia can get their oil are those the United States controls. That's why the U.S. was so insistent last week on trying to control the Strait of Hormuz, through which much of the Saudi and OPEC oil is exported, apart from the Saudi pipeline.

Well, Donald Trump apparently listened to his military advisors, who said, "Look, any troops we send to grab the Strait of Hormuz islands to control it are going to be sitting ducks. This is not a defensible situation. At any rate, Donald, don't you just want to grab the oil?" And Trump said that yes, the real aim of being in Iran—and avoiding the war—has nothing to do with Iran wanting to get an atom bomb, because it hasn't been trying to get one. It really has nothing to do with Iran's foreign policy. The U.S. just wants the oil, just like it wanted to grab Iraq's oil—and has grabbed Iraq's oil.

So all of this fight is an attempt to use oil and control of its exports in the same way that Donald Trump used his tariff policy—saying, "We will create chaos in your economies if you don't agree to follow what U.S. diplomats ask you to do," in the form of what Trump called givebacks for access to the U.S. economy by reducing tariffs to a less extreme level. Well, he's basically saying the same thing now. He wants to grab Iran's oil, and with that, he would complete the long attempt by the United States, stretching back to OPEC since, I guess, 2003, to take control of all the OPEC and Arab monarchy oil. Iran was the last country of all of these—Iraq, Syria, Libya, the whole range of oil exporters. So now the United States alone is seeking control of Near Eastern oil.

Well, that's supposed to give it a stranglehold. The problem is that Iran is not going to allow itself to be conquered, even though it's said it's willing to permit oil exports again and to stop blocking them if other countries will guarantee its security. What it means by security is, first, the permanent removal of all U.S. military bases in the Middle East. And, of course, the largest military base is Israel—which the United States is not going to give up. Iran will also insist, for its security, that all the sanctions imposed by America's allies—Europe, Japan, Korea, and others—be lifted. Until these sanctions are removed, until the United States withdraws its presence and, in effect, admits it has lost the war with Iran, the world is not going to go back to the way it was.

And even if, somehow miraculously, the United States were to say, "All right, we've given up our foreign policy. We're no longer going to be an imperial power. We're just going to be another country following the rule of law that the United Nations lays down. We're going to go back to a normal world." Even if it were to do this obviously impossible thing, the fact is that oil has been interrupted, and the helium supplies coming out of the Middle East have been blown up. There are no new cutters—helium is already cut off. And so the foreign companies that were obtaining helium before, certainly here in the United States and throughout the world, have all made cutbacks on helium. There are also cutbacks on fertilizers.

And although Iran is permitting oil exports through the Strait of Hormuz, charging \$2 million per ship, it's not allowing fertilizer exports. So the world is heading into the planting season without enough fertilizer. No matter what happens, the world is going to face the most serious depression since the Great Depression of the 1930s. There's just no way to avoid it. And that's what's so crazy about the stock market and its so-called recovery—it's as if investors can't come to terms with the fact that the actions taken by the United States and Israel are irreversible. Who's going to pay reparations to Iran for all the damage done, to make them whole? All of this will probably take at least the rest of the year to work out. So, to answer your question, the U.S. economy and the rest of the world are heading into a very serious depression.

## **#Glenn**

Yeah, the energy aspect of this whole thing—I mean, you see some clear consistency coming from the United States over the past decades. But Trump has been, let's call it, more blatant or honest compared to his predecessors, where he very openly said, in Syria, "We want their oil, we want their energy." In Venezuela, "We want their oil." And of course, the latest now with Iran, "We want their oil." You know the other leaders, the other presidents, are thinking the same thing, but it's interesting that it's being said so openly. How do you see this impacting the financial system? To what extent would the energy trade be linked to the U.S. financial system? Because, again, with such a financialized economy, if something goes wrong there, something could unravel in the United States, it seems.

## **#Michael Hudson**

Well, first, regarding your comment that Trump's policy is simply following that of all the preceding American presidents—there's been no change at all. And you'll notice, not a single former president—Biden, Trump, Obama, or either of the George Bushes—not one has criticized Donald Trump for what he's doing. In fact, the German leaders are all applauding Trump, even though they're not letting America use the airspace over Spain. Italy is now blocking American airspace in Sicily, and France is still maintaining the sanctions. And nobody in the world, no country, has come out and accused Trump of being a war criminal or of violating international law. It's as if they're all hesitant

even to imagine a world that isn't run by the United States the way it is now. And such was the confidence in the U.S. economy, to answer your question, that ever since the junk mortgage crash of 2008, the financial sector—

## **#Michael Hudson**

It's been very overburdened. And President Obama's solution was to say, well, there's only one way to get the banks out of the negative equity they've fallen into, and that's to pursue a zero interest rate policy. With low interest rates, it became profitable for banks to lend to real estate, to lend to buyers of stocks and bonds. That pushed up the value of the collateral backing their real estate mortgages and corporate loans—not only pulling the U.S. financial system out of the negative equity it was in, but also achieving the aims of the Obama administration and the Wall Street interests behind it, creating a huge bonanza for the financial sector. Since 2008, American wage levels have been absolutely flat. Forty percent of Americans today don't have any savings at all.

All of the growth in wealth has been financialized—growth in real estate, stocks, and bonds. And this is the result of the low-interest, zero-interest-rate policy, making it profitable for private capital. All of a sudden, non-bank lenders—big firms like Blackstone and others—borrowed from the banks at very low interest, around 1%, and bought all sorts of companies. That required a new word to be introduced into the English language: “enshittification.” They bought the companies and just bled them for whatever they could, maximizing financial returns through debt leveraging, buying them on so little credit—with 1% or even 2% interest rates—that they could keep everything they made over that minimal amount.

And so you have this enormous financial inverted pyramid built on bank credit. The Federal Reserve System, as Treasury Secretary Bessent has noted, has extended enormous credit to the banks based on the collateral they've put up from all of this. The Federal Reserve creates the credit for banks, which then make loans to private equity and pledge all their collateral with the Federal Reserve. So it's been an asset price inflation. The monetarists—Milton Friedman and other monetary economists—make the false assumption that creating money is going to increase the price index, meaning consumer prices.

That's not what banks lend money for. They lend money for assets—to buy real estate, stocks, and bonds. The value of a home, an office building, or a company's stock is basically whatever the bank will lend against it. The lower the interest rate, the more money—and the larger the loan—that can be capitalized on the basis of whatever the buyer or owner of that asset can squeeze out of it. So the U.S. economy has been squeezed: labor has been squeezed, the real economy, the industrial economy—all of it—to meet the financial sector's demands.

And this financial asset price inflation has attracted pension fund money and private investment money, all of which is committed to somehow making this financial debt-pyramiding work. The only way you can make it work is to turn the economy into a Ponzi scheme, where you lend debtors the

money to pay the interest and stay current on their loans so they don't default. Well, now you've just seen that interest rates on 30-year mortgages this week went over 5%, and 10-year Treasury securities are at 4.5%. All of a sudden, there's no zero interest rate anymore.

All of a sudden, all these loans that have to be rolled over by the large banking institutions—the ones that made these loans to private capital companies—find themselves unable to recover their cost of capital by lending those companies enough money to keep the Ponzi scheme going. That's the whole problem for the economy. And the fact that the war on Iran has created, for the time being, irreversible interruptions in the chain of payments—based on oil, gas, ammonia, fertilizers, sulfur, and helium—means all these breaks in the payment chain are going to lead to defaults. And once there's a default, you get this exponential growth.

## **#Glenn**

The growth process of debt reverses, and you get exponential shrinkage on the way down—that's what a depression is. Yeah. Now, it's hard to predict how it will play out, given that there are so many variables and so many actors who'll be affected by this. Indeed, it's hard to imagine any country in the world that won't be affected, especially because of energy alone. But if we look at the other great powers, how do you see them being affected by this war? I mean, we see the energy—well, for example, the energy war—it's not just with Iran but with the Russians as well. NATO has tried to cut off, or at least limit, reliable access to a lot of key maritime corridors, or choke points as you referred to them earlier, for Russia. They want to limit Russia in the Black Sea, the Baltic Sea, and also in the Arctic.

We see efforts not just to hijack Russian oil tankers, but now they want to seize the oil as well, with attacks on refineries. The Chinese are worried about these choke points. They're also concerned that the U.S. going after Iran is really a way of targeting China's own energy access. Of course, India will also be greatly impacted by this. The Americans had just convinced them to reduce their purchases of Russian oil, and now, of course, all of that has to be reversed—and, indeed, they're being encouraged to buy more Russian oil to keep the markets up. How do you see the wider international system adjusting to this? Because the U.S. is trying very hard to sell the idea that this is Iran's fault, but it's the United States that attacked Iran—with Israel, of course.

## **#Michael Hudson**

Well, the international system is not adjusting. Russia has said—and Europe, the NATO countries, have stated—they're going to stop buying Russian gas and oil. But actually, they've been managing to get some ever since 2022. Europe has already said that, I think by May, they're going to stop importing Russian oil and gas. So Russia says, well, why not stop right now? They've already threatened to break all their long-term contracts that they'd promised. You know, "We'll sell our oil and gas to other countries."

And obviously, with Hormuz closed, Russia has no problem at all finding other countries to import this. Europe seems to be committing economic suicide by following the sanctions on Russia, and you'd think it would see the results that happened to Germany—above all, after cutting off Russian gas and oil. The whole of Europe is going to end up looking like Germany did after 2022, and its GDP has been going down and probably will continue to. It seems not only dead set on not importing Russian oil and gas, but Ukraine has cut off the pipeline supply to Hungary, and I think to Chechnya as well.

And this is a non-NATO country. Ukraine has virtually declared war on Hungary, and NATO is supporting the attacker—the foreign attacker of a NATO country. I don't see how NATO and the European Union can survive all of this, because the result of this economic crisis is going to force governments either to violate all the restrictions on how large a government deficit can be, as they try to pay subsidies to homeowners and businesses to heat their homes and office buildings, and to have electricity to turn on the lights at these higher gas and oil prices. Something has to give.

And so far, what you're hearing is Merkel in Germany saying, "We have to cut back living standards, we have to cut back social spending, to spend more on the military, to fight Russia so that Russia cannot invade us again and take over East Germany like it used to." This is crazy. This is the enabling myth that Europeans have been told—that they need American support to protect them against the idea that elephants are going to invade, or flying saucers will invade anybody. They can make up any kind of enemy. The idea that the Russians actually have any interest in invading Europe is absurd, when obviously Russia has turned its attention toward Asia, and so have most countries.

You'll notice a change in the vocabulary of newspapers, television, and the media over the last year. I think 30 years ago, when I was writing archaeology books, we called Mesopotamia, Iraq, and Iran the Near East. Then it changed to what was considered a better term—the Middle East. But the middle of what? The middle of Europe and Asia? Now the word used in polite company is "West Asia." It's not the Near East anymore. It's recognized that this is now, and henceforth, part of Asia. And the whole world's growth area is going to be in Asia, leaving Europe and the United States—the West—behind. So it's a polite way of saying Asia is the East, no longer the West.

And that is the division you're seeing in the world. America's allies in Europe and the Western Hemisphere, plus Japan, Korea, and the Philippines in Far East Asia, are part of a whole different economic bloc. What we're seeing is something that, for years, Americans have called a "clash of civilizations." But it's not a clash of civilizations—it's a clash, an attack on civilization itself, by what the United States and its allies are doing in breaking what people think of as the laws of civilization: the laws of national sovereignty, of non-interference in other countries' affairs, and the laws of war, where you're not supposed to attack civilians but limit your attacks to military targets.

You're not supposed to go to war without declaring war. You're not supposed to make sneak attacks and pretend it's not a war. Almost every international law in the last few years—and I could almost

say decades—has been broken by the United States. And President Trump and his foreign secretaries have said, “We don't need international law anymore. International law no longer serves the United States.” But this international law was the integument that was supposed to hold civilization together—the laws of decent, civilized behavior.

Well, you're seeing the ethnic and religious hatred—from Ukraine to Israel to the fundamentalist Christians—that's violating all respect for individualism and freedom. And yet the United States calls this a clash of civilizations between democracies, headed by the Ukrainian and Israeli democracies, and the U.S. under Trump, against autocracies—meaning countries with a strong enough government to resist this attack on civilization. I must say, Iran has been even stronger than Russia in making this defense of itself. To be sure, it wasn't really left with any alternative.

It's fighting for its existence and its unwillingness to surrender, essentially following what Patrick Henry said during the American Revolution against Britain: “Give me liberty or give me death.” Well, America didn't have the concept of martyrdom, but certainly Iran does—and so did Africa during the British, Dutch, and European attacks on African tribes in the 19th century. They were willing to fight even against machine guns. The morality was: we're fighting for a way of life against people who want to enslave us or deny us any kind of self-independence, self-support, or autonomy—the ability to make our own future.

This is what the fight's all about. It's ultimately a moral fight that's now being translated into an economic fight and a trade fight. That's what's leading to this split. And it looks like, no matter what Iran may agree to regarding oil trade through the Gulf and other countries, this split is going to continue—because it's America's last chance to hold on to a power it can't maintain by being a prosperous country, offering others a win-win scenario or any real benefit from subordinating their interests to American interests.

American interests are now juxtaposed with those of every other country—quite explicitly in American foreign policy. And yet other countries aren't realizing that, in order to avoid being subordinated to American policy at the cost of being pushed into depression—closing down their major industries, unemploying much of their industrial labor, and actually de-industrializing—while the rest of the world, from West Asia to the rest of Asia, is growing, this is becoming the world's destiny. There's no attempt to ask, “What kind of institutional or structural change do we need?” This isn't a marginal change. And I think we need a new word for it. Remember the Great Depression—when people coined that term, it was like, “What's a depression?”

Well, you have the world going up, and it felt like a little bit of a downturn before going up again. “Depression” was meant to be a euphemism—for just a slight interruption. But of course, as it became a plunge leading to World War II, it turned into a bad word. So then a new euphemism was developed: “recession.” A recession was supposed to be even milder than a depression. Okay, a recession is only a slowing down, or just treading water until you return to your growth path. But the growth path the West has followed has now ended. We're not only not growing, but—as you see in

Germany and Europe—the economies are actually turning down. And you're seeing a sharp downturn in the Global South, in countries that can't outbid the wealthier Asian nations for oil, gas, helium, fertilizer, and other products at higher prices.

So something is going to have to give for all these countries. And it's not only the U.S. market, where many companies will be unable to pay their debts to the banks because of the high price of energy. You're also going to see the same break in the chain of payments from countries with heavy foreign debts that suddenly have to cover large trade deficits to pay for oil, gas, fertilizer, and other commodities whose distribution has been disrupted and whose prices are rising to crisis levels. There's no way to use regression or trend analysis to project this.

It's off the charts everywhere. And if you look at how the stock market has done, even in today's recovery on Wall Street, what's up more than anything else are the high-technology information-sector monopolies. And yet, all the growth in these seven big companies that have been leading the whole NASDAQ average in the United States has come from companies whose expansion requires energy. And I think, as we said before, there hasn't been much increase in electric utility output at all in the United States. There's no energy for them. So what did they do? Well, they began to say, "Let's go to where the energy is."

Let's go to Saudi Arabia, the Emirates, and Bahrain. Google, Amazon, and Facebook—these companies have been relocating to the OPEC countries. But now Iran has said, well, we will not be secure as long as there are U.S. military bases there. And as long as the OPEC economies are in a symbiotic relationship with the United States—depending on the U.S. for investment in energy and saving all their oil revenues by investing in the U.S.—as long as that symbiosis exists, they're going to be a threat to our security by being part of the U.S. group that's encouraging war and destruction against us.

So this whole attempt to somehow solve the expansion of the U.S. information technology sector by investing in the OPEC countries is being wiped out, as Iran has been bombing all of these centers to say, "We want you—other Arab emirates and monarchies, or sheikdoms (I hate to call them monarchies; that sort of elevates them in size)—we want you to relocate along Asian lines, because you can't remain part of the U.S. system. We won't feel secure, because you're going to try to attack us again and again, following your U.S. controllers." So this is part of the political system and how it's intertwined not only with the financial system in general, but specifically with the information technology sector that has been leading the whole stock market boom and all the companies around this sector.

## **#Glenn**

What I find fascinating, though, is that for decades now—at least over the past 40 or 50 years—there's been a lot of work in the literature on what you more or less described as a benign hegemon. That is, you said the United States, if it needs to restore this ability to dominate, ideally countries

should see that as a benefit. Well, we had all these ideas of a benign hegemon, but it was rooted very much in this concentration of power, which meant there wasn't any competition.

But, you know, to make my point short—what's been argued since the '70s and '80s is essentially what happens over time when U.S. power begins to wane, when other countries develop rival technologies, when they have their own navies and no longer want to be dominated by the United States. You have other rising currencies and economies. So what happens overall when the hegemon is declining? The argument then would be that it wouldn't be possible for the U.S. to be a benign hegemon, because a benign hegemon would have open access to maritime corridors, free access to technologies, to user banks, to currencies—all of that.

But once you have a declining hegemon, it faces two problems. One, of course, it's less reliable because it's going bankrupt. And second, it's likely to use all its economic instruments of power to keep other great powers down. Essentially, what would the benign hegemon do if it's in decline? It would have two options: either stop being a hegemon or stop being benign. So this more aggressive approach—trying to restore control over international oil supply, cutting off tech for the Chinese, cutting off oil trade for the Russians—all of this was predicted by many people, yet it still seems to come as a shock. My question, though, was...

## **#Michael Hudson**

Let me say one thing before we get into your vocabulary. We need a much better word than "decline" for what they were talking about. A decline is something like a business cycle—it goes up and down, then it always recovers, up and down. But there's never been any such thing, statistically, as a cycle. Here's what happens: there's the upswing of the cycle, and then a crash. Upswing—it's a ratchet effect. There's no decline; it's a crash. A decline is sort of like the counterpart to an ascent. The ascent is slow, exponential perhaps—growing, peaking—and then a crash. And that's what's happening now. It would have been a decline if other countries had thought, "Yes, there'll be a decline; we have to think about what's going to take the place of the system we've been working in under U.S. leadership."

But they haven't. And so this ending—we're seeing the end of an era, not a decline but an abrupt collapse. And this change isn't coming from outside. The end of American power didn't result from any foreign civil war or other war against U.S. dominance. The end came from the United States itself—by trying to set its interests against every other country, thinking, you know, "We're going to put sanctions on everyone who doesn't agree with us." We hate China because it's more prosperous than us. We hate Russia because Russia supports China. We hate Iran because we don't control its oil. We hate Iraq and Syria because we don't control their oil.

And now Trump, in the last few days, has said, we're really angry with Europe because Europe didn't send its navy to commit suicide and get killed by joining us in opening the Persian Gulf. He said, "Hey, Europe, if you want oil, why don't you send your navy to open up the Persian Gulf and come

get it? We don't need it. It's our war, but your problem." Well, it's the United States—all the way from the Bushes, through Obama, through Trump—that has closed itself off from the rest of the world and virtually declared war on everyone else, leaving the rest of the world with no option except to join Iran.

That's what's so amazing in all of this—that the U.S. has ended its own empire. Many of the people talking about decline say there are slow processes that change all of this, but they've never acknowledged the inherently hostile position of the U.S. toward other countries, saying, "We will not join any international institution in which we do not have veto power. And any country wanting the sovereignty to pursue its own interests, we will treat as an enemy and call it an autocracy." An autocracy, in this sense, is a country with the strength to say, "We will go our own way and not submit to U.S. democracy."

Ukraine and Israel style. I mean, this is what it is. So we're seeing a systemic change—and a systemic change is a changeover. The world is no longer part of the past trends. Those trends and the connections that created them, that whole matrix, are all ended now. And you're seeing a new world trying to structure itself. There's been so little thought about it. The guests you've had on your show talk about it, but we're pretty much in the minority. Other people haven't thought, well, in order to have an alternative to the U.S.-run International Monetary Fund, World Bank, United Nations, World Court, and Army...

We need our own international organization and, ultimately, our own military force to defend ourselves—so that what has happened to Iran, the rest of the Middle East, and the other countries America has gone to war with again and again since the 1950s will never occur again, certainly not in the way it has. We need a world that truly has a body of international law and rules of war, so we're never plunged into this kind of crisis again. Nobody's talking about what kind of monetary system, financial system, trade system, or new body of international law we need, or about holding a meeting to replace the United Nations, which is now as obsolete as the League of Nations had become by the time of World War II.

## **#Glenn**

No, this is a great point. I mean, it's easy to point out the mistakes and the decline of the existing system, but what should come next? You'd hope there would be more debate around this, but that's an excellent point. Just my last question was, I guess, more specific. I wanted to look at—or just ask—when you see this shortage of energy and fertilizers, focusing on those two, how can we trace the ripple effects through the climate?

## **#Michael Hudson**

No, it's a specific question—well, actually, it's kind of vague and broad, I guess. Everybody's answer is going to be the same: without fertilizer, crop yields fall. And when crop yields fall, prices go up.

The way markets work is that the people with the most money get to buy the crops that are still available. When that happens, that's what we call a crisis. Farmers actually make more money when there's a crash in output—when the harvests fail and prices rise—than they do when the harvests are good. Meanwhile, in America, the agricultural system still gives subsidies to farmers to grow corn to make gasohol. That's crazy. You'd think that in a logical society, those American farmers making gasohol would be growing food crops to feed the population. But that's not happening. And I'm not sure what other countries are going to do.

Some countries will probably shift from plantation export crops to food crops to feed themselves. There's going to be, throughout the world, a recognition that you need food self-sufficiency to protect yourself from the U.S. weaponization of foreign trade—in food, in oil, in fertilizer, in just about anything the United States can create a choke point for and weaponize. You have to stop foreign trade from being weaponized in the first place. Obviously, there are going to be a lot of warnings, especially for Africa and regions facing starvation. For the big countries in Latin America—Brazil, Argentina—they're going to be okay in terms of agriculture because a lot of people can eat soybeans. Westerners may not like them as much as Asians, but soybeans are very good for you. They're high in protein, and there are all sorts of solutions.

Brazil and Latin America can probably do okay. But Africa is a real problem because of the distorted monoculture economies that Europe, backed by the World Bank, has created there, especially since World War II. They gave up the self-sufficiency that World War II forced them to develop, and now they're back in a wartime situation where the only way to survive is to become self-sufficient. That self-sufficiency is probably going to last longer than any return to the kind of international specialization of labor that existed between the trade-surplus countries and the trade- and payments-deficit countries. All of that's going to change. The whole philosophy of economic growth is going to change—to reject the World Bank's emphasis on plantation agriculture and U.S. foreign ownership of raw materials, land, and basic rent-yielding resources.

## **#Glenn**

It's funny how the world has flipped on its head in this way, because ever since World War II, the countries that allied with the United States had reliable access to international trade. They could afford to make themselves dependent on these trade networks, and they could essentially take Ricardo's comparative advantage to the extreme—you know, not having to make their own food, not having to develop their own fertilizers. They could become completely dependent on energy. But now, meanwhile, the countries that are adversaries of the United States have had to develop self-sufficiency in many ways, including technology across the board. Now that the U.S. is struggling—let's say it that way—and the system is breaking down, we see that the lack of strategic autonomy among some of its allies is quite shocking. And Europe, I think, is a great case. So I'm not sure if you have any final thoughts before we wrap up.

## **#Michael Hudson**

Yes, let's look at Britain. Britain has access to foreign trade, certainly, but how is it going to trade? What does it have to pay for its imports with? It's been deindustrialized by the combination of Margaret Thatcher and Tony Blair, and the Conservative and Labour parties together have deindustrialized it. So how on earth is Britain going to survive? What does it have to offer the world for food, essentials, energy, and the other things it needs? It doesn't have the North Sea oil anymore—or rather, it's dwindled way down. I guess Norway is also finding that its reserves in the North Sea are getting pretty low. What are these countries going to do now that they've followed neoliberal economics and deindustrialized?

## **#Glenn**

We'll find out shortly, I guess. It's surprising, though, how quickly everything changed since the '90s. There was more or less a consensus around the "end of history," that this was it—until now, with this massive crisis. And, well, many people did warn that the war on Iran would just exacerbate all these poor fundamentals. But here we are. So thank you, as always, for taking some time to share your insights on these issues. Well, I'm glad you've given me a chance to talk about the big questions.