



## **Prof. Mearsheimer: The Iran War and the Looming Economic Collapse**

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**Chris Hedges (CH):** The stalemate in Iran, despite talks between US and Iranian officials at the United Nations and Donald Trump's apocalyptic threat to annihilate Iran, is a stalemate. The Trump administration, which has achieved none of its original objectives announced when it attacked Iran on February 28th, refuses to concede defeat and broker a deal. Iran, for its part, is determined not to end the war, which includes shutting down the Strait of Hormuz, and shipping into the Red Sea through the Bab al-Mandab until it has exacted high costs for Washington to preclude further attacks. Iran's control of these two critical energy waterways, made possible by the gains made by their Houthi allies in Yemen, means it has a stranglehold on the global economy. By driving up the price of oil, gasoline, diesel, freight and food prices around the globe continue to soar upwards. The Iranians are clearly hoping the economic pressure will continue to the defeat of the Republican Party in the midterms. Last week, seven Republicans joined Democrats in a 220 to 204 vote to end hostilities with Iran and less authorised by Congress. This is the third time the House has passed such a measure. The cost of the war, deeply unpopular with the American public, is rising. In July the house approved a \$95 billion blueprint to provide some \$73 billion in additional funding for the war. The vote to pass the blueprint, however, was razor thin, 216 to 214 with two Republicans opposing the measure. If there is another Republican defection, the vote will be a tie to feeding the proposal. If voters punish Republicans in the midterms for the rising prices caused by the war, there will be heavy pressure to cease funding operations against Iran. Exerting this pressure appears to be Iran's strategy for concluding the conflict. In short, Iran seems to think it does not need to beat the United States, but outlast it. If Democrats take control of the House and Senate, they could bar both new funds and previously appropriated funds or unspent funds. Trump, of course, could veto such a bill, but he would have to veto funding for the Pentagon, if not the entire government. Joining me to discuss the Iranian debacle is Professor John Mearsheimer. He is the R. Wendell Harrison, distinguished service professor of political science at the University of Chicago. Professor Mearsheimer, who graduated from West Point and was a captain in the Air Force, is the author of numerous books, including:

*Conventional Deterrence, Liddell Hart and the Weight of History, The Tragedy of Great Power Politics, The Israel Lobby in US Foreign Policy, Why Leaders Lie: The Truth About Lying in International Politics, and The Great Delusion: Liberal Dreams and International Relations.* So John, I don't know if you agree that this appears to be the Iranian policy, but it reminds me of what the Iranian regime did to Jimmy Carter during the hostage crisis.

**John Mearsheimer (JM):** It does bear marked similarities, that's for sure. I think that the Iranians really have no choice but to hang in the fight and not make any major concessions to the United States and to Israel because the United States and Israel, I think, are not only interested in regime change, they're interested ultimately in wrecking Iran, breaking it up into a series of smaller states if they can. So from Iran's point of view the United States is an existential threat and therefore I think the Iranians have a vested interest in fighting to the last person.

**CH:** Let's talk a little bit about the charges. Of course Trump at the United Nations threatened once again to annihilate Iran. He said that everything will be solved, the war will be over in his words after the midterms and there's talk that after the mid terms the United States and perhaps Israel could carry out strikes, heavy strikes against Iran. How much credence do you put in that?

**JM:** Basically, zero. If they could carry out strikes against Iran that would produce victory for us, why wouldn't we do it now? Or why didn't we do it before now? And the answer is, we have no strategy for producing victory in Iran, other than hoping that their economy collapses, which leads to regime change, and then they make all the necessary concessions to us. But the idea that there's some magical military option out there that they're just waiting to use after the election is a hard argument to swallow. I would also note that one of the principal reasons is that we have not used a massive military force since April 8th. You want to remember that there was a 40-day war, air war, at the start of this conflict, and we ended it on April 8th, as I said. And we've not gone back to it since then. And one of the principal reasons is that we are very low in terms of our stocks of precious weaponry. In other words, we can't afford to use weapons in our stockpile in another air offensive against Iran. And that's why we haven't done anything up to now. And that is why I find it hard to believe that anybody is serious about doing anything after the midterm elections.

But let's assume that I'm wrong and that we do go back on the offensive with the Israelis after the midterm elections. How are we going to produce a victory? What's the magic strategy here? We tried this for 40 days, from February 28th to April 8th. It didn't work. What do we have up our sleeve now that's going to allow us to defeat the Iranians? I have no idea. Nobody who talks about going to war after the midterms has spelled out how we're now, all of a sudden, going to produce victory. The other point I would make, Chris, is that given the state of the American economy and the international economy, and what's happening with regard to supplies of diesel and oil and inflation that that's leading to, and given what's happened in the bond market, I think there are going to be powerful economic incentives, maybe even before the midterms, but certainly after the mid terms, to put an end to this war. It looks like we're heading towards a global recession, and if we're not careful, we may end

up in a global depression. This is a very dangerous situation from an economic point of view. So it seems to me we have no military option, and the economic dangers are great, and therefore the incentives for the United States to shut this one down sooner rather than later are actually quite great.

**CH:** Yeah, but that's been true for some time, and things are getting worse. And yet Trump doesn't see, he of course lives in his own reality, his own bubble, and he may very well be fed by Natalie Harp and others, information that just buttresses that non-reality-based vision of the world.

**JM:** I think that may be right, and I underline the word may, but I would note to you that he has on a number of occasions over the past few months, including a week ago, threatened to launch a massive attack against Iran, and then he backed off, or he backed down. So he has a rich history here of talking tough and then when time comes to actually attack, he says, we're not attacking. So one could argue that that's evidence that he understands he has no military option. And indeed, if he were to unleash the dogs, he would just make a bad situation even worse. And I think we have to hope that that basic logic that I'm describing does reflect what he was thinking up until now, and it will continue to apply moving forward. And if that's true, then I think, again, the incentives from an economic point of view to shut this war down will only increase with the passage of time, because as you said, things are only getting worse, they're not getting better.

**CH:** Talk a little bit about the pressure that the Houthis have been able to exert by shutting down Saudi oil exports.

**JM:** Well, I think what the Houthis are doing is of enormous importance for putting pressure on the international economy, because the Houthis are, of course, at war with the Saudis and that has led to the cutoff of most of the Saudi oil that was flowing either into the Red Sea or into the Persian Gulf. The Saudis started this conflict basically on 13th July. On 13th July, the Saudis attacked an airport, the main airport in Yemen that the Houthis control. And that led to a war between the Houthis and the Saudis. That war was kept at a relatively low level until about 8th September, earlier this month, and then the war really escalated. And the fact of the matter is that the Houthis are a formidable fighting force, to put it mildly. They have lots of ballistic missiles. They have lots of cruise missiles. Their army is really a formidable combat organisation. And they've ended up conquering lots of territory that now allows them to completely control the Bab al-Mandab Strait, which is where Saudi oil was coming out. And furthermore, they, in conjunction with their allies in places like Iraq, have been pounding Saudi oil installations, and they have, in effect, shut down the pipeline that was so necessary for getting Saudi oil out into the Red Sea. And they've even attacked Yanbu, which is the principal port where Saudi oil was going out into the Red Sea. So the end result of this is that Saudi oil has been largely shut off. And the Saudis have gone to the Europeans, you wanna think about this, and told the Europeans that there will be no Saudi oil shipments to Europe, not only in September, but not in October as well. And on top of that, the Saudis who are desperate for their own oil and their own gas, are in effect looking inside of Europe to find sources of oil and gas, which is just complicating the problems in Europe. So the Europeans

are in real trouble as a result of this war between the Houthis and the Saudis. And it is having significant effects on the international economy.

**CH:** So what was it, six, seven million barrels a day where the Saudis were getting out through that pipeline to the Red Sea roughly?

**JM:** Well, the argument is that theoretically, the pipeline could carry seven million barrels a day, but in practice, four million barrels a day were getting out. Sometimes you see a slightly lower number than that. You might see 3.5 million barrels a day but approximately four million barrels a day were getting out, then the pipeline was shut down because I think it was a militia in Iraq that is friendly to the Houthis and to the Iranians, this Iraqi militia attacked three of the stations that pump gas along the pipeline, three of the pumping stations, and basically destroyed or badly damaged those three pumping stations. And that shut down the flow of oil through the pipeline. Now, reports are that the pipeline has been reopened, but not as much oil is getting through as was the case before these attacks by this Iraqi militia or these Iraqi militias. And the end result is that only about 40 percent of the oil is getting out at the moment. So it appears that you're talking about 1.6 million barrels a day now beginning to flow out of the pipeline. But of course, the Houthis and their allies, whether you're talking about the Iraqi militias or the Iranians themselves, will be incentivized to shut down that pipeline once again. And it's not that difficult to shut the pipeline down, as has been proven recently. And then furthermore, if you don't shut down the pipeline, you can shut down the port at Yanbu. Remember the pipeline runs across Saudi Arabia to Yanbu and it's at the port of Yanbu, where the oil is offloaded onto ships. But let's assume they don't even shut down the Yanbu port and the pipeline continues to work, the Saudis still have to get a lot of that oil out through the Bab al-Mandab Strait that the Houthis now control. So you can see that Saudi oil can be stopped from flowing out of Saudi Arabia by number one, destroying the pipeline, number two, destroying Yanbu, and number three, thwarting the flow of Saudi oil through the Bab al-Mandab Strait. So the Saudis are in real trouble. There's just no question about that. And unsurprisingly, the Saudis have asked President Trump for help on three occasions now, twice on September 10th and once on September 17th. And on September 10th, when they twice asked, President Trump just flatly rejected their request for help and then when they asked for help again on September 17th, again, because they're so desperate, President Trump hinted that he would be willing to help them. And it looked like Trump was getting ready to attack the Houthis to help rescue the Saudis. But Trump then called off the attack. This was this past Sunday. He just said, we're not going to do it. And all of this just tells you that we don't have a military option against the Houthis. And as I said before, we don't have a military option against the Iranians. There is simply no viable military option that the United States has up its sleeve that it can use to shut down either one of these wars and get a favourable outcome. And of course that's why we're relying on the blockade and this strategy that Secretary of Treasury Bessent came up with on August 24th to strangle Iran. The blockade and the Bessent strategy are the best we can do. And the question you have to ask yourself is, do you think we can strangle the Iranian economy to the point where you get regime change and the new regime dances to our tune?! I think that's extremely unlikely.

**CH:** How much damage is the Bessent plan and the blockade doing to Iran?

**JM:** Not much at all. It's very interesting here. We put the blockade on, this is the blockage on Iran, the second blockade, on July 14th. And that blockade was working in the sense that it was causing significant pain for the Iranians. But there was no evidence whatsoever that the pain was so great that Iran was on the verge of surrendering. So what happens is that on August 24th, Bessent announces this new strategy, which is designed to strangle Iran economically, to go beyond the blockade. And the way it works in theory is that any country that continues to have economic intercourse, any economic intercourse with the Iranians, will be punished greatly, will have massive sanctions, this is the whole secondary sanctions business, there will be secondary sanctions on any country that engages in economic intercourse with Iran. And the Chinese and the Russians say immediately, we're not going to play along, just simply not going to play along. The Turks, of course, are not going to play along either. The UAE, which is a big trading partner, has no interest in playing this game either, because if it really does work, the Iranians will then lash out at the UAE. So Bessent has been unable to get any of Iran's major trading partners to cut off all economic intercourse. So, the Bessent strategy really hasn't worked. He's now been reduced to telling countries around the world that if they allow Iranian airliners or planes coming out of Iran to land at their airports, either the country or the airports, will be sanctioned or they won't be able to engage in economic intercourse with Western institutions. That's what we're reduced to here. But that in no way is going to cause Iran to quit. And by the way, the Chinese have said, we will not play that game either. And Iranian aircraft have since landed in China after Bessent announced this policy. So the Chinese are not playing ball with us here. And more generally, I would note the Chinese not playing bowl with us on the Iran issue at all. And, in fact, they are helping Iran to fight against us, as are the Russians. So you want to remember here, it's not just the United States and Israel up against Iran. And of course the Israelis are on the sidelines. They're not doing much of anything these days vis-a-vis Iran. It's pretty much us by ourselves. The Israelis got us into this war and then they sit on the side lines and watch us wage it. But my main point here is it's not just us against Iran, it's us against China, Russia, and Iran. Because the Chinese and the Russians have a vested interest in helping Iran defeat the United States, and unsurprisingly, they are helping Iran.

**CH:** Before I ask about the blockade, how are they helping Iran? I think the assumption is through intelligence, satellite, targeting, this kind of stuff. But are they resupplying weapons? Do we know anything beyond intelligence assistance that the Russians and Chinese are doing?

**JM:** Well, the Russians are clearly providing intelligence assistance, but with regard to the Chinese, there is a big story in the Wall Street Journal today, today being 24th of September, that details, and I mean details, all of the aid that China has been giving to the Iranians and there is absolutely no question that plane load after plane load of equipment has been going to Iran that is designed to improve their military inventory, to improve the accuracy and the lethality of their drones and their ballistic missiles. And furthermore, China, as you know, is Iran's major trading partner. It basically takes 80 percent of Iranian oil that flows out into

world markets, and Chinese have gone to great lengths to help Iran avoid US sanctions with shell companies and banks that are designed to sort of launder any of the money or any of economic dealings surrounding this oil. So the Chinese are clearly helping the Iranian economy stay afloat and at the same time the Chinese are providing weaponry to Iran that is helping Iran wage its war against the United States, and as I said, the Russians are playing the same game as well. And I would imagine, Chris, that we don't even know the full extent of what the Chinese and the Russians are doing to help the Iranians. But the key point you want to keep in mind is that from China's point of view and from Russia's point to view, it would be a very good thing if the United States either remained pinned down in the war against Iran, we just lost the war against Iran, because it would be a humiliating defeat for the United States. And that works to Russia's advantage and to China's advantage, given the relationship those two countries have with the United States these days.

**CH:** Can you talk about the blockade, which, of course, the United States claims is crippling Iranian exports of oil and harming its economy?

**JM:** Well It appears that very few, if any, Iranian ships are getting through the blockade. The blockade seems to be effective. And the only counter to that point is that some people argue that the Iranians are taking their oil and they're putting it on Iraqi tankers, and those Iraqi tankers are taking Iranian oil out onto global markets and selling that oil in places like China. It's very hard to figure out whether that's true, and if it's true how much Iranian oil is getting out through those Iraqi tankers. So, it's just impossible to know from public sources what's going on with regard to the effectiveness of the blockade at stopping all Iranian oil from getting out onto global markets.

**CH:** There were three factors that cushioned the effects on the global market with the shutdown of the Strait of Hormuz. One was that countries, the United States, Japan, and other countries began to release their petroleum reserves, their strategic reserves to keep prices low. Secondly, China, which we now know apparently had huge stockpiles and reserves, reduced its demand for oil, and thirdly, as we spoke about earlier, the Saudis were able to skirt the closure of the strait by shipping oil out through the Bab al-Mandab. It appears that those three tactics to blunt the effects of the Iranian seizure of the strait no longer work. Is that true? And does that mean that the global economic crisis will, and of course even with those tactics, diesel was up by 50%, gasoline, fertiliser, everything else, but without those tactics does that mean we will see an acceleration, a significant acceleration of effects within the global economy?

**JM:** I think the answer is yes there. There are 285 million barrels of oil left in the strategic petroleum reserve here in the United States, 285. And the conventional wisdom is that once you're down to 250 million barrels, you're skirting with disaster, then once you begin to take more oil out after you've reached the 250 million barrel level, there's real danger that you can damage badly the caverns in which that oil is located. So we're rapidly reaching the point where it will not be safe to take oil out of the strategic petroleum reserve. With regard to China, before the war started, they were importing 12 million barrels a day of oil. They reduced that down to seven million barrels per day. So that's a drop-off of five million barrels

of imported oil. And they, of course, I believe, compensated for that with their strategic petroleum reserve. But that's now going back up. And it appears that they are now importing about nine million barrels a day. So they were importing 12 million barrels per day before the war started, it went down to seven million barrels, and now they're back up to nine million a day and heading back towards 12 million barrels, according to everyone, and I can find on the internet who talks about this issue. And then, of course, there's the matter of Saudi oil, which we talked about before. If the pipeline is not repaired in due course or is destroyed again, or if Yanbu is rendered unworkable as a port, that will have huge effects.

I also want to just say a few words about diesel. The number one producer of diesel in the world is the United States, and the number two producer of diesel are the Russians. So Russia is number two, we're number one in terms of producing diesel. There's a huge diesel crisis in the World, especially in places like Europe. They're desperate for diesel. And the United States is now talking about cutting off the export of diesel fuel. The Russians have already cut off the export of diesel fuel, this will have devastating consequences in Europe. So there's just all sorts of places where you see tremendous pressure being brought to bear on the international economy. And again, this is why I think President Trump has such a powerful incentive to shut this war down.

**CH:** There were three hours of talks apparently at the United Nations with the Iranian Foreign Minister, but did it doesn't appear that the Trump White House, you know they may kind of decide that they're not going to go back to an air war for all the reasons you cited. But there doesn't seem to be any movement in terms of resolving the conflict which of course would mean, as you have said before, a kind of surrender to Iran and the meeting of Iranian demands which are now far more onerous than those in the original Memorandum of Understanding.

**JM:** Yeah, it's hard to be optimistic about the possibility of getting a deal right now. I mean, there's been a lot of talk in the media these past few days about President Trump talking to the Chinese and getting China to put pressure on Iran to bring this war to a conclusion, to negotiate a reasonable settlement. But as I said before, if anything, the Chinese have a vested interest in either keeping this war going or making sure that if it ends, the United States is defeated. So the Chinese are not going to help us. If anything, the Chinese are going to hinder our efforts to get a favourable deal. And I think the same thing is true with the Russians. So they're not going to help. And I think the Iranians are going to stick this one out because they have a vested interest in doing that. The Iranians have a lot of leverage now over the United States, especially when you think of where the international economy is headed, as we just described it. So I think the Iranians are not going to be willing to make major concessions.

They may be willing to make some minor concessions, Chris. For a while the Iranian were saying that they would not negotiate with the United States until President Trump was out of office. No more negotiations until he leaves in January 2029. That's a pretty extreme statement. But now they are talking to the Americans. And we saw this on the sidelines of the UN over the past few days. So I think we have inflicted enough pain on the Iranians that they would like to cut a deal. And the question is, what concessions would they be willing to

make, and what concession would we be willing to make? I think they're going to drive a very hard deal. And it's going to be tough for us to walk away from any negotiations saying that we won this conflict. And that's what will incentivize President Trump to continue the blockade and the Bessent strategy and not work out a deal. But he may be forced for economic reasons as we were talking about before. One cannot underestimate the economic pressure that's being brought to bear on the President and will continue in the future and that may incentivize him to make major concessions. You want to remember, just going back to the June 17th Memorandum of Understanding, which I've described on numerous occasions as a surrender document, and that was us surrendering, not the Iranians, but President Trump signed the Memorandum of Understanding on June 17th, because as he said at the time, he did not want to be Herbert Hoover. He understood that we were facing, quote unquote, "a potential economic catastrophe", right? He used the words, economic catastrophe. He used the words, Herbert Hoover! So he has long been aware of how dangerous this situation is. And as you said before, the situation only gets worse with the passage of time. So at some point in the not too distant future, I think that he has to move to cut a deal. And if he doesn't, the end result will be at least a major international economic recession and maybe even a depression.

**CH:** News has slowly slipped out about the state of US bases in the region and it's not good. You have retired generals talking about bases such as the Bahrain Naval Base and really suffering significant damage. Can you give us an assessment of how damaged those bases are and then whether you think they'll be rebuilt or this war signifies a pretty radical shift in alliances in the Gulf?

**JM:** Well, Chris, we've been hearing for quite a while now, for a couple of months, that the Iranians had either destroyed or badly damaged virtually all of the American military installations, all the key American military installations in the Persian Gulf region. And this is why we had moved so many of our military assets to Jordan and even to Israel and even back to Europe. It's also why the US Navy could not depend on getting supplies from the naval base at Bahrain and instead had to rely on getting supplies from Diego Garcia, which is thousands of miles away. This is what was causing all those problems with the USS Abraham Lincoln aircraft carrier that was deployed in the region. So we knew that serious damage had been done to virtually all the bases. But what's now beginning to happen is we're getting pictures, we're getting people who were present talking about the extent of the damage, and it just drives home those earlier descriptions of what had happened. It just drives home how effective the Iranians have been with their cruise missiles, ballistic missiles, and drones at wrecking US military infrastructure in the region. It's really quite remarkable. And actually seeing it, seeing pictures, makes it clearer than ever at how effective the Iranians have been. And by the way, all this just points out that the coming of ballistic missiles, cruise missiles, and drones has in a fundamental way changed the ability of countries like Iran to wage war against countries like the United States. If they didn't have those drones and ballistic missiles and cruise missiles that were so accurate and so lethal, they wouldn't be able to fight this war against the United States as effectively as they have. But the problem that we face is that they have this capability which has driven us out of the Gulf and forced us again to go to Jordan,

Israel, and even to Europe. And with regard to the Navy, to rely more on Diego Garcia than Bahrain.

So with regard to your second question, what does this hold for the future? The first point I'd make is that those ballistic missiles, those cruise missiles and those drones are only gonna get more accurate, more lethal and more numerous with the passage of time. The threat environment that we're gonna face in the future in the Gulf region is in my opinion going to be much greater than it is today. And as we've just discussed, the threat environment from our perspective is already great. So it only gets worse with the passage of time. And then you have to ask yourself the question, given that situation, do you want to rebuild those bases? I don't think so. I think it would not make good strategic sense. But as you know, the United States does lots of things that don't make good strategic sense, so it may be that we decide to rebuild some of those bases or almost all those bases that we tried to double down. But I don't think that's what will happen. I think that we understand that putting bases in the Gulf or restoring our basing structure in the Gulf will only provide the Iranians with a target rich environment should we get into another conflict.

**CH:** Well, this has been a key Iranian demand that the United States withdraw from its bases. But there also has to be tremendous disquiet among our Gulf allies who are not consulted; Trump launched this war without consulting any of our allies in Europe or anywhere else and have paid the price. Those bases were there supposedly to protect countries like Bahrain, and they have just proven to be magnets for attacks. Well, what do you see these Gulf allies doing? You're already seeing a kind of shift, a pivot towards Pakistan and Turkey by Saudi Arabia and others.

**JM:** Yeah, well, let's just talk about the Saudis. What do you do if you're Saudi Arabia? As I said before, they've three times asked President Trump to come to the rescue in their war with the Houthis, and he has refused to do that on all three occasions.

**CH:** John, can you tell us why? Why is he refused?

**JM:** Because he fought, we, against the Houthis last spring. Remember, President Trump comes into the White House in January 2025. In March of 2025, he says that we're going to go to war and defeat the Houthis. I think it was called Operation Rough Rider, if my memory is correct. But anyway, Trump declares war on the Houthis. By May of 2025 two months later, he says we won, we're ending the war. But this is typical Trump rhetoric. We did not win. We quit the war because the Houthis were defeating us. And we had no ability to win the war. Moreover, Chris, we were expending precious munitions in that fight against the Houthis. And precious munitions are something that you only want to use when it's absolutely necessary. All this is to say, we went one-on-one against the Houthis in the spring of 2025, and we lost. And what the Saudis were asking us to do is go back to war against the Houthis, when we now have less munitions than we had back in the spring of 2025. And Trump understood that if he went to war against the Houthis, number one, he would not win, and number two, we would use up more precious munitions. And this is why he backed off. And by the way, a number of the reports on why he backed off the third time – remember, the

third is September 17th, that's when the Saudis asked Trump to help against the Houthis, September 17, the first two times were September 10th. The third time, Trump indicates that he might go, he might attack the Houthis. But what happens between September 17th and September 20th, when he calls off the attack, according to the reports and all the major media outlets, is that his military advisors, principally his generals, tell him that we can't do this, that we can't defeat the Houthis and we will expend precious munitions which we can't afford to expend. And that's why Trump does not attack on the 20th, although he gave an indication to the Saudis on the 17th of September that we would do it. So you see, we have no military option against the Houthis. And again, as I said, we had no military options against the Iranians as well.

**CH:** If Trump refuses to resolve the conflict, and we do go over an economic cliff. It's going to be very hard to put the world economy back together. Supply chains will have been disrupted, they already are disrupted. The consequences will not just be an economic, potentially global depression, but an economic dislocation that even if the war ends, even if the United States' hand is forced, will be with us for some time. Is that correct?

**JM:** Yeah, I think that's true. There are not many economists who are talking about where this situation in the Gulf leads to, what are the economic consequences long term of this war. So it's hard to figure out from reading the mainstream newspapers where this is headed economically or what the different possible outcomes are. So I find it hard to say, given that I'm not an economist, exactly where this conflict might lead if we don't shut it down in the next few weeks. But you want to remember that the Great Depression lasted from roughly 1929 up until the end of World War II or the beginning of World War II. That was well over ten years. So if we have a major economic catastrophe here, and I'm not saying we will, I don't know for sure, but the potential for significant damage on the international economy is ever present. Almost everybody agrees on that. They don't tell you what the specifics might be, but it could be disastrous. It could last for a decade. It could take us a long time to recover. You and I both remember what happened in 1973 with the OPEC oil embargo, right? The economic consequences of that lasted for a long time, for many years. So that may actually happen in this case. There are good reasons to think that that will happen. But I'm not in a good position to really assess exactly how this plays out.

But Chris, I want to go back and finish your previous question. And we got sideline talking about the Houthis and the Saudis. The question that you asked me is what are countries like Saudi Arabia going to do to provide for their own security moving forward? And I started off by saying that I don't think the Saudis can really rely on the Americans moving forward the way they did before February 28th. And I was making the case that if you look at what President Trump did, regarding those three requests from the Saudis to attack the Houthis, that's just evidence that President Trump is unwilling to send the cavalry to rescue the Saudis. So what do the Saudis do? They, of course, have formed this alliance recently with Pakistan and with Turkey, this sort of Mecca alliance that people talk about, but the Pakistanis and the Turks have done nothing to help the Saudis in their moment of need. And I don't think the Saudis believe that moving forward the Pakistanis or the Turks are going to be able to

provide a security umbrella over Saudi Arabia. Then you say, well, what about the Chinese or the Russians? I don't think that's in the cards either. So, I think what Saudi Arabia has to do moving forward is that it has to work out some sort of modus vivendi with the Iranians. I think that all the Gulf states have a vested interest in doing that. I know it's not popular to say this in the United States, but the truth is Iran is not an especially aggressive country. In fact, I do not believe Iran has attacked another country, or let me put it slightly differently, has initiated a war against another country in its history. Iran has been a victim of many attacks, including the Israeli-American attack in June of 2025, and then the attack that started on February 28th of this year. But the Iranians have not started any wars in their recorded history. So I think it should be possible for the Gulf states to work out some sort of reasonable modus vivendi with the Iranians. I think that is definitely in their interest to take this a step further. I think the Saudis in particular will give a lot of thought to acquiring nuclear weapons. If you're Saudi Arabia and you see what's just happened to you and indeed is happening to you as we speak, the incentives for you to think about getting a nuclear deterrent are very great.

I think one of the consequences of this war that started on February 28th and then expanded into a war between the Houthis and the Saudis is that countries in the region have been incentivized to acquire nuclear weapons. This is true of the Iranians for sure. If you look at what's going on inside the Iranian parliament, legislation is being moved forward inside the Iranian parliament for Iran to abandon the NPT, the Non-Proliferation Treaty, and to develop its own nuclear deterrent. From Iran's point of view, I want to be clear here, not from our point of view, but from Iran's point of view having a nuclear deterrent makes a lot of sense. And given what we were just saying about the Saudis, from their perspective having a nuclear deterrence makes a lot of sense. And to take this a step further, you know, the Saudis have made it clear for years now that if Iran begins to go down the nuclear road, Saudi Arabia will follow in its footsteps and get its own nuclear deterrent. Well, as I was just saying, there is evidence that the Saudis may be, and I want to underline the words, may be, thinking about developing a nuclear deterrent of their own. It certainly would make strategic sense. Well, again, if that happens, the Saudis won't be far behind. And if the Saudis do it, you can rest assured the Turks, the Egyptians, and the Iraqis will think about doing it. So one could make an argument that we've opened Pandora's box here.

Now you say to yourself, there is a simple solution to this, John, and that is that we work out a deal with the Iranians that includes an arrangement where they can keep their nuclear enrichment capability, but they don't develop nuclear weapons. Okay, but the problem here is that it's not clear we can work that deal out. As you and I have just been talking about, it is not a lot of evidence that the United States and Iran are on the verge of even seriously attempting to work out a deal, much less accomplishing that end. And, when we talk about a deal today, what I find remarkable is that most of the emphasis is on stopping the shooting, number one. Number two, opening the Strait of Hormuz, which is another way of saying putting an end to the two blockades, and then dealing with the various economic issues like sanctions, reparations, and freeing up the frozen assets. Those are the big economic issues. So those economic issues, opening the strait, stopping the shooting, those are the issues we

talked about. But nobody talks about the nuclear issue anymore. It's really quite amazing. That's been put on the back burner. And meanwhile, the Iranians again have powerful incentives to require nuclear weapons. There's all sorts of interest in the Iranian parliament in doing exactly that, and we're having the devil of a time working out a deal with the Iranians that doesn't even deal with the nuclear issue. So what does this tell you about the prospects of getting a deal on the nuclear issue? Tells me it's going to be really tough to do.

**CH:** One of the ironies is that the supreme leader, who was assassinated on the first day of the attack, was adamantly opposed to, was the chief blockage to the attainment of nuclear weapons.

**JM:** That's exactly right. And all the reports are that his successor and the people around his successor are much more open to the idea of getting nuclear weapons. I don't know what exactly will happen here, it's very hard to say. But there's no question that the incentives for Iran to get nuclear weapons are very great. And where we started here was I was to you that if you're playing Saudi Arabia's hand and you look at how the United States has failed you, not only failed you, gotten you into this giant mess and won't do anything to help get you out of it, and you have nobody else to turn to and maybe the best option is to reach an accommodation with the Iranians, who you view as a threat, you could see where the incentives for Saudi Arabia to think about nuclear weapons are very great.

**CH:** I just want to close by having you assess what all this means for Israel.

**JM:** Look, this is actually a disaster for Israel. It's really quite remarkable how little attention is paid to that issue inside the Israeli press and inside the Western press. You want to remember that Israel's major concern regarding Iran, not its only concern by any means, but its major concern was an Iranian nuclear weapon. That really mattered to the Israelis. They did not want Iran or any other country in the region to have nuclear weapons, beside themselves, of course. And what you and I were just talking about is the possibility that Iran will get nuclear weapons. The possibility that Iran will have nuclear weapons is much greater now than it was on February 27th. And in fact, if you look at the negotiations that were taking place before February 28th between Iran and the United States, it looked like there was a good possibility, there was a good prospect, you were gonna get a nuclear deal. Well, that prospect has basically gone away. And I find it hard to believe that you'll get a new nuclear deal anytime soon. So from Israel's point of view, that is bad news. Furthermore, the Iranian missile capability and drone capability has proven to be a significant threat, not just to the Gulf states, but to Israel itself. One of the principal reasons the Israelis are content to sit on the sidelines and let the United States fight this war against Iran pretty much by itself, or deal with the Iranian problem pretty much by itself is because the Israelis understand full well that Iran could do enormous damage to Israel. Chris, let's go back to our discussion a few minutes ago about those pictures that are now coming out of the damage that was done to US bases in the Gulf region. You want to remember that missiles and drones were striking Israel early in the war as well. And you can rest assured that those missiles and drones were doing significant damage to Israeli targets as they were doing to US targets in the Gulf region. They were using the same kind of missiles, the same kinds of drones. And one of the reasons that

the Israelis went to such great lengths to censor the flow of information outside of Israel is because they didn't want Israelis themselves and people in the West to see the level of damage that Iran was inflicting on Israel. All of this is to say that Israel now faces a significant missile threat from Iran and a significant drone threat that is only going to increase with the passage of time, as we were talking about. So, in terms of missiles, in terms of the nuclear issue, in terms of support for the Houthis, Hezbollah and Hamas, I mean the Israelis have long been interested in breaking the tie between Iran and those groups. If anything, the tie has been strengthened. The Iranians, as you know, are demanding that the war in southern Lebanon, the Israeli war against Hezbollah, come to an end. So you see that the Iranians remain joined at the hip with Hezbollah, of course, the Houthis, and of course Hamas as well. So Israel has failed in terms of achieving all its goals going into this war and is arguably in much worse shape now than it was on February 27th.

**CH:** Great. Thank you, John. And I would like to thank Milena and Thomas and Max, who produced the show. You can find me at [chrishedges.substack.com](http://chrishedges.substack.com).

**END**

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