

## The Iran crisis #24: Prof. Jeffrey Sachs

*Transcript of the conversation Helena Cobban held with Jeffrey Sachs on 6/5/2026. The full video will be posted shortly. Find the audio on [Apple Podcasts](#) or [Spotify](#).*

**[Helena Cobban]**

Hi, everybody. I'm Helena Cobban. I'm the president of Just World Educational, and I'm delighted to welcome you here today.

It is June 5th here in the United States, and this is number 24 in our ongoing project of video conversations about the Iran crisis. So I'm delighted today to be able to welcome Professor Jeffrey Sachs. Jeffrey, it's good to have you with us.

**[Jeffrey Sachs]**

Thank you. Good to be with you. Thank you.

**[Helena Cobban]**

Yeah. Jeffrey Sachs, as I'm sure you all know, is a world-renowned economist, and he has been an advisor to the Secretary General of the United Nations, practically for the whole of this century, as far as I can gather, with a special set of responsibilities around the Sustainable Development Goals. So he doesn't have much time with us.

I'm going to just jump right on in, because one thing I am really interested in, Jeff, is how you would describe the economic impact of this ongoing crisis between the U.S. and Iran.

**[Jeffrey Sachs]**

Well, the impact is serious and widespread because the rise of energy prices and everything produced with energy, including fertilizer, most importantly, hits the entire world. But we don't know yet whether this will be a devastating impact, which is possible, if this continues and especially if the war escalates, or whether it will be a moderate, serious impact, which it already is. So there's still a lot of uncertainty because it depends on the actions, especially of the United States.

But we can say that the price of energy has increased from, roughly speaking, \$65 a barrel to around \$100 a barrel today. Yet the flow of new production is dramatically cut. So what's happening is that the reserve stocks are being run down at this stage.

If the reserve stocks continue to be run down and there's no respite in this blockade and closure of the Strait of Hormuz, or still worse, if there's a return to fighting and a physical destruction of infrastructure in the region, then everything would become vastly worse. I think we look to the price as a kind of summary of expectations. The price is not only the transaction that clears supply and demand today, but because every entity, every government, every business that holds oil in reserve is asking, should I use it now or should I hold off for the future?

And with the price of oil hovering around \$100 a barrel right now, the message has been that the markets, in other words, the sum total of expectations is that somehow there's going to be a partial or substantial opening of the flows before we hit rock bottom in reserves or before there's a return to open fighting. So I'd say there's a modest level of optimism that in a pragmatic way, perhaps, maybe without any agreement, more oil starts flowing before real disaster hits.

**[Helena Cobban]**

Yeah. I just note that this whole matter of the oil price internationally functions like a prediction market, as you said, you know, I mean, it's private entities as well as governments, but placing bets on their expectation about the future, which seems like a crazy way to organize a large international market like that.

**[Jeffrey Sachs]**

Well, it's not exactly crazy. But it is giving us information. If you expected that there's going to be return to fighting or that we're just going to run to zero and you hold some oil stocks today, you will hoard them.

That by itself would drive up the spot market price. If you expect that, well, one way or another, they're going to resolve this terrible situation, the US, which I want, just retreats and Iran opens up the strait, which it absolutely would do. Then even if you have small stocks right now, you'd use them, you'd run them down because you have the expectation that you can replenish them.

So in a way, what's happening is making what we call an intertemporal allocation based on whether you think the shortages are going to be extreme in the next few weeks or whether that you think they're going to be resolved. It's kind of interesting, actually, that millions of decisions somehow get interpreted or are interpretable through this price. But they are indeed reflecting a vast number of individual decisions being taken by governments and by businesses all over the world.

What's crazy, by the way, just to add is :it's crazy to have a blockade and to have a war. That's what's crazy.

**[Helena Cobban]**

That's right. Yeah! That's a very important point to make because this was a complete war of choice on behalf of our government.

**[Jeffrey Sachs]**

I call it a war of whim because it's not even a rational choice. It's a crazy president doing a stupid thing for absolutely no reason.

**[Helena Cobban]**

At the behest of his good friend and close ally.

**[Jeffrey Sachs]**

I think there are two completely psychopathic leaders walking hand in hand into this morass.

**[Helena Cobban]**

Which is causing a certain amount of economic pain here in the United States. Not very much, honestly, compared with other countries. Could you talk a little bit about the pain you see being inflicted for countries, especially in the Global South?

**[Jeffrey Sachs]**

Well, everybody feels pain, but some people feel an offset, a very small group. Those who feel the pain are every one of us that uses oil or gas directly or indirectly. That's all of humanity and that's all of the economy.

Those who feel the benefit are those relatively a small part of society who happen to own some oil and gas and not the part that is encumbered in the Gulf, but in reserves or production in the United States or in other regions of the world that are able to sell into a higher price. So in the United States, of course, most people are suffering. But the oil companies in the U.S. are doing very well, thank you. They do not exactly share their bounty with the rest of the Americans. If they did, we'd all be still net losers in the end because this is a negative shock to global supply. There's just no way around the fact that we have less energy available right now.

That hurts. That hurts the real production side of the world economy. But those who happen to be oil producers, and they are big campaign contributors to Mr. Trump, they don't feel a squeeze, they feel a windfall. And the other windfall that's being observed right now is in the military contractors who just make a lot of money during war. And we see the Israeli stock market soaring in recent months because these are the war profiteers and the warmongers. But this is not society as a whole.

So people are suffering and they'll suffer a lot more if this continues.

**[Helena Cobban]**

That's an important point to make about the military industrial complex making out like bandits-- making out like the bandits that they are.

**[Jeffrey Sachs]**

Yes, exactly. And the warmongers that they are.

**[Helena Cobban]**

Yeah. Do you have any special insights about the suffering in the Global South?

**[Jeffrey Sachs]**

Well, just to say that we know already in many countries oil is being rationed in one way or another. Prices are higher for people who can't afford this. Food prices are going to rise, not immediately, but with the coming harvest that has been held back by a reduction of fertilizer supply.

And we are most likely moving into a very sharp El Nino, which is a natural phenomenon, perhaps exacerbated by the human-induced climate change. But in any event, we're moving into a climate environment which could be greatly worsening food insecurity 12 months from now. This is not an easy period by any remote calculation.

And a lot of poor people whose overwhelming income share goes to food and survival, this will hurt.

**[Helena Cobban]**

Yeah, so you've worked a lot with the United Nations over the years: talk a little bit about whether the UN has proven itself fit for purpose, especially over the 32 and a half months, 32 months, whatever, of the genocide in Gaza, because this project that we're running on the Iran crisis is an offshoot of our ongoing project on Gaza, given that this whole war, the U.S.-Israeli war on Iran, grew out of, in essence, Israel's genocide in Gaza and its desire to reestablish what they think of as their military deterrent.

So both regarding the Gaza crisis and regarding the Iran crisis, how do you assess the performance of the UN, both at the level of the Security Council and at the level of the specialized agencies like the World Food Program or the World Health Organization?

**[Jeffrey Sachs]**

Well, I would say this is a disastrous period and the institution doesn't function the way that it needs to function. This is largely, of course, because the founding country and the host country for the United Nations, the U.S., is directly assaulting the United Nations. It's obviously not only complicit in the genocide in Gaza and a partner in the war in Iran, but it is attacking the United Nations directly in every way.

What do I mean by that? Well, the United States, especially in this Trump period, but not only with Trump, the United States denies international law. It doesn't respect the Security Council.

It uses its veto in the Security Council to frustrate decisions. Even when something happens in the Security Council that doesn't incur a U.S. veto, the U.S. ignores it. The U.S. doesn't pay its bills to the UN. Israel is absolutely despicable and vile in how it treats the United Nations and its rhetoric. I won't say its "diplomacy" because I don't think that Israel exhibits diplomacy. It has some professional diplomats, but they don't behave diplomatically, but they rip up the UN Charter. They taunt the UN and they accuse the rest of the world of being anti-Semitic when the rest of the world is aghast at the genocide that Israel is

committing. So all of this is a very awful picture. And in this sense, the UN doesn't achieve what it is designed to achieve.

Now, I work day in, day out with the UN, at the UN, for the UN. I'm not on their payroll, but I'm a big believer in the UN as a vital institution. So I don't want to be misunderstood.

I attribute the terrible crisis that we're facing to the United States, not to the UN per se. But the UN was designed to give, first of all, inordinate power to five so-called permanent members. But more than that, the UN is not really a global government that can enforce its writ against individual recalcitrant members.

It is a sharing of sovereignty by the member states to accomplish common purposes. And when important members decide that they don't want to participate in this way, the UN is not designed to overcome that. That's not how the UN Charter was created in 1945.

So it is not an enforcement institution. It is an institution that can enable cooperation and that sets global norms. The fact that the United States ignores the global norms is the disastrous condition of U.S. politics right now. All of this means, of course, the way that we function at the global level needs a serious rethink. We're not going to get it during Donald Trump's presidency. But the thinking that is underway all over the world in light of the rogue behavior by the United States, I think, can lead to some fruitful change in the future.

In terms of other UN institutions, there are dozens of them. So it all depends on which ones we're talking about. But I would say that they show that they are important, but completely vulnerable.

The fact of the existence of the International Court of Justice is extremely important in that South Africa and many other governments could bring a case against Israel for genocide. This is a positive feature of our world that there is international law. There's a genocide convention and there's a place that this can be adjudicated.

The fact that this case was brought by South Africa many years ago and is not yet adjudicated, I think, is terrible, actually. Justice delayed is justice denied. And I think that this is really not right, the way the ICJ takes its time.

There could have been an opinion by the end of the term, let's say, of the first year of this case. And that's how justice should be handled. So I'd like the ICJ to exist, to be strengthened and to abide by a timeline that it's never accepted, by the way.

So it always is late and slow. But I don't believe that late and slow justice is justice. So this is one example.

When it comes to other parts of the UN, there are very important organizations like UNRWA, which is the UN organization precisely that was created after the Nakba and after the fact of hundreds of thousands of Palestinian refugees to provide some measure of protection. Of course, Israel has had it literally in its gun sights. Israel is trying to destroy UNRWA and has done a very good job of it with American complicity.

Would you blame UNRWA? No, I would blame Israel. I would blame the United States.

Other UN agencies are very notable for their professionalism, their bravery, their hard work, for UN officials who die in the line of work, for emergency assistance. But everything is hobbled by the United States. So this is a serious problem.

The UN is an organization in a world of nation states. The nation states is a kind of European organization of the world that has a long history. It's highly problematic in many ways.

The UN is an organization of member states. It's not a global government, even for the parts that it's responsible for. And so it is as strong or as weak as the leading member states.

The fact that the United States is during much of the past 20 years ignoring the UN and now is in almost open war against the UN under Trump is what we're seeing every day. It doesn't make me cynical about the UN. It makes me disgusted about American foreign policy.

That's quite a different thing.

### **[Helena Cobban]**

Yeah, I'd share those feelings. And I think you're right to note that this is not only a Trump phenomenon, but it was also one of preceding American administrations that has been exacerbated under the current Trump administration. I'd like you to just quickly visit what I think of as the deplorable resolution that the Security Council adopted last November, Resolution 2803, under which it completely ceded the UN's authority over the ceasefire and reconstruction in Gaza to this bizarre-- I think of it as something that King Leopold of Belgium would have loved to have run-- this Trump-run Board of Peace.

I've discussed with Chas Freeman and others, what was China's thinking in allowing that disastrous resolution to proceed? And it's still a big question in my mind. But that happened.

And now, how can the UN regain authority from this outrageous body?

### **[Jeffrey Sachs]**

Well, the Trump Board of Peace or the family Eastern Mediterranean Riviera business, whatever it was meant to be, has one clear feature: there's not a penny that has been put into it. It was a farce.

It remains a farce. It should be regarded as a dead letter. It's not quite a dead letter, but it, I think, probably practically speaking, is a dead letter.

Yes, it's completely shocking. And when I spoke to many representatives of Arab countries and others, they said, well, there's a genocide going on. The United States is very hard to deal with.

Maybe this will relieve the genocide. I thought it was not a very convincing answer, but it was countries that were trying to pragmatically accommodate to a mad king. And of course, you can't really accommodate to a mad king.

And there is no process underway right now. The United States basically is complicit in a genocide. Israel is determined to finish the genocide.

So I don't think the Board of Peace is, first of all, anything other than a charade. And I don't see anybody actually investing any time or effort into it. The big problem is: what do we do with Israel that acts as violently and vulgarly as any country in modern history? And the United States aids and abets it actively? That's the real situation. In the world.

And I would like the other 185 countries or so that are not just strictly under the thumb of the U.S. There's the U.S. and Israel and probably inevitably Micronesia, because by compact, they have to vote with the United States and probably Vanuatu's vote can be brought along. And then there's maybe Argentina. Yeah, there's Malay-- and Argentina and Paraguay for somewhat mysterious reasons to me.

But in any event, there are a handful of countries that I think are lost to the cause in terms of the vote. But there are more than one hundred eighty countries in the world that actually either quite directly and visibly or at least deep down know that we have a hell on earth now that needs to be solved and that the U.S. is the obstacle, not the solution. The problem, of course, always is everyone's scared.

Who's going to talk? Who's going to complain? Who's going to raise their voice?

And nobody really wants to. At the same time, we'll see what happens. But I believe that the Trump era is intrinsically a failure for the United States.

I don't think Trump can achieve any goals that he has promised to his followers. The fact that his approval rating is down to maybe thirty four or thirty five percent and disapproval rating up to around 80 percent, I'm sorry, 60 percent with the midterm elections coming up in which his party is very likely to lose control of one or both houses of Congress means that maybe there will be more politics to do the right thing possible in in future months. The main I mean, I think it's understandable why we're paralyzed.

What I don't like is things like the resolution last November that play act or pretend that there's somehow normalcy. I really am waiting for the little boy to scream: "The emperor has no clothes!" (and the image is so horrible with Trump.)

But in any event, I think we really need that level of discourse, which is to say, no, we're just grown ups and we're not going to play these games anymore. And we're going to say it all together because we all believe it. That's what I hope we can get to globally.

**[Helena Cobban]**

Yes. I mean, of course, the genocide in Gaza is going on in a different way. But also, you know, causing a terrible loss of life.

**[Jeffrey Sachs]**

Well, the number of people killed every day straightforwardly is very large and shocking and completely murderous.

**[Helena Cobban]**

And the number of people dying because of completely avoidable, completely avoidable reasons. And we have the ongoing genocide in Lebanon, which is a part of this whole complex. So we need to recognize all of that.

I'm really delighted that we've had this conversation. I think our time is probably coming to an end. But Jeffrey Sachs, is there something that you can say specifically to Americans about what we should be doing to, you know, rectify the situation and call our own government to account?

**[Jeffrey Sachs]**

Sure. First of all, the American sense of what's happening is quite accurate. If you look at what Americans say, they support the Palestinian cause. They call for a Palestinian state. They abhor what Israel is doing. They're against the war in Iran.

The problem is not the American people. Of course, there are minority views that support what the government is doing. But most Americans do not.

Our problem is our democracy has basically come to pieces. This didn't just happen with Trump. We have an imperial state. We have a security state. Our foreign policy is largely guided by the president, the CIA, the security apparatus. Silicon Valley has become a very ugly actor in this to an important extent.

Companies like Palantir are disgusting, absolutely disgusting. And many of the big tech companies have just signed on to large Pentagon contracts to become complicit in this. So this is our reality. We have a government out of control. We have a government driven largely by the military industrial digital complex. We have a Zionist lobby, which is composed of all sorts of branches to this.

We have mega-preachers who essentially preach genocide. But this is not the main will or voice of the American people. So our problem is to regain our government, which has been captured by a lot of very narrow and pretty ugly interests.

This is our reality. We have a vote in November. I think it can actually make a big difference.

By the way, I am not partisan. I don't like either party. I really don't like either party.

But practically speaking, I don't want Trump to have a free hand and I don't want the executive branch to have a free hand. So I want the Democrats to win this election, not because this is a partisan issue, but because Trump has taken our government and run it for personal gain, family grift and war.

And we've got to put this to an end.

**[Helena Cobban]**

Well said! And one great piece of news this week has been the victory of an important New Jersey congressional primary of an American citizen who has worked as a doctor in Gaza and has come back from Gaza with a full accounting of what he saw while there. And he won his

primary and will be, let's let's hope, you know, set to be a voice in Congress after the end of this year.

Jeffrey Sachs, thank you so much for giving us your time and your wisdom. I hope we can talk to you again.

**[Jeffrey Sachs]**

Absolutely. Thank you for doing this. It's so important for everybody. I appreciate it.

**[Helena Cobban]**

Thank you. Yes, we do what we can.

**[Jeffrey Sachs]**

Exactly.

**[Helena Cobban]**

Getting our government out of, I mean. What we are calling for is obviously a speedy and effective ceasefire in the U.S. war on Iran. It's hard right now to think how that ceasefire might actually effectively be monitored.

And we want to have a neutral, reliable, credible body to monitor it. And I'm not sure that the U.N. is in that position right now.

**[Jeffrey Sachs]**

Yeah. Could I just give one quick answer? I want the U.S. I want the U.S. to go home. Just go home. Just go back. We don't we don't need any agreements on anything.

Just lift the blockade. Put the the Navy away. Iran has every reason to reopen the Strait of Hormuz, every reason.

And by the way, Iran's backers, China and Russia, have every reason for Iran to do that as well. We don't even need an agreement. We need to stop doing stupid things.

We did something incredibly stupid on February 28th. We just need to stop doing a stupid thing. Go home.

It's not even a ceasefire, by the way. Just go home.

**[Helena Cobban]**

Actually, that's a great point. And I'm glad you made it because, you know, we need to remember that the blockade, the U.S. blockade, yes, was implemented after the ceasefire. And also the other thing I would say, in addition to Yankee, go home-- or Yankee, *come* home.

**[Jeffrey Sachs]**

Exactly.

**[Helena Cobban]**

Sitting here, would be to to just lift the sanctions.

**[Jeffrey Sachs]**

And I'm all in favor of it. But for the first point, by the way, just leave. You tried to do something one day.

It was a crazy Netanyahu-Trump scheme that anyone of any intelligence would have said, don't even try it. It failed within 24 hours. Now, just come home.

That's all.

**[Helena Cobban]**

That's great. Yes. Thank you so much.

**[Jeffrey Sachs]**

Very good. Thank you.

**[Helena Cobban]**

OK, we'll speak again soon.

**[Jeffrey Sachs]**

Thanks a lot. Bye bye.

**[Helena Cobban]**

Bye then.