

Richard Wolff & Michael Hudson: US Dominance Is Collapsing... And Iran Is Holding the Knife

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#Nima

Hi, everybody. Today is Thursday, April 10th, 2026. Our dear friends Richard Wolff and Michael Hudson are here with us. Welcome back, Richard and Michael.

#Michael

Good to be back.

#Nima

Let me start with the current situation with the war between Iran and the United States. What we've heard so far, it seems that Donald Trump and the people in the Trump administration are somehow divided. Some of them, most of them, or those people who supported Donald Trump — the Adelson family and these people — are forcing Donald Trump to again attack Iran. These are the leaks from Washington we've heard just hours ago. And on the other hand, there's the situation with the economy and how the U.S. Treasury Secretary is trying to put pressure on the Iranian economy. And here is what Scott Besson said in terms of the strategy on their part.

#Speaker 03

And into the country, we are partnering with our Gulf allies who, having been fired upon for almost 40 days, are much more willing to share the bank accounts of members of the Iranian regime in their countries. We are reaching out to banks, including Chinese banks, to remind them that any Iranian goods and the purchases thereof are forbidden, and that the dollars would be sanctioned, and that we will press for secondary sanctions if there's a problem.

#Nima

So the Gulf countries... Yeah, part of that, what is going on, for example, with the case of the UAE — the UAE seems to have decided, they have announced that they have decided to get out of OPEC, which would somehow try to help Donald Trump and his administration. On the other hand, Donald Trump was arguing that if Iran is not able to export its oil, their oil wells are going to explode and everything is going to be devastated in Iran. And here is what the head of the Iranian parliament posted yesterday. He said, three days in, no well exploded. We would extend to 30 and live stream the well here. And that was the kind of junk advice the U.S. administration gets from people like Scott Besson, who also pushed the blockade theory and cranked oil up to 120. Next stop, going to be 140. The issue isn't the theory. It's the mindset.

#Nima

Richard, let me start with you and your understanding of—they're trying to put pressure on the Iranian economy. Scott Besson said that, and even before this war started, with those protests in Iran, then riots in Iran, it's all about putting a lot of pressure on the Iranian economy, then breaking down the economy from within, then bringing down the Iranian regime, the so-called regime. What is your understanding of the current situation? Because they're somehow talking about the Iranian economy as though this blockade is bringing some sort of new opportunity for the Trump administration, which is not the case looking at what's going on, for example, between Iran and Pakistan. Pakistan has opened six lines of communication through Pakistan. You know, the tankers go to Pakistan and go through on land to Iran. This is the reality of what's going on with the blockade. Your understanding, Richard.

#Richard

Okay, let me begin by making an even stronger comment about Scott Besson than I have in the past. Beyond being embarrassed by the fellow, his slavishness to every whim of Mr. Trump is clearly what got him into his job. Nothing else could explain it. And taking seriously one comment after another of his is, I think, a fool's errand. There's nothing there but bluster. It's the bluster that he copies from Mr. Trump. Lots of threats, lots of dire warnings, very little performance. Everyone should remember, Mr. Trump thought he could solve the problem of Iran in a day or a week. He was going to do it right after he got elected as part of the "no more wars" that he ran his campaign on. All of that was bluster.

All of that proved to be as phony as a \$4 US currency bill, which, for those of you who don't get the joke, is funny because there is no such thing. It's the same thing with Mr. Besson. He's going to boycott, and we've told the Chinese banks. I'm sure the poor bankers in China are trembling because Mr. Scott Besson and Mr. Trump have threatened. You know how many threats against China they've made in the last year and a half? Fifty. And they've almost all either been retracted or never made any difference, had no reality beyond verbiage. All right, now, let's deal with the current situation. The United States guaranteed everybody, above all itself, that it could solve the problem of Iran with a nice short war. You know, like the 12-day war last year in June.

They would go in there, they would assassinate a political or religious leader, Ayatollah Khamenei, etc., and the government would fold, and Iran would split into five countries, all of which would be additions to the Gulf states, run by local people picked by the United States, and maybe Britain would be allowed to have one in honor of King Charles's visit. That's the level of mentality that you're dealing with here. And that proved, like so many of their dreams, unrealizable—couldn't do it, misunderstood it, didn't understand the drones that the Iranians have, didn't understand the missiles that the Iranians have, didn't understand the Caspian Sea and the corridor that gives Russia and Iran a way to move between each other without crossing any other national border. But nobody can interfere.

We don't even know what they've been building there for the last years of their relationship. And remember, China has an even bigger unguarded border with Russia. So China, which is the world's manufacturing colossus—more important, according to Paul Krugman, than the manufacturing base of the United States, Britain, France, Germany, and Italy combined. Okay, so you have the greatest manufacturing capacity in China, which can move everything easily into the border with Russia, which can move everything easily down the Caspian Sea right to Tehran, which is close to the Caspian Sea. Okay, so this is the notion. They don't have the equipment. They don't have—stop! This is all make-believe. And it's make-believe for people who've never looked at the map, who don't understand the geography here, or anything else.

That's the first. Now, the second thing. A big item in the news, and you referred to it, is the decision of the United Arab Emirates to quit OPEC. That is very important. OPEC was a solid organization run by Saudi Arabia, with the others going along in the interest of controlling the market, at least to a certain extent. And what this means is that Saudi Arabia, which is the one most affected by this decision, is much weaker in terms of its ability to control the oil business in the world. And that's important not just because it makes life difficult for Saudi Arabia, but because Saudi Arabia can't control—everybody else is now going to be troublingly dependent on what the Saudis, in their desperation, may now do. Why did the United Arab Emirates go?

Well, I'm not privy, but here's my best guess. The United Arab Emirates, like most of the Gulf countries, took their dollar holdings and not only purchased U.S. Treasuries and U.S. stocks and bonds, but, getting greedy, used those stocks and bonds to leverage—in other words, as collateral for big loans, which is normal at this level of business. Michael knows all about it. Financing an ever-bigger role for themselves in whatever their projects were. And remember, they want Abu Dhabi to be the global center of finance and wealth. They have enormous debts. They have to service those debts. And in order to service the debts, they have to have oil revenue. And they've got to have it now. Not next week. Not next month. Now. Or else what? They either go to the United States and sell their dollar assets, which, for all I know, they have already done.

They're desperate. Even if they haven't done it, they're desperate. And I think what they're doing is looking at the oil business, deciding that we will never again see oil prices this high, that the

transition to non-oil is going to be greatly stimulated by all of what's going on now. So here's the best idea: sell as much oil as you can at the current high prices. That was what they could not do as part of OPEC, and that is what they can do if they're not part of OPEC. They can, if I understand correctly—their capacity is millions of barrels per day larger than what they are now selling. So they can sell much more, take advantage of these high prices, lock in an enormous gain, take care of all of their debts, and accumulate for the coming period when oil will no longer be what it was throughout their history to this point.

So they're taking care of themselves in a bad situation. And I don't think it's all that different in the other Gulf states. Could be, but not all that different in terms of their behavior and their dependency. So sure, they want a big swap arrangement with America. They want to get their hands on a lot of dollars in a hurry, which is all that the swap really does, because they really need it. It's the same problem. The freedom from OPEC and the swap allow them to handle a desperate situation. All that this means is that Iran has even more leverage over this situation than we may have given them credit for. Last point. And I know these are disparate things, but they do link together. The United States announced with great pride that their current economic growth is at 2% a year.

Now, for the United States, that's quite nice. China's is roughly 5%. And that relationship, that the Chinese are growing two to three times faster than the United States, has been maintained for the last 30-plus years. China is catching up and surpassing. And the very measures that Scott Pessent says, "We will do this to you, do that to you," someone should shake him by the lapels and say to him, "You've got it wrong, Jack. You're not the dog wagging the tail. You are becoming the tail of a different dog, and you're teaching that dog how to treat you in a few years, and you ought to think about that before you continue this disastrous cementing of the alliance between China, Russia, and Iran."

#Nima

Michael?

#Michael

Nima, I have a choice. You began by asking about the effect of the American sanctions, and then Richard brought up the issue of the swap agreements. I have quite a bit to say about both. What do you want me to discuss?

#Nima

I think it's better to start with the sanctions and the way that Scott Pessent is trying to put pressure on an economy.

#Michael

Okay. It's obvious that Trump has been told by his military that an invasion, an armed physical invasion of the army, is out, and also that even an air attack, certainly by airplanes, is also out. So the U.S. cannot do the military response that Trump has thought has been the major threat all of this time, because the military has told him, we're going to lose. Every game plan that they've done shows how heavily they're going to lose. So what can Trump do? All that he can do is apply sanctions. And so he's turned the strategy over, away from the military, to Pessent basically for financial sanctions. And that means choke points. Well, all of these choke points are really, as Pessent's quote was, it's all about China. The whole idea is to prevent China from benefiting from the resumption of OPEC trade and especially from trade with Iran that is denominated in Chinese currency and will basically be based in China.

So what can other countries do to cope with all of this? They're all faced with the following problem. If they do nothing, if they let Trump impose these sanctions, preventing their banks from processing any deposits or transactions or payment transfers that come from Iran, then these whole banks are going to be presumably put out of business. Well, the only way that they can solve this, and it may take a little bit of time, is to break free of all of these threats. Well, how do you do that? In other words, I think rope-a-dope is the only way of breaking free. For instance, the only way to prevent—the U.S. tried to threaten other countries by saying, we're going to block all of your foreign banks from the SWIFT bank clearing procedure if you don't follow our diplomatic direction.

Well, what happened was that China created an alternative—the cross-border interbank payment system—that charges much less for processing transactions than SWIFT. So now countries have an alternative to using the SWIFT system. Well, this is a model for what they can do to cope with the financial sanctions that Trump is imposing. If Trump is going to weaponize the dollar system and the international financial system in the way that he's tried to weaponize the SWIFT system that was ostensibly run out of Belgium, well, then the alternative is to create an independent but parallel system for all of this. I guess you could say that the United States could block all transactions with these banks. This is mutually assured financial destruction.

The U.S. is saying, we will destroy your economy, your financial system that is needed to operate your economy if you don't isolate Iran and isolate China in the way that we've said. Well, all they can do is call his bluff and say, well, you can try to freeze everything. We will work together as quickly as we can to create an alternative system so that in the future our banks will become completely independent of the United States, so independent that you won't have any power over us to create a choke point like this again, because we won't be using you. We're de-dollarizing everything. And it probably will take them a few years to develop this. But what Trump is doing, in one point after another, is weaponizing finance, weaponizing trade. The same thing is happening with his weaponizing the oil trade.

What can other countries do? Well, number one, they can say, all right, you're going to cut off our oil supply. What we're going to do is reorient our energy trade with Russia, Iran, and other friendly countries away from the U.S. But most of all—and this is a point that's been made by environmentalists in the last week—we can move away from oil and gas and carbon fuels itself. We can move towards wind power, solar power, and nuclear power. Well, the irony is that all of these three alternatives to oil and gas use technologies that are developed by China. And so what Trump is doing, just as in weaponizing SWIFT, weaponizing the banks, and weaponizing the oil trade, is to drive other countries into China's orbit for all of this.

So ultimately, it's going to be destructive because it's driving other countries away from an international system that is based on America's ability to turn the world economy around into choke points. Well, scale is important on this. The more countries that opt out of this U.S. choke point system, the easier it will be to join an alternative to the whole purpose of trade and investment—to try to make it the way it was supposed to be before the United States weaponized everything—and to make trade and investment a system of mutual gain, which is the basic principle of Chinese policy. So that's the big context. All of this is going to create... for the short term, the threat is a breakdown in the world economy. And what's going to happen? This is the lead-in. This is the transition to what Richard just did. What does this have to do with the UAE withdrawing from OPEC? Well,

#Michael

Here's the problem that Saudi Arabia and the Arab Emirates have, just as Richard described. They are very highly debt-leveraged themselves, despite all of the investment that they have in the U.S. So what are they going to do? Saudi Arabia has already said what it's going to do. Well, we're not going to be able to export oil and have earnings that we then transfer into our U.S. accounts and invest in trying to make more money by buying U.S. bonds and stocks. In fact, we have to meet the shortfall in our earnings that we need in order to keep many of our businesses afloat. We have to begin selling U.S. investments. Well, the problem is that these investments are not only U.S. government bonds, which have gone down in price as interest rates have gone up.

But a lot of these investments are in private capital investments, which are illiquid. And the U.S. economy right now is itself the most highly debt-leveraged economy in the world, just as it was in 1929 before the stock market crisis that brought on the world depression. So the UAE has the same problem that Saudi Arabia has. Well, suppose they want to sell their Blackstone investments, because they've put a lot of money into investments like private capital. The problem is that Blackstone's put a block on withdrawals from the system. And there are many other private capital investments where everybody's trying to get out of them and recover at least what they had put in originally.

But the investments they have in many of these technology companies and investment vehicles are selling at a great discount—20%, 30% off—if you withdraw your money now, because there's a realization, as Jamie Dimon has just said in the last few days, that the whole U.S. financial system is over-leveraged. And so what can the UAE do to the U.S.? It says, well, look, your attack on Iran—you didn't talk about it, you didn't consult us before you attacked Iran. This is causing us a financial problem. You're threatening to impose a huge loss on us as we sell these American investments that we've recycled to your economy at a huge discount. So Biden has said, well, we have an alternative. These are the swap agreements.

Instead of you having to sell, let's say, \$100 million worth of your investments in U.S. securities and crash their price in the process, we will create a swap agreement. You'll give us \$100 million of your currency. We'll give you \$100 million of U.S. dollars as a swap. So you don't have to sell any of your investments, and therefore you don't have to crash the U.S. market. That is all that Biden really cares about. He doesn't care about saving Iran or Saudi Arabia from taking a loss. He wants to prevent the U.S. banking system and the U.S. financial market from taking a loss. And what Biden has said is, well, what we've done for the Arab Emirates we can do for all the other countries. Right now, you're having throughout the whole Global South a crisis as a result of the rise in energy prices.

Well, what can Biden do? These countries are then telling the United States, well, because of your war with Iran and the blockage of oil transport through the Strait of Hormuz and the rising price, we can't afford both to import the oil that we need to keep our factories going and our houses lit and pay the debts that we have to you. We're going to have to cut back something, and we're going to have to put our own interests first, because we're not going to suffer a destruction of our economy just to pay all of the loans that you've made to finance a system that you've locked us into, where we run rising, rising deficits. So I think Biden is saying, we're just going to print the money. We're going to turn the whole world economy into what we've done with the U.S. economy—a Ponzi scheme.

We will lend you the money to keep afloat for all of this system that is running a continued deficit. We'll just keep printing the money to keep at least the financial system afloat. That's what it all is. And so, by threatening, on the one hand, trying to keep the financial system afloat by these swaps, and on the other hand, threatening to block all the banks that use Iranian accounts—which are, I think, a lot of countries—he's threatening to crash the financial system. So that's what we call an internal contradiction in the whole American imperial strategy. Something's got to give. One way or another, either of these ways, the world economy has to be broken down and crashed as a result of the U.S. attack on Iran and the consequences of drastically raising international oil prices and preventing oil trade altogether.

#Nima

Richard, here is what we heard yesterday from the estimation by the DOD of the cost of the operation against Iran. Here's what they said yesterday.

#Speaker 05

Today we're spending about \$25 billion on Operation Epic Fury. Most of that is munitions. There's part of that that's obviously O&M and equipment replacement. We will formulate a supplemental through the White House that will come to Congress once we have a full assessment of the cost of the conflict.

#Speaker 06

So you're saying the full cost at this point is \$25 billion? Yeah, that's our estimate of the cost.

#Nima

What's happening in the other reports, Richard, which were on CNN and the New York Times, both reported that the stockpile of the United States, when it comes to the JASSMs, when it comes to the interceptors, that system and the Patriot system, is less than 50%. You know, they have 50% of what they had before this started. But our friend of this podcast, Larry Johnson, his estimation is that when it comes to the THAAD system, air defense system, and JASSMs, which are important when it comes to the offensive capabilities of the United States to hit targets outside of Iranian airspace, they have some sort of range that can reach targets in Iran, deep into Iran.

They're less than 10% in the American stockpile. On the other hand, their estimation of Iranian drones and missiles, they're basically talking about Iran having 70% of its stockpile that it had before this war started. So the Iranians depleted 30%, something like that, and the United States, as I've mentioned. What is the calculation? How do you see the way these numbers are working for the Trump administration?

#Richard

Look, again, I really have to say this, I guess, over and over again. To take this seriously, what they say in these hearings is ridiculous. They don't tell you what their situation is. If they've depleted, I can assure you they do not want anyone, especially Iranians or Russians or Chinese, to know how much they really have depleted. Just like they try to keep secret how much they actually have. And they certainly don't want to be embarrassed by questions about the details because they don't want to talk about any of that, which, by the way, I understand. It's just this peculiar American craziness in which, you know, you're supposed to be transparent, so you put out a theater of transparency, but you're not transparent.

No governments that I know of are particularly transparent on that issue, on the other side either. So these estimates, they're costing us this amount. I want to remind you that the estimates of the cost of the Iraq War, the Afghanistan War, the Vietnam War, were all over the place. All kinds of academic institutions came up with numbers radically different from the political numbers, and it was never resolved. And you can pick and choose, and an awful lot of people make an argument by picking a large number if that's what's good for your argument, or a small one if that's what's better for your argument.

We can't. We can't get lost in that process. What these numbers mean, for those who care, orders of magnitude is the only thing you want to take seriously. Okay, \$25 billion. That's an enormous amount of money. That already allows us to tell the classic story of guns or butter. Huge numbers. \$25 billion is more than what was saved by everything Elon Musk did with the Department of Governmental Efficiency. So for months, we were told he fired these people, he closed the education system. \$25 billion would have made all of that unnecessary. Okay, so we're choosing guns over butter. And that's an old story.

We knew it before. These numbers simply make it clear to see. There have been at least a dozen exposés, military exposés, in at least the European literature that I look at, that show that the Iranians very cleverly understood long ago how much you can tell by electronic surveillance and how much you can't. So it turns out it's not that difficult to have some trucks and a crane and a building that looks like a missile silo. But that's all it is. It looks like it. There is no missile in there. Ten miles away is another one. And ten miles away is another one. Forever. Some of them have a missile in them.

Some of them don't. And since it's extremely cheap to do this, you have phony missile silos everywhere. And so then the joke is, the United States uses a \$10 million missile to get rid of a \$500 fake silo. It does it over and over again. And so you can get the crazy result — they haven't depleted much of what they actually have. And the United States has... But you know, this funny story is like the story told about the American Revolution. The British send over an army to repress the revolution here, and the American farmers, with their primitive rifles, running around behind a tree, have a better grasp of the terrain and what is and is not. And so all the advanced technology that the British can deploy, their military globally across their empire, ends up being unable, twice — in 1776 and again in 1812 — to defeat the United States.

That's what we're watching. It's now the United States' turn to be embarrassed. It's the United States' turn to go through the experience that the British went through when their great navy didn't help them because they had to unload troops, and those troops, in the conditions of New England, couldn't do very well. Okay, the technology is different, but the story is pretty much the same. And the spectacle—let me drive this home—there's a spectacle here that shouldn't be missed. He can't use the Air Force because the bombing didn't work. I mean, he did bombing for a few weeks and nothing, didn't get anything, right? So the bombing doesn't work. Putting troops on the ground, that

doesn't look like it's going to work. So, as Michael reminds us, he chose—or maybe you said it, Nima—he chose the Navy.

But here's the condition. In choosing the Navy to undertake one of its biggest tasks in many years—the global blockade of shipping in and out of Iran—the same week that he does this, he fires the head of the Navy. That's crazy. That's not the time you change—what? Now, either that means there was tremendous opposition from this naval head to what they were doing, and that tells you a lot if that was the case, or there wasn't, in which case it tells you a lot that they fired the guy in charge of the biggest effort they're making. That makes no sense, this sort of thing, in any rational way of going about it. Moreover, I have no idea—I'm no naval expert—but how do you do a blockade when basically it's the whole world? Iranian ships can get out of the Strait of Hormuz.

They've been doing that, if I understand correctly, throughout this whole story. They know how to go along the coast, and they can be hidden, and so they get out into the larger oceans, and then they go in all different... Is it really going to be a global blockade? And if it is, it would have to be done by air power, because in fact, you'd have to track these boats... And then do what? Do to them what you do to those fishermen in the Caribbean and in the Pacific, which, by the way, they've started doing again—killing those people in boats, which we ought to be talking about also, since that is extrajudicial summary judgment execution. It violates every international law of the ocean. It's extraordinary. But it is an unbelievable notion that they're going to be able to control this by a ship.

And I don't think it's going to go anywhere. It's just his refusal to resolve the contradiction with which we began. If we are right, and that he has the pressure from AIPAC and all of that to stay with it, and the pressure of the economy to end this thing, and he can't resolve it, well, I don't see him being in a position to resolve it at any time unless one or the other of these things goes. So that leaves me with a question, which maybe you can answer, Nima or Michael. How much damage to Israel has been done and is being done by the Iranians from Iran, and by Hezbollah in Lebanon? Because at a certain point, is it possible, even with a regime like Netanyahu, that the Israelis will want this to stop because of what it's costing them?

#Nima

I think there is some sort of conflict in Israel, Richard, because Netanyahu's survival is on the front line right now. He doesn't care about the economy in Israel. He's fighting to the end because of his survival. Michael, go ahead, your take on that.

#Michael

Well, Richard, you could just as well have asked how much damage is the war in Trump's policy causing for the United States? I want to pick up on the point that you brought up at the beginning of your last comments on this guns-and-butter argument. This was what helped bring the Vietnam War

to an end. In the mid-60s, I was a member of the Columbia Three: Seymour Melman, who was writing about Pentagon capitalism, active within the Democratic Party; Terence McCarthy; and myself. We were writing in Ramparts and other magazines and going around the country. I even had many articles in the Catholic press on this. And we pointed out that, look at what the Vietnam War is doing to the U.S. economy. Well, let's ask the same question today.

And this is exactly the point, Richard, that you're right. This is what we have to have the U.S. talking about. What is the effect on the U.S. economy? Well, the fact is \$25 billion is not a big number. Compare it to the \$1.5 trillion of the overall U.S. military budget. And let's take a look at what the real costs are. Remember, there's been a study of the Iraq War that figured it was going to end up costing the United States \$3 trillion when you factor in all of the interest payments on the foreign debt, on the U.S. Treasury debt that has been taken on to finance this military spending, the whole deficit financing, all of the Veterans Administration costs for the injured and killed soldiers, all these long-term costs.

And the \$25 billion is only the current out-of-pocket costs. But how much is it going to cost to restock all of the U.S. missiles and airplanes and armaments that have been used up, that you pointed out? They're not counting this in that \$25 billion because that money hasn't been spent yet. But what is that going to cost? \$200 billion? \$300 billion? Added to the deficit for interest payments over the next generation, it's really over a trillion already, my guess is. Why is there no opposition today to the Iran war, like there was in the Vietnam War, when we were all making the calculations of what the costs of this—just the financial costs and the physical costs—are going to be, not to mention the costs in terms of the restructuring of the world economy as a result?

So how much is the U.S. economy going to have to pay to rebuild its military armaments to do this all over again when it fights China? And what's the cost of China going to be? A hundred trillion dollars? This is the order of magnitude that the United States is trying to minimize. So it's not that they're lying about the \$25 billion that they've spent out of pocket. They're just distracting attention from the fact that you have to take into account the effect of what you've done. What are the long-term costs, and what are they going to be, and what will the effect on the U.S. economy be?

#Nima

Richard, yesterday Pete Hegseth was asked if the United States is winning the war with Iran. And here is how Pete Hegseth responded.

#Speaker 07

We're going. Do you think we're winning?

#Speaker 08

Militarily, on the battlefield, it's been an astounding military success. But are we winning the war? Absolutely.

#Speaker 07

Okay, so do you call Iran closing the Strait of Hormuz winning?

#Speaker 08

Well, I would say the blockade that we hold doesn't allow anything to come in or out of Iranian ports. Okay, so we've blockaded their blockade.

#Speaker 07

So they've blockaded us, and then we've blockaded their blockade. That's like saying, "Tag, you're it." Or, you know, if President Madison had said, "Well, the British just burned down Washington, but don't worry, we're going to burn it down as well."

#Nima

Yeah. And Richard, the reality is what's going on. The latest proposal that is happening between Iran and the United States — Iran has proposed a plan of three steps. The first step would be, you know, the end of the war on all fronts between Iran and the United States, between Israel and Lebanon, which is the first step. The second step would be the Strait of Hormuz — how they can negotiate and bring some sort of sanity to what's going on, you know, to negotiate with the United States, considering the case of the Strait of Hormuz, the new mechanism that Iran and Oman are defining for the Strait.

And the third step would be the nuclear program of Iran. You know, what's so amazing is that these first two steps were not part of the game before this war started. It was all about the Iranian nuclear program. Right now, Iran says, no, we're going to talk about those first two steps, then this third step. And your understanding, because somehow when you look at the situation, the main problem, because the Trump administration—I don't know if you heard, you know, if you heard the Secretary of Energy, Chris Wright—what he said about the main objective of this operation. Here is what he said, Richard.

#Speaker 09

In this country, if the world's largest sponsor of terrorism had nuclear weapons that they could deliver to your city, the United States and President Trump decided that's entirely unacceptable. That is an existential threat to the region of the Middle East, to the world economy, to the United States, and to all of our allies. He took the hard decision to put an end to this risk. We can ignore it.

Everything's fine today. Look, when you have cancer, everything's fine until you start chemotherapy. And then you're not fine, but you're killing the cancer that will kill you. That's what we're doing right now.

Before this metastasizes into a nuclear-armed Iran, President Trump had the courage to say, we will put an end to that. We will not let the world be subject to that. And yes, he has been frustrated that he has taken from our European allies—not all of them, of course—but he's taken a lot of criticism and heat for doing that. I think he's well justified in that. And yes, we would appreciate more support and more backing in what we're doing. We're not doing it just for America; we're doing it for the world. But we'll get through this. Iran will not get nuclear weapons. Things will return to normal in the Middle East, and we'll be in a much better place. But these are frictions and bumps along the road.

#Nima

You know, the funny thing, Richard, is that the case of the nuclear program of Iran was on the table before this war started. They were negotiating on that. Do you understand what's going on?

#Richard

Well, you know, these people that you are giving us clips of are, as we used to say, not the sharpest knives in the drawer. Listen to Mr. Wright. At the beginning, Mr. Trump is portrayed as protecting us from the nuclear weapons that the Iranians have. At the end of the talk, he's talking about the nuclear weapons that the Iranians will have. But before you fight a war, the difference between “they have these weapons” and “they will have these weapons” is crucial. Because then you negotiate, so what they don't have now, they do not acquire. And from everything the International Atomic Energy Agency told us, from the inspections and everything else, they were still quite a while away.

I want to remind people that Benjamin Netanyahu, the leader of Israel, has talked about the danger of nuclear weapons in Iran for 25 years. And there's no evidence at any time that they had it. When pressed, even when Israel bombed locations in Iran, it was about locations where they could, in the future, make nuclear weapons—not that they did. And especially, it would have been strange to bomb a place that already had a nuclear weapon, because that can do unspeakable damage. The contradictions here are so blatant, so over the top, that I think many Americans filter them out. It's like filtering out the nonsense that an upset person says to try to get at what's really upsetting them.

Don't pay attention to them; they're terribly afraid of the dragon. There is no dragon, but you take seriously that they're very afraid, and you ask, what is it they are afraid of? This moronic energy secretary is telling you a story that the Europeans are at fault for not helping in a war that was undertaken without their knowledge and participation. No one in their right mind would say such nonsense. Or if you felt that they should have helped you despite being excluded from the decision,

you have to say something about it—you have to give a reason why it's reasonable to expect support from someone you've excluded from a war right on their border.

I mean, again, you have to be an American, lost in the craziness of mass media in this country, not to see through the kind of silliness of all of this. I also want to drive home something that Brian Berletic says. I believe he overdoes it, but he has his finger on something. The United States feels it's confronting an alliance between Russia and China. I'm going to set aside the fact that that alliance, which I believe is real, is itself a product of American policy, because that's never understood in the United States and they can't handle it. When I say it, I can see in their faces—we're done.

But it's clear to me. And so the United States does understand it has to deal with this alliance. So you could look at the current situation this way: you fight the Russians to the last Ukrainian. That doesn't work. Now you are mobilizing Europe in the same way you mobilized Ukraine—to demonize Russia and to launch itself against Russia, to have a war between Europe and Russia, parallel to and basically a continuation of the war of Ukraine against Russia. And you hope that you can somehow neutralize or overwhelm Iran, neutralize or overwhelm Russia by having the Europeans, your slavish people, doing what they're told, so that you can concentrate on China. Because you've come to the conclusion that only something like that is going to be able to even have a chance of doing that.

And why? Because your rate of growth is 2% a year and China's is 5%. That inequality is the bottom line, and they can't deal with it. They have no solution for it. In fact, gutting international trade and going to these autarkic, turning-inward policies is going to slow the rate of growth because it means you have to pay more money for everything than you used to have to pay. It's not an efficient arrangement. It's a lack of efficiency. And so, my conclusion: we are watching not a grand strategy. Again, Brian puts it that way. That's not the way I would put it. I would put it this way: this is an ad hoc, terrorized, governmental, economic-empire-decline group trying desperately, wherever they can, to hold back the movement of history. And that never works real well.

Sometimes that's what they go for broke. And one of the reasons they—you know, you might wonder, why would they let the supply of weaponry be depleted like that? I mean, either you fight a war and you make sure you replace, or you don't and spend time replacing. Why would you fight multiple wars, you know, depleting your missiles and drones, and then have to say, gee, we only have 10%? Again, I don't believe any of it. As far as I know, the story about depleted resources is purely a mechanism to get a very pliable Congress to vote the money so that we can justify the increase of the defense budget from the current \$900 billion to the proposed next year, \$1.5 trillion. Why? We have to replace all of the used—you know, that's the normal way these games are played.

#Nima

They're going to have difficulties, Richard, because we know most of these missiles, interceptors, and JASSMs, and these sorts of missiles, they need rare earth minerals that come in from China. The

United States is not going to be able to replace them easily. That's the problem that they're facing, in my opinion.

#Richard

Yes, but we don't know how far the Chinese will go to continue to provide them if it is a way at least to postpone, if not to prevent, a war against them, which they know will be very, very bad. I think it's an open question. I think the Chinese have been extraordinarily careful, as the Iranians—tit for tat, don't take the initiative. If they do something, do something proportional in return, but show the whole world—and I don't think the message has been lost on the world—who's the aggressor here. In fact, in Iran, they literally had to. They were maneuvered by the circumstances into having to be the one who invades.

And that was a difficult—it must have been a difficult decision. They'd just come off four years of maximally denouncing the Soviet Union because it was a big country invading a little one. And then we do Iran. It's like a joke. I mean, how do you pull that off? You're a big one. You're working in an alliance with Israel, which is the local regional big one, and you're invading a little one. I mean, you know, ridiculous. Population of the United States and Israel, 335 million people, and Iran is 92. Okay, five to one in population, and much greater than that in GDP. So this is as gross an imposition. And that hurts you in the UN. It hurts you in the court of public opinion.

And they've done nothing to make that better. The desperation of the United States, again, I do not think it's a minor matter. Killing those fishermen in the little boats in the Caribbean and the Pacific is the behavior of an out-of-control psychopath. What are you doing? Again, I want to remind people, when we arrest people engaged in the drug traffic—narcotraffickers, according to Mr. Hedgeseth—and we give them a lawyer, we give them a trial, we give them a chance to confront their accusers, and we give them a chance to submit evidence. If after all of that they are found guilty, they get a prison sentence. We do not apply capital punishment to drug traffickers.

So what is the government doing summarily killing them? This is extraordinary. What in the world is going on here? That this is not a moment of public hearings strikes me as absolutely—there is no defensiveness, there is no—no one in America is threatened by these people. What are you doing? And why wouldn't you, if you have to, arrest them? You have this big navy, that's what they used to do—arrest them, stop the boat, inspect the boat. If there are drugs, well, then there's a procedure. What happened? Why is that procedure short-circuited? We know we wanted to intimidate Venezuela and Cuba, so that explains some of it. But now, what? Anyway, let me stop.

#Nima

Michael, we know that Donald Trump is going to go to China on May 15, and he wants to have some sort of victory, but it doesn't seem that he's going to get anything before going to China. And China is feeling that if the United States decides, as we have these leaks from Washington, that they're

going to do a new operation, a new sort of attack on the ground in Iran, China would be more than happy to see how the United States is destroying itself in West Asia. Your take, Michael, before I finish.

#Nima

Michael, we can't hear you. Yeah, go ahead.

#Michael

All that China can really do is sit quietly and say, all right, you asked to visit us, Mr. Trump. What is it that you want to say? And just respond to him. I'm going to pick up two things that are connected to this, to what Richard said. He referred to the silliness of all of this discussion of Iran and the nuclear bomb. This is not silliness. It's a distraction. This fight with Iran has nothing at all to do with a nuclear bomb, because Iran, when it joined the anti-NPT authority, the UN, Mr. Grossi, the head of the UN, talked to all of the Iranian physicists, gave their names to Israel, and said, here's who you have to kill, to assassinate, to make sure that anybody who knows physics on a high level cannot even dream of building a bomb.

These dreams, as Tulsi Gabbard reported, every single U.S. intelligence agency said there was no bomb there. So when Trump says it's all about the atom bomb, it means we're not going to say what it's all about. It's all about oil. And it's all about not only Iran becoming an independent oil producer that we can't control, but our inability to choke China's economy from getting the oil. That's certainly what China can talk about. And this focus on oil is basically the key. When Trump and the negotiators and the mass media say, we're doing exactly what the Nazis did in World War II, Goebbels said, you can always justify a war by saying we're under a threat. So Netanyahu, obsessed with Goebbels, saying they did it to us. Well, how are we going to do it to them?

He says, well, we're threatened by this fictitious atom bomb. So that's just the cover for it, to say we're starting something new. Because it's fictitious, there's no way that you, Iran, can say, we'll never again have the physical capacity and the intellectual capacity to build an atom bomb. That's saying there's not going to be a discussion. We're not going to discuss the end of the war. We're not going to discuss that it's all about oil. We're going to just prevent any discussion so that we can have an excuse to keep bombing you with this pretense. And the final point, when Richard picked up on what you and I had spoken about before the show, the U.S. compared China's 5% GDP. The entire growth of U.S. GDP last year, that 2%, was financial in character. It was the increased price of housing, as homeowners calculate.

It's the increase in interest rates and late fees, and it's the increase in military spending. That's the whole GDP. The whole rest of the real economy, the industrial economy, the economy by which most American people live, has been shrinking. So it's really gone down. The whole GDP concept is very largely fictitious, whereas China doesn't have the elements of GDP that America considers as

growth— inflation of real estate prices, debt inflation, interest rates, and military spending, overspending on enormously overpriced armament. So the fact is that China's not just growing twice America's rate. It's probably more like 50 times America's minuscule rate, but it's incalculable because America's GDP, real production, real income, and product are falling, not going up. And that fall is being exacerbated by the war in Iran. Yeah.

#Nima

Yeah.

#Richard

Just a final word. We really are watching the... and I know this is a summary of much of what our conversation has been for the last year or so. These are symptomatic, desperate actions of a declining empire. All of this. If you want the thread that holds it together—the desperate idea of mobilizing Europe so it should be a big Ukraine against Russia, desperately threatening secondary boycotts of Chinese banks by the United States if they dare. The grandiosity. And it culminates in having King Charles standing next to wannabe King Trump, blathering the nonsense that came out of their mouths as England prepares, even in the words of their king, to be the slavish, you know, Ukrainians in an endless war against Russia that they can't win. I mean, you're watching a really desperate realignment of the world, and we're living through it.

#Nima

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

#Richard

Thank you.