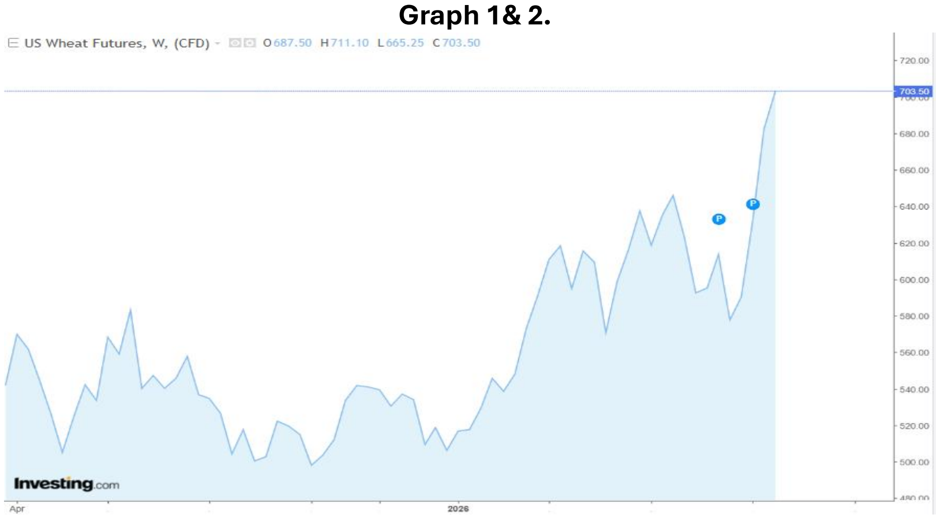
THE WAR OVER CONTROL OVER THE WORLD'S OIL CONTINUES

I delayed this article. The rise in the price of oil above $100 late last week and a flatlining Wall Steet was bound to weigh on any military decision. Over the weekend, so far, there has been no attack and murmurings of renewed negotiations. This has held into Monday.

The US bombed Iran for 14 consecutive nights. But the US could not open the Straits of Hormuz. As a result, on Thursday the price of Brent Crude (oil) breached the $100 barrier as the Houthis (Ansar Allah) closed the Red Sea blocking the alternative route for Saudi and Emirati oil. The only alternative route for this pipelined oil is via the Suez Canal and the Cape of Good Hope and onto Indo-Pacific markets, adding two months of additional shipping time.

And it is not only oil, but helium (China no longer exports this gas conserving its own supplies), petrochemical and especially fertilizer. "*The Director-General of the Food and Agriculture Organization of the United Nations (FAO), QU Dongyu, emphasized today that the global fertilizer scarcity caused by disruptions in the Strait of Hormuz will lead to lower yields and tightening food supplies in the latter half of 2026 and into 2027.*" Fortunately for the world 2025 saw record grain production adding to stocks bringing the total to 950 million tons equal one third of annual consumption. Despite this buffer and in expectations of shortage both the future price of wheat and corn have risen. Wheat more so because of Ukrainian attacks on Russian shipping in the Black Sea and Russian retaliation.

Graph 1& 2.



Thus, this winter an acute 'heating or eating' moment faces most households with gas shortages in Europe combined with food shortages, not helped by record temperatures this summer in key growing areas. This will happen even if the Gulf opens fully this week. The capitalists especially the US imperialists are playing with fire at a time when the planet is literally on fire at least in Europe and Canada.

The war in the Gulf was never about nuclear weapons nor Iran posing an existential threat to Israel. The imperialists never tell the truth nor disclose their intentions. Never trust them. The war was due to the geostrategic threat to US hegemony Iran posed.

As I have said repeatedly, any admiral or general shaping the theatre of war must secure their flanks. The Western flank of the Pacific Theatre is the Gulf, and the Pacific Theatre is the primary theatre. The Gulf contains essential logistical and resource rich sea lanes on which the US war effort relies on. It connects the two main CENTCOM regions outside the US, bases in Europe and in the Pacific. It makes rapid resupply possible through the Suez Canal as well as providing bunker fuel for ships and kerosene for fighter jets direct from Gulf producers. Shipment via the Cape of Good Hope adds many weeks of transit, the difference between victory and defeat.

The military literature on this issue has been clear for years. In this podcast covering the British Comprehensive Review, a foreign policy document, Britain reaffirms the tilt to the Indo-Pacific first discussed in 2021. This tilt, as Alex Krainer emphasises, depends on bringing Iran back under control. The same applies to the Houthis.

But it is becoming clear that Iran has not been brought under control despite 14 nights of bombing including the use of heavy bombers. Iran still has the capacity to interdict ships trying to cross the Gulf hugging the Omani coast despite air cover provided by the US navy and air force. On the other hand, Iran has destroyed every radar and missile battery in the region, it has devastated supply centres, command posts and airbases up to and including Jordan. Here is the list of destroyed US military assets in the region.

Full list of all U.S. losses from Iranian attacks in the last 2-3 weeks.

• Radar and air-defence systems:

7 command-and-control centres
3 satellite communications systems
6 Patriot air-defence radars
3 air and maritime surveillance and control radars
8 detection and early-warning radar systems
7 air and missile-defence radars
3 EPS radar systems
2 EPS-117 radars
5 long-range radars
2 air-defence radars
1 tactical radar complex

• Support and logistics facilities targeted to reduce operational capacity:

6 fighter-jet and helicopter maintenance centres
3 support and logistics centres
12 fuel-storage tanks
17 warehouses storing weapons, spare parts, naval equipment, and aircraft components
6 missile-storage depots

In addition Iran destroyed the following infrastructure.

• Operational infrastructure:

6 MQ-9 drone hangars
1 F-15 fighter-preparation hangar
1 drone hangar containing 8 factory-new drones
2 command centres
1 aircraft-carrier refuelling platform
1 P-8 aircraft hangar
4 HIMARS missile-launch platforms
5 fighter-aircraft hangars
4 Patriot air-defence complexes
6 missile-launch platforms
1 fuel-pumping station
2 signals-communications centres
1 intelligence data centre
1 artificial-intelligence and data-processing facility associated Amazon
1 depot for remotely operated unmanned surface vessels
1 fuel pier
4 fighter-aircraft shelters
6 aircraft parking and operating ramps

And finally, 43 aircraft of various descriptions.

11 fighter aircraft and helicopters destroyed or damaged on the ground
17 reconnaissance and operational drones, including 8 factory-new aircraft
1 F-15 fighter jet inside a shelter
1 P-8 maritime patrol aircraft
1 C-17 transport aircraft
8 aerial refuelling aircraft
4 heavy helicopters
6 stored missiles

All this information can be found on this interesting podcast whose data is sourced from the Iranian military. The US has not commented or responded to these claims. This destruction is substantial adding up to $21 billion dollars or two thirds of what the Pentagon has admitted the previous 40-day war cost the US or 30% of the new allocation of funds the Pentagon has requested from Congress.

More importantly, and strategically, Iran has blinded the US in the region making it tactically unfit to continue the war. Iran has once more exercised escalation dominance over the US. Additionally, reports that the US has run out of advanced ordinances abound. Thus, while Iran suffered devastating airstrikes, militarily it has emerged on top once more. The inability of the US to assert itself has been demonstrated to the world for a third time despite Trump's attempts at 'the art of deflection'.

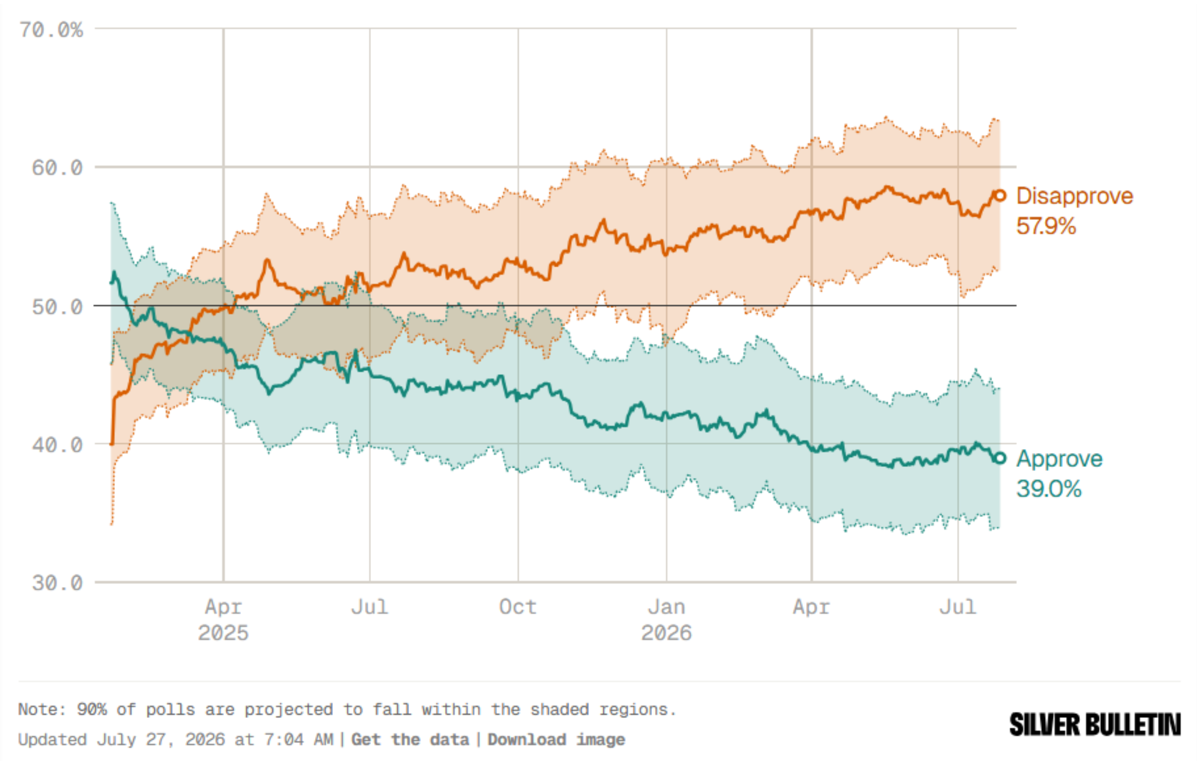
In effect Iran has driven the US out of the region at least on the ground with pinpoint strikes leaving behind devastated bases and facilities. The US has had to park its air-tankers in Israel. The Israeli Defence Minister stated that Israel intends to sit out this war. A true vote of confidence in its master. This could be to retain its safe haven status for US air assets, or it could be selfpreservation. During the forty-day war the two major Israeli oil refineries were hit and have not fully recovered. Without them IDF jets cannot take off and tanks cannot rumble around. It will only take a few more Iranian missiles to cripple the Israeli war effort, and the Zionists know they are powerless to stop these missiles.

But here is the rub. Israel was important to the US as its hammer in the region, able to break up Arab unity, to intimidate neighbours and accomplish US goals. If, however, Israel is no longer able to fulfil this role, then what use is Israel to the US. Yes, the new defence budget which passed through the lower house of Congress recently appeared to fuse the two militaries, but that is purely symbolic, in reality Israel has become less of an asset perhaps even a liability for US imperialism, though to be honest, Trump will be the last to admit to this.

The big winner is China. Iran was the playbook for China. And if the US could not prevail in Iran what chance would it have against China and its mighty industrial base. Moreover, munitions needed in the Pacific have been expended trying to subdue Iran. In every way Ukraine and now Iran are the US's 1905, demonstrating that the Empire and its Emperor have no clothes or in more modern parlance no flak jacket.

And not only no clothes, but the mouthy Emperor remains unpopular at home. As this graphic from Silver Bulletin shows his disapproval rating averages -21. Worse for him, his approval is slipping amongst his hardened base both urban and rural. "*Half of President Donald Trump's MAGA base thought the Iran war was worth its economic costs in May. Now, just a little more than a third do"* according to the latest Politico poll The latest Trump poll shows a near record deficit of -24 approval rating. And unless Trump can spin the US defeat in the Gulf as somehow a victory his popularity will crater further.

Graph 3.



Conclusion.

The US was never going to just sit at a negotiating table to address the Memorandum of Understanding (MOU) in good faith. Instead, it needed to be punched to the ground before it agreed to seriously consider the conditions making up the MOU which implicitly gave Iran, and to a lesser extent Oman, control over the Gulf. We may have reached that point.

And perhaps for the first time Wall Street is finally taking note of the enormity of the defeat of the USA. Despite a sharp fall in the price of oil, despite a fall in bond yields, the stock market is falling on Monday. And not only Wall Street but Trump's attempt to regain control of the world oil market is slipping. No doubt the oil states in the region will have taken note of the changed balance of forces there. They will be forced to adjust their foreign policy and alliances. At the very least the hundreds of billions they have pledged to rebuild the US economy will not be paid as they seek to rebuild their own economies and make up their lost oil income since late February.

This market vulnerability shrinks Trump's wriggle room. If this assessment is correct and if the AI bubble is subsiding and no longer shielding the economy, this combination could be very challenging for the US economy, and if the economy is challenged then so too will be the mid-term elections. And not only the US economy. The future price of oil is the canary in the oil well, its subdued price despite the upheavals, despite the up to 1.5 billion barrels of oil lost, the greatest disruption in history, its forward price signals gloom for the world economy.

Empires do not collapse in one fall, they are humbled through a number of defeats and setbacks. The combination of the defeats in the Ukraine and Iran will accelerate this collapse. The unipolar world born from the collapse of the Soviet Union thirty-five years ago appears to be drawing to a close, lost on the Steppes of Central Asia and the shores of the Straits of Hormuz. History has not ended, it is accelerating.

Brian Green, 27th July 2026.