

# Trump STUNNED as Iran Deals MASSIVE Blow to US (It's Getting WORSE) | Ben Norton

Ben Norton of Geopolitical Economy Report joins the show to discuss his analysis of Iran's current position as the US makes major concessions in a massive blow to the war effort, and it's only getting worse. follow Ben on YouTube: <https://www.youtube.com/@GeopoliticalEconomyReport> LIKE the video and Subscribe for more in-depth geopolitical analysis Leave your thoughts in the comments below! Support the Channel: Patreon: <https://www.patreon.com/dannyhaiphong> SUBSCRIBE ON RUMBLE: Rumble: <https://rumble.com/c/DannyHaiphong> Follow Me on Social Media: Twitter: <https://twitter.com/DannyHaiphong> Telegram: <https://t.me/DannyHaiphong> Support the channel in other ways: <https://www.buymeacoffee.com/dannyhaiphong> Substack: [chroniclesofhaiphong.substack.com](https://chroniclesofhaiphong.substack.com) Cashapp: \$Dhaiphong Venmo: @dannyH2020 Paypal: <https://paypal.me/spiritho> #iran #iranwar #trump

## #Danny

Welcome, everyone. Welcome back to the show. It's Danny Haiphong. Ben Norton will be with us at any moment now. I see him coming into the program. But before that, everyone hit the like button. That helps boost the show in YouTube's algorithm. And we are going to get started talking today about what has gone on in negotiations between the United States and Iran. Actually, what has happened is that Iran walked out of the negotiations, has only been speaking with mediators, and in this process has won a litany of concessions already from the United States in what has been a massive blow to the U.S. war effort.

And Ben has been covering exactly how many blows the United States has received in this war, especially in this moment, where it seems the U.S. is trying to take a breather. But we have Ben here with us now. Ben, good to see you again. How are you? Good. How are you, Danny? I'm good. Thanks for coming back on the program. So, Ben, yeah, I wanted to begin with Iran. I know you've been covering this on your show, the Geopolitical Economy Report. Yeah. I wanted to just begin with some of the statements from the Iranian side. First, from the foreign minister Abbas Araghchi, who said—mind you, everyone, and the audience—that they have not been speaking to the United States. Iran has been speaking to mediators because of Trump's threat just a day ago.

## #Danny

But in these conversations already, through the mediation process, Iran says that they have seen their oil and petrochemical export sanctions waived, the blockade has been lifted, 12 billion of frozen

assets—that's the sum there—has been released, and the reconstruction plan that Trump has denied existed, but is yet in the memorandum of understanding, has begun to bear fruit. Now, Ben, I'm curious what you've made of this MOU negotiations process. There have been many takes on it. One has been that Iran has dealt a major blow to the United States, and that is what has led to this, and that is why the Trump administration is trying to find its way out of the war. Others are saying don't trust the process. What is your understanding of what's going on and how things are going?

## **#Ben Norton**

Well, I think several things can simultaneously be true. There's no question that this is a major blow to the U.S. The goal of Washington was regime change. This was made so clear. And this came, of course, just a few weeks after the U.S. invasion of Venezuela. We really need to keep in mind that operation, that illegal attack on Venezuela when the U.S. kidnapped the internationally recognized president of Venezuela and claimed that it carried out regime change. I mean, in reality, the acting president is the vice president, Delcy Rodríguez, following the constitutional order. But regardless, Trump saw that operation and thought they could easily replicate it in Iran. Obviously, this did not happen. Iran demonstrated that it has a lot of leverage that Venezuela did not have. Iran is a much bigger country.

That is a population of around 100 million. It is one of the leading military powers, whereas Venezuela militarily is very weak. And Iran also has the Strait of Hormuz, the most important oil transit choke point on Earth. So Iran was able to close down the Strait of Hormuz and use its leverage not only against the U.S., but the entire global economy, which meant that countries around the world have been pressuring the U.S., asking it to stop this war, including, you know, major U.S. allies like Japan and South Korea. These are countries and regions that are extremely dependent on oil imports. Japan gets about 95 percent of its oil imports from West Asia, from the so-called Middle East. The same, you know, very similar numbers for South Korea. Europe has boycotted Russian oil, so they were more and more dependent on West Asian oil.

So in that sense, Iran has had a major victory. Furthermore, if the deal actually goes through—and there are a lot of questions about that, which we'll be discussing today—and I'm, of course, very skeptical about the U.S. government's actions and suspicious about what it has been doing, and I doubt its commitments to peace. But regardless, if the deal continues to go through, Iran will also have sanctions lifted, which is so important because these sanctions have devastated the Iranian economy. Scott Besant, the Treasury Secretary, who was previously a hedge fund manager from Wall Street, gave a speech just a few weeks before the U.S. launched this war of aggression against Iran. That was on the 28th of February. A few weeks before, Besant gave a speech in which he boasted that the U.S. sanctions destroyed Iran's economy.

That was the language he used. And he boasted that they caused very high rates of inflation. And this inflation destroyed the purchasing power of many Iranian workers, which fueled protests. And he didn't mention that the U.S. government backed those protests. There are reports that the U.S.

was even sending weapons to these militants, these extremists, trying to overthrow the Iranian government. There were protesters, but at the same time, there were also very violent insurgents trying to overthrow the government. So the U.S. has used these sanctions to try to devastate the Iranian economy.

And for people making excuses for the sanctions, they don't realize that it's not just that Iran can't trade with the U.S. This is like what people say about Cuba. They say, you know, Cuba loves to make excuses about the sanctions. In reality, these sanctions are so destructive because the U.S. is at the center of the international financial system, which is based on the dollar. And sanctioned countries find it very difficult to access the international financial system. Their banks are blocked from the SWIFT interbank messaging system because most banks around the world, when they communicate with banks in another country, they do so through U.S. correspondent banks.

So if you're sanctioned, it makes it extremely difficult for your banks to operate. Moreover, for companies in Iran that want to do business with companies in other countries, in addition to the correspondent bank issue, another major issue is that many other companies around the world fear secondary sanctions. So even though they're not Iranian—let's say an Iranian company wants to do business with, let's say, an Indian company—they might fear that the U.S. will impose secondary sanctions against the Indian firm, so they're not even going to risk doing any business in Iran. China is an exception because China ignores U.S. sanctions.

It's so big. But even then, that's the Chinese government. There are still Chinese companies that don't want to do business in Iran because they don't want to be sanctioned by the U.S. So these sanctions have been so destructive for the economy. So the fact that they're now being lifted, even if they're only oil-related sanctions—you know, Iran is a major oil and gas producing country—and having these sanctions lifted is another major victory. I know you wanted to say something, Danny. There's a lot more that I could add, but I think there's no question that this is an Iranian victory.

But at the same time, there are a lot of concerns about the seriousness of the U.S. commitment to these negotiations and the fact that the U.S. is not forcing Israel to stop attacking Lebanon, which the U.S. could do if it were actually committed. So therefore, the U.S. and Israel are violating the agreement because, according to the agreement, Israel has to stop attacking Lebanon. That was what was agreed to. And yet Israel continues to attack Lebanon with U.S. weapons. J.D. Vance admitted that two-thirds of the weapons that Israel is using come from the U.S. So unless the U.S. actually uses its leverage, pulls its leash on Israel, and tells it to stop attacking Lebanon, it's understandable why the Iranian side is quite skeptical of the U.S. commitment to the negotiations.

## **#Danny**

Yeah, great points, Ben, and the points you made about many things could be true at the same time. You know, just given the U.S.'s history, how the United States and how Israel have been engaged with Iran just over the last year, it demonstrates that definitely there is no negotiation

process that can truly be trusted when the U.S. is engaged in it. But then we also have, on the other hand, as you were saying, I mean, this is happening. The Department of Treasury has issued the 60-day sanctions waiver. Some are doubting whether this will actually happen. But in truth, there is now not only—there's no more blockade happening right now. Now Iran is shipping its oil in higher volumes out of its ports.

There was also talk that maybe, similar to Venezuela, there could be some corruption going on and that Iranian oil would flow to the United States instead of to the rest of the world, and that's why sanctions were lifted. While Iran has put down that assertion or that assumption, they said that our main buyers are Asian countries like China, and more than 40 million barrels are heading there. No plans to sell to the United States. And lastly, Ben, before I get your reaction... you know, Donald Trump himself has been behaving differently, even in his threats. And he's still violating the memorandum of understanding when he makes threats like this. But the threats have gone from, you know, one day saying we're not even going to let these negotiators go back home if they keep talking about nuclear enrichment, to talking about how he's going to have to do what he has to do if Iran doesn't live up to the agreement.

## **#Donald Trump**

And if they don't live up to their agreement, or if they're not behaving, I will do what I have to do.

## **#Danny**

I mean, you know, at this point, he does seem a lot different. And then we have talk about the sanctions here. I'm just going to pull this one up. This one I find very interesting—I think you will too—about what lifting the sanctions actually means, especially for the United States.

## **#Speaker 1**

One of the things that we are doing also, and it came up,

## **#Donald Trump**

Last night, this money that's being unfrozen is going to be used to buy food, and the food is going to be bought exclusively through the United States from our farmers. And corn, soybeans, all of the things they need are going to be bought from our farmers. So our farmers are very happy. I've had a lot of calls. They were very happy about it.

## **#Danny**

So he's talking about how U.S. farmers are going to have Iran as a major client. Seems like, honestly, an unbelievable statement to say that Iran is now going to buy corn, soybeans, etc., from

the U.S. But this is the state of things right now, Ben. It is a different tone, and there is some action being put behind it, despite the fact that it's not easy, if not impossible, to trust the U.S.'s word.

## **#Ben Norton**

Yeah, I mean, it's certainly possible those things are true, that Iran is going to buy food from the U.S. It's not that surprising. I mean, this is not a huge victory like Trump wants to make it sound. In terms of the oil, I think it's important to understand why Trump is doing this. It's not out of the kindness of his heart, obviously—to the extent he has a heart, which many people rightfully doubt. It's because he acknowledged that there was a massive shortage of oil in the global market that came very close to causing an even worse crisis.

Now, first of all, the Energy Information Administration of the U.S. and the International Energy Agency—very similar names but different organizations—both said that we've been living through the worst oil supply shock crisis in history that was caused by this war. The Strait of Hormuz is so important for the global oil industry. Twenty percent of the globally traded oil flows through this strait on a daily basis, or at least it did before the war. So that means one-fifth of the global oil supply was in limbo there. Saudi Arabia was able to redirect some of its production using a pipeline across the east to the western coast of Saudi Arabia, to the Red Sea.

This is called the Yanbu port. However, the Ansar Allah movement, or the Houthi movement in Yemen as it's known, vowed to close down the Red Sea in solidarity with Iran if it were necessary. So, despite the fact that there were some ways to go around the Strait of Hormuz, the vast majority of oil that travels through there—probably 15 million barrels out of the 20—was in limbo, not able to transport freely. So the U.S. and many countries were using oil from their reserves. The U.S. has something called the SPR, the Strategic Petroleum Reserve, and it's now at the lowest level in nearly 50 years—sorry, 40 years—since the 1980s.

## **#Ben Norton**

Trump actually acknowledged this in a speech at the G7 summit that was held in France, where he said that in four weeks the world would have run out of oil in those reserves and there would have been a massive shortage, and people would not be able to go out and buy gasoline. And as Trump said, it would cause economic bedlam. That's the language he used. So this demonstrates that the U.S. was essentially forced to the negotiating table. Iran recognized that there would be a severe economic crisis. And this is, of course, just a few months before the midterm elections in the U.S., which come up in November, which is very soon. And we've seen the price of gasoline already skyrocket.

Imagine what would happen if the U.S. didn't have any oil in its reserves. So Iran recognized that it had significant leverage. And I think this explains why the U.S. has lifted these sanctions on Iran's oil and gas sector. Now, you mentioned that there are discussions of whether or not Iran is selling oil to

the U.S., etc. Honestly, I don't think that matters that much, because what Trump really wants is to increase the supply of oil in the global market to bring down oil prices. So even if the U.S. is not buying that oil directly from Iran, as long as they can bring down the price of gasoline, that's what Trump is really concerned about. Because obviously, this is something that Americans are really concerned about.

Because the U.S. has so little public transportation, outside of New York there is basically no public transportation in the country, and everyone has to drive everywhere. So people are very sensitive to the price of gasoline. And then the price of gas feeds into all of the other parts of the economy because so much is transported on trucks, and trucks need a lot of diesel. And the price of diesel has skyrocketed because of this war. So when trucks transporting food and clothes and other goods have to spend much more on gasoline, they have to charge more for the products that they're shipping, that they're transporting. So the price of everything goes up. Inflation in the U.S. has been persistently high.

Official CPI data, consumer price data, inflation, consumer price index data measuring consumer price inflation is now at nearly 4%, which is likely very conservative because this data is aggregate data that includes all goods and services in a massive basket. So the point is that inflation has been picking up. Americans are complaining. So Trump really needs a way to bring down the price of oil. Now, the other aspects of the deal, again, I'm pretty suspicious about, pretty skeptical about. But even if the U.S. does not abide by all of the other aspects, the fact that those sanctions were lifted on Iran still is a major victory. And this is something that's really going to help the Iranian economy because it's been facing so many issues with devaluation of its currency, hyperinflation, shortages. This is a major victory for Iran.

## **#Danny**

Yeah, I mean, Iran is coming out of a major military conflict with the United States, which is supposed to be known as the preeminent military and economic superpower, and it's coming out better, at least in these terms, than it was before the war. Of course, there were a lot of sacrifices made, especially in terms of human life, to get to that point, but nonetheless, there were sanctions before, and now there are no sanctions, or at least there is a pause in sanctions, which will bring very immediate relief to the economy. I want your opinion on this, Ben.

You know, Mohammad Ghalibaf, the Speaker of the Iranian Parliament, is on his way, I believe, to Muscat, Oman, for more talks. Again, all of the talks that are happening today, right now, it's not Iran sitting across the table with J.D.—you know, Ghalibaf across the table with J.D. Vance. It's mediators. And so whether it's Pakistan or Oman—but they're visiting Oman right now. And he said this: he said, "The military achieves the victories; now negotiations advance them. If problems arise, we can respond with missiles or solve them through negotiation. I'm not a diplomat; I'm a fighter. Military and diplomacy are complementary."

We won't abandon it until we achieve the final result. Because I wanted your reaction to that, since he's responding to a lot of criticisms that have been made about even engaging in this process with the United States. What do you make of them? Some of them have come from within Iran itself, as you said, very suspicious of the process, and I think rightfully so. And others have come from commentators and people looking from the outside in, saying that perhaps there are even more nefarious reasons why Iranian leaders may be engaging in negotiations to settle something that will not be settled at the table. What are your thoughts about this?

## **#Ben Norton**

I think sometimes these criticisms are a bit immature. I mean, in every conflict, pretty much throughout modern history, we've seen negotiations between the two sides that were at war with each other. Vietnam negotiated with the U.S. Vietnamese leadership negotiated with Henry Kissinger, one of the worst, a lot too.

## **#Danny**

It was a long negotiation. It wasn't a short one either. But yes, continue.

## **#Ben Norton**

Yeah, exactly. You think Ho Chi Minh wanted to have meetings with the U.S. after they killed 3 million Vietnamese people over 20 years of war? Of course not. But this is how every conflict is. I mean, this is how wars end. One side usually wins. Vietnam won that war militarily, but they still had the negotiations. You can have both things be true. You know, Iran won this war. It's so obvious. People say the U.S. could win, but that would involve sending who knows how many troops—a million troops—and how many dead. And even then, I'm skeptical about people who claim that, because look at what happened in Afghanistan. The U.S. was there 20 years, and they still lost to the Taliban.

But regardless, the U.S. does not want significant casualties because that would cause so much backlash inside the U.S. This is the way that the U.S. has waged war since Vietnam, right? When you had these mass protests due to the fact that there was a draft. So many Americans... Sadly, I'll be honest, many Americans don't really care about these criminal wars of aggression as long as a lot of American soldiers are not dying. Right. So the official number is like, you know, close to 20 U.S. soldiers have died. But that's still very, very low compared to even, you know, the war in Afghanistan, the war in Iraq. So clearly the U.S. is very averse to casualties.

So the U.S. cannot escalate further. Trump wanted to wage this war from the air and then maybe use neighboring countries. The UAE was also attacking Iran. Of course, Israel was attacking Iran. But the U.S. ran out of options for further escalation, so they're being forced to negotiate. OK, so yeah, Iran won militarily. But at the same time, Iran doesn't want it to escalate further. Of course,

this is why Iran wants negotiations. As you can hear in those comments, they're prepared to continue to fight, but they also don't want more Iranians to die. We don't know the exact number, but thousands of Iranians have died.

And not just political and military leaders, but civilians, you know, children. This horrific attack, a double or triple strike attack carried out by the U.S. military on a school largely of young girls in Iran — this is absolutely horrific. It's a horrible tragedy. Yeah, it makes sense why Iran is negotiating. Of course, Iran doesn't trust the U.S. No one trusts the U.S. Even longtime so-called U.S. allies don't trust the U.S. But at the same time, Iran recognizes that it has this leverage that we've been talking about — the Strait of Hormuz, the oil weapon. So Iran recognizes that if the U.S. continues to violate parts of the deal, like it's done with the Israeli attack on Lebanon, Iran can once again close the Strait of Hormuz.

So, you know, I think the Iranian leadership is very cognizant of this. They're very smart. They're very well educated. They all have PhDs, right? And then Trump sends, like, his billionaire real estate bud who has no experience in international relations, let alone diplomacy, who is sent over to negotiate. I mean, it's a joke. He sends his son-in-law. So Iran understands this process very well. They understand the limitations, but they also understand that you have to be realistic. This is how international relations actually work. Sometimes you have to sit down. You can't decide who the other negotiators are, and you have to sit down with them and try to work something out. And if they don't abide by it, then you use your leverage over them until they eventually do.

## **#Danny**

Keyword there, Ben, is leverage. And it is one that is making Trump quite sensitive and defensive of late, because even mainstream media now are questioning this kind of leverage. You know, there's a lot of criticism now of the Trump administration in the mainstream media. It's so interesting how this is. Before the war officially ended, quote unquote, or the shooting war stopped, there was a lot of criticism about what you mentioned earlier — the economic crisis that's coming — and some other, not all, of the points, but some other points that you've made and we've made here on this show. But now that there is this MOU, all the criticisms are now that Trump is being too weak on Iran. It switches quite quickly. But here is Donald Trump being asked about this question of leverage when it comes to these talks.

## **#Speaker 1**

Does that give them leverage? Sorry, hold on.

## **#Danny**

It's a little too fast. I don't know. Oh, I had it on 1.5. Let me do 1.25. Here we go.

## **#Donald Trump**

You know, the Navy is gone. Their Air Force is gone. Their leaders are all dead. Their whole country is a mess. Their economy is shot. You know, the Times, the fake New York Times, said, oh, it's about the same as it was four months ago. No, four months ago they had a Navy — 159 ships, to be exact. It's gone. The whole Navy is gone. The 250 airplanes, all gone. Their anti-aircraft is gone. Their radar is gone. These guys love radar. Their radar is gone. Everything's gone. Their leaders are gone. Their whole country is gone. And the Times said, oh, they're about the same as they were four months ago. The reason the news is doing so badly — or let's put it another way — the reason that I won in a landslide, even though I got 92% negative press, all fake press, is because nobody believes the press anymore.

## **#Danny**

So that was his response to being simply asked about leverage when it comes to these talks. Very, very defensive. And of course, we've heard this narrative before. But Ben, to you.

## **#Ben Norton**

It's so obvious that Iran has the leverage. You know, it's funny — Trump uses this saying that he keeps repeating: "We have the cards. We have the cards." He said the same thing about China last year when he escalated the trade war and learned the hard way that China actually had significantly more leverage. China has the cards. And similarly with Iran. Yeah, the U.S. can continue to bomb Iran, but first of all, what targets? As he said, a lot of the big targets that are easy to hit, like ships and planes — OK, those have been destroyed. But so much of Iran's military capabilities are kind of like guerrilla-style underground fighting.

Iran is a world expert in drones, and Iran can make these cheap Shahed drones, which on average cost about \$20,000 to make, which compared to other military equipment is very cheap. It's basically like a flying car, and you just, like, they're kamikaze drones. You just blow up stuff with these kamikaze drones. And it's almost impossible for the U.S. to stop those because Iran doesn't need 159 ships or whatever he said, or a big air force to make drones underground in these facilities that Iran has made all across this massive country, which is full of mountains. It has 100 million people. It's impossible for the U.S. to stop that. And when it comes to Iran's navy, Trump keeps saying this.

He loves to say, we destroyed their navy and their ships. He's thinking of war in a conventional sense, like it's the 18th century and you have one army on this side and one army on the other, and they fight together on the battlefield, and whoever has more soldiers standing at the end wins. War has changed in so many ways, especially when it comes to the use of drones and especially when it comes to, you know, guerrilla war. Like we talked about Vietnam — Vietnam was one of the poorest countries on Earth and still defeated the most powerful empire because the nature of war has changed a lot. And, OK, the U.S. has destroyed Iran's air force and navy to the extent it had. I

mean, they were very small. Iran had not invested a lot in them. Instead, Iran has invested mostly in drones and missiles. Iran is a world leader in missile technology. And Iran doesn't need an advanced air force and navy to shut down the Strait of Hormuz.

All Iran needs is some missiles and drones and these small boats that they send to go bomb or threaten these boats passing through, these massive ships passing through the Strait of Hormuz. And all Iran needs to do is sink one, and then all of the other tankers don't want to go through because, first of all, the people on these boats don't want to risk their lives, obviously, and second of all, these ships are shipping many millions of dollars' worth of oil. And they have insurance companies that are refusing to give them insurance packages for these millions of dollars' worth of oil. And then you have all of these international investors and shipping companies — they're not gonna send the ships, the tankers, through the Strait of Hormuz if they don't have insurance, because if the ship sinks, they lose all of that money and it's not insured.

So there are all these cascading levels of dependencies, of vulnerabilities here in the international economy. And the U.S. is so deeply integrated into this globalized international economy, and especially these commodity networks of oil and natural gas. I haven't even talked about fertilizers, because so many of the chemicals used in fertilizers come from the Persian Gulf. And that means that there's a massive shortage of fertilizers today.

And what that also means is that there is going to be a shortage of food because farmers — we've just passed through planting season — and farmers were not able to get access to sufficient fertilizer, which means that when we start seeing the harvesting season in a few months, there's going to be a massive shortage of food, which is going to cause more inflation. So again, like Trump loves to boast about destroying these big targets like boats. But, you know, that's not Iran's main priority. It is very clear that Iran has significant leverage. And the U.S., as this big empire with 804 military bases located on the other side of the world, simply cannot win a war when Iran is using these kinds of unconventional guerrilla-style tactics, just like the U.S. couldn't defeat Vietnam.

**#Danny**

Yeah.

**#Ben Norton**

Yeah.

**#Danny**

Yeah. And the negotiations, I hope people maybe take heart in this, that those who are watching — Vietnam actually engaged in negotiations with the United States for five whole years. Actually, the Paris Accords — that's how long it took for there to be an actual ceasefire to be laid down and then

terms closed to end the war. But of course, the United States ended up bombing neighboring countries, continuing operations inside of Vietnam all the way into '75. So it's from '68 to '73 negotiations, until '75 the U.S. was basically waging war. So this is a pattern of behavior, but it also goes to show that Vietnam, a country that did win a war against the United States, did engage in negotiations. And then to your other point about this, I mean, Trump is always — and I don't — at this point, the markets, the oil markets, the financial markets, they don't want to hear about war.

They don't want to hear about the boom, boom, bam, bam anyway. They just want to know that they can either sell up or down depending on the U.S.'s behavior. But he keeps talking like this, and more and more keeps coming out about how, during the actual active fighting of this war, there were a lot of major embarrassments and damage done to the U.S. military — 40-plus aircraft, including an F-5, an Iranian F-5. I mean, a Soviet — it's a U.S. aircraft, actually, but it's from the Cold War, like the '50s or something like that. It absolutely destroyed aircraft, and the base at Camp Buehring in Kuwait — it was a really bad situation. And now there's more and more coming out about this. So it is a lot of projection. But I do think it's quite interesting that it comes as now real concessions are actually coming out.

And those concessions are significant. It's the sanctions relief and it's frozen assets. I mean, all of these things. We're not really, again, while I disagree with Democrats and other neocon elements who are criticizing the Trump administration for being too soft on Iran and worse than the JCPOA, I think all of that is warmongering speak, but there are some facts to it. The JCPOA were more favorable terms to the United States than what the United States seemingly has to do now to even get a pause in the fighting, because they've cornered themselves into either fighting and going toward this economic crisis you outlined or giving Iran what it wants in some respects in order to extend a pause. But what do you make of that?

## **#Ben Norton**

Yeah, I think that's right. I mean, I'll just add one thing. The deal that we've seen thus far, the terms of the Memorandum of Understanding that the U.S. and Iran signed — those terms are very similar to what you mentioned, the previous Iran deal known as the JCPOA, the Joint Comprehensive Plan of Action, that was originally negotiated in 2013 and 2014 and then signed into international law in 2015. And Trump's terms are basically the same, but there is one other major aspect of this that is more favorable to Iran that was not included in the JCPOA, which is this alleged \$300 billion investment fund.

Now, Reuters has confirmed that this exists, that this is part of the MOU. Other media outlets have reported on it. The Trump administration is being cagey about it and kind of denying it, but also not overtly. But we don't know a lot about this. What we do know is that this is not necessarily a reconstruction fund; it's more of an investment fund. Iran was demanding reparations, which they

would have a right to. Of course, the U.S. is never going to pay reparations. So instead, Trump is obsessed with getting all of these investment deals done. According to Reuters, this plan includes \$300 billion of investment — over \$150 billion with a B. This is a lot of money.

More than \$150 billion of which has already allegedly been allocated, and this is coming from companies, it's not coming from governments. So according to Reuters, this is like South Korean companies, Japanese companies, Malaysian companies. They didn't mention China, and I doubt that China is part of this. I'm sure that China is not part of this deal because China, you know, China has behind the scenes been working with Pakistan to try to broker these negotiations. China, of course, doesn't want war. China also is the largest purchaser of Iranian oil. But at the same time, I would not be surprised if Chinese companies are going to be doing a lot of this investment. And Trump will probably even count that as part of the package because he loves to take credit for things he didn't do. But regardless, the details of that are still being worked out.

But that was not included in the JCPOA. So that definitely... There are people skeptical, saying, well, this is not really necessarily going to help Iran. But what Iran wants is for its economy to be seen as normal in the international economy. Iran wants to be able to do trade with anyone around the world. And, yeah, Iran, I'm sure, would be fine with foreign direct investment because it helps to normalize its economy in the eyes of the international community. Now, obviously, I have always emphasized in my analysis that the sanctions against Iran are almost entirely unilateral Western sanctions that violate international law. There were some UN sanctions, although, of course, with the Joint Comprehensive Plan of Action, the Obama-era Iran deal, those UN sanctions were lifted.

So it's Western illegal unilateral sanctions that violate international law that we've mostly been talking about. But regardless, Iran wants to be able to just trade with whomever it wants. It doesn't want other countries to fear secondary sanctions for doing business with it. So to that extent, of course, Iran is going to welcome this foreign investment and all these packages and this deal, because it's like the boot that the U.S. has had on Iran's neck is being lifted a bit. And even if the boot is not entirely taken off its neck, the fact that there's less pressure is very important for Iran to just get back to normality.

And this is something that, you know, I've never been to Iran, but I've spent a lot of time in Latin America. And I've been to many sanctioned countries like Venezuela and Cuba. And I've talked with so many people, and what they really just want is breathing space, room to actually operate normally in the international economy so they're not suffocated by the U.S. And that's certainly what Iran wants as well. The difference is that Iran has this military leverage and the Strait of Hormuz that it was able to use to force the U.S. to make these concessions, whereas, of course, obviously Venezuela and Cuba are in a much weaker position.

**#Danny**

And great things can happen when a nation has the capacity to independently develop within normality in the global economic market. A lot of countries look at China in that regard. China was once a sanctioned country. The United States didn't even recognize it. The UN did not recognize it for quite a while, until 1971. Right, 22 whole years, from '49 until '71. That's a long time. And it had an impact. It had an impact. I mean, China made great progress, but it was not progress relative to the level of development that existed in the world. It was progress at a low level of development. And now look at where China is. This is what Iran sees.

This is why Iran has made some quite significant achievements under sanctions as well. But, you know, Iran, Cuba, these countries, they see what can be possible—not just, you know, surviving and trying to make human history underneath the weight of sanctions, but to be able to even advance further and meet people's needs and advance to levels that were not possible before. That's really the point. The point isn't to languish in deprivations because you're forced out of any capacity to access certain medical supplies or foods or other kinds of natural resources you may not have, because countries and companies simply can't get them to you because they're afraid of the consequences.

So it's a big deal that Iran, even if it's just 60 days—hell, even if it's a week—the precedent will already have been set. And it's very difficult for the U.S. It's more difficult for the U.S. to walk back on its word now than I think it's been in other cases where it has dangled maybe some of these things to Iran. And eventually, of course, Trump ripped up the JCPOA, and we never saw sanctions relief. But any thoughts about that before I play something else?

## **#Ben Norton**

Yeah, I'll go out and make a prediction here. I think that the U.S. exemption of sanctions on Iranian oil will stay, will continue. I don't think they're temporary. Now, the other sanctions, we'll see. And the pledge by the U.S. to give back Iran its frozen funds—which, by the way, critics of this, you know, neoconservatives and such, are accusing Trump of giving Iran billions of dollars. This is Iran's money. This was stolen by the U.S. It's totally illegal under international law. The U.S. is legally obligated to give back those funds. So, yeah, it obviously is a victory for Iran because the U.S. is just a criminal. It's a pirate. But at the same time, it's not like some crazy concession that Trump has made. He's legally obligated to do it.

But even if the U.S. doesn't unfreeze the frozen assets, I do think that the U.S. will not reimpose sanctions on Iran's oil and gas because of the issues I was talking about earlier, because of the sensitivity in international commodity markets. And the only thing that Trump really cares about is the financial markets. This is why Trump is constantly timing so many of these announcements, like on Friday right after markets close for the weekend, or on the opposite end, he's announcing something like on Monday morning right when the markets open for the week. Trump is constantly boasting about how the S&P 500 is at the highest level, although he talks about the Dow Jones,

which is, you know, it's his generation. So when it comes to commodity markets, oil traders have been very concerned about these massive shortages.

As Trump acknowledged in his speech at the G7 summit in France this June, there were only four weeks left of oil in global reserves. And after that, there would be a massive crisis. I mean, there already was a crisis, but an even worse crisis. People would not be able to buy gasoline. There would be massive shortages and, as he put it, bedlam. So, Trump recognizes this is what he really cares about—that they have to lift the sanctions on Iranian oil and gas to normalize these commodity markets, because otherwise Iran will continue to shut down the Strait of Hormuz. Iran has always talked about this. You know, I remember you and I, Danny, have been talking about this for years, that Iran had this leverage of closing the Strait of Hormuz, but it never actually did it.

Now that it has, you know, the genie is out of the bottle, and it's no longer seen as like this crazy decision, Iran could easily do it again. So even if the U.S. does not abide by the other parts of the agreement, I do think that it's going to be forced to lift all sanctions related to Iran's oil and gas sector. They're not going to reimpose those sanctions. And even if the other sanctions stay, even if the U.S. violates other parts of the agreement, this is a major victory for Iran because so much of the Iranian economy depends on exporting oil and gas. I mean, it still is largely a petrostate. Iran has diversified its economy more than a country like Venezuela or Saudi Arabia, but still, Iran is very heavily dependent on oil and gas exports.

## **#Danny**

Yeah, and it's a big blow to the weapon of sanctions as well—the legitimacy of it—as well as a lesson, really, to the world of how this weapon, if the wielder of it is unable to gain any kind of major victory over you, perhaps... there are ways to economically make things hard for the United States and for the wielders of sanctions. So they too have to lift them. I mean, I think Iran has shown the world something very important that will be heeded and studied for generations to come. I wanted to ask you, Ben, about—you know, you mentioned China and Axios. It's basically a U.S. intel operation at this point.

But they have a show now. And in this show, Donald Trump was interviewed about—you know, this is after the MOU—and he said this multiple times. He's actually thanked China multiple times for not getting involved in the war. Here's how he frames it. I'm curious about your thoughts on this. He has been talking differently about China. There are some tit-for-tat sanctions going on around rare earths and tech, and the U.S. has painted a lot of Chinese companies as military assets. But it is interesting how this war has changed the tone of the U.S. administration toward China. Here's what he said.

## **#Donald Trump**

You know who's very smart? It's President Xi of China. He's a very smart man. You don't get to those levels where you're running a country, even if it was a small country. You have something special. Now, in some cases, it doesn't work out, but you need something special. It's not an easy thing to do. What is it about Xi that you find most admirable? So we have a very good relationship. And you probably heard me say yesterday, I said, you know, I want to thank him because he didn't get involved with the whole thing with Iran. He could have gotten involved.

He could have sent a nice oil ship surrounded by 12 destroyers and seen if he could blast his way through the blockade, which was an unbelievable military event. I think it's going to go down as one of the great military maneuvers. It was every bit as important as all the bombing we did. They were really dying. They had no money, no nothing for months. But President Xi asked them, he said, I'd really appreciate you not getting involved. He was great. He didn't get involved. I think if somebody else would have said that, I don't think somebody else would have even asked him that.

## **#Danny**

I don't even know if he knows what he's talking about at this point. Actually, a lot of oil, even during the kinetic fighting, was shifting to China from Iran. Nonetheless, this is the narrative that he paints, but it is interesting, the tone. We're now over halfway through the U.S. administration, and while there are certainly GOP members and other elements of the political establishment still very much committed to war on China, the Trump administration, Trump himself, even the focus of his entire administration, in large part because Iran was such a big, massive quagmire and problem, China has seen a lot more, I think, breathing room, especially on the political warfare and economic, you know, political warfare fronts and the propaganda warfare front. What are your thoughts about Trump's comments there?

## **#Ben Norton**

Yeah, well, I agree with you, but just one minor correction, Danny. We're not over halfway through. Wait, what day is it today?

## **#Danny**

June 2024? Oh, no, we're not.

## **#Ben Norton**

Yeah, January will be halfway through. I'm dreaming, I guess. So there's still a long way to go.

## **#Danny**

We're like 35% of the way through.

## #Ben Norton

It seems like it's already been four years, but no, no, no, no, no. There's a long way to go. Two and a half years still. Okay. And then who knows what after that, because it's not going to get much better even after Trump leaves, if he does leave. He loves to talk about a third term. But getting back to your point, which I agree with, it's interesting to see those comments from Trump. What we've seen is, on China, Trump and, in general, the U.S. have been humbled. On Iran, they've been humbled, but especially on China. And this demonstrates, one, the declining power of the U.S. empire, which is clearly in decline, so obviously.

And secondly, the rise of China and Iran and the more multipolar world that we're in today, and the leverage that they have. You know, we've been talking about Iran's leverage, but actually China has so much leverage. And Trump learned this the hard way when he first waged the trade war that he started during his first term in 2018. And then Biden, in many ways, continued it. The difference is that Trump's trade war against China was, you know, very broad. It was basically against all Chinese products, whereas Biden continued it, but he targeted China's high-tech sector—targeting semiconductors, targeting quantum computing parts, targeting electric vehicles, batteries, solar panels.

Those are the main areas targeted by very high tariffs and export restrictions by the Biden administration. And then Trump came in in his second term, and he massively escalated the trade war in 2025. And again, it was very broad. It was against all Chinese products. At one point, the U.S. threatened tariffs of one hundred forty-five percent, which is basically a trade embargo at that point. It was totally crazy. But what surprised the U.S. is that this time China was prepared. And there's this very interesting French investor and analyst named Louis-Vincent Gave. I'm going to steal his analysis.

What he likes to say is, you know, in the first Trump administration, the U.S. was the bully that was beating up China, right? China was not prepared for the trade war that started in 2018. It was quite surprising. So, as Louis-Vincent Gave says, China spent the past decade bulking up, going to the gym, preparing every day to fight back against the bully. So when Trump came back last year and started the trade war again, you know, China had been spending eight years now, seven years, bulking up at the gym. And China punched back, hit the U.S. in the face, and knocked out the U.S. China did this with the export restrictions on rare earths. The U.S. military-industrial complex simply cannot function without rare earths and critical minerals from China because China has spent decades investing in the supply chain—and not just, you know, the downstream, but also the midstream and the upstream of the supply chain.

China dominates the supply chain for so many critical minerals and rare earths—from the extraction to the transport, to the processing, to the export—at every level. So the U.S. now recognizes that it cannot function. The U.S. literally cannot make its weapons systems that it wants to prepare for a

potential future war with China without rare earths and critical minerals from China. This is why think tanks in Washington, like Brookings and all of these hawkish pro-war think tanks funded by the military-industrial complex, have published a litany of reports warning that the military-industrial, the U.S. defense industrial base, as they put it, cannot function without these rare earths from China. Moreover, the U.S. thought that China was more dependent on the U.S. market than vice versa.

The opposite is true. So many companies in the U.S. told Trump, look, we cannot operate without all of these inputs from China, even if they're not importing the finished goods from China, which many companies are. Many companies in the U.S., even manufacturing firms, they import not just the minerals and such, but other inputs like little screws and tools and parts they need to make their vehicles or whatever. They cannot operate without China. You know, Apple is, of course, the biggest example. For years, the U.S. government has been pressuring Apple to move its factories out of China to India, even to Vietnam, which is very funny because, you know, Vietnam is quite adeptly taking advantage of this U.S.-China conflict to its own benefit.

And they have the right to do that. They're being very smart about it while maintaining good relations with both sides. But the reality is that Tim Cook has talked about this. Tim Cook, the outgoing CEO of Apple, said, look, the reason we're in China is not because of low labor costs. In fact, Chinese wages now are significantly higher than all the neighboring countries. Chinese wages have increased by over 10 times in the past 30 years. The reason that Apple is still so dependent on China is because China has, one, all of the supply chain located domestically. You go to a city like Guangzhou and you can find everything located on one street.

They're known for what they call these industrial clusters, right? So everything that you need, you can find not just in one city, but often, in many cases, on one street or in one area. You can find everything that you need as a manufacturer. Moreover, China has invested massively in education and training, so you have very skilled workers. Apple, for instance, has found it very difficult to find the same level of skilled workers in India. And then you also have very good infrastructure in China because the Chinese government has invested in some of the best infrastructure in the world, which you don't have in a country like India. And certainly in the U.S.—I mean, the U.S. lacks skilled workers because the U.S. is deindustrialized. So even if Trump wants to reindustrialize the U.S., but...

Even if the U.S. were to actually have companies building factories, which they're not doing in the U.S., you still need the skilled workers. And there are not many skilled workers because the U.S. is deindustrialized. People who used to know how to run these factories, there are very few of them. They're old. They're retired. So, China has all these advantages based on decades of investment and government planning, which the U.S. can never do. It's totally alien to the U.S. because everything's outsourced. Everything is privatized. China has very sophisticated state capacity. It's a socialist system still. So, getting back to this trade war and why Trump has been humbled by China, this is why his narrative, his rhetoric about China was forced to change, because the U.S. now recognizes that it cannot escalate further against China in the short term.

In the medium to long term, of course, the U.S. is still preparing for conflict with China. This is why the Marco Rubio State Department has launched the Pax Silica Initiative to try to create an entirely new supply chain that cuts out China. India is actually part of this. But this is going to take many years, if not decades, to try to create this parallel supply chain. So in the short term, the U.S. has no option but to sit down and negotiate with China, just like Iran humbled the U.S. and forced the U.S. to the negotiating table with its leverage. With China, the situation is even worse for the U.S. Iran has demonstrated that it has some leverage over the U.S., but China has way more leverage over the U.S. And Trump was forced to eat humble pie.

## **#Danny**

Yeah, the economic consequences of the direction that the Trump administration went toward to fulfill, which are longtime objectives. And you said it best earlier, too, where you said, oh, if Trump goes, I don't think it's going to get any better. I just thought it's so hilarious that you had Biden's old oil advisor and official talking about how, oh, yeah, the Biden administration was planning for a war right around the time of maybe the springtime, maybe not February, maybe a few months after, you know, with Iran. This is kind of like there's continuity.

Both parties are pursuing the same war agenda. The direction that Trump took it, whether it's by his own quirks and his own vision or the fact that it was really maybe the only other option to try to contain and weaken China economically, well, the consequences were and are devastating. And now the economic consequences of the Iran war are devastating. And yeah, there is no more leverage on that front, and even on the military front. The U.S. has 1.15 trillion or something of the sort more injected into the U.S. military state, but most of that's going to go to contractors.

And we do live in an era—and your final comments, Ben, before we head out of here—is we live in an era that's quite different even from the days of Vietnam. You know, of course, it's been building up for decades and decades since the end of World War II, but now it's a monopolized military-industrial complex, and it just doesn't work the same. It gobbles up more money than it does actually produce a, quote-unquote, competitive military with an adversary, quote-unquote, like China. So to even think of a kinetic war with China and the United States is kind of folly, especially in the era of nuclear weapons. So there's no real leverage there either, which is where the U.S. is probably going to lean heavier on when they are unable to poke the economic bear, so to speak. And what are your final thoughts, Ben?

## **#Ben Norton**

Yeah, this is a crucial point. I mean, we talked about this a bit earlier with how the nature of war has changed and how Iran has used kind of guerrilla-style tactics, especially drones, to its advantage in this conflict. But, you know, this is also something we've seen in the war in Ukraine, right? Drones have become a major feature of contemporary war. And now, with robots becoming more and more prominent, we see more and more humanoid robots. China just had a race with humanoid robots

against humans running in a race, and they do this every year. Last year, pretty much all of the robots failed to even reach the finish line. This year, the robots beat the fastest humans. So we've seen huge progress in robots.

And just imagine what war is going to look like in five to ten years. We already see drones dominating war today. You can bet that these robots are already being, you know, experimented with by militaries around the world. So the character of war has changed a lot. And it's like old-school-style war, where you just invest hundreds of billions of dollars, or in the U.S. case, trillions of dollars, in buying a bunch of expensive planes and aircraft carriers and ships. I mean, that's pretty antiquated. Where we're seeing leaner, more technologically sophisticated warfare is going to be the warfare of the future. And, you know, the U.S. loves to boast about how much it spends on the military. It's now over a trillion dollars a year.

Trump just called for expanding it again to \$1.5 trillion, which is insane. The U.S. already spends more than the next nine largest military spenders in the world combined, or the entire rest of the world combined. And if the U.S. increases its budget to \$1.5 trillion, the U.S. will spend basically all of the entire world combined except China. China's number two. If you exclude China from the data and combine the entire world, then the U.S. would spend more than all of them combined, which is insane. But as you mentioned, Danny, the U.S. loves to boast about this massive price tag, but a lot of that money is honestly corruption. It goes to these patronage networks and rent seekers. It's so corrupt.

And we've seen people in Congress complain about this, rightfully, that these U.S. military contractors will charge like \$30,000 for a tiny little screw or whatever, or like these garbage cans that cost like \$10,000 or whatever. It's just blatant corruption. But the way it works is these U.S. government contracts are being given to these companies in the military-industrial complex, like Raytheon and Lockheed Martin and Northrop Grumman and these other companies. And so they're the ones getting these massive contracts, and then that money gets recycled back into share buybacks and dividends. So they're enriching shareholders.

They're enriching these investors, many of whom, by the way, are people— I mean, obviously they're just rich people in general— but they're people in Congress, in the U.S. government. Trump is constantly trading stocks while he's president. I mean, this is not necessarily new for presidents, but to a whole new degree, it's just insane. We're talking about thousands and thousands of trades that he has been forced to report because U.S. politicians are legally obligated to report their stock trades. So this is money that, at the end of the day, is very corrupt. A lot of that actually goes back into the pockets of Congress members.

You know, there have been these scandals in Congress of rampant insider trading. You know, Nancy Pelosi, people like to joke about her, but it's not just her. There are many people, including Republicans and Democrats, who are constantly trading stock and making all this money based on insider information. This is insider trading, which is technically illegal, but it's basically become legal

in the U.S. So, I mean, the system is just so rotted, it's so corrupt, and the more that the U.S. spends on the military-industrial complex, the more it enriches many of these same elites. So obviously, we understand why they continue supporting the system. But that doesn't mean that they're investing that money well, obviously.

Because when it comes to these actual wars, we see how the U.S. does not perform very well, despite the fact that it spends more than, you know, the next nine largest spenders in the world combined. So just because you have this massive budget doesn't mean that you necessarily have the best military. Right? China, you know, China, I think, has demonstrated—we saw this with the military parade that they recently held that shocked a lot of people—China has demonstrated that you don't need to spend the most if you're spending more efficiently. And Iran is another example. Iran's military budget is like one one-hundredth of the U.S. military budget, and yet Iran was still able to defeat the U.S. So it's not about how much you're spending; it's about how wisely you're spending.

## **#Danny**

Yeah, I think that's a great place to close on the big picture here, Ben. I want to make sure everyone knows that your YouTube channel, Geopolitical Economy Report, is in the video description. So everyone should check that out after the show. Hit the like button, of course, before you go. Ben, any final thoughts or words to the audience before we head out?

## **#Ben Norton**

No, I mean, I just think the note that we've been stressing today, the kind of main theme of this discussion, is that the U.S. empire has been humbled. It was humbled by China in the trade war, and it was humbled by Iran in this military war. And this is just a reflection of a trend that you and I, Danny, have been talking about for a long time, which is the decline of U.S. hegemony and the rise of a more multipolar world. If people doubted that before, it should be clear beyond a doubt today. It is so clear that we are in a multipolar world and the U.S. empire is in significant decline. That doesn't mean that it won't cause a lot of suffering and chaos and destruction. It will. All empires do when they're declining. But we are in a very unique historical moment. And that's why you and I do the work that we do. And hopefully we can help to inform people about what's going on.

## **#Danny**

Yeah, definitely. Definitely a lot. I think we're going to see a lot of huge movement, just like we saw with Iran, continue onward. I think there are a lot of people doubting the strength of the multipolar world over the last several years because of maybe the slowness in the Ukraine conflict, what happened to Syria. But now with what's happened with Iran... I mean, we see all over the world there's always going to be ebbs and flows. We see an ebb in, for example, Latin America, Colombia. We didn't even get into that. They're claiming – they're saying that Israel is interfering, and Israel

does have a presence in Colombia as well as the U.S., interfering in the election there. The right wing is moving. The U.S.-backed right wing is moving in Latin America all over the place, but at the same time...

## **#Ben Norton**

The U.S. openly meddled in the Colombian election, and in Honduras, and in Chile—I mean, in every election—and in Peru right now the U.S. is openly meddling. They're not even hiding it. So Latin America, unfortunately, when we're talking about this transition to a more multipolar world, Latin America is a region where my heart is. I spent many years there. I go back every summer. I love it. But at the same time, it's in a very difficult spot because as the U.S. empire is so clearly in decline, it is trying to reinforce its hegemonic control over what it calls its so-called sphere of influence, which is colonial rhetoric. But the U.S. is extremely aggressive in Latin America, which is not new, but it's a whole new level. And it reflects the desperation of the U.S. as it's clearly losing its influence in other regions of the world.

## **#Danny**

Yeah, and again, this can be a domino effect too. It might be a struggle for Latin America for quite some time. But as those dominoes fall elsewhere, I mean, it's hard to arrest this trend. And we've even seen in Latin America the flow part of it also come into being and strengthen as well in other parts of Latin America. Even the fact that we had in Colombia a more independent, left-leaning government was a huge deal for a bit there. So things are not for certain, and that's why we continue to cover it the way that we do. So everybody, hit the like button before you go. I'll be back on tomorrow, actually not too long from now, at 12 p.m. Eastern Time with a new guest, Dr. Hassan Ahmadian from Iran. So we'll talk more about what's going on in these negotiations with him, a great analyst. Until next time, everybody, I'll see you then. Hit the like button before you go. All the places, support the channel.