

Mark Sleboda: Strait of Hormuz on Fire: The \$21 Billion/Day Gamble

Deep dive into Middle East escalation: US-Israel military strikes vs Iran's asymmetric warfare targeting energy infrastructure & Strait of Hormuz. Covers failed regime change expectations, Iran's decentralized defense strategy, and ongoing missile/drone exchanges driving global energy volatility. Regional spillover impacts Iraq, Gulf states, and proxy forces. Critical analysis of US munition shortages, unrealistic ground operation proposals, and dangerous escalation including nuclear facility targeting. Examines Russia/China strategic positioning, economic warfare dynamics, and lack of viable diplomatic exit ramps as conflict intensifies with unpredictable consequences for global stability, food/energy prices, and international security.

#Nima

What's going on in the Middle East?

#Mark

Something is blasting. Last time we talked, it was totally different. Right now, drastic changes are happening in the Middle East. The latest news says that Donald Trump somehow wants to go underground in Iran. They're talking about Hark Island, the southern part of Iran—sending troops, Marines there, you know, to invade Iran. So far, what we've heard from them is that they've destroyed everything: the Navy, the Air Force, the air defense system. What's your understanding of what's happening right now on the battlefield, and the whole dynamic politically and militarily?

#Nima

Yeah, there was a quote from *The Economist*—of all places—the British news magazine that's, you know, extremely pro-Western and anti-Russian.

#Mark

Mark, sorry for interrupting you. Please go to [boosty.to](https://boosty.to/@TheRealPolitic), @TheRealPolitic. That's Mark's page, and he's posting a lot of stuff there. You can find plenty of information, and I'm sure you'll enjoy it. Go ahead, Mark—sorry for interrupting.

#Nima

No, no, no, not at all. I mean, if you have a bit of a masochistic tendency for more cynicism, fatalism, and realism, then by all means. So yeah, *The Economist* had a quote last week. It was from one of their reporters who was commenting on X, and he said, "Yes, yes, evidently it's true that the United States has destroyed 100% of Iran's military capabilities. However, it's that 0% of Iran's military capabilities that is destroying Middle Eastern Gulf Arab state energy infrastructure, closing the Strait of Hormuz, and sending the global energy markets and economy into a crisis."

#Mark

Yeah.

#Nima

Yeah. The Trump administration, as it has in so many other situations, its propaganda rhetoric is of the caliber that would make Baghdad Bob blush, right? I mean, it's an absurd fantasy land. The U.S. is this absurd court of the emperor with no clothes, and no one is allowed to say— I mean, the Western mainstream media doesn't dare say, "Yeah, none of that is true." I mean, it's quite amazing. What a completely propaganda-blinded society they live in. It's quite frightening, of course, because it leads to all kinds of screwy foreign policy choices like we're seeing right now.

The reality of the situation is that the U.S. and Israel believed they were going to achieve regime change, probably within days, right? They thought that with decapitation strikes taking out the supreme leader and a lot of the top military and political figures, the regime was fragile, it would collapse, and then—something—and then regime change. I mean, that's the classic *South Park* meme of the gnomes collecting underpants: phase one, gnomes collect underpants; phase two, question mark; phase three, profit. Right? And that's the story here—phase one, drop some bombs and kill some people; phase two, question mark; phase three, regime change. Right.

Of course, it didn't happen that way, because the U.S. government operates from a caricatured assessment of all its adversaries—Iran, but also Russia and China. The "experts," quote unquote, who inform the U.S. government about these countries—and probably most countries in the world, to be honest—are anti-Iranian, anti-Russian, anti-Chinese ideologues who have extremely distorted views of the realities of these countries. So, you know, they believe that the majority of the Iranian people are just waiting to achieve freedom and throw off their dictatorship, and that if we just kill their supreme leader, that's it—it'll all be over, and then they'll have freedom and Kumbaya. They believe that. They believe their own propaganda, their own Kool-Aid.

Um, and, uh, you know, after the episode in Venezuela—which really wasn't a military success, it had very little to do with the military—it was a CIA success, where Delcy Rodríguez and Víctor López and other top figures in the Venezuelan government were co-opted or blackmailed, or, you know, whatever it is that they do. And they turned Maduro over to the United States, which is why there

was really no fighting, except for his Cuban bodyguard, evidently. And there's a reason why he had a Cuban bodyguard. The Trump administration—Trump and some of his top people, obviously—were riding a kind of neocon Viagra high coming out of that. So they had all kinds of inflated beliefs in their own power and what that power could achieve in other countries, coming out of Venezuela.

And enough of the U.S.'s top military people, including the chairman of the Joint Chiefs, Dan Kaine, tried to warn them that this probably wasn't going to be that easy—that it was going to be difficult, and it probably wouldn't work out that way. The same thing came from the CIA's intelligence assessment: that the regime would probably not fall, that the IRGC would just become more entrenched and more powerful. And, you know, that's exactly what we've seen. They wanted to believe otherwise.

Trump wanted to believe otherwise. Witkoff and Kushner, who are not only his two top diplomats—you know, Witkoff being his real estate buddy from New York and Kushner his son-in-law—but obviously they're his close advisors on everything too, right? And that kind of nepotism mixed with incompetence leads to all sorts of things. We heard from a British diplomat this week that they believed Kushner and Witkoff were essentially Israeli assets. So, I mean, that's why. Now, I don't believe that all of the U.S. was pressured, tricked, and dragged into this. I mean, Trump may act like a pure, overgrown man-child, but he's not, right? He's an adult. He's the leader of, still in many ways, the most powerful country in the world.

And the U.S. doesn't get dragged into anything—the U.S. does the dragging. So that's not to absolve Trump of any responsibility for what's happened. But the regime change didn't happen, even after the Supreme Leader, the head of the IRGC, the defense minister, and numerous others were killed. And gathering them all together in one place while the U.S. was setting up an armada off their shores—that was dumb. I mean, let's be honest. Did they have some kind of mass martyrdom pact or what? Which also doesn't make much sense, considering that all of the Ayatollah's family was there as well—his wife, his children, his grandchildren—who were wiped out too.

And you have to think, if you have some kind of Shia martyrdom death wish, it probably doesn't involve taking out your children, grandchildren, and wife as well. So, you know, why they thought they could have this meeting—I don't know. It was stupid. And, you know, Darwinian survival check—they failed. If the U.S. is sitting off your coast and has a penchant for decapitation strikes, you don't gather all your top people together. Let's be frank about that. But they did. And what they did do beforehand was that Ayatollah Ali Khamenei said each top government and military official should have a chain of succession going down at least four levels.

So there were people ready to step into all of these positions. And while the U.S. and Israel obviously believed the whole thing would collapse, instead it actually seems to have been working maybe a little better without some of those people in the top positions. They went into a mosaic defense mode automatically, devolving power to different regional commands, all operating with very little to no central oversight, according to prearranged orders and their own assessments.

Replacements stepped right into place for all of these people. For the Supreme Leader, his own son—it's a question whether he's technically an Ayatollah yet—but Mojtaba. And he...

#Mark

He is. He is an Ayatollah.

#Nima

Is he an Ayatollah? Okay. All right. So he has been declared an Ayatollah. He is, you know, what the Western media describes as a hardliner. He's worked extensively with the IRGC. Right. I mean, he is. And he is. Through his work with the whole security apparatus, you have to believe he has a firmer—shall we say—less clerical, less maybe too academic or idealistic vision of the world than perhaps his father had. He's a little more grounded in the grim reality, I would say, by everything we've heard. And you have to remember that this Supreme Leader has just had his father killed, his wife killed, his children killed in these attacks by the U.S. and Israel.

So, a bit of an ax to grind there, I would say. I mean, the chances of diplomacy at this point seem very slim to none to me—for a whole host of reasons. Not only that, but what the U.S. has done, what Israel continues doing—and Israel is continuing decapitation strikes. In the last week, we've seen the secretary of the National Security Council, who has by all accounts been running the country in military mode since the death of the Supreme Leader, Larijani—he was killed. The intelligence minister was killed. The IRGC spokesperson was killed. The head of the Basij was killed. Right. That's just in the last week. So the decapitation strikes continue.

And there's an argument to be made that Israel is actually killing off anyone and everyone—particularly those who might be seen as pragmatic. Larijani, for example, was viewed as at the very least pragmatic, you know, willing to negotiate. Because Israel doesn't want any negotiation. They want the U.S. to be forced—well, “forced” may be too strong a word—but to ride this to the end, whatever that end may be. But, you know, despite all the claims of completely wiping out Iranian air defenses, of Iran's missile launchers and drone launch facilities being destroyed and everything, we see that's obviously not the case. What are we on now—the seventieth-something round of missiles being launched from Iran? Seventy-three or so? Yeah.

Yeah. And actually, in the last few days, those numbers have ticked up—not insignificantly for missiles, for ballistic and cruise missiles—but dramatically for drone launches. Drone launches have gone up in the past few days. So, quite obviously, that's not true. I posted them on my own page; I'm sure many of you out there have seen them. These underground, hardened—well, not just holes in the ground, but very high-tech facilities underground. Iran knew this was coming. They've known it, and they built hardened underground facilities to launch their missiles, to launch their drones, to store their fast speedboats and anti-ship cruise missiles, and so forth, which makes them very hard to target and destroy. So they have enough of these, obviously, that they're able to continue.

And, you know, the command and control is working surprisingly well. Despite the claims that Iranian air defenses have been completely destroyed, in the past two days we just received word of an F-35—this vaunted stealth fighter—being hit. It possibly survived and returned to a Gulf base, but it was definitely hit. And according to the Iranians, it was hit in Iranian airspace. So, quite obviously, the air defense is still kicking. Now we're in that long-range strike war of attrition after the failure to get regime change that we saw in June of 2025. And this is exactly what I—and others in the alt media—have been warning about: the stupidity, for the U.S., of getting involved in this war, because their Achilles' heel, their weakness, is their low stockpiles and extremely low production rate of critical munitions, particularly air defense.

Right. The Patriot—the PAC-3 interceptors—and the THAAD interceptors, they make fewer than a hundred a year. The PAC-3 interceptors, something like six hundred twenty. I mean, that's nothing when you have to fire two, three, or sometimes, as we've seen in the last week, six or seven interceptors at a single ballistic missile—and sometimes still not hit it. So there's actually an open question about the effectiveness here of the Patriot system, and maybe the THAAD system as well. But it's not only the defense—the air and missile defense—but also critically low levels of precision standoff munitions, primarily the Tomahawk and the JASSM, which is an air-launched cruise missile.

And from everything you can tell, the armada—or, you know, the fleet; "armada" might be too grandiose a word—the fleet that the U.S. assembled off the coast of Iran has apparently fired off all the Tomahawks they had, or just about. And there's no easy way for them to reload. They can't do that at sea; they have to go to a base. And all the U.S. bases in the Middle East have been targeted and continue to be targeted regularly, which means they have to go to Crete or somewhere in the Pacific to reload. That's why now everything seems to have shifted to these JASSMs, the air-launched cruise missiles. But still, there's only a limited supply of those as well—just a few thousand—and that was before this conflict, with no ability to rapidly replace those numbers. Right. So.

#Nima

As long as Iran can keep stiff-arming the U.S., maintain some semblance of air defense, and force them to operate outside Iranian airspace—so they have to use these standoff missiles they have low numbers of—that's very good for Iran. And that's, by and large, as far as we can tell, what's happened so far. Now, if the U.S. manages to achieve some level of air dominance over Iran, then they can switch from the standoff precision weapons they have very limited numbers of to ordnance like the JDAM, which are old dumb gravity bombs fitted with glide kits. They have to be within about 40 nautical miles to launch those.

So, in or very close to Iranian airspace—depending on what you want to hit, where in Iran, like, inside Iranian airspace—and they have effectively infinite numbers of those. And when Donald Trump made those bizarre claims about having enough munitions, that's what he was actually

talking about. That's how he interpreted whatever was explained to him. Now, that would be very bad for Iran. If they can fully switch to using JDAMs or even old dumb gravity bombs, then they can just bomb and bomb and bomb Iran for months. It would be a very bad situation for Iran. But that is not the situation as of today, three weeks into the conflict. We've seen that air defenses are still taking down drones.

They're taking down F-35s, so they've still got something left and kicking. And that's keeping the U.S. outside Iranian airspace, which is good for Iran. The way Iran has responded is not only by hitting Israel this time, but also by hitting all of the Gulf state vassals—well, allies, you know, the Arab Gulf state allies that host U.S. military bases, which is practically all of them and which have been used to launch this attack. They've been following an escalatory plan, an escalatory ladder: if you hit our energy facilities, we hit your energy facilities, right? And this is coupled with the de facto closing of the Strait of Hormuz, at least to all Gulf state and Western traffic.

Now, Iran's own traffic is still going through the Hormuz. According to some reports, they're actually exporting more oil through the Hormuz than they were before the conflict. Chinese-bound tankers are going through, some Pakistani, some Indian. So anyone who's not part of the West can make arrangements. The combination of the damage to the energy infrastructure of these Gulf state countries and the closure of the Strait of Hormuz—this is Iran's sanction option. This is their nuclear option. They're waging an asymmetric war against the United States and Israel. Their job is to make the energy markets scream, thus making the global economy scream, until Trump and Netanyahu stop. That's their whole game right now.

And it's an enormous amount of leverage. The U.S. has no ability, right, to unblock the Strait of Hormuz. The U.S. Navy—Trump made comments about it like a week ago: "Oh, we're going to clear it out, we're going to escort ships." And the Navy's like, "No, we're not." You see how long that coastline is against Iran to get into the Strait of Hormuz? We'd be hit by drones, missiles, anti-ship cruise missiles, and sea mines if they laid those—anything. I mean, there's so much. And the Navy's like, "No, we're not going in there. That's a death trap. We've war-gamed that out. It doesn't end well for us." And then Trump tried to get all of his allies—or ostensible allies—the UK, France, Japan, South Korea, even China—"Oh, you all have to go in and free the Strait of Hormuz."

And everyone's like, "Yeah, no, you got this." And he was furious. I mean, he's throwing petulant fits like a child—threatening NATO, all of that. But the reality is, the U.S. has hit another geopolitical hard limit. Right now, Iran has escalation dominance in this conflict by keeping the Strait of Hormuz closed and having the ability to inflict damage on the energy infrastructure of the U.S.'s Gulf state vassals, allies, and so forth. This really came to a head in the last 48 hours when Israel and the U.S.—take your reading—attacked Iran's South Pars gas field. This is the largest gas field in the world, so it's a big deal. And this gas field, I mean, it actually runs under and is connected with Qatar.

The Iranian side calls it South Pars, but it's actually the northern part of that field, south of Qatar. And what Iran immediately hit in retaliation was Qatar's Ras Laffan LNG facilities, where they

destroyed about 17% of Qatar's LNG liquefaction and refining capacity. Now, their whole LNG operation was already shut down because of the threat of drone attacks and everything else. They're the second-biggest exporter of LNG in the world, which has sent gas prices through the roof in Europe and in countries like South Korea and Japan that rely heavily on it. But now this is permanent damage, right? They're saying the damage is extensive—this isn't something they can just replace or repair overnight.

This cost them tens of billions of dollars to install, and it took them years to do it. So even if this conflict ended tomorrow, the gas markets wouldn't return to normal for years. Now, Trump immediately backed off and blamed it all on Netanyahu. Meanwhile, the Israelis say the U.S. was fully involved in the whole affair—and that's probably true. It seems that Trump, for some reason, didn't believe the Iranians would strike back right away with their own escalatory playbook, but they did. And the markets went insane—the energy markets went insane. The U.S. said, "No more attacks on those things. Not yet, anyway. Stop, stop, stop. Israel, stop."

And then more threats in Iran. But quite obviously, what Trump was doing was backing down, right? Because he was afraid of Iran's further retaliatory strikes and how that could play out for years into the future. Iran has a whole hit list—an escalatory hit list—of facilities all over the Middle East they can target. As the U.S. and Israel step up the escalatory ladder against Iran, Tehran can move up that ladder too and permanently cripple the energy and trade markets in the Gulf, which of course would affect the whole world. And this is amazing—until now, really, or maybe the last year—you could maybe count China's use of rare earths as leverage against the U.S. as well.

But until the last year, really, the U.S. had this position as the hegemon, right? They weaponized their economy and the global financial architecture they controlled against other countries—with sanctions, with cutting off SWIFT—all this existential economic warfare they waged against Russia. And Russia weathered it, but they didn't really have the means to strike back directly. Well, Iran is in an existential situation, and they do have the means. They've hit back at the global energy markets, the global economy, and weaponized that same global economy against the United States. And they've called into question the entire relationship between these Gulf Arab states and the United States, because supposedly the U.S. is there to provide them security.

And the opposite is happening. They're being targeted because the U.S. is there, using the facilities those countries provided. So this has enormous global economic and potentially world-order-changing consequences—like the conflict in Ukraine, but especially in terms of energy and related issues, maybe even to a greater extent. This is amazing. The conflict has already spread across the entire Middle East and beyond. We've seen actions from Sri Lanka all the way to Crete—that's how far it's reached. And in the north, from the Caspian and Georgia all the way down to the southern points of Saudi Arabia and the Gulf states. This is a regional conflict that's spread horizontally so fast, involving so many countries.