



Zanetti Monday Missive 2024.02.05

Mid-East War Escalation

Happy Monday Everyone!

Walt here! Last week while Greg was out of town he typed up a great missive for us this week. And we're giving it to you "old school" - in text format :) No video this week. So, without further ado, here is this week's Missive from Greg...

Mid-East War Update

Yes. I know I Keep Saying Things Are Escalating. But Things Are Escalating!

- Three US Troops Dead—Hawks Cry For Bigger War
 - Lindsey Graham---"Hit Iran Hard. Hit Them Now."
 - Headline: **Biden Faces Pressure to Confront Iran After US Troops Killed (Politics headline)**

- Were our troops killed in Jordan or Syria---It Matters (Legally)
 - Jordan? Then retribution is OK.
 - Syria? We are not there legally. We were training ISIS there. Yup. We trained ISIS to harm Assad....and Iran. Oh, and guarding oi interests.
 - Based on the number killed and wounded (total of 40+) it was probably Syria where our guys were killed. Bigger base...by far. More than just US troops killed.
 - Why are our troops still in Iraq and Syria?
 - Some say---“They are bait.”
 - Provoke Iran to kill them.
 - Start bigger war.
 - No Air Defense (AD) coverage there? Hmmm
 - Is Patriot deficient?
 - New Study: Patriot only 9% Effective (Washington Post) (PAC 2 or PAC 3—if PAC 2, then likely yes. PAC 3 better....but not built to intercept hypersonics.

OK—enough background....let's get to what comes next.

US Response Options:

1. **Option 1-----US Withdrawal from Middle East (ME).**
 1. We get very little oil from there.
 2. We can't simultaneously prosecute two wars (maybe 3--- add in potential Korean Peninsula and/or Taiwan)
 3. Can't afford it. Debts are sky high already.
 4. US military too hollowed out. Diversity Equity Inclusion. Woke. Can't recruit.
 5. How do you win?
 6. What is the strategic objective?

7. No one has articulated this short of “maintain the status quo”:---uhhhh, a status quo that does not reflect current reality?

1. **HOWEVER...if we withdraw**

1. Petrodollar dies overnight.
2. Financial chaos ensues.
3. Mother of all failures for Biden—especially given 2020 Afghanistan tragedy. Think Afghanistan X 100.
4. GOP pounces.
5. Democrat Party won't survive this humiliation.
6. NATO may not survive a total US ME withdrawal--especially considering US/NATO fiasco developing in Ukraine.

2. **Option 2----US Escalates Across Middle East (ME).**

1. War must expand to Iraq/Syria/Iran/Yemen to be effective.
2. Boots on the Ground (US Army-Marines ground invasion) not practical.
 1. It would take a year to transport/prepare/preposition equipment. Desert Storm took 6-months before “zero-hour.” This is bigger.
 2. Iran would blow to smithereens any staging areas in ME prior to ground war. Russian supplied Kinzhals.
3. Thus, US must engage in a sea and air war. US Air Force and Navy go it alone. Reverse of Vietnam-Panama-Grenada-Kosovo-Iraq-Afghanistan—almost all Army and Marine missions.
 1. Remember---Iran has Russian and Chinese Air Defense (AD) and Electronic Warfare (EW) assets. Not easy for USAF and USN.

2. US Navy already struggling in Red Sea conflict
 3. Britain-Australia could offer assistance. But not NATO as a whole....NATO already fracturing over Ukraine debacle.
 4. This leads to a war with no resolution for the west.
 5. Politically, US risks war-exhaustion ala Ukraine. This is important.
4. Here's why---- Escalation also risks:
1. \$150/bbl oil. Strait of Hormuz blocked + Red Sea already constricted! 40% of world's oil goes through these two narrow straights.
 2. Iran could block Strait of Hormuz overnight. Just sink a tanker...or two.
 3. Yemen (Yemen!) is controlling the "Strait of Tears." (Yes, that is the Arabic translation of the choke point at the end of the Red Sea.) If both those straights close...
 4. Cascade of possible events listed below--- again, possible...
 1. Global economy crashes---Europe first.
 2. China has issues, too. Evergrande collapse now has China worried. Civil unrest?
 3. Currency crisis ensues.
 4. US prices soar—stagflation on steroids. No Chinese stuff at Wal-Mart and Target.
 5. Russia and China and maybe Korea (?) take advantage of ME chaos. Wars expand in Ukraine/Baltics and Asia.
 6. For China---war takes attention away from domestic economic woes.
 7. For Russia—close out Ukraine fast. Secure Black Sea ports.

8. For North Korea---pillage South Korea of food, wealth.
9. Israel now isolated---senses disaster—lashes out at Iran and Syria (especially Damascus—read Isaiah 17 for my Bible scholars) with nuclear weapons.
10. Iran responds. Yes. Iran already has nukes. And hypersonic delivery systems.
11. Biden and Democrats do not survive this.

3. Option 3---Diplomatic Solution

1. Israel forced to accept 2-State solution with Palestine. World demands it. Israel can't go it alone.
2. Petrodollar deal reached whereby it is “retired” over time.
3. US retreats from Iraq and Syria.
4. Iran-China-Russia all agree to help provide “peace and stability” in the region as “strategic partners” with US.
 1. BRICS wins
 2. US power in decline apparent to all.
 3. US saves face---but loses sole global superpower status.
 4. US still an important nation but...
 5. New order emerges with power shifting back to Eurasian continent.
 6. But World War III averted.

Most likely outcome---Number 3---but only after a lot of bluster and brinksmanship in Option 2.

I don't trust Team Biden to act rationally. No indication yet that they live in the real world. Really.

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