

THE LATEST ON IRAN, AI AND US CORPORATE PROFITABILITY

This is the second part of the analysis of the war in Iran and the US economy. This part comments on and analyses the latest developments in the Iranian war, AI and the latest profit release for Corporate (N) America.

I will begin with Iran. In my previous article I said it was more likely that the war would go out of control than be settled. At first sight I appear to be wrong. There is now a two-week ceasefire in place with talks due to begin shortly in Pakistan. However, the gulf between the Iranian 10-point plan and the US 15-point plan is wider than the Gulf of Hormuz and likely to sink. Cynics point to the build-up of US ground forces in the region casting this ceasefire as merely a tactical pause.

The Iranian Demands

- 1. Withdrawal of US forces from region**
 - 2. Iranian control of Strait of Hormuz**
 - 3. Compensation for damages to Iran**
 - 4. Removal of sanctions**
 - 5. Release of frozen Iranian assets**
 - 6. Iranian commitment to not build nuclear weapons**
 - 7. Acceptance of Iran's right to enrich nuclear materials**
 - 8. Iran's agreement to peace treaties with regional countries**
 - 9. Ceasing hostilities against all resistance groups in region including Hezbollah**
 - 10. Provisions backed by UN resolution.**
- (There are different versions of these 10-point plan.)**

The Yankee demands

- 1. Iran must dismantle its current nuclear capabilities.**
- 2. Tehran must pledge never to develop nuclear weapons.**
- 3. Uranium enrichment would not be allowed within Iranian territory.**
- 4. Around 450 kg of uranium enriched to 60% would be handed over to the International Atomic Energy Agency (IAEA).**
- 5. Nuclear facilities at Natanz Nuclear Facility, Isfahan Nuclear Technology Centre, and Fordow**
- 6. Fuel Enrichment Plant would be dismantled.**
- 7. The IAEA would receive full inspection rights and monitoring access inside Iran.**
- 8. Iran would move away from its regional proxy strategy.**
- 9. Funding, training and arming of allied militias across the region would cease.**
- 10. The Strait of Hormuz would remain open as an unrestricted shipping route.**
- 11. Iran's missile programme would face limits on range and stockpile levels.**
- 12. Any future missile use would be restricted strictly to self-defence.**
- 13. 14. & 15. Have to do with lifting sanction and economic development.**

The differences are obvious. The US demands amount to Iranian capitulation over the right of self-defence in terms of their missile development, to abandoning its enrichment programme and finally to supporting its regional allies. On the other hand, the Iranian demands amount to a US capitulation, demanding its retreat from the region, removing any threat to regional allies and ends with Iran exercising control of the Straits of Hormuz. Furthermore, the Iranians have not put their missile

programme on the table, in other words it is non-negotiable. Normally these irreconcilable demands are decided on the battlefield. If Iran prevailed there will be force behind its demands and vice versa for the USA. If peace is to prevail and that is a big if, then it will be on the basis that both sides have been sufficiently hurt and their priorities so disturbed that common ground will be found. If not, the ceasefire will not lead to a regional peace and war will resume.

The big loser is Israel. Israeli polls showed a consistent theme, a fear that the US would seek peace before Iran was completely crushed. This has come to pass. Netanyahu put on a brave face but it is clear Trump has thrown him in front of a tank. These peace talks, the fact that Iran has fought Usrael to a standstill is demoralising for the Israelis adding to the physical damage to their country and the trauma of having to keep rushing into shelters every few hours.

Of course, the Zionists will seek to subvert the ceasefire by rejecting that it includes Lebanon. This can be seen via their conduct of their air campaign in Lebanon, which sought to maximise civilian casualties by attacking schools housing displaced Lebanese as well as densely populated residential areas. Iran has stated explicitly that these attacks threaten the ceasefire and that it is ready to resume its attacks on Israel. *“Iran’s Foreign Minister Abbas Araghchi quoted Sharif in insisting that the “terms are clear”, warning that Washington must choose between a ceasefire or “continued war via Israel”. He added that “it cannot have both.”* The Israelis could be playing with fire. If the US fears a resumption of war and its subsequent damage to the world economy more than it supports its alliance with Israel, it will attempt to reel Israel in. At the very least Iran’s declaration that these attacks threaten the peace is a calculated move to drive a wedge between the Yankees and the Zionists.

The other victims are the Gulf Monarchies having to adjust to the change in the balance of forces. Their illusion in US invincibility has been shattered. Their hold on power is more fragile, their populations more restless as power shifts in the region. One thing is clear the big winners besides Iran, are Russia and [China](#). In particular, it is China that will weave a new security arrangement for the region where the role of the Gulf Kingdoms will be diminished. Behind the scenes, working through Pakistan, it was China who orchestrated the ceasefire. This will not go unnoticed and its ramifications are vast, for China offers stability in contrast to the flailing US which offers only chaos and economic loss.

It is being recognised around the world, including London and Washington, that Iran has exited this war stronger than when it entered, primarily because Usrael’s miscalculation and underestimation of Iran and its backers has diminished them. It was the US, not Iran who again proposed a ceasefire just as it did last June. The attempt to seize Iran’s enriched uranium under cover of a pilot rescue, which ended in fiasco and loss, and which demonstrated Iran’s ability to defend itself, was the last straw confirmed by Trump’s uncivilised Saturday night rant to end Iran and send it back to the stone-age.

This shift in the balance of forces, the advantages Iran has secured, will make it harder for the US to dismiss Iran’s 10-point plan out of hand. Trump was desperate for an off-ramp to end a war he could not win only to find the off ramp was really a slippery slope. [According to this report](#) Trump was watching live the attempt to kidnap Iran’s enriched nuclear materials and was disturbed when it turned into a fiasco. It was this event which sparked his expletive riddled Saturday night tweet and may have edged him towards accepting a ceasefire.

Whatever happens with these negotiations, the US has not achieved any of its 5 primary military objectives. And that represents an irreversible shift in power not only in the region but internationally.

US invincibility has been replaced by vulnerability, which always undoes hegemony. The Global South, even India will now have to re-evaluate their orientation towards multi-polarity and the BRICS at whose heart stands China. Instead of strengthening Trump, Iran like the Ukraine, has debilitated the US as it seeks to confront China.

1. Regime change,
2. Destroying the nuclear programme,
3. Crushing the missile programme,
4. Freedom of navigation in the Straits of Hormuz,
5. Securing the safety and future of Israel.

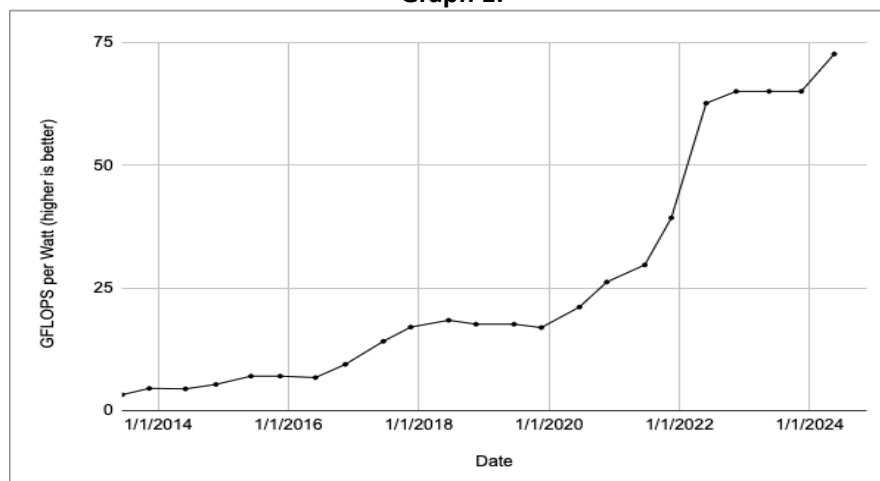
Artificial Intelligence.

On the one hand, we have, according to comments carried by CNBC, the greatest peacetime sectorial investment in the history of capitalism, on the other, the spectre of massive over-investment. Throughout the history of capitalism, all new technologies attracted more investment than the industry could profitably support. One instance of this was the *Railway Mania* which broke out in the mid-1850s and whose resolution produced a general economic crisis. Another example was the Dotcom Bubble. Today's behemoth is the AI bubble.

In one sense this overinvestment is different, not simply because of its sheer scale, but because of its lopsidedness. Due to Taiwanese manufacturing prowess and capacity, chips are available. But there is very little else available. It's like having car engines but not the car bodies to place them in. This is primarily due to a hollowed-out US industrial base and limited power supplies. Simply said: the US [does not have the infrastructure](#) to support the hyperscaler centres. The result is: 30-50% of these centres are being delayed or scrapped due to power grid failures and critical equipment backlogs which stretch from 3 – 5 years and are often dependent on imports such as transformers from China.

This mismatch could be ruinous. Nvidia the main supplier of chip hardware insists on purchase up front. But those chips are often warehoused waiting for data centres to be built and hooked up to reliable power supplies. By then these chips could be obsolete given Nvidia's rapid product cycle. For example, Nvidia's Blackwell series of chips are twenty-five times more energy efficient than their previous H100 series as [this interesting graph from Nvidia](#) below shows. Given electricity bottle necks and prices, this is the difference between operating a profitable or a loss-making data centre.

Graph 1.

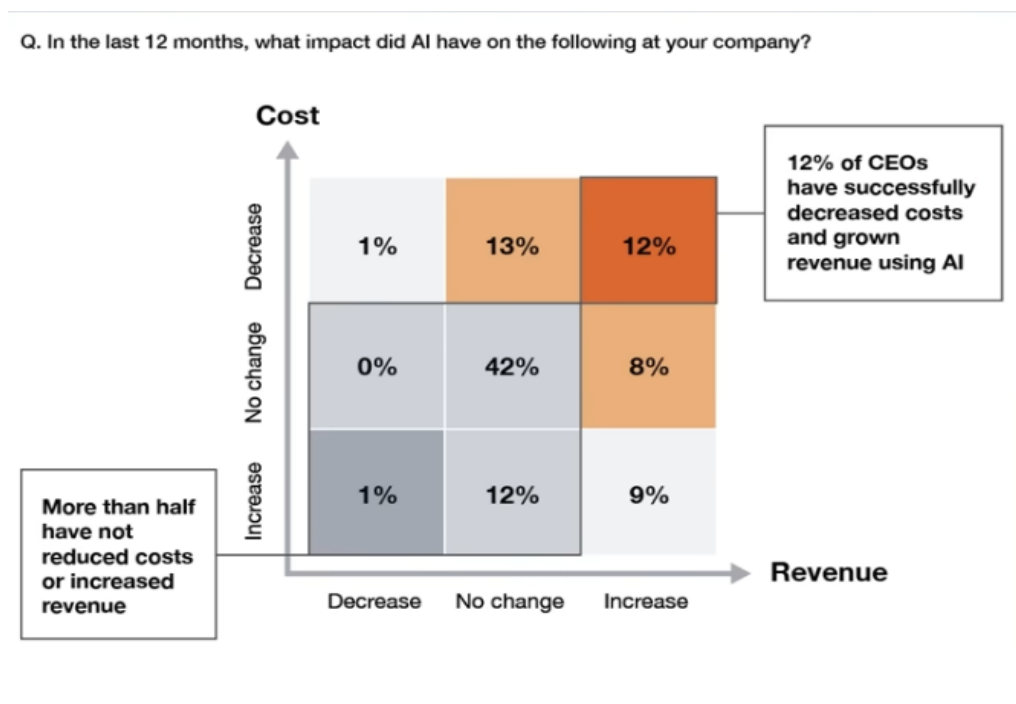


But it is not only concerns about insufficient building materials, skilled labour shortages and power bottlenecks which dominates, there is also concerns about [insuring the data centres](#). These projects run into billions and are riddled with unquantifiable risks; delays in construction, unreliable electricity supplies and the rapid depreciation of chips which makes valuations problematic.

Then there is the threat of [Open Source](#) competition. These models are less computing intensive and by using their access to the internet avoid the need to hyperscale. This is already happening in China. They also pose a threat to subscriptions. Currently all the hyperscalers are subsidising [subscriptions](#) often to the tune of \$12 for every \$1 earned in subscriptions to keep subscriptions affordable while they build scale. This is affordable for the likes of Microsoft and Alphabet but not for the likes of OPENAI which is why it has resorted to taking in advertising having said it would never do that.

Circular funding continues where companies invest in each other to secure sales while boosting their valuations through duping Wall Street. This is still working, but just as [TSMC's results](#) shows today, where revenue growth is sharply lower in the final quarter of 2025 at 3.5% on average compared to 42% in the first quarter. And of course, as much of the new investment is debt fuelled not cash flow driven, there is pressure to execute [major layoffs which already total nearly 100,000](#) in 2026 to preserve cash flow for investment purposes.

Adoption remains patchy. 2025 was supposed to be the inflection year, the year when adoption generalised. It has not happened as [this podcast reveals](#). Only 12% of firms have decreased costs while boosting revenue. This is industry wide. The balance between cost saving and cost increases is evenly balanced. We are still in the realm where herd mentality prevails over accounting cautions, where potential eclipses actual while the [potential itself is more limited](#) making it more [finite](#) than expected.

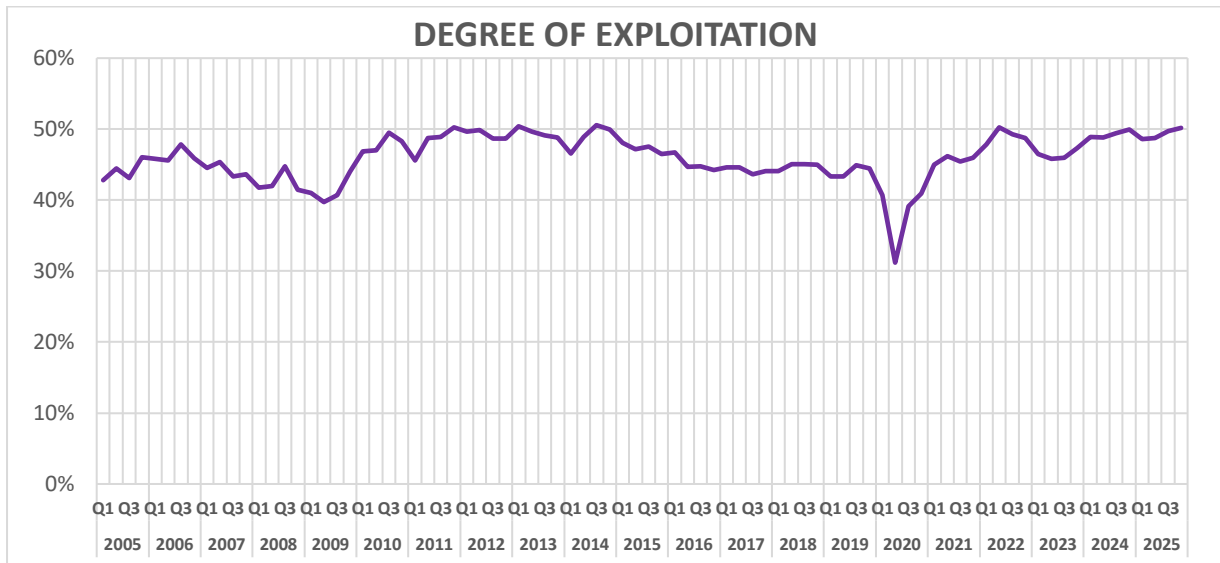


In summary AI is still caught up in no man's land. That there is potential is not in doubt. But managing and exploiting this potential is something else. Capitalism has not yet achieved either, what it has managed instead is to throw enormous sums of money at it, and in doing so, has created an economic dependency on this industry, which should it fail, will have economy wide financial consequences.

The performance of the US economy in Q4 2025

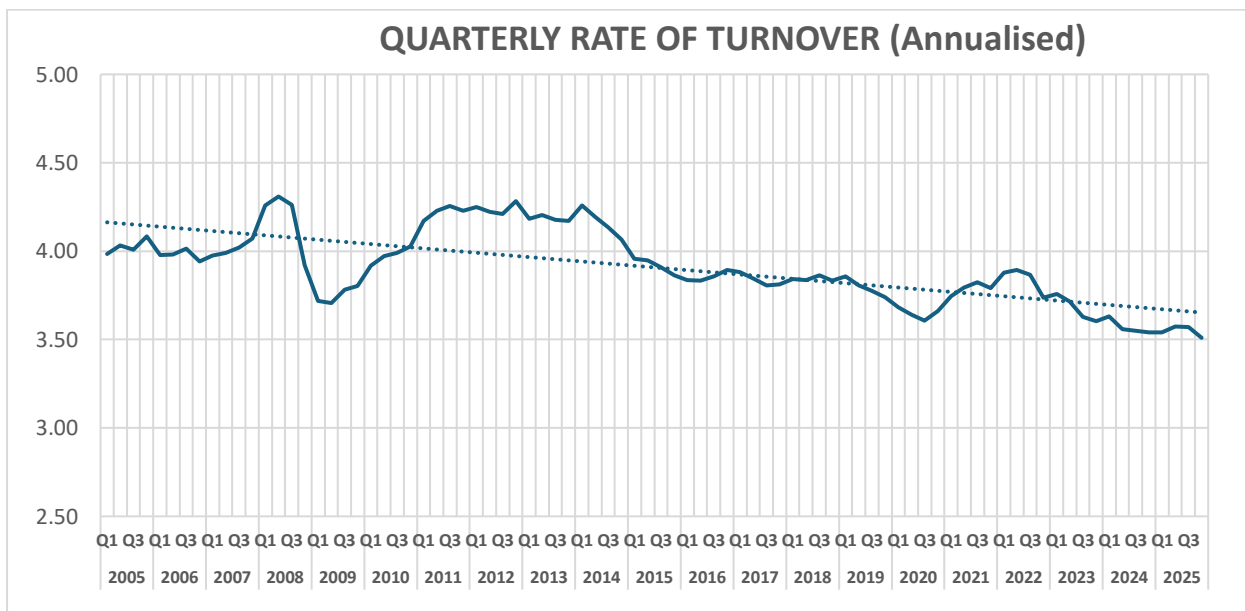
The degree of exploitation remained more or less constant around the 50% mark at year end.

Graph 2.



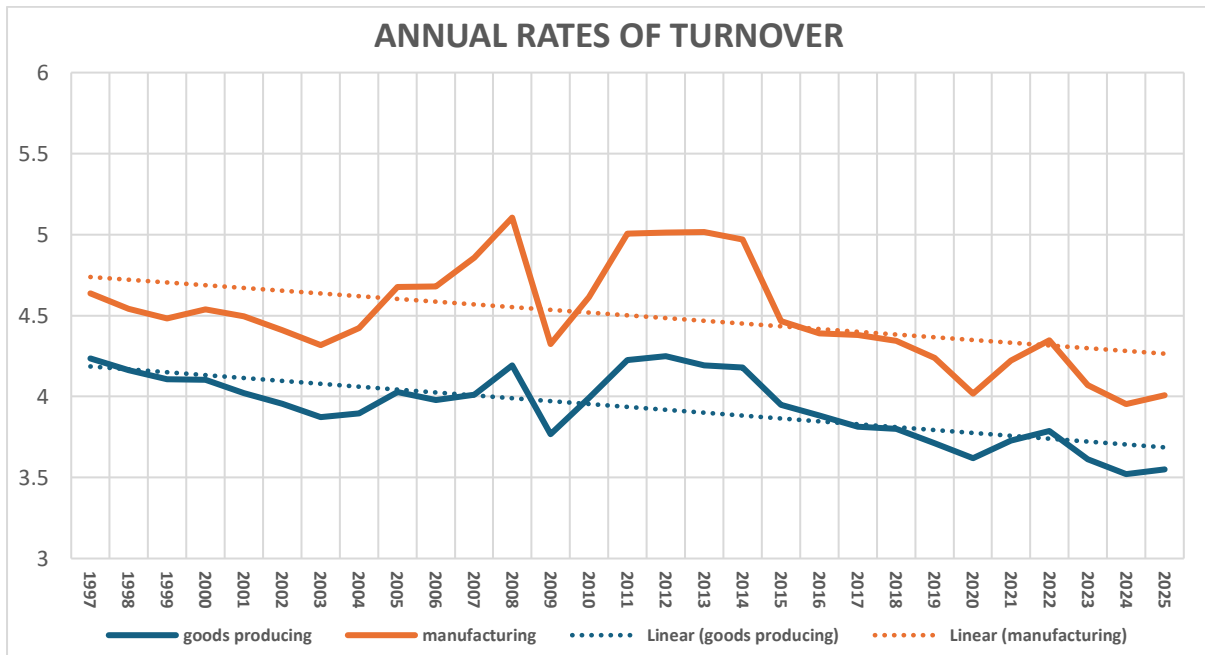
Turnover continued to dip.

Graph 3.



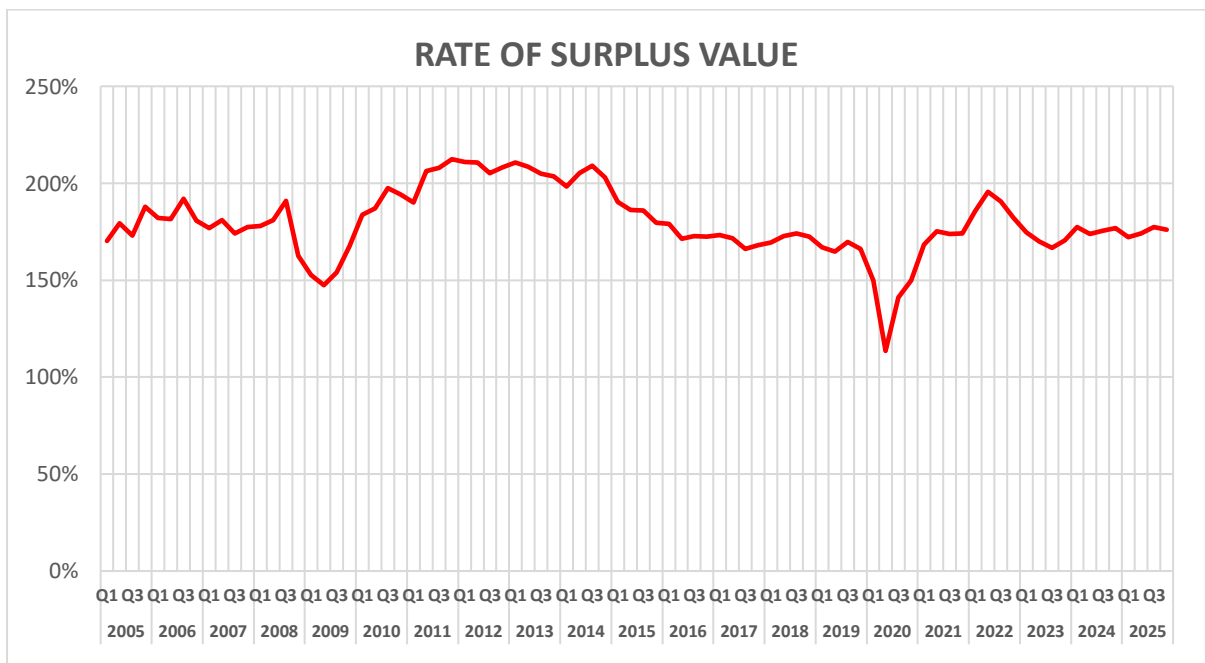
The longer-term rate of turnover continued to trend down settling at 30-year lows testifying to the enduring weakness of the US economy. The weakness in turnover is driven primarily by an extension to the period of payment rather than the period of production. This always describes difficult market conditions and tight liquidity. Turnovers are both a forward and a backward-looking indicator. Their trend provides insight into future conditions. The weakness in the trend found in the graph above was confirmed by the most recent [GDP and Income data](#) released this week [which paints a weaker picture](#) than I described in the previous article.

Graph 4.



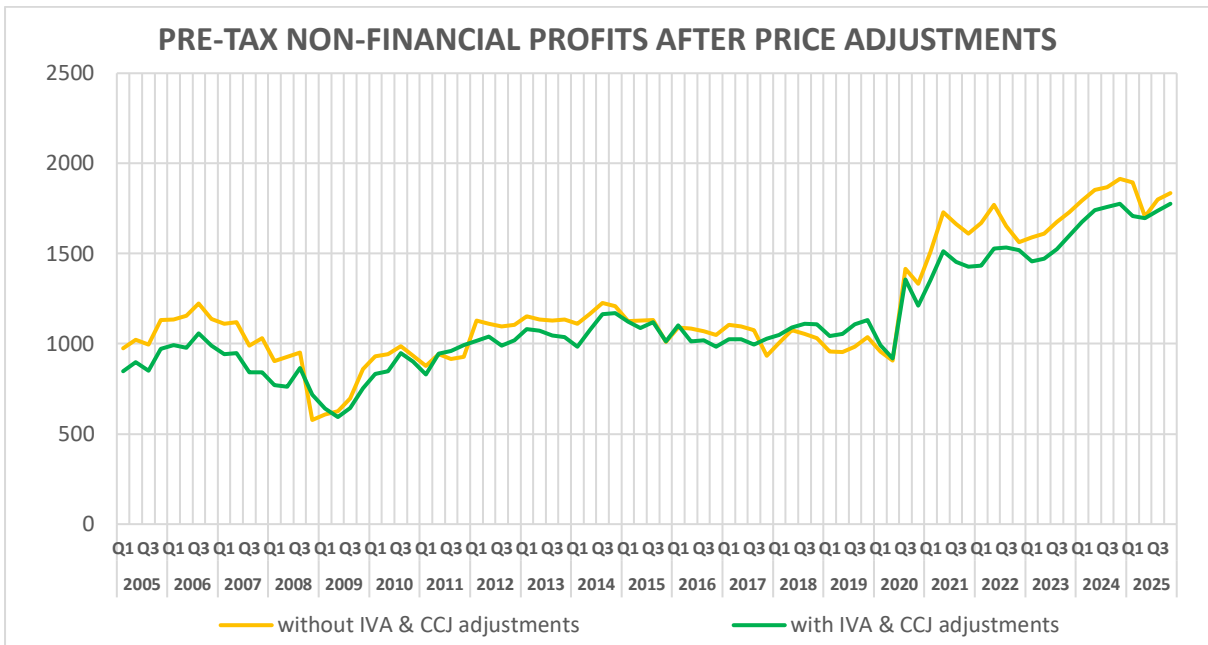
The slight rise in the degree of exploitation combined with a slight dip in the rate of turnover resulted in a rate of surplus value that has not shifted for two years.

Graph 5.



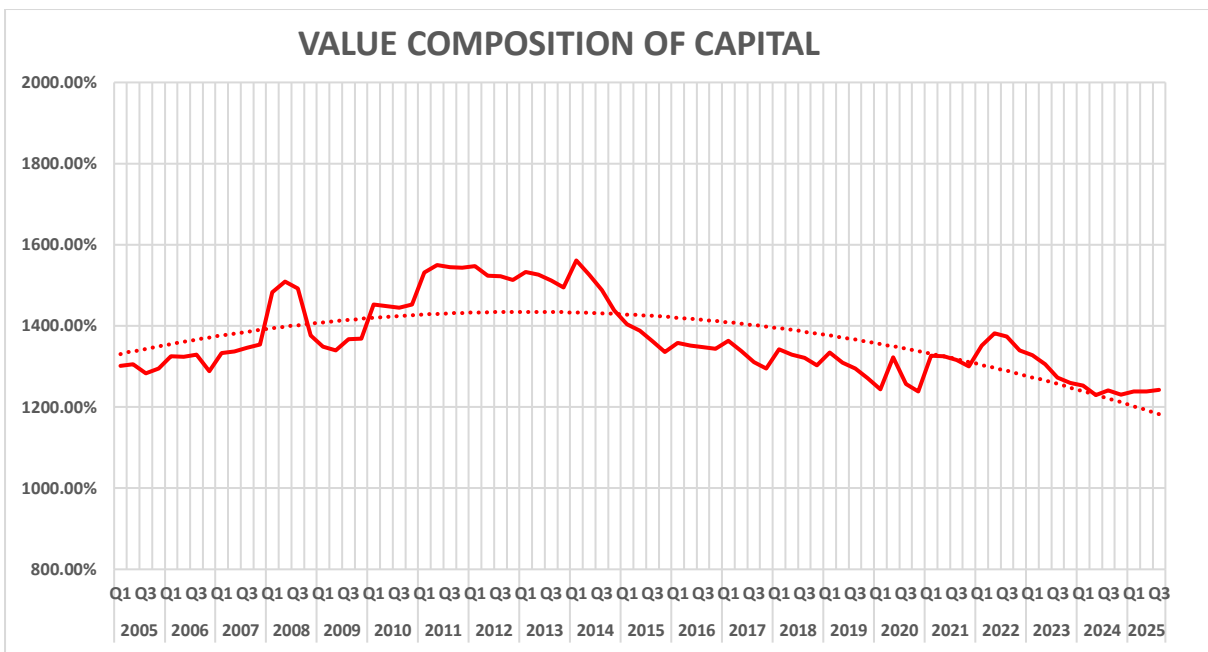
This constant rate of surplus value explains why the mass of price adjusted profits has more or less plateaued over the same period. What should be taken into consideration as well is interest payments. Interest payments always represent a deduction from gross profits. The lower net interest payments the greater the residual enterprise profit. In the accompanying spreadsheet, Graph 2 plots the fall in interest payments as a share of net profits and how this has benefited the rate of profit.

Graph 6.



Turning to the capital side, the value composition has held steady for the last few years at lows reached before the pandemic. Contributing to this has been the growth in the information sector with its low capital expenditures.

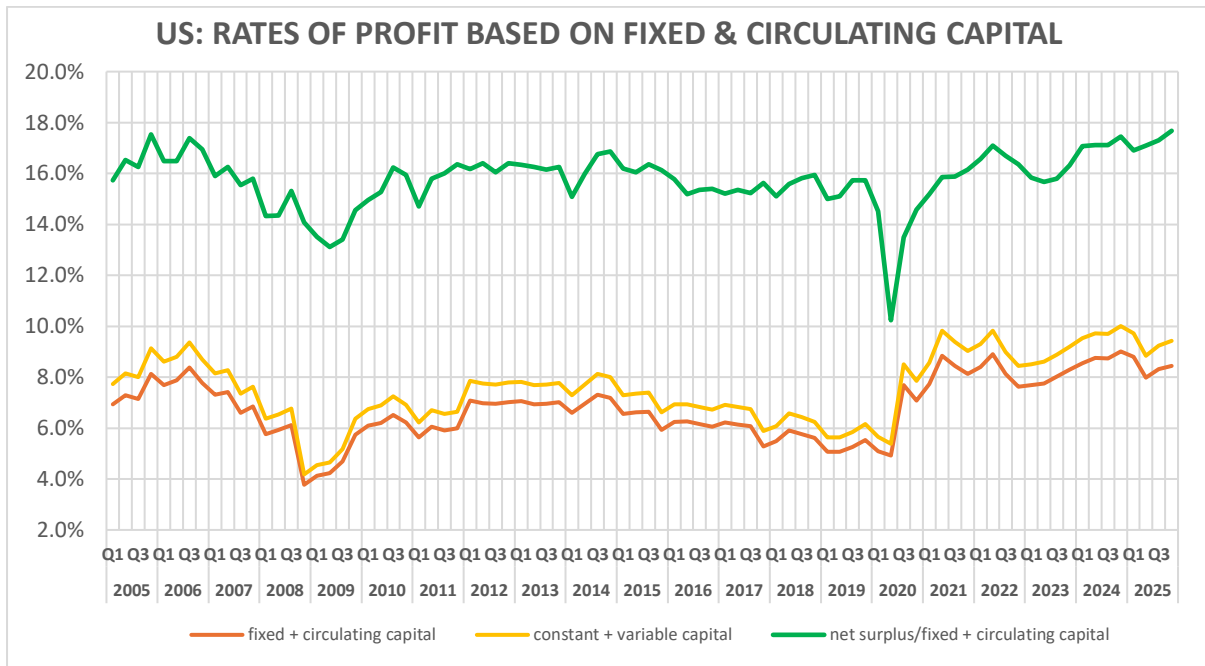
Graph 7.



Graph 11 in the accompanying spreadsheet reveals the moderation in the price adjusted growth of fixed assets over the period which underlies the fall and subsequent plateauing of the composition of capital.

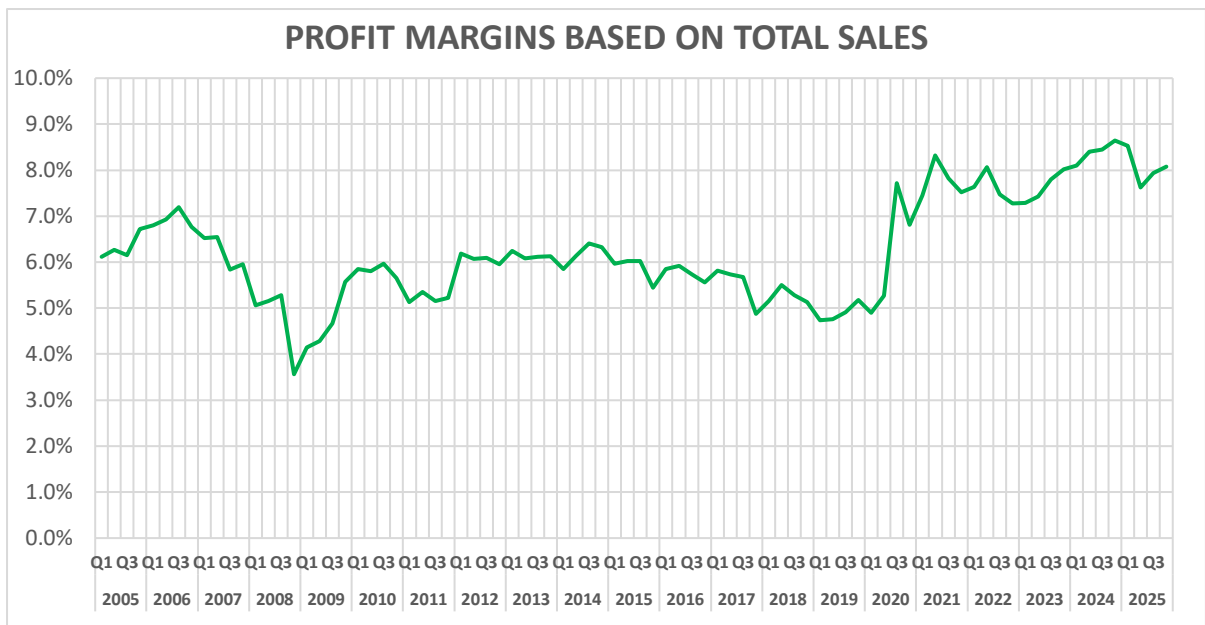
A steady value composition of capital together with steady profits resulted in a more or less stable rate of profit recently. But as we shall see, any increase in profits was generated by the *BIG 6*.

Graph 8.



Profit margins show the same trend as the rate of profit. I use the more exacting and accurate measure of total sales or Gross Output, which includes the influence of turnover, and not simply final sales as in regular usage.

Graph 9.



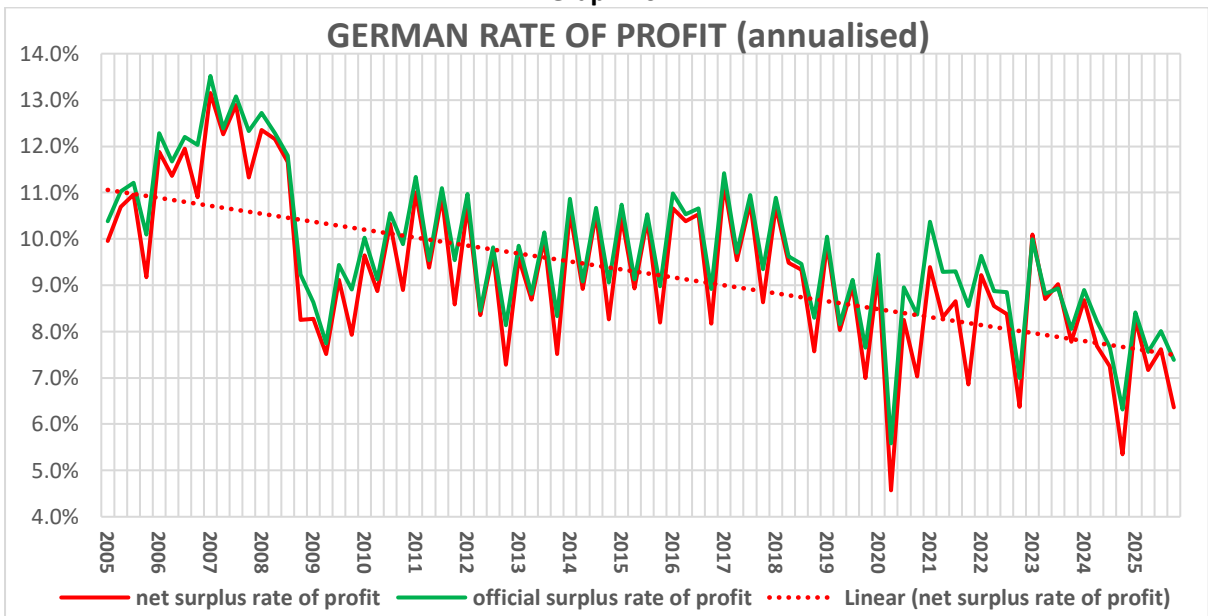
Below we see the huge contribution to the mass of profits by the BIG 6. Their share of pre-tax non-financial profits (line 47 Table 1.14) has increased from 13.84% to 19.16% (Methodology note: I apply 60% of their profits as earned in the USA and 40% outside of the USA.) Without their contribution the mass of profits would have declined by 7% yoy instead of 2%. This would have reduced the rate of profit from 9% in Q4 2024 to 8% in 2025 instead of 8.4% as found in the accompanying spreadsheet.

Table 1.

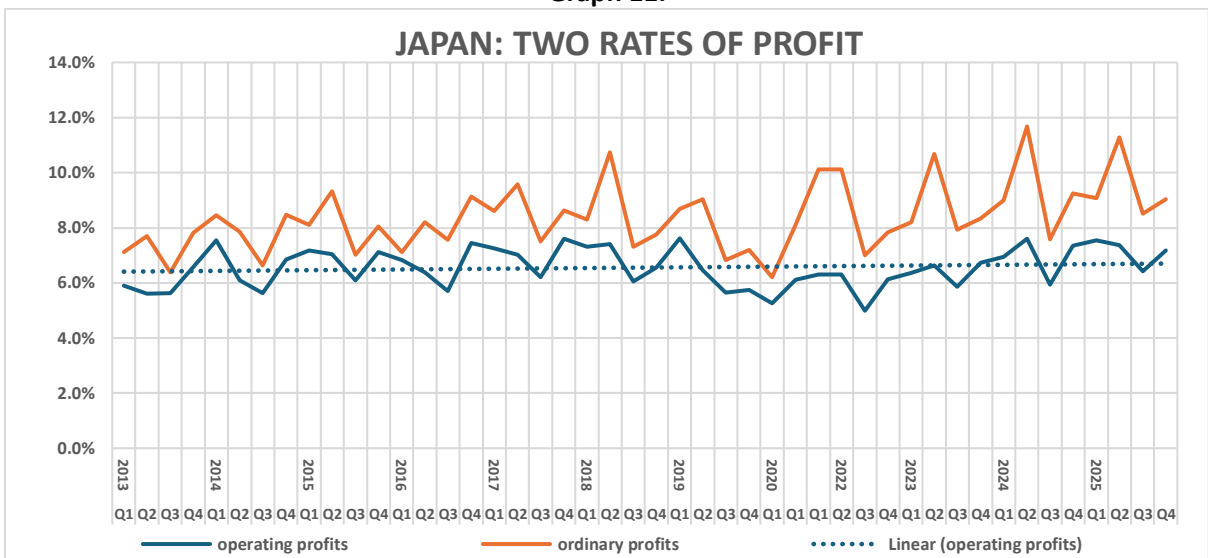
Company	Profit 2024	Total	Percentage	Profit 2025	Total	Percentage
Nvidia	53018			103104		
Apple	102202			122405		
Amazon	53616			63852		
Microsoft	70476			115790		
Alphabet	77383			93881		
Meta	56527			60850		
TOTAL	413222	2984600	13.84%	559882	2921700	19.16%
Improvement						+5.32%
BIG 6 vs Total				146660	-62900	

For comparison purposes I have included the German, Japanese and Chinese rates of profit. Please note only the German and Japanese rates of profit are based on fixed and circulating capital whereas the Chinese data includes financial capital as well.

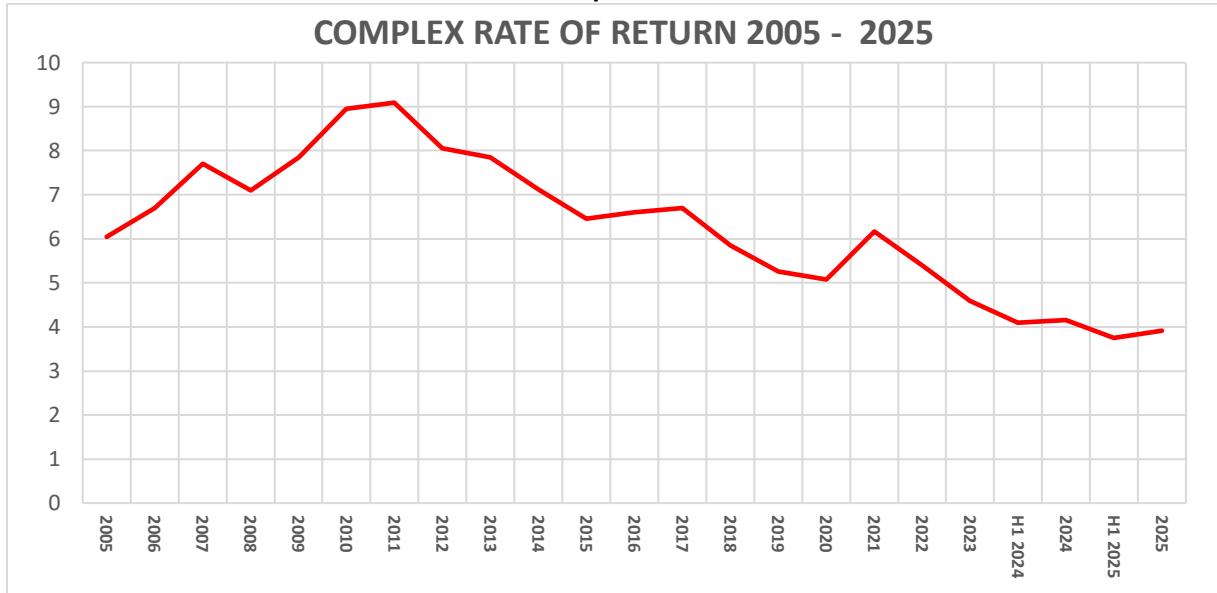
Graph 10.



Graph 11.



Graph 12.



In only two countries, China and Germany, where greater industrial investment has taken place, has the long-term rate of profit fallen. In the case of Japan, it has remained constant, rising only in the USA courtesy of the monopoly profits generated by its Big Tech firms which dominate the value chain internationally.

Conclusion.

Trump faces two enemies which are intimately and causally linked: the economy and his external enemies - the Iranian, Chinese and Russian axis. This is an insoluble contradiction. Trump needs to wage war in order to assert US hegemony but in doing so he further weakens the fragile US economy and degrades living standards for the majority of North Americans. Add in his resulting growing unpopularity and that of the Republicans at a time when the mid-terms approach, making the loss of Congress probable. Donald Duck is rapidly becoming a Lamé Duck.

Empires don't end with war. The end begins with the rise of economic competitors eroding traditional markets. The end of the end begins with a series of lost wars. We are in that phase. The wars in Ukraine and Iran were intended to strengthen US imperialism, instead these wars have weakened it. Trump goes to Beijing in May not triumphant but diminished. The balance in their meeting in the *Forbidden City* favours Xi not Trump.

The US financialised economy is a one and a half card trick. It is its Hi-Tech sector and to a lesser degree its aerospace industry. The rest of its manufacturing base is compromised. This was made clear once again in the war with Iran when US industry was not able to compensate in time for the losses in interceptors used up.

Whether the US will face reality in Pakistan during the peace talks this weekend is in the balance. This is unlikely because the US has too much to lose. Any capitulation will mark the triumph of multipolarity thereby ending the US uni-polar world for ever. Such events have always been traumatic.

Brian Green, 10th April 2026.