

Richard Wolff & Michael Hudson: Why Iran Is Crushing US Dominance

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#Nima

Hi, everybody. Today's Thursday, April 23rd, 2026, and our dear friends Richard Wolff and Michael Hudson are here with us. Welcome back, Richard and Michael.

#Richard

Glad to be here.

#Nima

Please hit the like button, helping us reach more people. And you can follow Richard on his YouTube channel and on his website, Democracy at Work. You can go there and find the YouTube channel. You can find the website. And Michael Hudson, you can read below his name — you see the website address. It's michael-hudson.com. And let me start, Richard, with you. Here is what, you know, when it comes to the war against Iran, the war that is happening, and we have some sort of ceasefire, which is not official, by the way, but this war — they tried to sell this war, if you remember, in June 2025. And we had J.D. Vance trying to sell it to the American people, that this was going to be something short, something big and beautiful, but in a short period of time. It's not going to be Iraq, Afghanistan, Vietnam — none of that sort of messy operations. And here is what he said in June 2025.

#Speaker 03

With Americans who are exhausted after 25 years of foreign entanglements in the Middle East, I understand the concern. But the difference is that back then we had dumb presidents, and now we have a president who actually knows how to accomplish America's national security objectives. So this is not going to be some long, drawn-out thing. We've gone in, we've done the job of setting their nuclear program back, and we're going to now work to permanently dismantle that nuclear program over the coming years. And that is what the president has set out to do.

#Speaker 04

Simple principle.

#Speaker 03

Iran can't have a nuclear weapon — that has animated American policy over the past 130 days. It's going to continue to be a driving force of our policy in the Middle East for the next three and a half years.

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And here, coming to this moment, Scott Besant was asked, what is going on with the war? And here is what Scott Besant said.

#Speaker 05

Russia has received significant additional revenue from their sales of oil because of sanctions relief. I couldn't disagree more. Do you disagree that Russia has received significant additional revenue from the sanctions relief?

#Speaker 04

I couldn't disagree more.

#Speaker 05

Okay. Why did you relieve the sanctions on Russian and Iranian oil?

#Speaker 04

Think of it this way, sir. There's the Strait of Hormuz. Familiar with it? There is oil to the left—yep, left—and to the right. The Treasury was able to, just as you are concerned about gasoline prices for the American consumer and for our Asian allies, as are we, create more than 250 million barrels on the water. And the way to think about this is, as I came in today, the oil prices are at \$100. If we had not done that sanctions relief, they might have been at \$150, because the world became very well supplied.

#Nima

Richard, in your understanding, how convincing was the argument on the part of Scott Besant?

#Richard

Well, you know, Mr. Besant is an embarrassment, right? The question that politician had to do with was the benefit to Russia of the relief of the sanctions. The honest answer to that was, of course, it's a benefit to Russia because they can sell oil. And let's remember, they're the largest repository of oil on this planet, and they sell it all over the world. And the price went up, as Mr. Besant just said. And therefore, Russia is making much more money — in fact, so much more money that the United States is in the odd position, which honesty would require you to say, that we, by our policies, have seen to the closing of the Strait of Hormuz. That raises the price of oil, and that helps Russia pay for its war in Ukraine.

That's the reality. That's the truth. Mr. Besant, who either doesn't understand this simple story or understands it and just doesn't want to admit it, because that's the complex mentality the man has. And so he starts mumbling about how it could have been even worse, which is not an answer to the question, because had he let the Strait go and had the price of oil gone to \$150, it just would have meant that you're subsidizing Russia even more than you currently are. So that's the kind of dishonest, fooling around, hoping people don't pay attention that characterizes this government.

But let me say a word about Vice President Vance. First of all, please note the extraordinary courage this relatively young man has. He is explaining that all the previous presidents over the last half century have been, and I'm going to use the word he used, dumb. They were dumb, except for this one, his boss, who happens to be brilliant. So we're not supposed to ask the question: maybe the previous presidents who were opposed to the regime in Iran — we know that's true — took a look at the military options and decided not to do what Mr. Trump, in his brilliance, has now done. And so they weren't dumb.

They made a different assessment of what the risks and benefits were. And what do we now know? We know that Mr. Trump and Mr. Vance made a cataclysmic mistake in what they did. If anyone deserves the label "dumb," it's them. They were too dumb not to ask the question: why would Obama and Bush and Clinton, who were working against the Iranian regime from day one, not do what Mr. Trump did? The answer "they were too dumb" tells you only how dumb that answer is. Let's be clear, they didn't do it because they were afraid it might not work out. And what do we now know? It's not working out, is it? Not at all.

If you go in and you stop after 12 days, well, we know how that works because that's what happened last year. But if you go in and you have much more ambitious hopes of what you can and cannot do, you're going to discover that your predecessors weren't dumb. They didn't get themselves into the kind of disaster without an outcome that you're now sitting in. What's happening now is a government — we've talked about this before — this is behavior that is systematically one kind of behavior, and it's called desperation. Telling the world we're negotiating when we're not. Telling the world things are happening that aren't. Telling the world you're going to do this and that.

It's so bad that our president gets the nickname "Taco." Trump always chickens out. I mean, that's not an achievement. You take a look at his polling numbers in the United States — the percentage of Americans, Republican, Democrat, and Independent, who disapprove of his government — it's now two-thirds. Two-thirds. Much worse than it was as little as two, three months ago. This invasion of Iran is a disaster for the United States. It may be a problem in other parts of the world. No doubt. No doubt. I just heard from a friend of mine who was scheduled to fly to a very famous destination in Spain that people in Europe go to for vacation. I learned it this morning.

His flight was canceled because all flights to that spot in Spain were canceled. That airport has closed because they have to save on jet fuel, which is a direct consequence. We're seeing that all over Asia. In the Philippines, they've cut the length of the work and school week from five days to four days to conserve their oil and energy that are dependent on imports. I mean, the Iranians, by doing what they have done with the Strait of Hormuz, showed that not being dumb is a much greater strategy for success than having military dominance. The United States had military dominance and political backwardness, and it's paying the price.

Iran is paying the price also, but Iran has a compensation. They are winning this war, and that's the reality, and Americans cannot, will not get their heads around that. Mr. Trump has that going for him. His only way out is to retreat and insist, in the way that he's good at, that what just happened to him and to the United States is actually a glorious victory, and hope that that will not be questioned any more than the nonsense you just showed us from Vance and the nonsense you just showed us from Besson is understood. This is a flimflam game, and we're supposed to be the patsies who fall for it.

#Michael

I agree with what Richard has said. I want to comment on both of the quotes that you had. Besson simply changed the question and answered a different one. He was asked, isn't Russia benefiting from the rise in oil prices caused by the war in Iran? And Besson said, well, prices would have gone up even more if we wouldn't have let Russian oil fill in the gap that OPEC is not able to provide now. Well, all that he says is true, but Russia is benefiting from the fact that it's filling the gap that the Arab countries are not able to fill. But even more dissembling is the quote that you had from Vance, which he should be ashamed of. This war is not at all about Iran moving for a nuclear weapon. That was already solved under President Obama's signing of the Nuclear Enrichment Agreement.

Trump withdrew from that. The aim of this war, as we've said again and again, is that America wants to control the supply of oil in the Middle East and all throughout the world so that it can use oil as a choke point to compel other countries to obey its foreign policy dictates or else be cut off. So it's really all about oil. And in order to do that, well, number one, what do you need? Well, just as the U.S. and Britain overthrew Mossadegh in 1953, you need a regime change. Trump tried that. He said, well, all we have to do is kill the leaders and we'll find some opportunist who's going to come in

and try to be the new Shah and install a new police state under U.S. control that'll just serve us. Well, that didn't work.

When he bombed the new leaders, Iran has a pretty deep leadership class, and it's also very decentralized. So you can't just knock off the head and everything falls apart. That's Trump's fantasy — that without him, the whole U.S. policy would fall apart. It's about control. It's really, as Trump said, we want Iran's oil, just like he said we want Iraq's oil. We invaded them. That costs money. We want Iraq's oil to pay. He wants Iran's oil. That will give America control of West Asian oil. So what's happened? Trump has now found himself in power — a quandary. I won't say it's a dilemma. A quandary is a problem that doesn't have any positive resolution at all. Suppose that he carries through his threat to bomb Iran — every bridge, every power supply — you know, push it back into the Stone Age.

Just it'll take 30 years to recover. If he begins to attack Iran by air, Iran is just going to essentially say, we're not going down by ourselves. We're going to knock out all of the other OPEC oil exports. Now, if we can't export oil, there's not going to be any oil exported from this region. And there will be — this is its brilliant strategy of MAD, mutually assured destruction. In this case, economic destruction of the world economy. So Trump is afraid now to plunge the whole rest of the world into depression. So he really can't do that. And if he tries a land invasion, not bombing, then the American troops are going to be chewed up, according to all of the guests you've had on your show.

Well, what if he just sits and does nothing and keeps the blockade, calling it a ceasefire while he's continuing to grab Iranian ships and tankers? Iran could treat this as an act of war and attack the Arabs. But what it's going to do is just continue to charge tolls for the ships going through, and the postponement of oil exports at anywhere near the former level of hundreds of tankers a day to just maybe a dozen or so who take the time to fill out anything. This is going to have the same effect as wiping out Arab OPEC oil. There's going to be a world oil shortage, and that's going to push the rest of the world into depression. As Richard pointed out, from airline fuel to fertilizer to all the other things.

So there's nothing that Trump can do that'll make things better. And his only real solution would be to walk away. But that would mean acknowledging that he was a failure and the other presidents were right not to get entangled in this. There's a reason they didn't go to war with Iran. They all said, well, we're going to do that someday, but let's hit Iraq first. Let's hit Syria first. Let's find something else — we're not ready to do it. And America's not only not ready to do it at the time it attacked, but it's now out of weapons. It has hardly any more bombs, hardly any more missiles, hardly any more missile launchers, not many airplanes.

It's depleted its ability to wage war and is now in a much weaker position if it even tried to go to war with Iran than it was before. Iran has gained an enormous advantage. That's the situation that exists now, and it's paralyzed. And just before we came on the show, needless to say, I looked at the stock market, and the stock market's up, and the Financial Times says, well, everybody's hoping

that there'll be a happy medium and everybody can somehow solve the problem and compromise. There's no compromise. Iran is not going to the meeting, last I heard, that Trump wants to negotiate. And just here, Trump says, here, we're telling you what to do or else we're going to bomb you some more. There's no middle ground. That's, again, Iran's genius in not capitulating, not giving in.

#Richard

I would also say that there are, even though we can't see them in precise detail yet, future consequences that are already beginning to show. And I think those are as important as anything else that we can say. Let me give you a couple of examples. What the Iranians have shown the world is that the attempt of the United States to be the global hegemon, to be the global unipolar power, whatever you want to call it, is an extremely risky and costly enterprise for the rest of the world. Whatever it is for the United States—and I would argue it's costly here too—but put aside the United States, the rest of the world will be forced to face the following.

When Iran was able to control the Strait, which it has been for years, it did not interfere, it did not charge, and hundreds of ships were able to go through there, thereby enabling the very expansion of capitalist investments around the world, because the long supply chains coming back from Asia and Africa and Latin America could use the Strait of Hormuz, among other ways, to move inputs, outputs, and so on. They were a very good, cheap manager of that waterway. When the United States and Israel attacked, they stopped being a good organizer without a cost. They are saying that because the United States attacked them, they're determined to rebuild whatever the damage is that the United States and Israel did—bombing, you know, the different cities, doing the damage, excuse me, in Tehran and so on.

They're now going to charge. The whole world is going to pay a price. Your ship, when it goes through the Strait, is going to give Iran money—millions of dollars for every ship—in order to compensate for what the United States and Israel did. It is a brilliant move in which the cost of the American empire is becoming a real experience to the rest of the world. And they're going to be upset about it. It's going to eat into the profits of shipping companies. It's going to eat into the cost of living everywhere. The whole world will be instructed: you want to know why the loaf of bread you're eating costs you more today at the store? Well, then the explanation will tell them the story of what has just happened. This is a very serious problem if you're operating an empire.

The United States empire was built on the notion: we bring you prosperity, democracy, blah, blah, blah, all of that. But the reality that is now being taught to the people is we're bringing you higher costs. We're bringing you extraordinary risks. We are explaining why you can't afford to take a vacation in your car, et cetera, et cetera, et cetera. That is a long-term cost here that we're going to have to think about. And the second one, which I know you have had people on talking about, so I won't spend time on, but the people—the eight or nine countries in the Gulf—have learned that an American military base doesn't bring you security; it makes you a target. It's the opposite of

security. It puts you at enormous risk. Because as Michael correctly said, Iran from now on, no matter what happens, is going to rebuild its capacity.

We know it will have missiles and drones because they can be supplied with missiles and drones by the Chinese via the Russians forever. They have common borders. Nobody can interfere. Short of a nuclear war, they can rebuild their military capability. So what are you doing? You're saying to the Gulf states, the Iranians are going to rebuild. They're going to be helped in that because the Russians and the Chinese need a strong Iran as an ally. They've already shown that. They will continue to show that. They're showing it now. And that puts the Gulf countries at risk, just as it puts the entire oil business at risk.

You know, the United States empire has to maintain passivity. When Michael just told you what the stock market wants, that's what the whole world wants. They want all this to go away. They want to be able to return to making money as they felt they were doing before. They're not grateful to the United States for what it's doing. They're horrified. They want this over. And Mr. Trump is therefore at the greatest risk of his entire political life, short as it's been. Why? Because Mr. Trump always put the business community first. The first act of his first presidency was the tax cut of December 2017, one of the biggest tax cuts corporations and the rich have ever seen.

The first act of his second presidency was last year's big, beautiful tax bill. Notice, the first and highest priority is to keep the business community on his side. Everything else, he'll get their money to win the PR battle, he thought. Well, now he's discovering that this is also a trap because those people, having said thank you for the taxes, having supported Mr. Trump, which they do to this minute, don't like this disruption at all. If the stock market begins to tank because of the ramifications, he will lose that business support, and then he will have nothing. That is the dilemma he faces as a political actor.

#Michael

Well, let's look at the consequences of what Richard has just said. The business community is not the economy. And the American empire was able to achieve its military dominance and economic dominance after 1945 because its economy was strong. What began to undercut its international economic power was the Vietnam War. Well, it actually began with the Korean War in 1950, 1951. That was the year in which America's balance of payments moved into deficit. By the Korean War, every single Friday in the mid-1960s, when I was working at Chase Manhattan, we would look Friday morning at the Federal Reserve statements of the gold supply, and we were watching all of the dollars that America was spending in Vietnam and Cambodia, elsewhere in Asia, being turned over to the French banks for General de Gaulle to cash into gold.

And Germany was also picking up the slack from the United States. So we were watching the gold flow out of the United States and ultimately force the dollar off gold convertibility in 1971. Well, this didn't turn out to be the disaster that the Americans expected for the reasons that I discussed in

Super Imperialism. But today, let's look at the situation again. The largest commodity export from the United States for the last five months—can you guess what commodity it is? Not aircraft, not artificial intelligence, not computers. It's non-monetary gold. America's largest export is now the gold that its private holders, and perhaps even the U.S. government, have had.

And the largest exports of gold are to Britain and to Switzerland, Switzerland being a transfer point to China and Hong Kong. Hong Kong is the third major destination of this gold. Forbes magazine, just in the last few days, came out with all of these figures, saying, well, there's about a six- to eight-week lag in the publication of foreign trade figures, but the most recent figure we have is in February, and that's five months in a row where gold is a major American export. Well, in 1971, the United States said, okay, we're not selling you gold anymore. What's your choice? You don't have any choice.

How are you going to save all these dollars that you're accumulating? Well, there's really no alternative to gold. We're not going to let you invest in American companies or control our economy like we used your balance of payments to buy out your economy. All you can do is buy U.S. Treasury securities or corporate bonds. Well, that's not the case now, because Iran, like Venezuela, was saying, we don't want to hold dollars, and we have alternatives now. We can hold Chinese yuan, essentially. So now, when America loses gold, this money is not recycled into loans to the U.S. Treasury to fund the balance of payments deficit to continue waging the war.

America is being stripped of its gold and its core international economic power, just as it's being stripped of its bombs and missiles and aircraft and all the other elements of war. America's left without any cards to play the game, if you want to look at it in terms of game theory. America's broke. That is what the Iran war has done to Trump's plans, and this is what didn't occur in any of the past wars because other countries had no alternative. Now we're seeing an alternative to the U. S. empire come into being—de-dollarization—and the whole world is splitting, as Richard and I have been describing for the last year.

#Nima

Richard, looking at the situation right now, how do you see the off-ramp for Donald Trump? Because as you mentioned, we know that how the war is hitting the economy is not just like the war in Vietnam or Iraq and Afghanistan. The repercussions going to the global economy are huge. Twenty thousand flights were canceled in Germany, for example—Lufthansa did that. And even getting just to the details, in India they don't know how to produce these aluminum soda cans because they're all dependent on what's going on. This is huge for the global economy. How do you see the off-ramp for Donald Trump?

#Richard

Well, obviously, I'm not part of the conversation. And it's clear to me that the conversation is now in an extreme situation of desperation. I know you've heard me use that word before, but if people didn't see, a few days ago—I don't remember the exact date—but a few days ago, there was a remarkable story in the Wall Street Journal about how the chief military and political folks decided how to rescue those two airmen that went down with the plane that the Iranians shot down. Apparently, if you take this story in the Wall Street Journal seriously—and I do, I mean, I don't see any reason why they made this up—when Mr. Trump was informed that this had happened, the plane had got shot down, and there were, I believe, initially two men missing who went down with the plane, he became, according to the Wall Street Journal, hysterically rageful for hours.

But that wasn't the big item in this story. The big item was that the people—and I presume, I don't know, but I presume that the people in the Situation Room included Marco Rubio, the Secretary of State, Mr. Vance, because they're normally with him in these emergencies—they insisted, together with the military leaders, that Mr. Trump leave the room, and he was ejected from the room for hours. Periodically, one of the people inside the room making the decisions about what to do in this emergency sent someone out of the room to tell the raging president what they were doing. But the commander-in-chief wasn't commanding anybody. He was being commanded by people who were not elected to do that. Okay, you know what that tells you?

It tells you that when the vice president, probably in on this, explains how dumb everybody else was, it's he who's the dummy in all of this. He doesn't understand what they're doing. If you take seriously the clip you showed us, then it's clear that we are being led by people who hope something will work out, take enormous risks, and discover it won't work out—that they live in some sort of analytical bubble. Everybody else is dumb, but they see what the reality in Iran is, and you can go in and kill the Ayatollah and everything falls apart. I mean, a bigger mistake than this—you'd have to take some time to find a bigger one. So it isn't a mistake. It is something that is built into the way these people are functioning. Or if you like, it's a mistake that was waiting to happen.

Okay, why am I stressing this? It seems to me that, so desperate for an off-ramp, this is what I would guess he will do. For the part of his base that needs to believe the United States is the big, powerful everything, he will undertake another day or another week of bombing the crap out of Iran. And we will have our television in the evening full of pictures of missiles crashing and fires burning and buildings crumbling and all of that. And then he will declare, in the way he has shown us in recent weeks, that the Iranians, suffering under this barrage of whatever missiles he has left, have asked for peace. And because of the difficulties in the world economy, and because he is a good man, Mr. Trump will agree to stop at this point.

He will have gotten some commitment, he will say, about nuclear refining. He will have gotten some commitment about the opening of the strait. And so our goals have been achieved. We've taught these Iranians a lesson. It's a victory. And he'll come home and he'll organize a parade in downtown Washington to celebrate the victory in Iran. That's what he'll do. And he'll have to live with all of the

commentators here in the United States who will make fun of him for covering a defeat with fakery. But for his base, that third of the American people, Fox News will carry the story the way he wants. And so he'll continue. It's shrinking, but he continues to be a candidate appealing above all to that base. And so that's what he'll do because he has to stop.

#Michael

Well, in other words, Trump will make a public relations spin on his loss of the war. Richard, I love that you're referring to these people. It really is these people who Trump has surrounded himself with. Remember that Tulsi Gabbard testified before Congress that all 18 agencies of the United States said Iran had not been working on an atom bomb for over 20 years. There was no movement at all toward an atom bomb. But after that, the head of the CIA, Ratcliffe, came and said, yes, Iran's been working on an atom bomb. Well, Ratcliffe essentially ignored everything that apparently the CIA and every other U.S. agency under Tulsi Gabbard's purview had said. Apparently, there were large numbers of resignations from the CIA. Trump has appointed individuals, most notoriously Pete Hegseth, who has done the same thing with the Army.

Just ignore all the advice below you. Ignore the armed forces, supposed to be represented by the head of the Army. Ignore the intelligence agencies, supposed to be represented by the CIA. Trump has appointed people personally loyal to himself because he was so traumatized by the people he was advised to appoint in the first administration, like Barr and the head of the FBI, the Justice Department, all the people that he appointed that wanted to undermine him, that now he just has people who are personally loyal and have no background at all, no competence in what they're doing. So that is essentially what he's trying to create in terms of this public relations spin—his surrender, as you just said, Richard—as if it's as much of a victory as you can put lipstick on a pig.

#Nima

Yeah. Richard, what is happening when Donald Trump... Donald Trump tweeted or posted on his Truth Social saying that the leadership in Iran is fractured. I don't know where he gets this sort of information, that it's fractured, so that would put him in a better position to have some sort of leverage. But we learned yesterday that the Secretary of the Navy was fired by... Pete Hegseth is not just the first one. And it's a very important position, by the way, when it comes to the operation that is going on with the case of the blockade, because it seems that there is some sort of discontent within the military, within the Navy, with this operation.

It's a huge operation. It's not about Iran controlling the Strait of Hormuz from the land. It's so easy for Iran to do that. But the United States, looking at the Arabian Sea and the area they have to cover, it's almost impossible. That's why they couldn't do this for many of these tankers that are getting out and getting in. So who's fractured, and how is that going to help him? Let's assume that he's feeling that way. Is that going to help him?

#Richard

Well, you know, for me, this is all part of the spin. First, let me underscore what you said. A blockade by the Navy means that this is one of the most ambitious, urgent tasks given to the United States Navy in a long time. There could not be a worse time to get rid of the head of the Navy than in the midst of such an operation. That tells you that there must be—that this guy didn't want to be associated with what, for him, looked like a bad move. I don't know what his brain is, I don't know the guy, and there's not much information about it. But I can tell you, it is a very strange time to have declared a naval blockade as part of a war, and then the head of the Navy is fired.

You know, I mean, that is very bizarre, number one. Number two, saying that your enemies have disagreements among themselves is not an interesting statement, because it's always true, and the only matter is whether it's relevant or not. In other words, are the disagreements fundamental? Are they intense? What's the situation? Otherwise, that there are fractures, that there are disagreements, is not interesting. I'm assuming there are disagreements. There are lots of rumors that Vance was not all excited about this war either, right? So there are fractures, but Mr. Vance made the political decision to be a loyal vice president and go along, clearly.

He did it last year, but he's doing it now as well. Yes, he allows some rumors. He's already thinking post-Trump, and he would like to be able to say, "I told you so," later when it's convenient and Trump is out of the picture. And Mr. Trump, who may not know other things, certainly knows that. And that's part of why Mr. Vance has to be the negotiator in Islamabad, if that even happens. What has happened in Iran is, ironically, that there are fractures, no question. We all know what happened six months ago in Iran — the kinds of street battles and battles over women's issues in Iran and the politics.

But what has clearly happened, and we really do know it now, is that attacking the Ayatollah and bombing the cities has brought Iranians together to overcome and set aside—not that they forget them—but to set aside their disagreements and hang together against the United States. We see that that's going on. By the way, in contrast, in the United States, the number of people willing now to say they don't want this war is growing, not shrinking. You know, Tucker Carlson, Marjorie Taylor Greene—these people are now making a break with Mr. Trump and saying publicly that the war is a betrayal, that the war is a bad idea. Whoa, whoa. Here's the irony: the Iranians would be in a better position talking about fractures here than the other way around, because that's what's actually showing up.

#Nima

Michael, I think the question right now is the economy. And most of these countries, GCC countries—the states in the Persian Gulf—are in a dire situation. We've learned that the UAE is running out of cash. They're asking for some sort of financial bailout from the Trump administration. And with this blockade happening, Iran is just—if they're not receiving anything, then the UAE is not going to

receive that. They're just putting some sort of blockade on GCC countries. How do you see the situation with these Arab states, GCC countries, as time goes by? Are they going to reevaluate, reassess their strategy in the region?

#Michael

Well, Saudi Arabia and the Emirates all had, over the last few decades, developed very complex investment programs. And these investment programs, largely construction and building programs, cost a lot of money, and they had expected to pay for these programs by their oil exports. Well, now they're not getting any dollars from the oil exports. So what are they doing? Well, in order to avoid defaulting on their debts, they're selling their dollar holdings. The dollar is not weakening because other countries are still moving into the dollar as a flight to safety, because they haven't figured out a way of very smoothly investing in the Chinese currency. And the Chinese RMB really doesn't want to provide a means for the whole world to save.

And there isn't any alternative to the dollar. There's no BRICS currency, which is a fantasy, or any kind of substitute for the dollar, except maybe you can buy silver, you can buy commodities, you can buy real estate, you can buy something else. But the Arab countries are now selling the dollar, and probably Trump is going to, in order for Trump to do the public relations flim-flam that Richard described, at least make one more token bombing site, just to say, see, I bombed them into submission. But anything he does is going to lead to Iran going kaboom, because there is no way of knowing whether this little bomb, even if Trump says, don't worry, I'm just going to do a little bomb for you, won't you accept it? He tried to make that deal last year with Iran, and Iran said no.

You know, if you bomb us, you bomb us, and that's what it is. Well, Iran now realizes that in order to get the United States out of West Asia, you have to not only get the troops out and the military bases closed, you have to stop the whole linkage between the Arab OPEC countries and the United States. Well, what's the big economic linkage besides holding their state national savings in dollars? It's the investment by US companies, especially artificial intelligence companies, in the Emirates and Saudi Arabia to buy cheap oil to run all of these computer systems that they need for artificial intelligence, since this electricity is not going to be available in the United States. And obviously, as a result of the Iran war, there's not going to be a superabundance of electricity in other countries, given the oil shortage.

So Iran says, okay, we're going to break that symbiotic relationship by bombing the U.S. investments there. Probably if they're luxury investments, those are going to be bombed too. Trump has made an effort in the last week to say, remember my word of peace? We were going to invest in Gaza to help rebuild it. Won't you, Emirates, put up a few billion dollars to develop a luxury port there for all of the tourist ships to land, to go to the tourist Mecca that we're going to be building on the graves of the Palestinians? The answer is no, they don't have the money now because there's no export oil revenues coming in.

So I think that answers your question. The OPEC countries themselves are being squeezed for cash now that they've already committed so much spending that had been expected to be afforded out of their oil exports. And this, again, gets back to the point that Richard made before, and that you made, saying, well, the whole problem is that America's presence there is no longer a benefit to the host countries. And I'm talking about a host in the sense of a parasite that has a host it lays its eggs in. The host countries are not benefiting from the U.S. military bases there because America has not only no interest in defending them, but just the opposite.

None of these countries, from Saudi Arabia and the Emirates to Iran, were consulted on America's war with Iran, nor were the European countries. America does whatever it wants without concern for any other countries. Now they're suffering the costs of the risks that they've taken. And in addition to not having American military support, the economic support — all of the connections for this business investment — is being pulled out too. So this really looks like an end, not only of dollarization financially, but dollarization of actual, tangible foreign investment in these countries.

#Richard

Also, again, we're doing what I was mentioning before. We're beginning to think through the implications as they move into the future. Here's another one: we're going to see every corporation engaged in world trade — that's a lot of them — and every country that depends on world trade — and that's a lot of them — they are now going to reconsider, recalculate what they do. Iran has shown that it has the power to close the Strait of Hormuz and will do it if attacked. Israel, everybody presumes, will attack them. Even if they can't do it now, they'll wait a few months or a few years, and then they'll do it. Certainly been the pattern in the past. But now you understand that when Israel does that, it can have a global effect on you.

You can't be looking the other way when Gaza happens, or when these kinds of things happen. So what are they going to do? Well, they're going to lower their dependency on moving anything through the Strait of Hormuz. They're going to consider the new Arctic passages that are opening up. They're going to consider rail development. They're going to consider pipeline development to escape their dependence on this. I'll give you another example. If Americans were beginning to think of the Middle East as a cheap, convenient place to burn fuel to generate the electricity that AI needs, well, they may be thinking, we've got to find an alternative place. There's too much opposition in the United States. That's going to be too expensive and take too long.

But now we can't do it in the Middle East. That game is over. But where are we going to do it? Is there going to be a whole new push into Africa in the hope of somehow getting it there? Is that feasible? Is there a fuel that can be burned in Africa to create the electricity? A thousand companies are going to be making decisions that reorganize the world economy coming out of this struggle. I don't know exactly what shape it is. I haven't done the work. But given that I read the same things

Michael reads and the same things everybody else reads, nobody is doing that work. We're just doing the usual capitalist thing, you know, concentrating on the short-term profit situation and letting the longer term take care of itself, which it never does.

People are not grasping that, starting with Trump and his advisors, they had no idea what they were doing. You know, when we say they didn't evaluate the risk factors—no, that's wrong. They didn't even see the risk, let alone evaluate it. They told themselves a story about fractured Iranians who would therefore have no choice but to allow another 12-day war, with the only difference being that this time Israel and America would get everything they wanted, whereas last June they had to settle just for the end of the hostilities and not all that much else. Okay, lovely story—would have been really convenient if it were true—but it wasn't. And they couldn't even ask the question, let alone evaluate the costs and benefits involved.

#Michael

Yeah. But there's recognition that Israel is now an albatross around America's neck, precisely because it's a wild card. And yes, it wants to attack Iran again, and that's going to lead to everything that we've been discussing. That's the point. So there goes the American-Israeli alliance pulling each other down with each other.

#Richard

Well, I will tell you, I follow it. I've been very impressed by the decline of the power of AIPAC, the lobby here in the United States. It must be having difficult conversations because the hold they had on Congress and on public opinion in this country, they have lost it. It may not be their fault. It may have been things they couldn't have done anyway, but it's very clear. Again, here we are, Michael and I in New York City, which elected—and it really is important—elected a Muslim socialist to be the mayor of this city, and that he got, in his election, the majority of the Jews in New York, who are a very large bloc of voters. The majority of them voted for him too.

You know, these are people for whom Israel is no longer the holy grail of something, but is now, you know, it's very different. The price, the long-term price that Jewish people are going to pay for what the Israeli Zionists did in Gaza—wow. I don't know exactly how it's going to play out, but it's going to be a burden unfairly placed on many of the Jews who were not in any way responsible for it. It's going to be awful. It's going to be awful.

#Michael

Well, Nima, for your foreign viewers, the U.S. primary season is in the next few weeks and months to determine who's going to be the candidates in the Republican and the Democratic Party for the elections in November. And in all the major primaries, at least one, maybe two of the candidates, their biggest way of attracting voters is to say, I'm not backed by AIPAC. My opponent, the

incumbent, is backed by AIPAC. Let's clean house. That's what the primaries are going to be about.
Thank you.

#Nima

Thank you, Richard and Michael, for being with us today. A great pleasure, as always.

#Richard

See you next week.

#Nima

See you next week. Bye-bye.