



Prof. Mearsheimer: Iran's Missiles Shake U.S. Power

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Chris Hedges (CH): US forces launched new airstrikes last night against Iran for the eighth straight day following the deaths of two US service members at an air base in Jordan that came under Iranian attack. The deaths were the 15th and 16th among US service members in the war with Iran. The US has also reimposed a naval blockade on Iranian ports to halt its shipments of crude oil. Iran's Supreme Leader in response issued a statement calling Donald Trump's signature on the Memorandum of Understanding, which initiated the now broken ceasefire, quote, "worthless and invalid", end quote, and suspended the agreement. The latest round of strikes is ominous. They include attacks by the US on Iranian desalination plants, which remove salt from water and power plants that provide the electricity to carry out water production. Iran has responded by bombing desalination plants in Kuwait where US warplanes are based. Nations in the Gulf rely almost exclusively on desalination plants to provide fresh water. In Kuwait about 90% of drinking water comes from desalination along with roughly 86% in Oman and about 70% in Saudi Arabia. There are hundreds of desalination plants situated along the Persian Gulf. The water supply for millions of people is within range of Iranian missiles and drones. Should the targeting of desalination plants continue, it will trigger a humanitarian crisis. Iran has once again closed, for the most part, the Strait of Hormuz to shipping, US bases in the UAE, Qatar, Kuwait, Bahrain, Saudi Arabia and Jordan have been attacked. Iran has called on their Houthi allies in Yemen to close the Bab al-Mandab Strait should the US attack Iran's power infrastructure. This would block all shipments out of the Gulf, including oil from Saudi Arabia. Trump's escalation is a huge gamble for the United States, whose strategic petroleum reserve has fallen to its lowest level since 1983. Its stockpiles of missiles and interceptors are also being exhausted. After initially projecting that the war would cost \$29 billion, the Pentagon is now saying it needs \$80 billion. Once indirect costs such as increases in food and fuel prices are added, the cost to consumers and taxpayers is about \$132 billion and rising.

Where do we go from here? Will the steady escalation ignite a regional war? What will the renewed fighting do to the global economy? And will a negotiated settlement at this point even be possible? Joining me to discuss the latest round of fighting in the Middle East 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, was a captain in the US Air Force. He is author of numerous books, including *Conventional Deterrence*, *Nuclear Deterrents*, *Ethics and Strategy*, *Liddell Hart and The Weight of History*, *The Tragedy of Great Power Politics*, *The Israel Lobby and US foreign policy* and *Why Leaders Lie: The truth about lying in international politics*. So John, before we began, you made a point that last night the United States apparently did not attack infrastructure within Iran and you suggested that the Iranian attacks on desalination plants and oil facilities, we should add, in Kuwait, as well as the two bases in Kuwait that are staging areas for US warplanes may have functioned as a kind of deterrence. I just wondered if you could address that.

John Mearsheimer (JM): Yeah, let's just talk about the big picture here. This tit-for-cat strategy that has been going on for over a week now started on July 7th. And this past week, early in the week, President Trump made it clear that if the Iranians did not surrender by the end of this week, that he would then go after civilian infrastructure in Iran. He'd go after bridges, he'd go after power plants and so forth and so on. But what happened was that at the end of this past week, he started or the United States started to go after civilian infrastructure. We went after bridges, we went after power plants and we went after a desalination plant inside of Iran. Now what the Iranians did was they instantly retaliated against similar targets in countries like Kuwait. Furthermore, they ramped up the bombing campaign against Jordan and they bombed Saudi Arabia for the first time in almost four months. So they made it clear that they were gonna play tit for tat. Moreover, the Iranians made it clear that next week, if President Trump went after civilian infrastructure in a big way, they would basically shut down the flow of oil out of the Persian Gulf and out of the Red Sea and out of the United Arab Emirates, which has a very important port that's located outside of the Strait of Hormuz. All of this would be shut down. And furthermore, the Iranians would go after all sorts of power plants, desalination plants across the Middle East. So the Iranian's made it clear that they were playing hardball.

Now, when you look at these threats in the context, of what the Iranians have actually been able to do over the past few days in terms of hitting various targets in Jordan and in other places in the Middle East, it's manifestly clear that the Iranian's have the capability to target all sorts of infrastructure inside of these Middle East states and do great destruction. And both the New York Times and the Wall Street Journal have run articles in recent days about how effective the missile strikes are. So I think what has happened here, Chris, and I'm just saying, I think this is what happened, is that last night, which is Saturday/Sunday night, the American retaliation against Iran did not include civilian infrastructure in any meaningful way. They did not go after bridges, they did not go after power plants, they didn't go after desalination plants, which they had been doing. We had been moving in that direction, but that stopped last night. And the question you have to ask yourself is, number one, why? And number two, is that a harbinger of what we think will be in the coming week. Now, my guess is that it stopped last night because the Gulf states called up President Trump and said, you absolutely cannot go after civilian infrastructure inside of Iran because if the Iranians retaliate, they will destroy our societies. They will wreck our power plants. They will wreck our desalination plants. And it looks like, again, just looks like Trump listened, and then that raises the

question, what will Trump do this coming week? Because he has promised that he is going to unleash the dogs and go after all this civilian infrastructure in Iran, but he now knows what the consequences of that will be.

CH: Well, he's so mercurial, of course, it's very dangerous to predict. He could very well bomb civilian infrastructure tomorrow night. One sense is he's flailing about, of course, the entire war on Iran was built on a fantasy that didn't come to fruition, fed to him largely by Bibi Netanyahu, but it doesn't appear that there's any real strategy other than an escalation of force, and I think the naive hope that that will make the Iranians bend, but you may have another take on that.

JM: Well, I think you're right that he signed the MOU on 17 June. And as I've emphasised on numerous occasions, on numerous platforms, that was a surrender document. The Iranians won on every point. Then after signing the agreement, he decided to challenge the Iranians on the whole question of who controls the Strait of Hormuz. To me, it was very clear from article five of the Memorandum of Understanding that Iran controlled the Strait in the 60-day negotiating period and then moving forward, control the Strait would be settled between Iran and Oman. That was the deal. There was nothing about the United States controlling the Strait. But what President Trump tried to do was open a US dominated channel in the Gulf that got around Iranian control of the Strait of Hormuz. And the Iranians said unsurprisingly, this is unacceptable and it violates article five. But Trump felt confident that he could basically throw the MOU under the bus and he could engage in a tit for tat military strategy with the Iranian's where the United States would win. In other words, he seemed to believe that we had newfound coercive leverage over the Iranians after signing the June 17th MOU, but this is delusional. Nothing has changed in the dynamics of the conflict as we have seen over the past week or so. The Iranians have a formidable missile and drone capability, and there's nothing we can do about it. And the idea that we have a newfound advantage over the Iranians now that we didn't have when we signed the June 17th MOU agreement makes no sense at all.

CH: Well, the irony is that there was huge opposition from the hardliners in Iran to essentially agree to this MOU, and that raises the other issue. If there is a way, a negotiated way out, it isn't going to look like the MOU which was a surrender document, it's going to look a lot worse for the United States. Because the MOU was predicated on phases. At this time around, the Iranians are going to demand that – they have about a hundred billion in frozen assets – they're gonna want that release; they're going to want a lot of stuff up front.

JM: I agree with that. I mean, there's no question that the moderates won with regard to whether or not Iran should sign the MOU on June 17th. The hardliners said, don't sign it, you can't trust the Americans, but the moderates prevailed and then the hardliners proved to be correct. So they're now in the driver's seat as best we can tell. And it seems to me, given that we don't have a military strategy for defeating Iran that we're going to, at some point, have to move to a Memorandum of Understanding number two. And it will be the hardliners, not the moderates, who are in the driver's seat. And as I think you correctly point out, those hardliners will push forward a tougher deal, a tougher deal for Trump to swallow. I would

imagine that in addition to your point about them wanting all of those frozen assets up front, they will also demand that the Israelis get out of Southern Lebanon. If you look at article one of the 17 June MOU, it dealt with Lebanon, and it was very clear from that Memorandum of Understanding and the mere fact that the Lebanon issue was the number one issue on that agenda that the Iranians really do want the Israelis to stop bombing Hezbollah and to get out of southern Lebanon. And it could be, one can't tell for sure, but it could be that the Iranians will demand that that happen before they sign a Memorandum of Understanding. And this of course will put Trump in an extremely difficult position because as we both know, the Israelis have no interest in getting out of southern Lebanon. But the problem that we face here is that the Iranians, I think, probably have more leverage now than they had before the June 17th agreement.

I would note, Chris, that I said, not publicly, but I said privately to a number of friends who I go back and forth with on this whole issue, that I thought the Iranian's were foolish to sign the 17 June Memorandum of Understanding. I've long believed that the longer the war goes on, and the more oil that's cut off from the Gulf, the better off the Iranians are. And just to elaborate on that a bit, and this will put some meat on the bone when it comes to talking about what might happen this coming week, you want to remember that there were about 20 million barrels per day coming out of the Gulf on February 27th. When people talk about 20% of the world's oil came out of the Gulf, that 20% represents about 20 million barrels.

And since the war started, we've devolved to a situation where seven million barrels are still coming out of Saudi Arabia and the UAE combined. So, it's only, in my opinion, about 13 million barrels that have been bottled up in the Gulf. Now, where are those seven million barrels coming out of? One is that Saudi Arabia is sending probably somewhere on the order of five million barrels out through the Red Sea, not through the Strait of Hormuz, and I would guess that the UAE is sending out close to two million barrels from Fujairah, which is a UAE port on the Gulf of Oman. In other words, it's outside of the Strait of Hormuz. So you have roughly seven million barrels of oil, seven million out of the original 20 million that are still coming out of the Persian Gulf. I think the Iranians have a vested interest in shutting down the flow of oil through the Red Sea – that's the Saudi Arabian oil – and shutting down Fujairah and there's some evidence they've already shut down Fujairah because this will worsen the oil situation the global oil problem that the United States and the rest of the world faces. So if the war goes on and the Iranians are able to shut down the Red Sea, which they're threatening to do, and also shut down and keep shut down Fujairah, this will work to their advantage. It will give them more coercive leverage. So all of this is to say, Chris, if Trump does up the ante this coming week and goes after civilian infrastructure inside of Iran, the Iranians will retaliate by shutting down almost completely the flow of those seven million barrels of oil that are now coming out of Saudi Arabia and probably the UAE as well.

CH: Let's talk about Israel. Israel has not carried out strikes in this latest round, and Iran has refrained from attacking Israel, although they did, I think the Iranians attacked the port of Aqaba, which is of course very close to the Israeli border. There were Israeli officials who objected to the fact that American refuelling planes were stationed in Israel, but Netanyahu

had to override them. Let's talk about the wild card of Israel if Israel gets pulled back into this it does feel like Armageddon at that point.

JM: Well, the Israelis definitely want to stay out. They'll let the Americans wage this tit for tat campaign. I would imagine if a major air war started again, which is extremely unlikely, the Israelis would willingly participate. But I think the Israelis understand at this point that if they get involved in the fight now, if they got involved in a tit for tat conflict, then they become a giant magnet for Iranian missiles. The Israelis are surely watching what just happened in Jordan, what's happening in Kuwait, what's happened in Bahrain, and what the Iranians are promising to do in the UAE. And they fully understand that Iranian missiles invariably get through the defences. Maybe a few of those defensive missiles, those patriots will knock down an incoming ballistic missile, but most of the ballistic missiles and cruise missiles and drones that the Iranians fire at those Gulf states get through, and they will get through in Israel as well. We now know that the Israelis were not very successful in shooting down Iranian ballistic missiles and drones during the 40-day air campaign, which ran from February 28th to about April 8th Israel really got pounded and the Israelis don't want to get pounded again. So they're perfectly content to sit on the sideline and let the Americans wage this tit for tat strategy.

CH: The other issue is that the accuracy of the Iranian missiles and drones has increased exponentially from the inception of the conflict back to the 40-day conflict, largely because I think they're using or I assume they're using Chinese and perhaps Russian satellite systems.

JM: Yeah, it's not just the accuracy, Chris, it is also the missiles, in many cases, many of the ballistic missiles can manoeuvre as they're coming down toward the target and that enables them to dodge or avoid the missile defence systems that the Gulf states and Israel have. And I think maybe most important of all, it appears that both the Chinese and the Russians are supplying Iran with excellent intelligence as to where the key targets are. So in other words, it's not just the accuracy. It's not that they can put these missiles in the pickle barrel, it's also the fact that they know which pickle barrels to hit, because either the Russians or the Chinese, or both of them, are providing them with excellent intelligence. And the manoeuvrability, the accuracy that you mentioned, and the intelligence information, you combine all those things with the fact that they have ballistic missiles that have powerful warheads and you can see where they can do one heck of a lot of damage. And they are doing one heck of a lotta damage. And again, we don't wanna underestimate that they're promising to do even more damage. And when you see what they have done up to now, and you think about the promises you begin to say, these are credible promises. And this is why at the start of the show, I was saying to you that I think that this is why President Trump did not go after civilian infrastructure last night. And why he, and I want to underline the word might, might not go after civilian infrastructure this coming week. Although as you pointed out, he is flailing around, and I think your use of the word flailing is exactly the right word. He is flailing around and he is in desperate straits so nobody knows for sure what he might do this week. But it does seem that if basic deterrence strategy or basic deterrents logic kicks in that he probably won't go up the escalation ladder this week.

CH: How much damage has Iran inflicted on US bases in the region and it is all classified, so we're kind of groping.

JM: Well, it's quite clear from what you read in the New York Times and the Wall Street Journal, and these are newspapers that are deeply dedicated to the American cause. It's not like these are pro-Iranian newspapers, but it's quite clear what you read from these newspapers that we have suffered an enormous amount of damage on our bases. Usually the rhetoric in these newspapers is that almost all of the bases have been either badly damaged or destroyed. And of course, the Iranians have continued to go after those bases in places like Kuwait and Bahrain, the fifth naval headquarters are at Bahrain and the Iranians have continued to pound those headquarters and that naval base more generally. They've continued to bomb all sorts of US targets in Kuwait. Now, very importantly, Chris, just recently we started bombing Jordan, and the question you want to ask yourself is, why are we now bombing Jordan when we hadn't been bombing Jordan for most of the war?

CH: You mean Iran. Iran is bombing Jordan.

JM: Yes, I'm sorry. Sorry. Iran is bombing. Jordan. Why is Iran bombing Jordan? And the answer is that we have moved lots of military assets to Jordan because they are so vulnerable in places like Kuwait, Bahrain, the UAE and so forth and so on. So Jordan has become an important staging area. Well, the Iranians responded by going after US targets in Jordan. And this is why they ended up killing two American servicemen. They've also, it appears, wounded many other American servicemen. They've attacked one base and destroyed a significant number of Black Hawk helicopters. And they have attacked the main US air base in Jordan as well, and they are threatening to continue those attacks on Jordan. And what the Iranians are basically saying, there is no place to hide. Wherever you go, we're coming after you, and you want to understand that we have a lethal missile and drone force, and we will use that force in very effective ways, and they have demonstrated quite clearly that they have that capability.

CH: A lot of the air attacks have been concentrated in southern Iran, and there's been speculation that this is because the United States is considering seizing parts of Iranian territory, some of the islands, perhaps Kharg Island. I don't know how they would do it. I guess they would have to do it by air. I'm not sure how that would work, certainly they can't do it by ship, I think the Boxer is their amphibious, and that's, what, 200 miles away or something, but do you see that as a possibility and how would it play out?

JM: Well, I'll make a couple points, Chris. First of all, you have to ask yourself, how many combat troops – and here we're talking mainly about infantry and Marines, US army, infantry, and Marines, combat troops, people that you can use for an amphibious operation – how many troops of that sort do we have in the Gulf? Now, you'll see in the media, people say there are 50,000 American troops in the region. That's true. Those 50,000 troops are not all combat troops. And in my opinion, most of them are not combat troops; my guess is that there are at most 8,000 Marines and army troops from the 82nd Airborne in the region. About 8,000 combat troops at most. What are you going to do with 8,000 troops? It's a tiny number

of troops. If you're seriously talking about invading a country like Iran that has 93 million people, a formidable military, represents a huge piece of real estate, I mean, this is a big territory that it covers, has forbidding terrain; what are you going to do with 8,000 troops? Not only do you have to invade with those 8,000 troops, you have to sustain them, and then you have to reinforce them. This is just not in the cards. And if you listen to President Trump talk, he says that it's not gonna be American ground troops that do the invading, it's other troops from the region that are gonna do the invading, the ground operation. So I scratch my head and say, well, who is that? Are they gonna send in the IDF? No, I mean, they're bogged down in Southern Lebanon and the Israelis are too smart to invade Iran. That's not going to happen. So who's going to do it? And it looks like if anybody, it's going to be the Kurds coming out of Iraq who invade Iran, but the Kurds are not going to do that unless they're crazy. And if they do invade, it's not going to have any meaningful consequence. The Kurds are our ground force option? This is not serious. 8,000 troops in the region are a ground force option? I don't think so.

Furthermore, if President Trump were foolish enough to try and seize an island or to land somewhere on the coastline of Iran, many American soldiers would die. This would be a highly dangerous operation. The Iranians would go to great length to retaliate and drive those American forces off the beaches. And the question you have to ask yourself is what does the cost benefit analysis look like for President Trump? There'd be zero benefit, right? What is he going to gain by invading an island or establishing a beachhead on the Iranian coast. What are the gains from that? I don't see any. And the cost, the cost is that many Americans will die in what almost everybody will see as a feudal military operation. And he'll pay an even greater political price for that. So why would he do that? So I don't see any ground force option. You know, Chris, just to elevate for a second here, we started with a strategic bombing campaign, that lasted 40 days, it failed. We were running out of munitions, and despite all the talk about all the damage we were doing to Iran's missile and drone capability, that proved not to be true. So we quit after 40 days. Then we went to the blockade. That lasted just a little over two months. And then we quit when we signed the Memorandum of Understanding, because the blockade didn't work. Then Trump welched on the deal on the June 17th Memorandum of Understanding, and we started engaging in this tit for tat war, which we're now involved in, and that's not working, as we've just talked about. That's not working. Oh, by the way, we have actually reinstituted our blockade. We're back to the maritime blockade as well, which didn't work last time, but on July 14th, President Trump re-instituted the naval blockade. So we have that at play now with the tit for tat, but it looks like the tit for tat is not working out very well as we talked. So people are now talking about using land power. We've used air power, we've used naval power, that didn't work, let's use land power; this is not a serious option. If it was a serious option, we would have tried it a long time ago. We didn't try it a long time ago because it doesn't stand any chance of working. The point is, Chris, we have no military option here. This is why Trump signed the June 17th MOU, because we had no option. The Iranians were winning the war. And then the question you have to ask yourself is, have the dynamics changed since then? Is there evidence that the United States has turned the tide and that we now have found a theory of victory? The answer is clearly no. Unless you

and I are missing something and they have some secret strategy in mind that they haven't told us about. And I don't think that's the case.

CH: Isn't there always a temptation go back to LBJ in the Vietnam war when it was clear and it was cleared fairly early on in the Vietnam war that the United States was in serious trouble then you get the heavy bombing campaign in north Vietnam, that this fantasy that the escalation of force is going to solve your problem has been characteristic of these imperial adventures in Iraq, Afghanistan, and as I said earlier in Vietnam, although it's not tethered to reality.

JM: A couple of points on Vietnam. First of all, there's no question that the Johnson administration, starting in March of 65 – March of 65 is when the bombing campaign began, big time, this is rolling thunder, and then shortly thereafter, we put combat troops, this is on March 8th, 65, we put combat groups for the first time into Vietnam and we escalated and escalated up until March 31st of 1968. You remember very well that that's when LBJ, who was the President, said that he was not going to run for another term. He was clearly a defeated man. We had failed. Now, it's very important to understand that all along the way, from March 65 up until 68, the key decision makers, including Johnson himself, did not have a lot of faith in the military option that we were pursuing. They were desperate, but they were well aware that there were tremendous limits to what we could do against the North Vietnamese and the Viet Cong with military force. They were not wildly optimistic. Nevertheless, they escalated. And I think that you see a similar situation here. I think after the initial bombing campaign failed, after about two weeks, we understood that we were in a very difficult position. I believe that we will eventually discover that the key policymakers inside the administration understood pretty early in this war that we did not have a good military option. Nevertheless, we've escalated and this is exactly what happened in Vietnam.

There's no question that the leaders understood that we did not have a good military option, but they escalated. And as you remember, we ended up with about 530,000 combat troops in Vietnam. Just think about that. 530,000 combat troops in Vietnam by March of 68 when Johnson decided that the war was a lost cause and he stopped the bombing campaign. Of course Nixon and Kissinger then came in and they thought that maybe they could find a way to win the war. Nixon said that he had this secret plan to get out of the war, but not really. What he really wanted to do was see if he could greatly reduce the American military commitment and we could still win the war. But of course, that didn't happen. And we were forced to quit, that was in 72, of course, we quit. And what happened with Johnson is he quit in 68. And if you look at Trump and what happened, he quit once on June 17th. And I think what's gonna happen here is he's gonna be forced to quit again, not altogether unlike what happened in Vietnam. Again, Johnson wanted to quit March 68, and Nixon was eventually forced to quit at the end of 72. We just had no military strategy for winning against Vietnam. We had no military strategy for winning in Afghanistan. We had no military strategy for winning in Iraq, and we have no military strategy for winning here. But your point is that once you get into these things, it's very hard to get out, no question, and you look for ways to escalate and it's kind of like a wing and a prayer, you know, maybe something will happen

that we don't foresee. And if we just double down, maybe, you know, we'll be lucky. And I think there's just a lot of that going on. I think that's what President Trump was thinking after June 17th. He figured that memorandum of understanding I signed, it's a surrender document, I really don't like it I'm sure the Israelis and the Israel lobby and neoconservatives and the hawks in the United States were telling him he made a mistake signing that June 17th MOU, and he probably said, ah, let's try something else. Maybe if I go back to putting pressure on the Iranians, I can get them to cut a deal. And here we are. But again, there is no deal to be had, just as there was no deal to be had in Vietnam. If you took five of the smartest strategists in the United States, and you could ramp back in a time machine to March of 1965 and you told those five strategists it's your responsibility to come up with a brilliant strategy to win the Vietnam War the end result would be the same and if they were really brilliant strategists they would have told LBJ not to go in and if he had nevertheless gone in they would have called him to immediately get out because there was no way to win the Vietnam war. We had no theory of victory. And again, I think that most of the policymakers at the time understood that.

CH: Well, who's advising Trump? That's the question. He doesn't have a McNamara; whatever you think of McNamara, he was competent, although, of course, he led us into disaster in Vietnam. But that's the question. He's surrounded by sycophants and people like Stephen Miller. I don't know if Miller is involved in this, but of course, he has no military training. And Trump seems to be able just to decide unilaterally, I mean, Congress did pass a resolution with Republican support saying any more strikes on Iran had to be cleared through Congress that, of course, Trump has just blithely ignored.

JM: Well, it's very hard to say who exactly is whispering in his ear. And it's also hard to see whether he listens to anybody. It seems from the outside that the key force for restraint, the person, who was sort of acting like McNamara – and just to be clear, McNamara figured out quite quickly that we had no winning strategy in Vietnam. He did not act this way when he spoke publicly. He was full of confidence when he talked publicly about the war. But it's quite clear now that behind closed doors, he understood that we just did not have a winning strategy. And I think if there's anybody in the administration who fits that bill, it's J.D. Vance. It's quite that Vance was hardly enthusiastic about this war to begin with. He had real doubts. And it appears that he advised against it. And he has been the point man for dealing with the Iranians. I mean, he is the person who met with the Iranians with regard to getting the 17th June MOU in place. So it looks like Vance is the person who is telling Trump that it makes sense to cut a deal here, and as we all know, Vance has basically said publicly that he thinks that the Israelis and their supporters in the United States have been going to great lengths to sabotage the 17th June MOU and any future negotiations that might put an end to this conflict. So Vance looks like one person who's pushing in the right direction.

I don't know what to make of Witkoff and Kushner. I wouldn't be surprised if Witkoff was telling him pretty much the same thing that Vance is. I would guess that Rubio is saying exactly the opposite. You want to remember, Chris, that what Rubio and Vance say on this issue has significant implications for their chances of being the Republican presidential

candidate in 2028. I'm sure Vance understands that by being the point man in dealing with the Iranians and working to negotiate a deal with the Iranians, Vance is not going to endear himself to the Israel lobby and to the hawks in the United States. And they will go to great lengths to make sure that Rubio not Vance is the Republican candidate in 2028. Viewers should remember that when President Trump was thinking about appointing a Vice President for his 2024 run, the two choices were Rubio and Vance. And Vance barely won because there was a huge amount of pressure from people like Rupert Murdoch to make Rubio the Vice Presidential candidate, but Vance won out in the end. And these two individuals will surely be in a head-to-head competition for the 2028 nomination of the Republican Party for the presidency. And I think how the two of them act on this whole subject of dealing with Iran and working out a Memorandum of Understanding really matters for that purpose. I don't think it's any surprise that you don't see Marco Rubio deeply involved in dealing with the Iranians, he surely understands who's buttering his bread and he's trying to stay as far away as he can from getting involved in those negotiations. And of course, from his point of view, it's advantageous that it's Vance who is involved. But I do think Vance understands that we cannot win this war, that we have to cut a deal, and that from his point of view, but I think more importantly, from Trump's point of view, I think Vance believes that from Trump's point of the best thing that could happen here is just to cut a deal and put an end to this, except the fact that we've lost and walk away.

CH: I mean, how much time do we have left before the global economy craters? It's already pretty stressed out, the shortages of cooking oil in India, fertiliser, helium for microchips. I had read before the Memorandum of Understanding that some economists were saying by July that if there wasn't an opening of the Strait, that we could head for a global depression. And as I mentioned in the introduction, the strategic reserves have been heavily depleted and not just in the United States, countries like Japan as well. How much more time do we have?

JM: Let me tell you how I read the oil situation. I think what's happened is that with a set of workarounds, we have been pretty successful at minimising the damage that has been done so far. And there are three major workarounds that I see. First, as I told you before, of the 20 million barrels that used to come out of the Gulf, seven million are actually still coming out. So when people say that the flow of oil out of the Gulf has been completely cut off, those 20 million barrels have been completely cut off, that's not true, 7 million are coming out through Yanbu and Fujairah. It's Yanbu in Saudi Arabia and Fujairah in the UAE. And furthermore, the Strait has been opened up at different points and some ships have come out when that Strait was opened up, including Iranian ships, so the 20 million barrels have not completely disappeared; that's one point you want to keep in mind.

The second point is, and this is quite remarkable, the Chinese have greatly reduced their demand for oil by about five million barrels a day. It's amazing how they've done that. And how they've done it, we're not sure. But the fact is that the Chinese demand for oil has gone down five million barrels. So when we talk about those 20 million barrels coming out, there's five million, right?, five million that are not needed because the Chinese have produced their demand, and there's seven million that're coming out from the UAE and Saudi Arabia. And

then getting back to what you were mentioning, there's all that oil that's been released from the strategic reserve. And that adds up to another, maybe three million barrels a day, as best I can tell. So when you add all these things together, you can see that we have been able to weather the crisis in the Gulf reasonably well up to now. What scares people is that the strategic petroleum reserve is running down and we're running out of oil that's available in that strategic reserve to float into world oil markets. Furthermore, there is the danger, as I was talking about before, that Fujairah and Yanbu will be completely shut down and then there'll be no oil or hardly any oil coming out of the Gulf. And then there's the Chinese demand for oil, which is the wild card. What if the Chinese all of a sudden decide that they need more oil? And the demand for oil from China begins to go back to where it was on February 27th. If those three things happen, then you're in deep trouble. But it's hard at this point to say exactly how this plays itself out. I mean, for example, if President Trump continues the tit for tat campaign this coming week, and he doesn't go after Iranian infrastructure in the process, he doesn't go after Iranian bridges and power capabilities or power stations, then maybe the Iranians will not shut down the Red Sea, and maybe oil will start to come out of Fujairah or will continue to come out of Fujairah. I'm not sure whether Fujairah is completely shut down at this point. And that really matters for the overall question of oil supply. And then what the Chinese do is just very hard to say. So all this is to say, we're in a sense flying blind here.

CH: I mean really it sounds like there are two roads that we can take. One, if the United States does continue to attack infrastructure, we are headed for a humanitarian disaster in the Gulf. If it doesn't, then it leaves open the possibility of some kind of a negotiated settlement that is even more advantageous to Iran than the Memorandum of Understanding. Are those the two kinds of scenarios that face us?

JM: Yeah, I think that's right. I mean, again, I don't see a land invasion as feasible or as turning the tide. I don't think we have any meaningful theory of victory at this point in time. And I think what's happening here is that we have this tit for tat strategy or tit for tat campaign taking place between the United States and Iran. And the question is, how does it play itself out? And I think we'll know a lot a week from now. It all remains to be seen what the United States does. And I think that if President Trump does this coming week as he promised he would, which is to go after Iranian power plants and bridges and maybe even oil facilities in a serious way, then the consequences for the Gulf states will be disastrous. And I wouldn't be surprised if the Iranians even attack targets in Israel. And I think it will have a seriously negative effect on the flow of oil into global oil markets, because I think almost certainly Fujairah and Yanbu will be shut down.

CH: Great. Well, thanks John. I want to thank Diego and Max who produce the show you can find me at chrishedges.substack.com

END

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