

Matthew Hoh: What the Pentagon Is Hiding About the Blockade (Missiles Are Depleted)

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#Nima

Hi, everybody. Today is Wednesday, April 29, 2026. And our dear friend, our brother, Matthew Hoh, is here with us. Welcome back, Matt.

#Matthew

Hi, Nima. Good to see you.

#Nima

But let me start with what was asked. You know, they were asking Pete Hegseth, you know, the representatives, they were asking Pete Hegseth how he feels about the war and is the United States winning the war? And here is what Pete Hegseth responded.

#Speaker 03

Oh, and do you think we're winning?

#Speaker 04

Militarily, on the battlefield, it's been an astounding military success. But are we winning the war? Absolutely.

#Speaker 03

Okay, so do you call Iran closing the Strait of Hormuz a win?

#Speaker 04

Well, I would say the blockade that we hold, that doesn't allow anything to come in or out of Iranian ports, is always in our portfolio to use.

#Speaker 03

So they blockaded us, and then we blockaded their blockade. That's like saying, "Tag, you're it." Or if President Madison had said, "Well, the British just burned down Washington, but don't worry, we're going to burn it down as well."

#Nima

You know what's amazing? Here is the report from the Wall Street Journal, Matt, that Trump doesn't want to resume bombing Iran or walk away from the conflict. He will continue an indefinite blockade on Iran. This is the policy because Pete Hegseth had mentioned the blockade, and your understanding of the way the Trump administration tries to convince the people in the United States or around the world that they're in a good position right now.

#Matthew

And that's no different, Nima, than previous administrations. I mean, Hegseth may be cartoonish and clownish, but is he really any different than any of the secretaries of defense who sat in hearings like that throughout the Iraq and Afghan wars and insisted that the United States was winning in Iraq, winning in Afghanistan, right? I mean, I've got a list of what the generals said in Afghanistan, one after another, you know, saying how they're making progress, that there is a light at the end of the tunnel, that they were winning. I mean, one general after another. So Hegseth isn't any different than his predecessors. The Trump administration, I think, knows the reality here. At least those who, unfortunately, aren't advising President Trump directly know the reality.

And we saw this through the leaks that occurred last week by the Pentagon to, I would argue, the three most reliable mainstream media outlets for the national security establishment — The New York Times, CNN, and NBC News. And you saw the first leak to The New York Times saying what the Iranian missile and drone stocks were, right? So, well above what had been the narrative for weeks upon weeks, the last two months essentially, that the U.S. and Israel destroyed Iran's missile and drone fleets and their ability to manufacture them, as well as their ability to launch them. And this New York Times leak — this leak from the Pentagon in The New York Times this week — completely demolishes that.

Followed by, a few days later, a leak to CNN where this gets into the stocks of American weapons, both offensive and defensive, and the American THAAD and Patriot missile defense interceptors being at below 50%. And this is something that, you know, folks on your show have been talking about before the war even started, right? You know, the people who are listening and watching, they know this. But the fact that this is being said by the Pentagon to CNN — that we're in this place, we have less than half of our THAADs and Patriots left six weeks after the war started — right? So, you know, you do the math, and, oh, it does not just mean the Iranians can keep doing

what they were doing because they've got plenty of missiles and drones and just keep doing what they're doing.

Recreate the last six weeks, but go for a seventh week and the Americans will be out of missiles. Right. I mean, that's being glib and being simplistic. But, you know, the point is there, as well as the low stocks of American aircraft, offensive weaponry, particularly standoff munitions like the JASSMs, meaning that the Americans can't simply fire off missiles from hundreds of miles away. They have to put aircraft over Iranian skies. This is something that many of us have been saying for the duration of this war — that the Americans do not have air supremacy. It's only localized. They certainly do not have air dominance, that's for sure.

But American airstrikes with manned aircraft over Iran seem to come either from B-2s dropping bombs at high altitude or from, I would imagine, pretty large packages of airstrikes involving heavy, what's called SEAD components. SEAD stands for Suppression of Enemy Air Defenses. So if you have an airstrike of, say, six or eight fighter aircraft doing the bombing, you might have twenty-some-odd or thirty-some-odd other aircraft in support of just those six or eight, or four or six or eight aircraft, to make sure the Iranians can't shoot them down. I mean, that's the reality. And we saw a few weeks ago what happens when Americans put low-flying aircraft into Iran.

They get shot down, they get shot up, and they end up as burning carcasses on the floor of the Iranian deserts. You know, I mean, so this is what CNN is putting out. And again, just a couple of days after the New York Times leak — the Pentagon leak to the New York Times — and the third one we saw was the leak to NBC News over the weekend, with the long description of the damage done to the American bases throughout the Persian Gulf by the Iranians, right? And we all know those bases have been evacuated. Again, people watching this program, they're aware of the extent of the damage to those bases. But for NBC News to report it in the way they did, consolidated like that, totaling it and summing it up, really quite striking.

So you look at this and you say, wow, the Pentagon just leaked this about how many missiles and drones the Iranians have left, how few missiles we have left, and the amount of damage that the Iranians did to our bases in the span of a week. You know, I mean, so that's the Pentagon trying to cover their ass essentially as well, because you start seeing that coming out of D.C. quite a bit right now — this narrative shaping, who's going to take the blame. You know, you see various institutions as well as individuals starting to say, you know, I didn't agree to this, I said all along we shouldn't have done this. Right. You're going to start seeing those stories come out. But I think what you saw with these leaks to The Times, CNN, and NBC News was a very determined effort by the Pentagon to undermine any public support.

And that includes congressional and media support for a continuation of this war. And so I think what you're looking at is the Trump administration trying to find a way to save face, trying to find a modus vivendi, a way to continue this. And so I think — I wrote about this on my Substack last week — I think you do have the opportunity in this indefinite ceasefire, in this frozen conflict, for the three

main belligerents, but especially Iran and the United States, to walk away right now saying that they got wins, right? That they got enough out of this stuff, out of this war, to provide to their constituencies, to provide to their publics this narrative that they did well enough in this war, that in Trump's narrative, it would be that they won the war.

The Israelis, I think you can argue that their conquest of Lebanon should be good enough for them, but the political pressure that Netanyahu is under right now, I'm not sure if they can manage that. But certainly for the Americans and for the Iranians, this idea of this indefinite ceasefire being a modus vivendi, a way forward, a frozen conflict they can live with, I think is something that I would — you know, we're dealing with Donald Trump and Benjamin Netanyahu here — I wouldn't put a whole dollar on it, but I would put 70 cents or so on the dollar that this is what we see. We basically see a continuation of the ceasefire. You know, that's what I've said before. The idea of the Americans, they get to a point where we're treating Iran like we treated Iraq in the 1990s — I don't think that's going to happen that way, but I think that's what the American thinking is geared towards.

#Nima

Matt, the latest report, as you mentioned, was on CBS News. And they reported that — as you mentioned, not ABC News, it was CBS News — they mentioned this report about the destruction. I don't know if ABC News also reported on that. Maybe you have read it.

#Matthew

I thought that was NBC, but maybe it was CBS or whatever. But one of the three, I mean, one of the big three American networks, pretty sure that people haven't read it. It's, you know, if you take it as this is coming from a loyal mouthpiece of the American empire, wow, there's a message being imparted here. Yeah.

#Nima

Yeah. And because I have read on CBS News, in the report that they provided, that Iran, in the initial days of this war, used F-5s to create and hit the targets. You know, this is the moment that they have everything. They have the radars. They have the air defense system. Right. I think it could be the same day that the air defense system in Kuwait hit the F-15s. It could be some sort of chaos because...

#Matthew

If you refer back to that initial day when that Kuwaiti Air Force pilot shot down those three F-15s, Central Command, U.S. Central Command, did make mention of Iranian aircraft attacking Kuwait. And I think a lot of us noted that. And now we have that confirmation that it was an Iranian F-5, which dates from the 1960s.

Very low-budget, very low-tech aircraft, small, very maneuverable, but it should be nothing against Kuwait. Our aircraft, it should be nothing against an F— in the F-15s, the F-22s should never allow that to get out of Iran, right? You know, and then as well, too, the idea that this thing wasn't shot down by American or Kuwaiti air defenses, but we ended up shooting down— I mean, it just, I think that's such a great little story, right? That perfectly encapsulates this whole thing, right? This whole mess, the hubris of the Americans, the mindset that this massive amount of money that we invested in all this technology, in all our massive bases, in our supercarriers, et cetera, and you've got an Iranian F-5, you know, getting through it all and bombing, you know, whatever it bombed, I forget what you said it bombed, but yeah, penetrating that airspace.

But, you know, the point being is, like, that's a great little story, but the big story is the drones and the missiles. And the bigger story of that is Iran's ability to continue to build those drones and missiles. If you go back, we look at the expenditure rates, how many drones and missiles the Iranians were firing every day for six weeks, essentially, take away the first day or two of the war when they had that initial big surge or big expenditure in the first day or two, which included a lot of decoys, likely. You're looking at the Iranians firing between 100 and 125 drones and missiles on average, about 100, 115 drones a day and 5 to 15 ballistic missiles a day.

And then you compare that to what we can understand as their capacity to build those. And certainly, I don't think they can build 5 to 15 ballistic missiles a day, but they certainly can build much more than that. They can build that in a week. How many can they build in a month? They can sustain it, particularly if the stocks that they have are at 70% of what they had at the start of the war. And those whole numbers are speculative anyway because there's no way the Americans actually know those numbers. And so what you're probably getting then is an optimistic estimate from the Americans as well.

So I think that number, the number that was given, was that the Iranians are down to 70 percent of their missile fleet. I would say it's probably about 80, 85 percent. And how few of those missiles that the Iranians went through were destroyed by the U.S. and Israelis? Probably very few. You're probably just looking at, you know, how many they actually shot off. So we can do pen-on-paper calculations. And if we estimate how many missiles they can produce a month, you know, in the tens, right, then you can estimate that over two months they fired, they lost 30 percent.

I mean, you can now pretty much map this out, that they can sustain those missile attacks into the fall. The drones are a whole other story, because we have to believe the Iranians can produce at least 100 drones a day. We have to believe that. I mean, they probably can produce even more. The

numbers that they're at 40%, again, I think are optimistic on the Americans' part. But we can also look and say, yeah, they fired a hell of a lot of drones. So you look at that then, if you say, well, if the Iranian battle plan is to fire 100 drones a day to continually degrade and wear down American, Israeli, and Arab defenses, well, the Iranians can produce 100 drones a day, at least. So essentially, they can keep that up indefinitely, forever.

And then you juxtapose that against, you know, the Americans last year produced 96 THAAD missiles, right? They produced, I think, 600 Patriot missiles last year. And there's all this talk, all this assertion from the weapons companies about how they've quadrupled their production rates. We'll see that four years from now, if we ever see it at all. I mean, so you do the math on that, you do the pen-on-paper calculations, and you realize that, look, if the Iranians can keep firing the missiles at their current rate, like they've done the last two months, for six more months, and the drones indefinitely, you reach a point then, you know, by sometime in the summer, where the American, Israeli, and Arab air defense systems run out of missiles.

Right. It's not a very difficult calculation to make. And I think that should be what's staring us all in the face, is that understanding. One other thing, too, I just want to point out, since we're talking about the munitions right now, is if people go—I would encourage people to go and do this—go and look at how poorly American weapons companies' stocks have done in the last two months. Normally, something like this should be a bonanza, right? Normally, in a war like this, Lockheed, Raytheon, Boeing—they should be, you know, as we'd say in the Marine Corps, riding the gravy train with biscuit wheels.

You know, I mean, this should just be a bonanza for them. And then you go and you look, and their stocks are down over the last two months. And the reason why those American weapons company stocks are down is because the world is looking at this poor performance, this underperformance, this failure by the American weapons companies to provide weaponry that actually works, that does what they say it's going to do, but also actually be able to provide it in a timely fashion so that the militaries can actually use it. And that's why we're seeing, among other reasons, those weapons stocks are down.

#Nima

Actually, today they reported that we finally have the official number when it comes to how much they're spending on this war, Operation Epic Fury. Here's what they said.

#Speaker 05

As of today, we're spending about \$25 billion on Operation Epic Fury. Most of that is munitions. Part of that is obviously O&M and equipment replacement. We will formulate a supplemental through the White House that will go to Congress once we have a full assessment of the cost of the conflict.

#Speaker 06

So you're saying the full cost at this point is \$25 billion? Yeah, that's our estimate for the cost.

#Nima

Is that the cost on the part of the United States, or together with Israel? Or how honest is that, the way he's talking about it?

#Matthew

I'm sure it's honest because they're putting a report into Congress, and it's honest with all types of caveats and asterisks attached and all types of estimates provided. And I think they can't know right now. The costs, I think, are their low-end estimate. And I think if you were to get a hold of their paperwork, you'd see high-end estimates as well as kind of a median. And just because of how warfare works, just because of what we've seen in the last 25 years with warfare.

I think that people like Linda Bilmes up at Harvard, Stephen Semler at the Center for International Policy, Bill Hartung at the Quincy Institute, you know, the Institute for Policy Studies, National Priorities Project, all these people who track this stuff, you know, the Brown University Costs of War Project, they're all saying this is \$2 billion a day, that this war should be—that this war, you know, the actual calculation for it is more like \$60 billion at this point than \$25 billion. But we are all used to the Pentagon. I don't want to say lying, because I'm sure they've got the paperwork to show that this is, you know, somewhere you'll find in a footnote what the actual number is. But no, I should say they are lying. I mean, he's getting up there and they know that this is a very low-end estimate.

And we'll see the truth of that when the supplemental comes, Nima. So if the supplemental comes and they're asking for \$200 billion, well, then you know that that \$25 billion was much, much less. One of the things that they do—this is something that Linda Bilmes at Harvard talks about all the time—is that they'll give the cost to replace the F-15s that they lost, right? They lost four F-15s. They'll give the cost to replace that in the dollars from when they originally purchased the aircraft, right? Right. I mean, so the replacement—and I don't know if they're making, some of them were F-15Es. I think, I don't think they were the EX models. So I don't even know if they're making F-15Es anymore. If people know, they can, you know, please let me know in the comments.

But, you know, they're using the cost for an F-15 purchased in 1999, say, or a 1998 F-15E. And that cost might have been sixty-five million dollars. The reality is, though, that they're not replacing the F-15s anymore with F-15s, or F-15Es with F-15Es. They'd be replacing them with an F-35, which, if you go by the propaganda, the F-35 is \$100 million. But if you actually go by what the GAO, the General Accounting Office, says the F-35s cost, you're looking at a true replacement cost of about \$200 million for each F-35. I mean, this is—I don't want to get on a tangent here—but the deceit, the duplicity involved in all this is just breathtaking.

Just one example. If you go and you look at the Pentagon reports on the F-35 program and what the costs are, you'll note something curious. You'll see that the F-35s are priced in 2013 constant dollars, which means that the F-35 first came into operational use in 2013. Rather than adjusting the cost of the program for inflation, as any normal, non-corrupt, honest, proficient organization would, the Pentagon keeps the price of the F-35 for its reporting to Congress tied to the 2013 value, which is just absolutely insane because you're not actually dealing in real money. You're dealing in what the program cost 12 years ago.

So the idea being is that if it now costs, say—and another thing the Pentagon does too—it doesn't include the research and development costs for these aircraft, which tack on hundreds of billions of dollars. That's why I'll say the cost will be put down as \$100 million, but as the GAO says, when you include the research and development costs, you're looking at those F-35s approaching \$200 million. I mean, when you look at the program in its entirety, you know, 1,000 F-35s for \$2 trillion is essentially what it is. That's what it comes out to. You know, it's the same with the B-21 bomber program that we're looking at here. They want to purchase 100 of those aircraft.

If you look at what is publicly said about it, they'll say, okay, the price is going to be \$100 million per aircraft. But when you look at the actual ticket price of it, it's a \$200 billion program. All right, and you're buying 100 of them. That means these aircraft are \$2 billion apiece, right, or whatever the number is. I think maybe they say they're half a billion dollars, whatever it is. But, I mean, you see this duplicity throughout. And so when you get the acting comptroller speaking about the cost of a war that is totally encased in lies, we can't expect him to be offering anything other than that. And so, yeah, that \$25 billion number, I think that will be reminiscent of what the Bush administration said the Iraq war was going to cost in 2002.

#Nima

Matt, there are reports that Lockheed Martin is producing a new air defense system for drones. And just looking at the—I don't remember the exact, you know, budget for producing these air defenses—but it's a fortune, you know, to produce that. And looking at the interceptors and all they can use, it's just worth it to hit one of those drones, American drones that cost more than two F-35s. None of these drones that Iran is using—you know, I don't know what the logic is behind producing these sorts of weapons. It doesn't make sense. You want to produce something just to hit the type of drone that you possess, not the enemy possesses.

#Matthew

Well, oh yeah, I mean, we could have a whole show, Nima, on procurement and testing. I did a bit of that in my time, you know, during the Iraq war. I was the lead for the Joint IED Defeat Organization. I was a lead on the team, and we were—this was in 2008—we were the team that was trying to find technologies to see suicide bombers. So, what do we have out there that we can use to see a bomb underneath somebody's shirt? And, you know, the amount of what I learned about

the procurement program, about the industry, about technology, testing, all those things, is, as people can imagine—because you saw the results of those wars—as corrupt as you can expect. But I always remember this: we tested probably 25 different devices to see if we could find something that, again, would see a bomb under somebody's shirt, essentially.

And I went up to, you know, we had all these tests, and all the vendors would come in with their equipment, and we'd run them through it all and everything. And at the end, we found that only two systems that were provided out of 20 or 25 or 30, or however many there were, were able to locate a device under somebody's clothing. And that was a pretty simple, straightforward device. If they had it on their back, or if they used to disguise it in any way, or if they had multiple attackers or decoys or whatever, there'd be ways to defeat this, of course. But just finding a bomb with metal on it under someone's shirt, you know, there were only two things that worked. One was the big scanning machines that you would go through at the airport, right?

So those imaging devices, those work very well. They have to be in a climate-controlled environment. They can't get any dust in them, you know, so they're not suitable for our purposes. The other was, though, just the \$3,000 metal detector that we have all around the world—just the portal metal detector you have at your courthouses, you know, at sports stadiums, at whatever. That worked the best in 2008 out of all the technologies the U.S. government was able to assemble to find suicide bombers. And it cost \$3,000. And when I went to go brief our vice director about this and I told him what the cost was, he stopped me. And Dr. Casey—his name was a great guy—and he said, you don't understand. You don't get it.

There's no way you're going to come in here and come into this program with the billions of dollars we have in cash, with all the assembled documents, with the assembled industry, with all the assembled vendors, and say you want to purchase something for \$3,000 a unit. No one's going to allow you to do that. It's too cheap. That's not the way the system works, right? You know, I mean, and that's the idea—that the military-industrial complex in the U.S. is not geared to provide equipment or weaponry or munitions to benefit the warfighter or to provide for America's interests. It's meant to provide profit for those corporations, you know. And so he asked this question then about how come you'd be willing to spend all this money on these counter-drone systems to destroy drones that are a fraction of the cost, right? I mean, because that's how you make the money. That's what the system is about. That's the purpose of the military-industrial complex. Right.

I mean, so this idea of—we just saw Iran destroy 13 American bases in the Middle East defended by billions of dollars of technology, right? Whether it be the radars, the fighter aircraft, the missile systems, the communication systems, etc.—with drones that supposedly cost \$20,000. And I've seen a lot of estimates that say—not a lot, but I've seen some estimates say, no, those drones cost maybe \$2,000 or \$3,000. I mean, and you just say, look at this mismatch, right? And this is one more example of why this war is a 20th-century war versus a 21st-century war, right? This is the Americans trying to maintain the past, trying to maintain their imperial order, their American century, versus this new multipolar world. And when we pull that apart, we look at the various

components of it, you're seeing that. You're seeing Americans using methods, using tactics, using equipment that is dated, that has been surpassed, that belongs to the past. Right.

So now you have these twenty-thousand-dollar drones, or five-thousand, or whatever they cost, that you can mass-produce overnight, destroying radar systems that cost a billion dollars and take four years to build. Right. That's why you can see the Navy's aircraft carriers, which cost fifteen billion dollars apiece now, not able to get within a thousand kilometers of the Iranian shoreline, because the Iranians are able to mass-produce anti-ship missiles internally. They don't need anyone's help for it, that these fifteen-billion-dollar aircraft carriers have no defense against, right? And again, it's another thing—we could do a whole program on this.

Just go through the war and see that matching of the 20th century versus the 21st century, and the fact that the Americans—which I think is apt here, it's part of, I guess, the life cycle of empires—just don't get it, right? They're so imbued with their own entitlement, with their own hubris, that they have no awareness of what the world actually is, of what the world is actually like, of what an adversary is able to accomplish. Because in the American worldview, no one can stand up to us. I mean, I saw this all the time in Iraq and Afghanistan: there's no way these people can defeat us. And that's the attitude that's in Washington, D.C. right now—there's no way these people can defeat us.

#Nima

Matt, today one of the representatives asked Pete Hegseth about, you know, he said the situation that the United States is in is a quagmire, which was outrageous for Pete Hegseth. He said, how dare you say that? Because, you know, if there was a quagmire, it was in Iraq, in Afghanistan—I was there, that was a quagmire—but what's going on with Iran is not anything like a quagmire. But when it comes, it seems that, Matt, the latest Iranian proposal, I would say, has basically three steps for negotiation. The first step would be putting an end permanently to the conflict, to the war, not only between Iran and the United States, but also Israel and Lebanon. This is the first step. The second step is going to be the Strait of Hormuz, and the third step is going to be, you know, the negotiations they had before this war started about the nuclear program of Iran.

#Speaker 05

I don't see the first step happening anytime soon, or anytime at all.

#Nima

It's impossible for that to happen. So they're not going to get to the nuclear program or the Strait of Hormuz. Right.

#Matthew

That's why I think this indefinite ceasefire, this frozen conflict, is likely the way it plays out. The status quo continues. I will agree with Pete Hegseth. I would not characterize this war as a quagmire, because a quagmire is something that you're stuck in. I would characterize it as quicksand, right? Something that you're sinking in, but you still have the opportunity to get out if you are smart about it. And that's what the Americans have here. I mean, we are, I think, as I read stuff from the energy markets or from the shipping companies, from financial analysts, right? And they're all in line.

They're all in step, basically saying, look, if this thing ends now, we've got a bunch of months ahead of us where things are going to be difficult for us, but it's nothing that we can't recover from. But if this continues, whether in its current form, it will be ruinous. We'll go into a recession, and we're all around the world going to have really great inflation to deal with. Or if it goes back to the war and the Iranians do what they say they're going to do—you know, for every oil storage tank of ours you blow up, we're going to blow up four of yours kind of thing—if they do do that, or if it's even just parity, we're looking not at recession, we're looking at depression. And that's certainly my view, too.

So, you know, this ability, though, to get out now is there. The ability of Donald Trump to declare victory and go home, he possesses. Now, whether the Israelis would go along with that, again, whether Lebanon is good enough for them as they have it, you know, is another thing. And we've seen in Israel, right, Yair Lapid and Naftali Bennett combine forces to challenge Netanyahu in the elections, which may be as early as June. I'm not sure when they're scheduled for, but they have to be done, I think, by October. So you're looking at, and you look at what they're saying, and of course, they're saying that Netanyahu is corrupt and should be in jail, which is true.

But the thing that they're really hammering on about, among others—there are other things too—is this idea that the ceasefire in Lebanon is a disaster. Now, it's not a ceasefire, as we all know, and it's not a ceasefire as any of us expected it would be. But this political pressure on Netanyahu to continue the war in Lebanon, as well as then the dinging that they will have on him that he didn't accomplish the mission, he didn't carry out the regime change in Iran that he promised everybody—that's a political problem for Netanyahu. So I think where Trump can get away with saying, we won, right? We bruised them, we put the Iranians back in their place.

No one has ever stood up to the Iranians like I have. We killed off their entire leadership. Ronald Reagan never did anything close to this. You could see Trump saying that and being okay with that, right? You know, but with the Israelis, is there that ability for Netanyahu to do the same, particularly with the elections coming up? I think really Netanyahu and his people thought that this war was going to be a success for them in many ways, one of them being, particularly with the extension of the war into Lebanon, which is so popular in Israel, that that would play right into their elections. And now he's got this issue where the Americans maybe don't want to continue this war.

And now he's politically vulnerable because it's a war that his opponents are saying ended too early or that the Israelis haven't won. So I think the Israelis here can be a spoiler in this process of this

indefinite ceasefire becoming just essentially the way it is. But you're right, that point, though, about a permanent end. Even if we were to get that, even if we were to get an agreement now, what happens in three months? What happens in six months? What happens in a year? You know, when it becomes desirable for Israeli and American politicians to begin the war again. So, you know, but, you know, let's leave it at that because we could also talk about what the Arab states are going through and everything. But, yeah.

#Nima

I think Netanyahu, what he's facing in Israel, it's huge sort of economic difficulties they have right now. Huge, huge. Because I've seen many reports from Israel, and the former head of Mossad said that Netanyahu is failing on each and every objective he had. Regime change in Iran didn't work. The Strait of Hormuz is under the control of the Iranians. The nuclear program—there is no sort of understanding of what would be the future of the nuclear program in Iran. These are basic points for Benjamin Netanyahu and his administration right now.

#Matthew

Right.

#Nima

And how is that going to, Matt? You've mentioned the case of GCC countries. If you want to mention something about Israel, you can answer that. But you can add it in your comment on my question about GCC countries and the situation they're in. We have two countries basically in these Arab states — Saudi Arabia and the UAE. They're basically fighting each other. Nobody's talking about it, but they're fighting each other, not only in Yemen, but in Sudan. And right now, with the case of the UAE wanting to leave OPEC+.

#Speaker 03

Right.

#Nima

And so how do you see the situation? Because there are many—it's not at all about Iran and Iran attacking. It's about the differences between themselves.

#Matthew

Right. You also have the very precarious circumstances for countries like Qatar, Kuwait, and Iraq, which have basically all shut down their oil and gas production, which have very few trade routes

available to them. You know, unlike the Iranians, who, I mean, as people have probably seen, the Pakistanis are offloading Iranian ships heading to Karachi, putting it all on trucks and driving it into Iran. You know, is that cumbersome? Is it difficult? Is it expensive? Yeah. You know, is it doable? Absolutely. Was it something that should have been foreseen and understood as what would happen? Absolutely. You know what I mean?

But, you know, by and large, the Kuwaitis, the Qataris, the Bahrainis, you know, the Emiratis, even to a certain degree, too, don't have those routes. And we saw the Emiratis last week come to the United States and say, hey, we need a currency swap. You know, show up with a piece of paper, it's got the sense doorstep, a bill saying this is your war, this is what's costing us, we need a bailout, essentially, just like you did for your buddy Milei down in Argentina last year. You got to do the same thing for us, right? I mean, so you're seeing the effects that are having on these countries, and then we can imagine what the effects are going to continue to be.

And now these countries are being put in a position where essentially the Americans are using them to play chicken with the Iranians. We bet the Iranians are going to collapse before the monarchs in Kuwait and Qatar and Bahrain, et cetera, are going to collapse, right? I mean, so you have this stress that has been put into the GCC where, of course, these monarchs all basically owe their seats to the Americans over the last eight decades or so. But now they're finding that, well, this was a deal with the devil. This was a deal with, you know, the drunk at my local bar kind of thing. Like, this guy was never going to own up to it. He was never going to pay up. You know, why did I ever think I could depend upon this guy?

So you had America, which was supposed to be the guarantor of these countries, not just of their security but also of their economies, by ensuring that nothing like this would ever happen. The Americans were supposed to never allow something like this to happen—the shutdown of these economies like this. And here we are, and now the Americans are again playing chicken with the Iranians, using them as their buffer. So not just were these states military buffers, but they also serve as economic buffers, right? Because these states are going to collapse before the American economy is hit as hard as it would need to be hit for the Americans to really feel the pain, you know what I mean?

So you have to look at this if you're there and say, is this the right way forward? Now you add into the mix then that these countries don't like each other, you know? So the idea of like, well, why don't they just get together and form their own club basically and have, you know, it's just not going to work. They're just not going to do that. And hostility, warfare, as you rightly called it, Nima, between UAE and Saudi Arabia, you know, in their various proxy wars, but also to recall that it was just in 2021 we were thinking that these countries might attack Qatar. And certainly back then there was a blockade. I mean, people remember this. I mean, so you look at it in a country like Bahrain where Saudi Arabia—and who helped in that blockade of Qatar?

#Nima

Iran helped Qatar too.

#Matthew

I mean, exactly. So you see, like, OK, wow, this can, you know, really—what's going to come out of this when the dust settles? What's it going to look like? And then we can take that to Europe, right? And you look at, I don't know, was it Pete Hegseth or somebody saying we're going to kick Spain out of NATO? You know, I mean, but also, too, the stress report today—the European Union said this war is costing Europe half a billion dollars a day. And that's probably an underestimate, right? But then you go and look at Japan, look at South Korea. South Korea, they're issuing—70 percent of their people are getting essentially cash cards from the South Korean government now to make up for the mass inflation that's occurred over the last month or two. The South Koreans are already doing that.

They're having to pay their people in cash to keep them from revolting, I guess. Right. I mean, so the stress that is put here on the world, not just the economic stress, but the political stress on the American empire. And everyone is saying this is not their fault. I mean, the only people who are saying it's the fault of the Iranians are the psychopaths like Khaled Khaled. But even a guy like Friedrich Merz is turning on the Americans. Right. Friedrich Merz, who last year was so happy, he celebrated how the Israelis are doing our dirty work for us against the Iranians. And the way that Merz, two months ago, was, you know, Europe's biggest cheerleader for this war. You know, now Merz is saying, oh, this thing's not going well. The Americans are being embarrassed, you know.

I mean, so if you lost Merz, you know, I mean, so you look at this in the sense of the consequences. And the Iranians know this. And I think the Iranians have made that calculation that they've done enough, that they've achieved enough, they don't need to push this war further. I think a few weeks ago I would have said they need to keep pushing the war, but now I think that they're right in their estimation that what they can get with an indefinite ceasefire—uh, and we can go through, we can talk about the blockade, how porous it is, how many Iranian ships are actually getting through, the fact that the Iranians are going to import stuff over land again—not the best thing, not the most efficient, it's more expensive, but it will keep the country alive, you know, as well as their toll booth, the premium they're getting on their oil.

There was a story today about how, oh, the Iranians have really been shut down so much since the blockade started. I think it's all a little bit dubious in their methodology for how they calculated it, because I think there's a lot of Iranian ships that aren't being counted anymore in the way that the Wall Street Journal did this story, or the agency that did it for the Wall Street Journal. But even then, you're looking at, you know, since the blockade started, Iranian production down by half.

#Speaker 03

Okay, it's down by half. It's not shut down.

#Matthew

Like, it's occurred in America's allies—Kuwait, Qatar, Iraq, and I think in Bahrain. And I think the Emiratis are down at least 50%, if not more, right? And the Saudis are, I think, down a third. I mean, so, okay, so the Iranians are doing worse than the Saudis, but they're not as bad as everybody else. How is that a victory? And again, now you look at this economic buffer that we're using these states for, and so then, yeah, again, what comes out of this? What comes out of this? And then you throw in what you said about the hostility—the Emirates are leaving OPEC, they want to, you know, produce as much as they want to produce. But also, too, they have their vision, and you know, one of the things that we've seen is this Emirati-Israeli alliance.

And then last week we had the stories of the Israelis sending Iron Dome systems. And what did the Emiratis say about that? The Israelis are, you know, they—I'm going to have to paraphrase it because I can't remember exactly what it was—but essentially the Emiratis were saying the Israelis were the friends they could depend upon, you know, as opposed to their fellow Arab states.

#Nima

Matt, I think looking at the attitude of the Trump administration and the way that the American, I would say, partners or allies or friends like Japan, South Korea, GCC countries, even Europeans—the way that they look at the United States today is totally different from what it was before this war started, man. Because they see how, even with the case of the blockade, the United States is trying to sacrifice everything in order to reach a deal that was on the table before this war started. You know, it's just amazing what has happened. You know, if you write it, if you make an animation out of this, it's going to be ridiculous to look at it.

And right now, the difficulties for Japan, for South Korea, are so serious for these countries right now. Because they're begging Iran to let one of these tankers pass through the Strait of Hormuz. Literally, they're begging for that. And this shows how desperate the situation is, for example, in Japan. And they see the United States differently, in my opinion, in the long run. Who is the United States to us? Who is the United States? What is the main objective of having some sort of friendship with the United States? And the Trump administration, the level of damage that they have caused in terms of the relationship between the United States and these countries, I think in the long run will be devastating as time goes by.

#Matthew

Right. I think what you're likely seeing in European countries and in the Pacific countries is not at the top leadership, right? So I don't think Kishida in Japan, you know, he's a militarist. I wouldn't call it—he's right-wing. I don't think he's going to give up on the United States. I mean, and, you know, in

the same way, I would say, you know, through most of the major parties in Europe, they hope that the Democrats come back and we get the same type of relationship with the U.S. that we had with an Obama or a Biden relationship. And we'll take part in their wars and, you know, it'll all be like the good old times.

But even back then, among those who weren't at that level, among those who understand these wars as mistakes, understand the neoliberal policies that the Europeans were embracing, because that's part of the American cultural order, were ruinous — that they were wars and economic policies that were substantially going to continue to eat away at European social health, political health, economic health. It's not as pronounced in the Pacific, but in Europe, I think you can really see that. And so I think below the top tiers of leadership, right, below the von der Leyens and the Scholzes, right, even the Merckels, even though he made this comment the other day, the Stürmers and such, you see a generation that understands that there's no hope for the American empire.

I think that's what you had with preceding generations, with people my age, people 50 and older in Europe and in the Pacific. This idea of, well, the Americans, this Trump thing is an aberration. It'll go back to usual. You know, it will be just like the good old days, without fully understanding how corrosive the European partnership in the American wars, in American neoliberal economic fantasies, right? As well as just the underinvestment that all that brought in their own societies. I think that was just wishful thinking, that even though it was Obama, even though it was Biden, and these people were polished and they said the right things and they looked good in the photos that you were in with them, they are your kind of people.

They had European sensibilities, but still their policies were incredibly damaging. And I think the generations below mine, right, so people under 50, your generation, I think, understand that. Understand that Trump might be a complete catastrophe. Trump might be the worst, and I would argue against that because Trump hasn't killed a million people as George Bush did. But, you know, this idea that he's just a symptom, he's a manifestation of the American empire, all its faults and all the problems that come with its decline. And so I think maybe in the years forward, hopefully, we'll see more European leaderships who will go farther than Pedro Sanchez is going, right?

Who will embrace this idea of, we have to do our own thing here. They should have done this at the end of the Cold War. In 1991, when the flag came down at the Kremlin, we should have disbanded NATO. We should have said, thank you to the Americans. We look forward to a partnership in this new world order. But we're doing our own European thing here. And then when 9/11 happened and the wars happened, the Europeans should have said, we're really sorry to see this. Your wars are a massive, immoral horror show. We're not taking any part in it.

#Speaker 05

Right. And on and on and on.

#Matthew

And, you know, I mean, so maybe that's where we'll get to in the next, you know, 10 years or so with the Europeans. And I think the hesitation by the Pacific nations—Japan and South Korea—I'll throw the Australians in with the Europeans, you know, New Zealand somewhere in there too. But for the Japanese and the South Koreans and then other ASEAN nations, I mean, we just had this story in The Washington Post, Nima, a few days ago where the Thai foreign minister had gone to China, and he's looking for help from the Chinese because the Americans aren't going to help them. The Thais are running out of fuel.

They're having all kinds of inflation issues, all kinds of problems already in their economy. The Americans are not going to help them. So the Thai foreign minister went to China. And in the end of that article in The Washington Post, which is a very important article, I think, for people to read, at the very end of it, the Thai foreign minister says something along the lines that I thought was very candid for a foreign minister to say. Like, look, in a paraphrase, look, the Chinese have their issues. They're not, you know, they have their purposes. We have to understand that. But at least we can understand what Chinese interests are.

And that's what, you know, with the Americans, we don't know what their interests are. We can't trust them. They're not predictable. I mean, so you've got the Thai foreign minister—Thailand being a longtime ally of the United States, a heavy military connection with the United States—saying, we can't trust the Americans, right? I mean, so I think that understanding is going to be coming out in the next generations of leaders in Europe and in the Pacific, and that will have the effects on the American empire that, you know, we should expect to have—the effects that we expect should, you know, be had.

#Nima

You know, what was amazing in that article that you just mentioned is that the Chinese response was just, they said, we cannot help you because we have 70 tankers in line too. Right. We're stuck too.

#Matthew

Exactly. We're stuck too.

#Nima

Our difficulty is to get through this. Yeah.

#Matthew

And that's the whole other thing. The whole thing hanging over us in the U.S. is the psychopathy regarding China in this country. I mean, so many commentators, so many senators, think tank experts who, when they start talking about Iran, eventually end up talking about China. I mean, this mania, this obsession with China, and that's not going to go away. And if you look and you see the Pentagon's \$1.5 trillion budget request, it all keeps coming back to China. It all keeps coming back to China. Right. This—this—we need to spend all these tens of billions of dollars to buy more missiles. We need to give Lockheed and Raytheon and Boeing tens of billions of dollars more for them to build plants because of China. Right.

And now that Iran is a good excuse for that, because we've used up these missiles fighting Iran, but this was something that they have been arguing for for the last several years. So that is incredibly concerning to me, and it should be incredibly concerning for South Korea and Japan and Australia. I mean, look, if the United States were to fight a war with China based upon this war, which is entirely how you should base it upon, the United States would have to evacuate Okinawa. It probably couldn't hold Guam, and it might possibly have to evacuate Pearl Harbor. Japan and South Korea, the Philippines—they would be the military buffers. They would be the drone and missile sponges that Kuwait and the Emiratis and Qatar and Saudi and all the Arab states were. And the same with the economic consequences.

Same thing for South Korea and the Philippines and for Japan and Thailand, right? And Australia is not out of range either. So if you're in Australia watching this, I can't remember—my Chinese missiles, the DF-27 or whatever, can hit Australia, you know, let alone their surface, sub, and air fleets can certainly range Australia. So, but yeah, I mean, this idea that we're going to fight China, and the reality is that we'd probably have to evacuate Pearl Harbor if we fought the Chinese, you know? I mean, but this madness is there, and the mania is there, and the obsession is there. And I think this is a very old imperial story we're seeing played out. Right. You know, that we are in the currents of history here, and we are watching this inevitable decline of the American empire possibly being played out catastrophically.

#Nima

I think the point that you've just mentioned about whoever talks about Iran then gets to China—we've seen that before with the case of Russia, if you remember. They're doing the same, by the way, with the case of Russia, with the case of Iran. And China understands that, after all. They know what's going on. Matt, I think the other difficulty that the Trump administration has right now, even with this visit of the British king to the United States, was dragging again, trying to convince the Trump administration to get involved in Ukraine. And he literally was asking the United States to get involved more in Ukraine. Now, Donald Trump has, I think, some sort of quagmire for the administration.

No, they didn't put an end to the conflict in Ukraine, right? Now they're having this conflict with Iran. I don't know what is happening. I don't see any sort of skill, any sort of ability in this administration

to deal with these difficulties that they're facing. And they have some sort of tactics, but they don't have anybody who basically points out that the current situation for the United States' foreign policy is a quagmire. If Europeans are pushing for more involvement of the United States in the Ukraine war, if GCC countries are facing these sorts of difficulties, if Israel, after all, didn't achieve any of those objectives they had before this war started, what is that for the United States' foreign policy?

#Matthew

First, I haven't seen the readouts yet of the call between Vladimir Putin and Donald Trump today.

#Nima

Yeah, it was two hours.

#Matthew

Exactly. It was a long call, wasn't it? But nothing came out of it. I mean, nothing was expected to come out of it. And the American attention is not on Ukraine anymore. I would recommend people, if you've not seen the film that came out last year—the fictional film that came out last year on Donald Trump's relationship with Roy Cohn called **The Apprentice**—I really urge people to watch that film. If you watch that film, you'll have an appreciation for who Donald Trump is. And Donald Trump was a man who had—I forget how many bankruptcies—a lot of bankruptcies.

He's happy to fail and move on. Right. He knows that things will bounce back. It's all about the present. It's all about the moment. And so now you see this emphasis in Washington, D.C., about Cuba. And, yeah, I agree, Nima. They're incompetent. It's a kleptocracy. It's a kakistocracy, right? The worst people in this society running the government. But you've looked at what they're able to do, like, just in the last six, seven months. They went from Ukraine to Gaza to Lebanon to Venezuela to Iran, and now they're ready to pivot to Cuba. So their will is incredible.

Their determination is incredible, remarkable. Their competence is not there, but they don't care, and so their ability to move forward on all this is just because they've got a president who is willing to leave things behind. And maybe that is good news for us, in the sense that maybe he will walk away from this war, you know, and maybe he will do what he said in the past—he has said, you know, many times over many, many years—that the United States shouldn't be in the Middle East. And maybe now, if we want to put our tinfoil hats on and start talking about five-dimensional chess here, you know, is this the way that the United States gets out of the Middle East?

Is this the way the United States gets out of things it doesn't want to be in, like NATO? Is this war, as we're talking about, you know, how this war is the demarcation of the beginning of the 21st century, is this the war that removes the United States from the Middle East, at least as it was in the 20th century, from Europe, at least as it was in the 20th century, and allows the United States to

anchor or reestablish itself as an empire in the Western Hemisphere? And this aligns then with the national security strategy the United States put out last year that, you know, you and I talked about a lot. We certainly have our disagreements with it.

But the one thing, you know, you can't argue with is at least it's a strategy. At least it's a plan. At least there's some reason or rationale behind it, or some argument that can be made for it. And so I don't think, I don't believe in the 5D chess. You know, I don't have a tinfoil hat on, you know, in this sense, but there are other things, I'm sure. But, you know, I mean, is this what then makes the circumstances such that the United States is no longer in the Middle East? That NATO does go its own way, that NATO becomes—the NATO military becomes—the EU army? You know, is that what we're seeing here? And I think there's a good likelihood of that, a good likelihood of that.

#Nima

Yeah. Just moments ago, Matt, we had this tweet from the head of the Iranian parliament because Donald Trump recently said that if they don't export the oil, the oil is going to be exploded. He said, three days in, no oil exploded. We could extend to 30 and livestream the oil here. And that was the kind of junk advice the United States administration gets from people like Bolton, who also pushed the blockade theory and cranked oil up to more than \$120. Next step is going to be \$140. The issue isn't the theory, it's the mindset.

#Nima

I think he's somehow hitting the target, hitting the nail on the head.

#Matthew

Yeah, exactly. I mean, that's absolutely spot on. I shouldn't have run my mouth for the last hour, right? I should have just let people read that for 30 seconds rather than having to endure me go on and on and on for an hour. But that's exactly right. That's exactly right, you know? I mean... Yeah, and to get back to the point, say the Americans were right, right? Say Kolobov is wrong here, right? The problem for the Arabs is they are weeks and weeks ahead of the Iranians in the process, and the Arabs are just-in-time economies, and the Arabs have not been countries that have been subjected to sanctions for decades. And haven't you—right? I mean, and the Arabs don't have other trade routes available. There's no Caspian Sea for the Kuwaitis or the Qataris, you know? I mean, there's no—I mean, I mean—so, you know, this is just... this whole thing is so impressive.

It's just breathtaking to watch this. I mean, it makes me sick. I hate it. I'm so disgusted. But it is pretty incredible what we're witnessing here. This level of... I don't even know what the word is to describe what we're witnessing here. And the one thing that gives me at least some solace is that Donald Trump is not George W. Bush, and Donald Trump might change his mind, and I hope he does. I hope that's what Putin said to him today. And I think if Putin calls Trump, and if Xi calls

Trump, and if Sisi calls Trump, and Al Thani calls Trump, and Erdogan calls Trump, you know, and Modi calls Trump, and they all have the same message, maybe that will pierce through.

Because right now, Trump is surrounded by advisers, whether in person or on cable news or on the pages of The Washington Post, like Mark Levin or Marc Thiessen or whoever—Jack Keane, you know? I mean, maybe if he hears from these dictators around the world who he respects and admires, that, “Donald, this is going really badly. You need to end this. Donald, this is what I would do: I would cut my losses, I would declare victory, and go home.” If he hears that from Modi, if he hears that from Sisi, maybe that's what Putin said to him today.

You know, I think maybe that might have an effect, because otherwise we've got this, you know, poster child for the 25th Amendment in power right now. And for those who don't know, the 25th Amendment is the part of the U.S. Constitution that allows for the removal of the president due to incapacitation or incompetence. And, you know, I mean, here it is. Not that the vice got in the seat to be any better, I think. I don't know. But, yeah, I don't know what to say.

#Nima

Thank you so much, Matt, for being with us today. A great pleasure, as always.

#Matthew

Thank you, Nima.