

Xueqin: U.S. Trapped In Iran, Europe's War Against Russia & a Bargain With China

Jiang Xueqin discusses how the world is being reorganised by the failed conflicts with Iran, Russia and China. Jiang is the host of the popular educational channel Predictive History: <https://www.youtube.com/@PredictiveHistory> Recorded on June 1, 2026 Follow Prof. Glenn Diesen: Substack: <https://glennDiesen.substack.com/> X/Twitter: https://x.com/Glenn_Diesen Patreon: <https://www.patreon.com/glennDiesen> Support the research by Prof. Glenn Diesen: PayPal: <https://www.paypal.com/paypalme/glennDiesen> Buy me a Coffee: buymeacoffee.com/gdieseng Go Fund Me: <https://gofund.me/09ea012f> Books by Prof. Glenn Diesen: <https://www.amazon.com/stores/author/B09FPQ4MDL>

#Glenn

Welcome back. We have the pleasure of being joined today again by Zhang Xueqin, who has taken the internet by storm with his excellent analysis. So thank you very much for coming back on the program.

#Jiang Xueqin

Thanks, Brian.

#Glenn

So, we see that the rapid shifts in the international distribution of power tend to be extremely disruptive and destabilizing, and usually this is also when world order changes — that is, after major wars or the collapse of states. So, for example, World War II fundamentally changed the international system. The collapse of the Soviet Union also transformed the world order from a bipolar to a unipolar world order. But the war in Iran appears to be changing more than just the Strait of Hormuz and the region; it has the potential of having wider ramifications. I wouldn't necessarily put it in the category of World War II or the collapse of the Soviet Union, but how do you see the possible defeat of the United States in Iran — or, I would define defeat as anything that allows Iran to control the Strait of Hormuz — how would this affect the wider world, do you think?

#Jiang Xueqin

Yeah, so for the longest time, the GCC was the main driver of the global economy. It basically sold oil really cheaply for US dollars and recycled it back into the US economy. So if the GCC were to be removed from the global economy, this would have tremendous consequences for everyone. They

say that in a month or two, the world will run out of strategic fuel reserves, and this is going to ground a lot of airplanes. The bigger issue is that the Strait of Hormuz provides the world with one-third of its fertilizer, and right now it's growing season around the world. So it's very possible that in five or six months' time, we see widespread famine around the world, especially in Africa. The geopolitical consequences of what's happening in the Strait of Hormuz cannot be overstated. And unfortunately, the world is not at all prepared for the radical economic and geopolitical consequences of what's happening right now.

#Glenn

But how do you think it could reorient the Middle East, though, this war? Because, well, the Middle East seems, I guess, inherently unstable as it's a key hub for energy. And as you said, it's also a key transportation hub for economic activities, be it energy or fertilizer or any cargo trade at all going through that part of the world. And as long as the region has weak actors, it will be dominated from abroad. We assume there will be more extractive relationships. If we end up in a situation where either Iran is defeated or Iran comes out on top, what do you think this would mean for regional stability? Would a more powerful Iran stabilize the region, or would it destabilize the region? How do you see the Middle East being impacted by this? Because, as you said, the Gulf countries have had a key role in the international economy, and they have more or less been run by Washington. So what does this mean?

#Jiang Xueqin

Right, so let's just look at where we are currently. So right now, Iran has exerted control and sovereignty over the Strait of Hormuz. It's collecting tolls de facto. And apparently, there's reporting that Iran has already made half a billion dollars just collecting tolls from the Strait of Hormuz. And no matter what, they won't give it up because they can use the Strait of Hormuz to reconstruct their economy, to industrialize it, and to build stronger relations with China and Russia. So if the status quo stands, then Iran has a lot to benefit. The United States has imposed a naval blockade, basically trying to embargo Iranian ships trying to export oil to China. But from what we've seen, it's actually very hard to enforce this blockade because the Indian Ocean is so vast.

And right now, the American Navy doesn't have the resources to enforce a full blockade. Right now, it's the UAE that is most desperate for war because they've lost control over trade. Dubai is a very important hub for trade and for finance in the Middle East, and its reputation has been shattered. The only way for the UAE to regain its reputation as a safe harbor for transnational capital and for trade is by extinguishing the Iranian threat once and for all. Saudi Arabia is in a very precarious position because the Iranians control the travel routes, but they also, through their proxies, control the Red Sea. So from the perspective of Saudi Arabia, Iran will always maintain a long-term threat. And then Israel wants to see this war continue because Israel has the ambition for Greater Israel.

And no matter what happens in this war, Israel will see that it's much further along in achieving the Greater Israel project. So Israel has already discussed or warned that it will attack Turkey and Egypt next. And this is all part of the Greater Israel project. So I think that the situation in the Middle East is a powder keg. It's very, very hard for the status quo to maintain itself. And eventually, we will see a breakout of regional hostilities again, possibly with American airstrikes against Tehran, possibly with the Israelis creating a false flag incident in the Strait of Hormuz, very much like the Gulf of Tonkin incident, which is what accelerated the Vietnam War. And so I don't really see things staying as they are.

But I wouldn't be surprised if the status quo were to maintain itself for the next three to five months. The reason why is that Trump does not want to be seen as a loser. He needs something to distract people's attention. And it's very possible that they come to a tentative agreement that is not at all sustainable. And then Trump switches his attention to Cuba. Right now, the Americans have imposed an embargo on Cuba. The Cubans cannot access fuel, food, and water. And the Americans have also indicted Raúl Castro, who is 92 years old. He's no longer in the government, but they want to try him.

And this could be a replay of Maduro, where they indicted Maduro for weapons trafficking, and then they sent in special forces to kidnap him, basically. So it's very possible that we will see Cuba as the next global flashpoint. And as you know, Russia is heavily invested in Cuba, and both the Chinese and the Russians are trying to support Cuba in this very difficult circumstance. So what I see happening is a greater conflict arising in the Middle East, and then other flashpoints arising as well throughout the world. So Cuba will be the next flashpoint. But it's entirely possible that North Korea and South Korea could also become another flashpoint. This war in Europe is only going to escalate.

As you know, there was an attack on a student dormitory in Luhansk, Russia, which killed at least six students, and Putin was very upset. He was visibly upset when he talked about the incident, and he promised swift and decisive retaliation. So it seems like all gloves are off. Putin did promise a very important announcement at the St. Petersburg conference, and it's possible that he might declare war against Ukraine. Right now it's a special military operation, but if Putin declares war, then Russia would switch to total war. So I see this conflict in the Middle East basically dragging the entire world into World War III, and right now we're just waiting for the storm to break.

#Glenn

Yeah, I think all the successes of the United States in Venezuela, I think this helped to create some overconfidence and belief, at least with Trump, that they could, I guess, reproduce the success in Iran. I never really understood why, because it's a very different theater of war. But I agree with you. I think that Cuba will probably have to pay the price for the U.S. failures in Iran in order to – well, they desperately need a win. At least Trump does now. But do you think the Chinese and the Russians would interfere or intervene to a significant extent?

I don't know. I get the impression that when they're in the Western Hemisphere, they don't want to be too close to American borders. They will essentially do what great powers usually do, which is not interfere excessively, as opposed to how they would react if something happened in Korea or in Iran or in Japan, anywhere close by. But do you think they could play a larger role in the Middle East? Because as you said, the world is different, and they do have interests in that part of the world.

#Jiang Xueqin

Well, last month Iranian Foreign Minister Araghchi visited both Russia and China. And when he went to Russia, he was received by Putin. And Putin was very clear that Russia is very supportive of the Iranian people, and that Russia will stand behind the Iranian people, and that the Russians see the Americans and Israelis as aggressors here. So I think that from Putin's perspective, Iran is crucial to Russia's strategic interests. And what we'll see is that if Iran were to come into difficulties, then Russia would reinforce Iran through the Caspian Sea. So I think that the lines between Russia and Iran are solid. You know, the GCC nations have said to Putin and to Lavrov and complained about how Iran has closed off its rebel routes, and it's really damaging their economies.

And Putin and Lavrov's response has been emphatic. What they said is, why don't you guys ever talk about the fact that Americans have killed 200 schoolgirls in Iran, innocent schoolgirls that have nothing to do with the war, and which you could say was even deliberate. So I think the attitude of the Russians is very, very clear. The Chinese are different. So when Foreign Minister Araghchi visited Beijing at the invitation of the Chinese, he was not met by a senior vice premier. He was met by the foreign minister, who was his counterpart, Wang Yi. And Wang Yi's attitude was that China seeks peace and a ceasefire in the Middle East so that the world can return to global trade. So the attitude of the Chinese is neutral. It is not taking sides. China is trying to be a mediator in the affair.

China is trying to seek a peaceful conclusion to the war as soon as possible. But the reality is that the Americans and the Israelis are the aggressors. They are the ones who broke international law. They are the ones who have committed these war crimes in Iran by targeting innocent civilians and critical civilian infrastructure. They are the ones who are blockading trade right now in the Middle East. So unfortunately, China refuses to take a clear stance on this matter. And so the attitudes of these two different nations are different. And what I think is going to happen is that China may even sign an agreement with the United States to buy more LNG from America in order to compensate for the loss of Middle East LNG, especially from Qatar. So these two nations see the world differently.

#Glenn

Yeah, well, I can understand that, though. I mean, if you were sitting in China, you would... Actually, this has been a common theme, I think, since the end of the Cold War. That is, for the Chinese, they see a rapid economic rise, and also they have a more or less stable status quo, which they can operate within. So essentially, if they don't rock the boat too much, keep a low profile, they will be

much stronger tomorrow than they are today. So it's good to... If there would be any conflict, it would be better to delay it. I think the Russians have been the exact opposite. They never had a new stable status quo after the Cold War. That is, NATO continues to push upon their borders.

And for this reason, I think they always, well, the opposite of China, instead of keeping a low profile, they punch above their own weight. And so I guess that could make sense in this regard as well. If China thinks it's better to delay any confrontations, even if it's over Taiwan, whatever it would be, while Russia probably sees the Iran war similar to the war against Russia, that it's a regime change war. I think the British and Americans made that very clear already in 2022, that having Putin out of the Kremlin was the principal objective. Also, of course, the dormitory you mentioned in Lugansk has some parallels to the killing of all those schoolgirls in Iran. I've seen the only coverage in the Western media appears to be "Putin accuses Ukraine of hitting the dormitory."

So very, you know, sowing all doubts, which they could be. But I wanted to touch upon something you mentioned before. You said that Israel, under the Greater Israel Project, could go after countries like Turkey or even Saudi Arabia. Again, that's where the territorial claims at least are. Yeah. How do you think the Greater Israel Project would be affected by a defeat in Iran? Again, we don't know it's a defeat yet, but if the U.S. would have to go home without the Strait of Hormuz, Iran comes out on top, because the Israelis seem like they're already overstretched. Do you think this could be essentially the collapse of the Greater Israel Project, or would they just escalate?

#Jiang Xueqin

The reality is that it's impossible for the Americans to walk away, because right now the Americans and the Iranians are negotiating. They've been negotiating for the past two months, and there are three sticking points. The first sticking point is the uranium issue, and here I think the Americans can compromise, where the Iranians agree to keep the uranium but allow international inspectors to come in and ensure they're using it for civilian purposes, okay? So the first sticking issue is the uranium. The second sticking issue is the Strait of Hormuz. The Iranians obviously want control of the Strait of Hormuz in order to extract reparations for this war that has devastated their nation. And the Americans here would be willing to make a compromise. But the third sticking issue is Lebanon.

And here, the Iranians are emphatic and say that whatever peace treaty they sign with the Americans also applies to Lebanon, meaning that the Israelis have to withdraw from Lebanon. And here, even if the Americans were to agree to such a deal, there's no way they can enforce it because Israel will just expand this war. In fact, what's been happening these past few days is that Israel has gone on the offensive in Lebanon. So, you know, Israel is this pit bull that the Americans cannot put back on a leash. And there's actually no way for peace to be negotiated now without settling this Lebanon issue. And the Israelis have shown that they are completely committed to conquering all of Lebanon. Right now, I think they have about 20% of the territory.

But Lebanon is a very important part of the Greater Israel project. They have to conquer all of Lebanon, as well as Jordan and Syria, in order to achieve the Greater Israel project. So there's really no way for a permanent peace to arrive in Iran. Whatever peace they negotiate will just be tentative. It might be, at most, six months before the war resumes. And again, the second issue is Lebanon and Hezbollah. And so there are so many ways for Israel to continually force America into conflict in the Middle East. Unfortunately, as we saw from the Thomas Massie election in Kentucky, the Zionist lobby has tremendous political sway in America. They invested \$30 million just to defeat one Republican congressman who didn't have much of an impact in Congress anyway. He was just one person.

But they made a point of defeating him, sent a strong message to all other politicians that if you defy the Israel lobby, they'll come after you. And so, given the tremendous political sway of the Zionist lobby over American politics, given the fact that Israel is intent on starting as many wars as possible in order to achieve the Greater Israel project, I think that this war in the Middle East can only escalate. And when I mean escalate, I mean that eventually America will have to send in ground troops. And the reason why is that America has just run out of weapon systems. It's just too much, too expensive to keep on bombarding Iran with bombs. If you want to fight this war and you want to fight effectively, you have to send in ground troops. And so I see this happening within a year.

#Glenn

Yeah, well, it does seem like at each of these issues, each side has some room to maneuver. I think on the nuclear issue, as I said, the Iranians would be willing to give something if they had sanction relief in return. The Strait of Hormuz, I think this is core to their security, so they're not going to give this up, I think. But the real breaking point there could be ending the war against Iran's allies as well — so Lebanon, Palestine.

But if the U.S. is not able to come to any agreement, which would be too humiliating, is it possible that essentially the war just never stops, but the shooting comes to an end? That is, because whenever the U.S. now attacks something in Iran, Iran strikes back immediately, which would be an incentive for the U.S. not to do this. And again, is it possible that both sides just stop firing upon each other? The U.S. blockade comes to a quiet cancellation, and they start pulling back a bit, and they're just technically at war, but no one's firing at each other. Could that be a possible solution?

#Jiang Xueqin

Yeah, I mean, that's what a lot of people assume will happen. But we have to remember that America is running against a clock. America has a bomb in its head — it's called the national debt. Right now, America has \$39 trillion in debt. And America spends about \$2 trillion annually on interest payments alone. So the only way to maintain, to sustain its debt, is for America to force people to

continue to buy U.S. Treasuries. And right now what we're seeing is a sharp increase in U.S. Treasury yields. I think it's about 5% to 6% right now, so it's going up.

And so America can't afford to wait, because if you just wait, everyone's going to dump their U.S. Treasuries. Right now, Japan and China are dumping their U.S. Treasuries. The GCC is also dumping their U.S. Treasuries in order to buy gold to finance their economies now that they can't sell oil. So America has a very short time frame to conclude this war in the Middle East. It cannot afford to wait, because if it waits too long, then its entire economy could collapse. We don't know the specifics, but we do know that it's a ticking time bomb.

#Glenn

Well, as you said, if there were a possibility for peace, I assume that the Palestinian issue would have to be resolved. Because this applies to the Israelis as well. If they would want to find some kind of way of coexisting with the Iranians, I don't see this as possible without resolving the Palestinian issue. That is... you know, if this was solved, it would be much easier for Israel to make its peace with, you know, they wouldn't care for it, but to have, you know, such a share of the region with Iran. But do you think there's any appetite in Israel to find like a grand compromise, a grand bargain? Or is this, you know, pie in the sky, wishful thinking?

#Jiang Xueqin

So from Trump's perspective, he's already solved the Palestinian issue, right? So from his perspective, what's going to happen is that Jared Kushner and Safra Catz are going to go into Gaza and redevelop it as this Mediterranean resort, and it's going to give jobs to Palestinians, and it's going to make everyone wealthy. So from Trump's perspective, Palestine is no longer an issue. But we know that's not true because we know that there are continual flare-ups in Gaza. We know that the Israelis are not respecting the ceasefire. We know that there have been a lot of war crimes committed by the Israelis in Gaza.

The other issue is that you have elements within the Israeli state who are eschatological. And so they want to achieve the Greater Israel project, and they want to cleanse Greater Israel of all Amalek. And so that includes the Palestinians. And so there's a religious fever for genocide right now. And I don't see these two sides being able to find a compromise. You have one side that is geopolitical, that wants to make money, and you have another side that is eschatological, that wants to see the world rise up against Israel.

#Glenn

But again, if we take a step back, how do you see it if there is no possibility for the U.S. to make peace with Iran? Does it have the capabilities, though, to defeat the Iranians? Because what you suggest is they would need ground troops to go into Iran. This would be very challenging. I mean,

even if it was limited to controlling the coast along the Strait of Hormuz, this is a very long coastline. And with the new weapons technologies, they could push them back with drones. The way the country is structured, you know, after the coastline you have mountainous regions, the ability to supply and support any U.S. occupation force—I mean, it would be very different from what they did in Iraq.

They wouldn't have clear entry points either. I guess they would come in from the sea. How do you see this war ending, though? Because I think initially the U.S., you know, they still think they might be able to strangle the Iranian economy, disrupt energy exports to China. So again, it's a win. But for the U.S., the Iranians can now essentially not just destroy their bases, they can incentivize the Gulf states not to rebuild and rehost them. By controlling the Strait of Hormuz, they can dismantle the petrodollar. They can essentially put sanctions on anyone who sanctions Iran in terms of having access through the Strait of Hormuz. So they have a lot of tools here. Would you say Iran is winning, or is it difficult to put that label on?

#Jiang Xueqin

Yeah, so it's impossible for America to retreat from this war. And the reason why is the national debt—\$39 trillion. America needs the world to continue to buy U.S. Treasuries in order to finance this debt. And if America were to retreat from Iran, it would signal to the world that America is a paper tiger. It can no longer enforce the dollar as a global reserve currency. Everyone would dump U.S. Treasuries, and they'd be forced to dump U.S. Treasuries in order to finance their economies, especially the GCC. So retreat is just not an option. It's also not an option to continue the war as it is, where America bombards Iran continuously.

The reason why is that over those six weeks, when America was bombarding Iran continuously, they spent about four years' worth of munitions. So their stockpile is depleted, right? So they cannot continue this air war. It doesn't get you anywhere. And so the only option they have is to eventually insert ground troops, to use a ground invasion. But for that to happen, you would need a national draft. You'd call up, you know, about, I would say, at least half a million soldiers and send them off to Iran. And in that instance, you might have a possibility of winning. And in order for America to justify a national draft, you need a series of events to happen.

You need a false flag incident. You need a justification to rally the American people. But you also need to create enough chaos within America and outside in the world so that people will accept a ground invasion of Iran. So I think what's happening is that the Trump administration, they are intent on continuing this war, but they're just waiting for the economic pain to spread across the world so that the entire world begs America to end the Iran issue once and for all. And the world knows that there's no way that America surrenders, so the only option is to support America in its invasion. And already we're seeing NATO considering sending forces to the shipping routes.

#Glenn

Yeah, well, I think that's always been the assumption, especially in Europe, that the only constraints on America would be its intent and willingness to do something, because there's always this assumption in Europe that the Americans have infinite capabilities. So the only thing restraining a victory is whether or not they will commit to it. That's kind of the logic, not just against Iran, but also, of course, against Russia. They think that if only the U.S. commits to defeating the Russians, then we'll get it, even though Biden tried to do this for several years. But on that topic, though, what do you see?

Because I can see why the Iranian war can't be put to an end, why this again is becoming another forever war. There can't be one. There is no pulling back. But what is it that keeps the Ukraine war going? And also, how do you see the U.S. position changing? Because now I see Hegseth making the point that, well, we have to continue to help Ukraine. I'm not sure if this is just rhetoric or, you know, if the U.S. hasn't... that they don't necessarily want to put an end to the war. They'd rather just transfer responsibility to the Europeans. Well, again, the short question then would be, what is it that keeps the war going?

#Jiang Xueqin

I think it's a self-delusion. I think from the perspective of the European elite, they are winning the war in Ukraine. So there's talk, there's reporting that the Ukrainians have pushed back the Russian offensive, and now the Ukrainians are gaining more territory. And quite honestly, right now, the Europeans live in their own elitist bubble. And you're only allowed into this bubble if you support the war completely. So if you're a dissenter, if you're trying to point out facts on the ground—for example, Ukraine has lost over a million men and Ukraine doesn't have the resources to sustain this war—you're pushed out. You're considered a traitor. You're considered a pessimist. And then you're pushed out.

So the people in Brussels just live in their own little fantasy world. And they're absolutely convinced that, first of all, Ukraine is winning this war. Second of all, Russia is on the brink of economic collapse. Any day now, Russia will collapse economically. And third of all, Putin is on life support. The Russian elite are so angry about this war that they're ready to rise up against him. So if we just wait one more day, either the Russian elite will overthrow Putin, or the Ukrainians will break into Crimea, or the Russian economy will collapse. If you just wait one more day—and quite honestly, once the European elite fall into this illusion—it's impossible to convince them otherwise. And that's why this war continues to this day.

#Glenn

I noticed as well that after having to listen to the European elites and their stenographers in the media saying Ukraine's winning, winning for all these years, when it was obvious that they were being destroyed, it seemed like they were finally shifting towards reality catching up. They were

saying, well, they're in a difficult spot, we might have to help them more. But now they seem to have returned back into, you know, Ukraine is winning. It's... I don't know, I consider the European elites to be essentially social constructivists. They view it as, you know, if you say that Ukraine is winning, then the public will throw their full support behind because they want to bet on the winning horse. And if they support it, then we can send the weapons and then somehow we can win after all.

If you accept reality as it is, that we're losing, then the public will withdraw its support, will try to mitigate the catastrophe of this loss, and then the money dries up, and then we lose. So I think they have, ideologically, they like to construct their own reality. The problem is, you know, you can only do that for so long before you run into a wall. I just had a funny comment in this country. A newspaper wrote about me that when Glenn Diesen says the world is multipolar, it gives Putin legitimacy because it suggests that Russia is a polar power in a multipolar world, as opposed to just being China and the US. And so we should not call it multipolar because this gives legitimacy to Russia. We're forced essentially to live in a fake world, a world of delusion. Otherwise, if you recognize the world as it is, you can legitimize our enemies. And as you said, you're kicked out of polite society.

#Jiang Xueqin

Sorry, but another point that's very important is that in order to maintain their fantasy, they will sacrifice everything. So basically, the Europeans are gearing up for total war. The Germans are planning conscription. So they will fight this war to the last Ukrainian and to the last European. They will not give up their fantasy.

#Glenn

Well, this is where I was wondering where you see this going, though, because my concern, what I've been saying for at least the past 12 or 13 years, is we should not go down this path toward a war with Russia. That is very basic. If you try to push NATO into Ukraine, my argument was always it would be like the Russians establishing themselves in Mexico again. There's only, you know, the only outcome possible here is war, and eventually Ukraine will be destroyed, and escalation would compel Russia to retaliate. Again, if Russia sees this as an existential threat, there's no way it's going to back down. So either we go to nuclear war or we defeat it. But how do you see, then, where this war will be going?

Because I think the Russians now, their calculations, at least what I hear from Moscow, is that the mood has shifted dramatically. That is after the Europeans especially expressed the intent and now also the ambition to develop the capabilities to fight Russia. And they couldn't be more clear in this language. You know, there's no more point to pretend as if, you know, they're afraid of having a direct war, because at the moment the Europeans are striking Russia and Russia's not striking back. So the war is already here. So what is there to be deterred about? The Russians should restore their deterrence. At least that's what I'm hearing. How do you see it? Where is this going to go?

#Jiang Xueqin

Yeah, so I see that there's a larger American grand strategy behind all this, right? So for the longest time, in a unipolar world, America guaranteed peace and safety for everyone. And that's what allowed for global trade, and that's what allowed for a period of tremendous peace and prosperity. And now that America has \$39 trillion in debt, and now that the American economy has basically been hollowed out because they've, you know, financialized their economy and shifted their manufacturing to China, America cannot afford to guarantee peace and safety for the world. And so what America wants to do is shift the world into one of continuous conflict.

So the grand vision is that America retreats back into the Western Hemisphere. It's something called the Monroe Doctrine, where it's complete control over all the nations of the Western Hemisphere, including Venezuela and Cuba. But after Cuba, then we can imagine the Americans will target Canada, Greenland, Mexico, Colombia. It's all part of this Greater North America project. So you create a fortress North America, and then you plunge the world into war by causing conflicts throughout the world. So in Europe, there'll be a war between the Russians and Ukrainians, backed by the Germans, the French, and the British.

And that will be a continuous war that could go on for decades. And while this war is raging, America will provide financing, armaments, and resources to Europeans to ensure that they will fight this war to the last European. And by doing this, the Americans can sustain their national debt and grow their economy. In the Asia-Pacific, we're seeing the same thing played out where, you know, the Shangri-La Forum just concluded in Singapore, and China didn't really go. I mean, China did send a representative, but China was not there. Peter Huxer was there. The Japanese were there. The Filipinos were there.

And I think what's going to happen is that the Americans retreat from the Asia-Pacific and let Japan and South Korea do more of the heavy lifting. And they're backed up by American allies in the first island chain, specifically the Philippines. And the goal is to force these nations to come into conflict with each other so that they're now, again, forced to buy American armaments and resources. And so that's the world that America wants to create, a world of continuous conflict, which is very similar to World War II. Remember, World War II was the greatest thing for America. You know, Trump talks about how to make America great again.

Well, World War II is what made America great because the Europeans exhausted themselves on the battlefield, and then the Japanese exhausted themselves on the battlefield in China. And then, towards the end, the Americans came up and cleaned house and conquered the world and established Pax Americana. So I would not be surprised if American strategists were planning the same thing, where they want to plunge the world back into World War III, and then America will be

left alone, and America can rebuild its manufacturing base. And eventually, when the time is right, America will then conquer the world again and establish Pax Americana again. That, I think, is the larger grand strategy here.

#Glenn

Well, yeah, I got the same impression. I think the European leaders, they saw the Ukraine war as essentially, you know, the European leaders sitting at the table moving the Ukrainian pieces around against the Russians. I don't think they realize yet that the political West doesn't exist in its former form. That is, the Europeans, they've become pieces on the table now. Well, the fight to the last Ukrainian will essentially soon be the fight to the last European. So, I think they also don't realize that they're proxies of America. They think they're allies with completely overlapping interests.

But the problem, I think, is that they have very wrong expectations because they look at the last four years. They had proper escalation control, they were able to manage the battlefield well. And the assumption, I think, is that it will essentially just be a continuation of the slow war in the trenches of Donbass, where it essentially tilted in favor of the Europeans and the Ukrainians. I don't think the Russians would fight a war with the Europeans in any way similar to what we've seen the past four years. I think the brutality would be much, much more vicious, and it would be fought more on European territory. Well, essentially, my question...

#Jiang Xueqin

Sorry, sorry, sorry. I have one more point to make about Europe, which is, like, right now, Europe is controlled by bureaucrats. These are not leaders. These are not visionaries. These are not people who are responsible to the people. They're just bureaucrats, meaning that they live in their own fantasy world, meaning they refuse to take responsibility for their actions, and meaning that they turn a blind eye to reality. So what they're really trying to do is not take blame for the defeat of Project Ukraine. They're just trying to pass the buck. They're trying to prolong this war as long as possible so they can retire into their nice pensions and then leave the problems to their successors. These are not competent leaders. These are just lazy bureaucrats.

#Glenn

You may have used the word "leader" a bit generously there, so no, I don't disagree with that label, calling them bureaucrats. But what I wanted to ask was, the war with Iran appears to have changed some things, though. That is, when the Americans were going to fight and knock out the Iranians, they realized that they had already sent too many weapons to Ukraine. So they had to pull weapons out of East Asia. And even, you know, the few weapons they—well, the insufficient weapons they had in the Middle East—they prioritized for Israel. So we essentially end up in this situation now

where many of the Gulf states are discussing to what extent it's a good idea to be frontline states for the U.S. Empire. The Europeans are certainly having similar discussions now. That is, well, the Americans won't come to our aid necessarily, so they have to reconsider.

In 2022, they convinced the Europeans to join in on this war, and now they're outsourcing it to the Europeans and then essentially pulling back from the whole NATO cooperation. So I think they also learned this lesson. And in East Asia as well, I think especially the South Koreans are having these discussions. Why would we make an enemy out of China? And then if something goes wrong, we're going to have, you know, to what extent would the Americans actually be able to protect us? It just seems like the alliance system of the United States could falter. I mean, the idea that you can replay World War II in this way of building a fortress America and burning down the rest, I don't see this necessarily as being feasible. So I guess that was my question. Do you see this as being feasible or just a recipe for a very messy suicide?

#Jiang Xueqin

I think in the short term, it's very feasible. So let's just focus on Japan, right? Japan receives most of its oil from the Strait of Hormuz, and Japan has very few resources. Japan is losing a lot of its strategic reserves, and if you run out of oil, you're in a lot of trouble, right? So what are Japan's options? Well, you can either buy LNG and fuel from Russia or from America. In this instance, America— I mean, the fact of the matter is, America has 50,000 forces in Japan, and America right now is helping Japan build its own CIA. It's helping Japan re-militarize. And I mean, if you're Japan, you have absolutely no option in this matter but to become a vassal, a proxy for America, right?

Because if you don't agree to this, then America will just blockade you. I mean, you're already losing all that oil from the Strait of Hormuz. And if America refuses to finance you, if America refuses to provide you resources, then your economy is completely and utterly screwed. So unfortunately, Japan has absolutely no choice but to be a proxy for America and to do America's bidding. That's point one. Point two is that China has always been hostile towards Japan. So if America were to retreat from the region, then it's entirely possible that China starts to blockade Japan because China has tremendous shipbuilding capacity. So there are all these historical, geopolitical, economic factors within the region that America can exploit to its advantage.

And so I don't see how Japan and China can avoid a conflict. I live in China. I can tell you that the rhetoric has ramped up tremendously these past six months, especially after Prime Minister Kishida said that Taiwan is core to Japan's strategic interests. So last year, there were millions of Chinese tourists going to Japan. Now there's very little. And China has even discussed the possibility of closing its airspace to Japanese airlines. So this would mark a major escalation. So again, unfortunately, even though America is a bully, most of the world is too mired in its own regional conflicts to really care that much.

#Glenn

Well, that was my initial comment about the rapid shifts in the international distribution of power. If these shifts happened over a longer period of time, there would be more time for countries to adjust to new realities. But I think it's very difficult for countries like Japan to reorient themselves away from the U.S., much like the Europeans, after having essentially outsourced their foreign policy and had this excessive security dependence for 80-plus years. But yeah, well, that's a great point — renewed conflicts between China and Japan. But what do you see, given that the main, if not only, peer rival of the United States is China? And the Americans keep referring to China also as a motivation in the Iran war — that is, if you can cut off oil exports to the Chinese, then that in itself is a win.

How do you see the sustainability of Taiwan, this Taiwan status, in its current form? Because, you know, as I said before, China, I think, has an interest. You know, if there has to be a military conflict, it's better to do it tomorrow, given that China will be in a better position. The U.S. has the opposite — that is, if it's \$39 trillion in the hole and China's strengthening day by day, it's better to have that conflict today, or at least start chipping away at the sovereignty of Taiwan. No, sorry, not sovereignty — at the sovereignty of China and the whole one-China policy. So, in other words, the status quo doesn't seem very sustainable anymore. Yeah. And Taiwan had this key role both in the bipolar and unipolar era in terms of containing China. But how do you see it developing from here on? Will this be a flashpoint, you think, over the next few years?

#Jiang Xueqin

Yeah, so Trump visited China in mid-May for a couple of days. And I understand that Western reporting is that the visit was lackluster, that Trump just came and stepped up to the presidency. But in China, the attitude is very different. If you look at Chinese media reporting, if you talk to Chinese experts, they believe this was a breakthrough in U.S.-China relations. This is a radical turning point, meaning that the trade war will eventually come to an end, possibly as soon as this year. So I think that a grand bargain is afoot. They're still discussing specifics. But let me go over what the grand bargain might look like. So what America is most interested in is access to the Chinese financial market.

And the reason why is that the Chinese save 40% of their income. So China has the highest savings rate in the world. And what American companies like Visa, BlackRock, and Blackstone want to do is financialize these household savings — basically force the Chinese into American debt in order to sustain the American Ponzi scheme. And this was actually a precondition for China's WTO entry 25 years ago. So I think the Chinese will agree eventually to open up their financial market, but not liberalize their currency. Maybe allow the Chinese to buy stablecoins, which is basically a backdoor into U.S. Treasuries. In return, what I think the United States will do is declare that they oppose Taiwan independence.

And this is something that the Chinese have been asking for politically for the longest time. So Trump, after the visit, said that Taiwan is not really a big deal. He doesn't really care. He's also blocked or paused a \$14 billion weapons shipment to Taiwan, which is a very big deal. There's talk of Trump wanting the Taiwanese to onshore their semiconductor industry to America. So TSMC, the largest Taiwanese semiconductor company, has opened a factory in Arizona. So America is perfectly willing to sacrifice Taiwan if it means that it's able to access China's financial market. President Xi has said that he will visit America in September.

And there are rumors that at that time, China will announce a trillion-dollar investment in American manufacturing, meaning some of China's leading EV manufacturers will move to America and open factories. So I think a grand bargain is afoot, and I think a condition of this grand bargain is to settle the Taiwan issue. Look, if you just talk to Taiwanese in Taiwan, they're not interested in independence. Like most people in the world, they want to live a decent, good, safe life. If it means reunifying with China, they don't care. Okay, so I think that both the United States and China would want a peaceful resolution to this Taiwan issue. But there's a problem. The problem is Japan.

Because if Taiwan were to reunify with China, China would then have access to the Pacific Ocean. The first island chain would be destroyed, and China could now have a blue-water navy. This is a direct threat to Japan's interests, because Japan is primarily a naval power. It is primarily dependent on the outside world for imports and resources. And if China were to establish a very strong blue-water navy, it could blockade Japan. So there's absolutely no way that Japan would countenance a reunified Taiwan-China. And so the possibility of this happening is almost zero. So by declaring or by opposing independence, what Trump is really doing is basically transferring the Taiwan issue from America to Japan.

And I think from an American perspective, that's a very good and very strategic thing to do. So I think Taiwan is not a flashpoint. I think the real flashpoint is North Korea. Given the current geopolitical chaos, what North Korea could easily do is threaten Japan and South Korea. Most people don't know this, but Seoul is within the range of North Korean artillery. So all North Korea has to do is set up its artillery on the border and threaten Seoul. And within about a day, it could flatten Seoul. And that's where the majority of the Korean population lives. So I think the next flashpoint will be North Korea and not Taiwan.

#Glenn

That's interesting. Well, I was going to say, with a grand bargain, if it's simply returning to the status quo, then I don't think the Chinese would go with it, because it simply looks as if the U.S. would postpone a conflict until it can sort out other things. But of course, if it's actually about reunification, that is, ending the former status quo, then it's a very different thing. Then I think the Chinese will probably be willing to make quite a compromise in order to remove this possible, or most likely, source of war off the table.

So that's, uh, yeah, that would be interesting if that could actually be achieved. And, uh, I think many people in the U.S., while it might seem outrageous to many people after living through 30-plus years of a hegemonic era, I think many people in the U.S. begin to question to what extent they're actually able to protect Taiwan if conflict would break out. My last question, though, was just how do you assess the development of, I guess, the possible legitimacy crisis in the West? You already mentioned that many of the European leaders act more like bureaucrats. But it seems this is, again, not only limited to Europe but also the wider political West.

That is, there's a rise of these denationalized political elites acting like bureaucrats. They're not really looking after national interests. There are diplomats—our key diplomats—who no longer believe in diplomacy, especially with Russia. We have, for example, the foreign policy chief of the EU arguing that she doesn't think it's necessary to talk to Russia. In the media, we have journalists who act more as information warriors. And as you said, they're back at spinning narratives: Ukraine is winning, Iran is defeated, and anyone who challenges their narrative tends to be smeared, censored, cancelled.

I mean, this kind of failure of institutions can work for a while, but over time it destroys all trust and begins to degrade itself. How do you explain this, or how do you see where this is going? Because there would have to be a correction at some point, otherwise, you know, they could go off a cliff. And you see every year the trust in government—if you look at the polling in America, across Europe—and politicians, it's at the bottom. The trust in media is all but gone. It can't continue like this. We're going to start to rot from within. Do you think it's moving towards a correction or just going off that cliff?

#Jiang Xueqin

I think it's going off the cliff. I'm sorry to say this, but I think what we will witness in our lifetime is the fall of the West. And if you just read some history—you know, Oswald Spengler—but even if you read the great religious traditions and their eschatologies, whether it's Buddhist, Hindu, Jewish, Christian, Orthodox, it doesn't really matter. But they all talk about how, when a society declines, there are certain signs, right? That it is in decline. And the West right now has all these signs, okay? So one major sign is a demographic crisis, where the population is aging drastically, and young people refuse to have children. So what do they do? They bring in immigrants.

What do these immigrants do? They clash culturally with the local population. This is exactly what we're seeing in the West right now, where you have these baby boomers who refuse to die, and they have absorbed all the resources, they have all the political power, and young people refuse to engage in the economy. They refuse to have children. And they bring in these millions of immigrants, both legally through the H-1B system and illegally. But it's causing tremendous social

strife throughout society. And unfortunately, this is a sign of a society in decline. That's sign number one: demographic crisis. Second is financialization, meaning that the society no longer produces anything.

It just gambles, it speculates. And young people just fall into crushing debt. So think of all these young people in America right now that have student loans they can never, ever get rid of. You can't declare bankruptcy on student loans. Think about credit card debt. Fifty percent of Americans don't have access to \$500 for an emergency. So, financialization—that's sign number two. Sign number three is moral decay, where there's really no sense of right and wrong anymore in Western society. It's all about profit. It's all about following the rules. People aren't allowed to exercise their common sense anymore. You have this massive dictatorship going on.

I just read today that there were two Americans, Cenk Uygur and Hasan Piker—I'm sure you know who they are—but they were denied entry to Britain because they were a threat to the public peace. What does that mean, really, a threat to the public peace? You're not even allowed to speak your mind anymore. And it's all part of this moral decay when people are not even allowed to have an honest conversation. And then you have another sign, which is just evil triumphs in the world. The more evil you are, the more powerful you become. Just think about how these incompetent individuals, people like Peter Thiel and Jeff Bezos, just by co-opting the public system, are able to have billions and billions of dollars.

I think just the idea of billionaires is outrageous. And never before in history have we had so many billionaires. Basically, you know, in America, ten billionaires have as much money as the bottom 50% of the population. That's just astonishing to think about. You know, one hedge fund manager in America makes more in a year than all kindergarten teachers combined in America. So I think that the situation really is hopeless. I mean, like, I don't... I don't know how to explain this to people, but historically, if you look at human history for thousands of years, this is a very typical cycle. Societies do decline over time, and we're seeing these radical symptoms of that. And there's really nothing people can do about it right now.

#Glenn

Yeah, what is strangest to see, well, as you said, with the concentration of wealth and the financialization of the markets—oh, sorry, financialization of the economy—it's, you know, it should be common sense that you can't structure a human society like this when you have this amount of concentration of wealth. The irony is that often when people bring this up, the defense of the direction we're heading now—and it's not even stable, it just concentrates more and more of the wealth—is always referenced to liberal economists: Adam Smith and David Ricardo and Mill and others. And the problem is that they said the opposite.

If you go through the works of them, especially Ricardo, he recognized that with technological innovations there would be more concentration of capital in the hands of capital owners. It would go

away from labor over time. This could be disruptive. So this is not Karl Marx. This was common sense. People understood that. They understood the problem of rent-seeking, which is why John Stuart Mill or Smith or Ricardo didn't celebrate rent-seeking by financial elites. But we see essentially their names now being used to legitimize what they essentially warned against. So there's a lot of decadence all over the place. Right.

#Jiang Xueqin

But remember that for most of human history, most societies outlawed usury, right? There's a reason why they did that.

#Glenn

Yeah. Well, just the last point on the immigration issue. I think there's also something very immature, I think, not just in Europe, but in the U.S. Essentially, the debate is just between, you know, those who are for immigrants, more immigration, and those who are racist. Either you're pro-racist or anti-racist. This is how the debate is framed. But, you know, they don't look a bit at the shift in international distribution of power. There are rapid shifts in the population. If there's no possibility to adjust, no one addresses what happens to the culture. They use culture as this slang almost, which doesn't have any meaning.

But culture is what keeps society... it's the glue that keeps society together. It's what we all have in common, what links us to the generation before us, what links us to those coming after us. Essentially, what's worth passing down from generation to generation is part of the collective consciousness. And if you do have a massive shift in culture, you cause a disruption there. So it has a function in human society, but it is not discussed at all. It's either you hate immigrants or you like them. This is essentially the extent of our debate. It's quite stupid.

#Jiang Xueqin

And look, what people don't discuss is that a lot of legal immigration is human trafficking. So if you look at America's H-1B visa program, what they do is they bring in lots and lots of Indians. And these Indians often pay a huge bribe to enter the program. And then when they come into the program, they're slaves to the system, right? Because if a company doesn't like you, they can throw you back to India. So it's human trafficking. I mean, that's what it literally is.

#Glenn

Yeah. Well, anyway, we ran out of time already. So I just want to thank you, as always, for taking the time, and for all the listeners as well. Where can people find you?

#Jiang Xueqin

Yeah, so I'm on YouTube. Predictive History is my channel. I also have a Substack where I go into detail about my geopolitical analysis. It's predictivethistory.substack.com.

#Glenn

Excellent. Well, I'll leave a link in the description.

#Speaker 03

And thanks again. Thank you.