TRUMP POSTPONES MEETING XI IN BEIJING.
ANOTHER TRAPDOOR IN THE DECLINE OF THE US EMPIRE.

The timing of the attack on Iran, although a military necessity on the part of US imperialism, was driven by politics. Trump expected that by the time he met Xi in Beijing for his Chinese take-out, the US would have crushed Iran, further isolating China and effectively changing the balance of the meeting. Instead, the opposite is the case, bogged down in Iran, the balance has shifted to Xi.

In previous articles I raised the spectre that Trump could be forced to postpone even cancel his meeting in Beijing if the attack on Iran backfired. It has. I also postulated that the back of US imperialism could be broken, not in a direct clash with China, but on the battlefields of Ukraine and Iran.

It's not only the meeting which has been postponed, but also any non-nuclear attack on China. In this New Atlas podcast Brian Berletic analyses how US stockpiles of advanced weaponry has been consumed in the attack on Iran. Modern wars do not merely oppose soldiers; they oppose industrial capacities. In many ways soldiers and pilots are just delivery men, delivering already produced weapons and ordinances in quantities needed to win wars. What Berletic's analysis reveals is how diminished the much-vaunted US industrial military complex is due to decades of under-investment or more accurately mal-investment.

In addition, setting a timetable for war based on a political imperative is inevitably hazardous. Joint Chiefs Chairman General Dan Caine had warned Trump that the conditions for victory were not assured because of a shortage of munitions and allies. But this was dismissed by Trump. Hubris and racism make for a toxic brew. Like Churchill before him disparaging the abilities of Japanese soldiers prior to the fall of Singapore, we now have Trump underestimating the tenacity and skills of the Iranians while overestimating US prowess. These gentlemen are in fact an asset to the opposing side without them even realising it.

This is what happened in Iran, the US was unprepared for the war despite deploying over 40% of its active ships to the region as well as a large proportion of its airpower. Another way of examining the resources devoted to this war is to examine daily US expenditure on this war. In 2025 the sum set aside for operations was $355.8 representing 40% of the total military budget. At the current expenditure in Iran of at least $2 billion a day, this would last less than 6 months. Given the three weeks that have already passed, nearly 10% of the budget has already been expended. Little wonder the Pentagon is requesting up to $200 billion in supplementary funding, not only to fund this war but to prepare for China. Only the incomparable clownish and out of his depth secretary of war Hegseth could justify this extra funding by saying "*it takes money to kill bad guys*".

It seems that even this mobilisation is not enough to achieve victory given Trump's recent threats to turn the air war into a ground war. Of course, this threat should not be taken seriously. The Whitehouse is leery of casualties which is why, instead of adding to their troop numbers in the region, they quietly removed them from bases they knew would be hit by Iran. Trump's proclamations are more suited to a sitcom series than to a real-world conflict. A very expensive one as he offers to feed the military industrial complex with an emergency infusion adding up to $23 billion to replace spent munitions in the Gulf while trying to keep increasingly leery Gulf Leaders on side.

But it's not only this expenditure on the war that is costing the US military, but it is also the destruction of its bases throughout the Middle East particularly those with high value assets such as radars and communication centres. Each of these assets could cost as much as $1 billion each. The damage is likely to be in the tens of Billions of Dollars. This attack on US bases by Iran is tactical, organised and systematic. Its purpose is to rob the Usraelis of their integrated early warning system, and additionally, to undermine US credibility in the region.

Without this forward coverage Israel no longer has eyes on Iranian missiles from launch. It takes up to six minutes for the Israelis to prime and prepare their high-altitude missile interceptors and warn their populations. But some of the advanced high speed Iranian missiles take under 5 minutes to hit Israel. Thus, no early warning. Add this to a defensive missile shield which has already failed, and Israel is a sitting duck. According to Russian Intelligence, over 700 senior politicians, security officials and pilots have been killed by missiles.

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Here is their assessment.

"Russian intelligence reports indicate Israel has suffered catastrophic losses in the initial 72 hours of Iran's retaliation, far exceeding public admissions by Netanyahu.

- Key findings from the leaked assessment include:

- Complete operational loss of the Dimona nuclear reactor, Israel's critical nuclear site.

- Death of 11 top nuclear scientists due to Iranian strikes on Dimona and related facilities.

- Elimination of 6 senior IDF generals through targeted assassinations and missile attacks.

- Loss of 198 air force officers, including senior pilots and command staff.

- 462 soldiers killed in ground operations and base attacks.

- 32 Mossad agents killed in failed covert operations.

- Total elite casualties exceed 700 personnel, potentially crippling Israel's military and nuclear capabilities for years."

No wonder Prime Minister Netanyahu is being careful and keeping a low profile. Israel and the US may have 40 times more explosive power compared to Iran, the Usraelis may have air dominance over parts of Iran, but Iran has missile dominance over Israel, a much smaller country. And they have intelligence about the location in real time of targets which may or may not have been provided by Russian and or Chinese intel. This was demonstrated by a single strike by the Fatah 2 hypersonic glide vehicle missile hitting a hardened command centre in Isreal killing 7 top IDF officers and numerous other personnel after 10 Israeli interceptors failed to bring it down.

It is difficult to estimate the level of damage in Israel not only from Iranian missiles but from Hezbollah missiles as well. Censorship in Israel is pervasive with penalties of up to 5 years in jail for uploading missile engagements or destruction to property. The desperation of Israel could be evidenced by their attack on Iran's largest gas facility which led to a retaliatory Iranian attack on Qatar's largest gas facility causing oil and gas prices to spike. This has triggered a rift with the Whitehouse as it undid Trump's attempts to hold the line on oil prices.

What is clear is that Iran has the capacity and skills to escalate in a measured manner. The attack on Israeli nuclear sites, which includes reports of a strike on a bunker where Israeli nuclear physicists were sheltering, proves this. It followed an Usrael attack on Iran's civilian nuclear power plant. This measured escalation has taken a new turn. Trump has threatened to go after power stations in Iran. In turn Iran has threatened to retaliate in kind by destroying all Israeli power plants which will return Israel back to the stone age.

The war has raised tensions within the MAGA movement itself. Trump's popularity is in the toilet. The latest poll of polls puts him at -15.7, a low not only for this presidency but for his previous presidency. You can always tell things are going badly when leaders are forced to attack the messengers carrying bad news. Trump has threatened media outlets for any unpatriotic coverage of the Iran war.

One of his top officials Joe Kent, National Counterterrorism Center Director, resigned. Then the Whitehouse put the boot in. The FBI began an investigation purportedly into whether Kent had leaked classified information. This is the state of politics these days in Washington. Attacks on dissenters and attacks on the media. However, trying to control the narrative does not change the reality of the battlefield.

But perhaps the most serious issue is the lack of morale amongst sailors in the US navy and their attitude to this war which does not favour self-sacrifice. The US navy in terms of accumulated tonnage may be the biggest navy in the world, but it is stretched thin, sailors have been on extended deployment, and the few naval yards struggle to keep ships in fighting trim. A few instances of documented sabotage have been recorded by sailors. The pride of the Navy, the Aircraft Carrier Ford, is limping back to port with blocked toilets and a fire that caused significant damage to the ship, and who cause is unknown. What an ignominious end to the era of the aircraft carrier in the age of the missile, first hiding in the distant blue sea far from the combat zone, then scurrying back to port.

And all is not well between the US and its western allies except Britain. As I predicted, Europe's economic position is advanced by staying neutral in the War between the two giants - China and the USA. At every opportunity Trump denigrates NATO for its absence, and it is debatable whether the NATO Alliance can survive the dual defeats in Ukraine and Iran. Trump should not complain. Europe is taking a page from the US playbook, when in the First World War the US sat on the sidelines as the European powers bled each other white.

The US economy

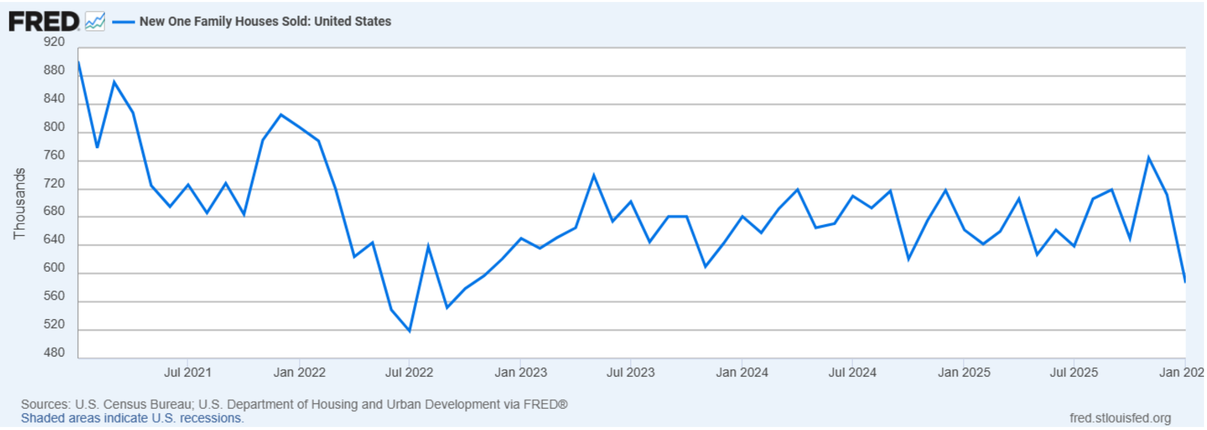
I was going to prepare a report on US fourth quarter profitability, but unusually the recent second GDP release omitted it. But the outlook for profits outside the MAG 7 is looking increasingly dire. Most corporations, due to the war, are caught in a margin squeeze. Higher input prices as seen with the recent release of the Producer Price Indexes cannot be recovered through higher selling prices due to customer resistance and the lack of demand. In the first quarter of 2026 elevated profit margins are likely to return closer to their pre-pandemic levels for the first time.

Trump is super alert to the state of the US economy, to rising prices, to the stock markets and how the war is impacting this fragile economy. According to a CNBC poll, the largest US corporations admit that if the war lasts another two weeks significant and possibly irreparable damage will be done to the US economy. It is unlikely that Trump is unaware of these warnings and their political implications.

Two days ago, he threatened a ground invasion. Then he followed this up with the threat to blow up all Iran's power stations, whereupon Iran threatened to destroy all the power stations in the region especially in Israel. By Sunday night Trump had executed a screeching conciliatory U turn, his [Truth Social] post suggested he was now entering into ceasefire talks with Iran. He followed this up in an interview with [CNBC on Monday]. Despite Iranian denials, the stock markets turned positive as Trump intended. And of course, his decision was accompanied by the stench of corruption. Just before Trump's announcement of talks, the futures' market, where speculators bet on the future direction of the markets, came alive with a flurry of bets. It seems war is not only good for business, its good for the grifters as well.

The haze of the AI bubble continues to obscure what is happening in the larger economy. But there are signs all is not well. The NRIB index of small business uncertainty deteriorated in February. The Russell 2000 the small cap market which represents the underside of the economy is the first index to enter correction territory having fallen more than 10% from its peak.

Housing is in free fall. New one family home sales tanked by 18% in January much lower than estimates even after taking into account the effect of a harsh winter. As the graph below shows, they are approaching the trough reached during the Pandemic, even before we factor that the new homes have a smaller footprint. In addition, the uncertainties the war has unleashed has driven bond prices and with-it mortgage rates substantially higher. The 30-year mortgage rate which fell below 6% has now risen back to 6.2%.



The tremors in private equity are getting stronger. We are exiting phase 1 defined as the period when defaults or cockroaches first appear. Stage 2 is when the major banks become defensive and hold back additional lending to private equity firms. That is what is happening now as this report in the *Financial Times* indicates. All that needs to be said is that the Iran war and its effect on the supply chain and prices will accelerate stresses in private equity and hedge funds. One potential indicator of the stresses is the collapse in the gold price as positions are cashed out.

The labour market continues to weaken despite the official data. *WARN* notices, that is notices of impending layoffs surged in March. "*A USA TODAY analysis of WARN notices filed in 44 states showed mass layoffs last year in the United States reached their highest level since the unprecedented* *pandemic year of 2020 as notices tallied more than 413,000 employees caught up in large-scale workforce reductions. The surge represents a 20% increase from 2024,"* Other compilations put the figure above 450,000. The key point is the recognition by workers that the US economy has moved from not hiring to now firing which will hit mass market spending and housing.

Industrial production remains 2% below its 2018 peak despite some improvement in the three months up to February. On the other hand, in the three months to February, new factory orders have been flat. The Chicago FED National Activity Report fell sharply in February.

Trump is looking ecstatically towards the adrenalin injection into the economy from his *Big Beautiful Bill*. But for most of the population, these tax give aways will be swallowed up by higher prices. And as for the rich, with stock markets all down YTD, and with uncertainty ahead, the lack of capital gains will erode any benefit from lower taxes. In the years since the Pandemic, the stimulus to the economy from capital gains far exceeds that provided by lighter taxes. All the net increase in consumer spending in recent years has come from the top 10% of income earners whose propensity to spend depends on realising capital gains.

Conclusion.

It is said that Empires do not fall due to one blow, but by incremental blows or the forever wars the US has engaged in since the fall of the Soviet Union. Since 1991 the US has been involved in 15 major wars, some of which it has won but many it has lost, particularly the longest war in its history, the 20-year conflict in Afghanistan. These wars have cost Trillions of Dollars. In this century alone, the total cost to the US has been close to $5 trillion in direct costs. This has sapped the economy draining resources needed for the more important wars yet to come.

But it is the last two wars that have been the final nails in the US coffin, I refer to Ukraine and Iran. In these wars, the US has or the first time come up against adversaries with capabilities that matched and even outmatched their capabilities. I have called the war in Ukraine the USA's own 1905 harking back to the Russo/Japanese war where defeat at the hands of the Japanese marked the end of Tsarist Russia exposing it rotten core.

Historians will look back at this war as the beginning of the missile age and the end of the aircraft carrier age. Iran has proven that despite air power, it dominates Israeli skies with its advanced missiles which have crushed the interceptors Israel has fired. Israel is now at the mercy of Iranian missiles as the Podcast from Professor Ted Postol reveals. Trump must be aware of this, no doubt Netanyahu has been crying down the phone, which helps explains Trump's U turn described above.

It is also clear that Trump overestimated the capabilities of Usrael while underestimating the capabilities of Iran backed by Russia and China. If Trump is wriggling on the end of a hook, threatening then retreating, it's not only due to a rod of his own making, but it is also due to a US industry unable to provide for his imperial ambitions. Trump's forced postponement of his meeting with Xi is not only about dates but about the shifting balance of powers. In time historians will look back at this moment as a turning point in history, marking the beginning of the end of the US Empire, without China even having to fire one shot.

Brian Green, 23rd March 2026.