

WHITE PAPER · MAY 2026

REALITY CHECK

The world is not confused. It is being restructured — and most people aren't watching.

A war is underway in Iran. The dollar is quietly losing ground. Ground troops are staging in the Middle East. The draft is being quietly re-armed. AI surveillance infrastructure is being normalized. And the American empire — built on debt, oil, and military reach — is showing the structural cracks that every empire shows before the fall.

None of this is speculation. It is documented, sourced, and already in motion. This paper is a straight-line account of where we are, how we got here, and what is coming next. Read it, then decide for yourself.

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SECTION 01

The War Nobody Declared

On February 28, 2026, the United States and Israel launched coordinated airstrikes on Iran. Nearly 900 strikes in the first twelve hours. Operation Epic Fury — that is the actual name the Pentagon gave it. The targets were nuclear facilities, military command centers, and Iranian leadership. This was not a response to an attack. It was a preemptive strike launched while Iran was still at the negotiating table.

Iran's Supreme Leader was among those assassinated in the opening hours. Iran responded immediately — missile strikes on American bases across the Gulf, drone attacks on energy infrastructure, and the closure of the Strait of Hormuz, the narrow chokepoint through which 20 percent of the world's oil supply flows. Shipping insurers pulled out within days. The strait did not need to be physically blocked. The threat alone was enough.

"The US and Israel calculated that they had greater opportunity to advance their objectives through military means than by diplomatic means."

— *Encyclopaedia Britannica, 2026 Iran War entry*

As of late March 2026, 13 American service members have been killed. The Pentagon estimates the first six days of operations cost \$11.3 billion — and that figure does not include the full cost of the naval buildup, the carrier deployments, or the redirection of air defense systems from South Korea and Japan into the theater. Ground-capable forces — 2,500 Marines aboard the USS Tripoli plus elements of the 82nd Airborne — have arrived in the region. The Pentagon calls it positioning. Every war in history has started with positioning.

What you are watching is not a surgical strike and a clean exit. Iran is a nation of 92 million people. It is mountainous. It is decentralized. Its military is organized into 31 provincial commands specifically designed so that decapitating the leadership does not end the fight. They watched what America did in Iraq in 2003 and they built a military that cannot be defeated with the same playbook.

SECTION 02

The Dollar Is the Real Reason

To understand why America went to war with Iran, you have to understand the petrodollar system. Since 1971 — when Nixon severed the dollar's link to gold — the US dollar has been backed not by precious metal but by oil. Energy is priced in dollars globally. Every nation on earth that wants to buy oil must first acquire dollars. That demand is what keeps the dollar strong. That demand is what allows America to run deficits that would bankrupt any other country on earth.

That system is cracking. The IMF's latest data shows the dollar's share of global foreign exchange reserves has fallen to 56.8 percent — the lowest level since 1994, down from a peak of 72 percent in 2001. Central banks are buying gold at record pace: 863 tonnes in 2025 alone, more than double the annual average of a decade ago. BRICS nations — Brazil, Russia, India, China, South Africa, and a growing list of others now comprising nearly 45 percent of the world's population — now settle roughly 67 percent of their trade in local currencies. China settles approximately half of all its foreign trade in yuan, up from 20 percent in 2022.

"The dollar's share of global foreign exchange reserves just dropped to 56.8%, a 31-year low. The national debt crossed \$39 trillion during the Iran war. Interest payments are now the fastest-growing line item in the federal budget."

— *DollarCollapse.com, April 2026*

When Russia invaded Ukraine in 2022, the United States did something that changed the calculus for every nation watching: it froze \$300 billion in Russian central bank reserves. The message was received loud and clear by the Global South. Dollar reserves are not neutral. They are a political weapon. Dozens of nations began quietly building alternative payment infrastructure — not because they hate America, but because they now understood the risk of dependence.

Iran, Russia, and China represent not just military opposition to American power — they represent an alternative trading block anchored to the Eurasian landmass. If that block consolidates, America loses its primary mechanism of global control. The war in Iran is, at its core, a war to prevent that consolidation.

SECTION 03

The Grand Strategy Hidden in Plain Sight

None of this is secret. The United States Department of Defense publishes its National Defense Strategy. Download it. Read it. It outlines a four-part program: secure the Western Hemisphere as an exclusive American sphere; redirect the burden of European defense back onto NATO; strangle China economically through control of maritime chokepoints; and reindustrialize American defense manufacturing.

Look at the countries Trump has named in two years: Greenland, Canada, Mexico, Venezuela, Cuba, Colombia, Nicaragua, Honduras. Every single one is in the Western Hemisphere. He is not bluffing. He is executing a documented strategy. The Panama Canal. Greenland. Venezuela's oil reserves — the largest on earth. These are not provocations. They are acquisitions in a long-term resource

consolidation play.

The Pentagon has already visited Ford and General Motors in Detroit to discuss converting civilian manufacturing capacity to munitions production. This was not a rumor — it was publicly reported. The military-industrial complex does not need a quick war. It needs a forever war. A perpetual conflict is the most profitable business model ever devised.

SECTION 04

The Draft Is Coming Back

Starting December 2025, automatic draft registration became law for American males between the ages of 18 and 26. You do not need to sign up. The government enrolls you. You are in the system. A lottery call-up requires only a congressional declaration of war — and that threshold gets lower the longer this conflict runs.

This matters because a sustained ground campaign in Iran cannot be fought with volunteer forces already stretched across 19 military sites in the Middle East, a Pacific theater facing pressure from North Korea and China, and a European theater still bleeding resources into Ukraine. The United States has already begun cannibalizing its defensive posture in South Korea — moving THAAD missile defense systems to the Middle East — leaving its allies exposed to hedge its bets in Iran.

"Iran's parliament speaker warned that Iranian forces were "waiting for the arrival of American troops on the ground to set them on fire and punish their regional partners forever."

— *Military.com, March 30, 2026*

If you are between 18 and 26 and male in America, you are not just watching this war on your phone. You are enrolled in it. That is not alarmism. That is the law as it currently stands.

SECTION 05

The Surveillance State Is Already Here

While the bombs fall on Tehran, something quieter is being constructed at home. Digital ID frameworks. Central bank digital currencies being piloted in more than 130 countries. AI systems being integrated into government monitoring infrastructure. OpenAI and Anthropic have both entered government contracts. The architecture of a civilian AI surveillance state — the kind China has operated for years — is being built in the West, and it is being built fast.

In China, digital ID is mandatory for banking, payments, phone use, and internet access. Every transaction feeds a national database. The government uses that data to model behavior, predict dissent, and calibrate incentives. It is not dystopia. It is logistics. The system does not need to be brutal to be total. It just needs to be comprehensive — and comprehensive is what we are building.

The normalization happens gradually. First it is fraud prevention. Then it is health tracking. Then it is financial safety. Then one day you realize that every purchase, every movement, every communication has been flowing into a system that can be turned against you the moment you become inconvenient.

History is very clear on what governments do with that kind of power.

SECTION 06

The Empire in Decline

Empires decline in a predictable sequence: overextension, debt, inflation, internal polarization, loss of legitimacy. America is running all four simultaneously. The national debt has crossed \$39 trillion. Interest payments on that debt are now the single fastest-growing line item in the federal budget — crowding out education, infrastructure, and social spending. Morgan Stanley estimates the dollar could lose another 10 percent of its value by end of 2026, following an 11 percent decline in the first half of 2025 — the largest half-year drop since 1973.

The political polarization inside America is not a cultural quirk. It is a structural vulnerability. A nation divided cannot project sustained power abroad. The more resources Washington commits to foreign theaters, the less legitimacy it has at home. The more it suppresses dissent to manage that legitimacy gap, the more the international community — including allies — recalibrates its dependence on American institutions.

The historical analogy is not World War II. It is closer to the Bronze Age Collapse — that period roughly 3,200 years ago when multiple interlocking empires across the Mediterranean and Near East failed simultaneously: droughts, supply chain disruption, debt, migration pressure, and internal fracture arriving all at once. No single cause. A systemic failure of complexity. What followed was centuries of reorganization.

"The dollar does not need to lose its reserve status to destroy your purchasing power. It just needs to keep doing what it has been doing. It is dying the way Hemingway described going bankrupt: gradually, then suddenly."

— *DollarCollapse.com, 2026*

SECTION 07

What This Means for You

I am not writing this to cause panic. Panic is useless. I am writing this because informed people make better decisions — for themselves, their families, and their communities. And right now, most people are making decisions based on a picture of the world that is two or three years out of date.

Understand the financial system before it shifts under you.

The dollar's decline is not a conspiracy theory. It is IMF data. Central banks worldwide are accumulating gold at record pace and building payment infrastructure that routes around SWIFT. Your savings, your retirement account, your purchasing power — all of these are denominated in a currency under structural pressure. That does not mean you need to panic-sell everything. It means you need to think about diversification beyond what a 2015 financial advisor told you.

Pay attention to energy.

Everything downstream of energy — food, manufacturing, logistics, heating — is affected by what happens in the Strait of Hormuz and in the Gulf. The world is in the middle of an energy geopolitical reshuffling. Prices will be volatile. Availability in some markets will be constrained. This is not temporary.

Build local resilience.

The most durable thing in any period of systemic disruption is not gold bars in a safe or a bunker full of freeze-dried food. It is relationships. Community. People who know each other, trust each other, and can solve problems together. Every historical collapse we have studied — from the Bronze Age to the fall of Rome to the Soviet dissolution — was survivable at the local level by people who maintained community and practical capability.

Stop waiting for the media to tell you the story.

The war in Iran was building for years. The dollar's decline has been documented in IMF quarterly reports. The automatic draft registration was passed into law and barely covered. The surveillance infrastructure is being built in regulatory filings and government contracts that nobody reads. The information is public. The will to look at it is what is rare.

I am not asking you to agree with every conclusion in this paper. I am asking you to look at the sources, verify what is verifiable, and form your own view. The world is being restructured right now. The people who understand the restructuring will navigate it. The people who don't will be navigated by it.

That is the reality check.

— Michael Wheeler, May 2026

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This white paper represents the independent analysis and opinion of Michael Wheeler. It is intended for general public distribution as a non-partisan educational document. All source materials are publicly available. Readers are encouraged to verify independently and draw their own conclusions.
