

## Doug Casey: Tensions With Iran Can't End Well

By Doug Casey, Casey Research, 18 January 2020

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**Chris' note:** Today, we have a brand-new Conversations With Casey for you. As you know, the US killed Iran's top general, Qassem Soleimani, on the orders of President Trump earlier this month. And now, many people are wondering what's next. I wanted to get our founder Doug Casey's thoughts on this major news. As usual, Doug didn't hold anything back. Below, Doug tells me why this is further proof that Trump has no philosophical core... why the US has turned into a rogue bully... how Iran might retaliate next... and much, much more.

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**Chris Reilly, managing editor, *Casey Daily Dispatch*:** Doug, as you know, the US killed Iran's top general, Qassem Soleimani, on the orders of President Trump. The story continues to dominate the news. And everyone's wondering what's next.

I'll ask you about that in a moment. But first, I'd like to know what your initial thoughts were when you heard the news...

**Doug Casey, founder, Casey Research:** I think it's proof that Trump is psychologically unstable.

As you may know, I've always had mixed feelings about Trump. I'm pro-Trump insofar as he's a cultural traditionalist. He's anti-politically correct, and that's why he has the support of Middle America. And he's reduced regulation in a number of areas, which is great. But Trump has absolutely no philosophical core. He flies entirely by the seat of his pants. He's completely unpredictable, and he seems to see his unpredictability as a virtue when it comes to negotiating. It's not. Unpredictability is a virtue when you're playing poker – but poker is a win-lose game. In real life, unpredictability equals unreliability and untrustworthiness. It's a sign of someone without ethics, without a moral core. It tells people that you're trying to “play” them, to “game” them.

He's an economic ignoramus. His fiscal and monetary policies amount to Modern Monetary Theory. He thinks ultra-low interest rates are always, and necessarily, a good thing. He's a pathological borrower. His tariffs may be catalysts for Stage Two of the Greater Depression. Sorry to go off on a tangent about The Donald. But – whatever his virtues – he's not thoughtful, well-educated, or stable. He's a narcissist, and shows universally bad judgment in choosing the people he surrounds himself with.

In Aspen, where I spend the northern summer, I know a guy who may be Trump's oldest and best friend. He's not a Democrat... I'm not going to mention his name. He's of the opinion that although Trump is a fun guy, is not stupid, and has some virtues, he's basically an unhinged personality. Capable of absolutely anything. He thinks that Trump's about the worst possible choice for being president, simply because you shouldn't have a loose cannon running the country. I'd only add that there shouldn't be anyone “running the country,” if only because the people who want to do it are inevitably sociopaths.

This isn't the time to discuss that issue, except to say Donald sees only the immediate and direct consequences of an action. He's apparently unable to see the delayed and indirect consequences. And that includes the drone strike on Soleimani.

The US, increasingly over time, has turned into a rogue bully; it's no longer either loved or admired. It's not even respected, just feared – but only the way you might fear a nasty 250-pound drunk. It has this gigantic hammer – the US military; it makes everything look like a nail to them. It's bankrupting the country, staggering around, picking fights and making enemies everywhere.

The US Government's attitude towards Iran is especially stupid. I'm not a fan of the theocrats in Tehran – they're a disaster in every way. But they're absolutely no threat to America. We've never had a single instance of an attack by Iranians against Americans. The US populace, however, has been made to think they're a threat because of a massive forty-year-long propaganda campaign. They're no more of a threat than was our ex-ally Saddam Hussein. Or, for that matter, Gaddafi in Libya or Assad in Syria. Iran is a threat to no one – not even Israel. And even if it was, Israel is not our problem.

In any event, you can expect the Iranians to react very much the way any government would if a foreign government overtly took out a high government official. It's almost dishonorable for them not to react. But they know they're basically a 97-pound weakling confronting a 250-pound drunk. They'll pick their time and place. You can't pretend you're in any way worthy if you let a bully beat you up at will.

**Chris:** How do you think Iran will retaliate?

**Doug:** Well, they have to be careful how they retaliate. Launching a serious overt military strike against the US – which is armed with ultra-powerful weapons and has Iran surrounded by military bases on every side – makes no sense at all. But they'll find some way to counterattack, probably subtly. Asymmetrically.

In today's world that might be hacking, an attack via computer, which can be disguised. The source of a computer attack is very hard to prove. Not only that, but a cyberattack in today's highly computerized and wired world, can be just as devastating as a conventional attack. Maybe more so in many ways. Perhaps it could destroy the monetary system – “dollars” are now completely intangible, just digital entries. Perhaps it would destroy the electrical grid. The whole world runs on computers.

If you want to destroy an advanced society today you don't need, or even want, all manner of expensive military hardware – most of which is obsolete junk anyway.

It's insane for Trump to go out and provoke a war. And for absolutely no good reason. None. Especially since it's said Soleimani was in Iraq on a peace mission. Was Soleimani a good guy, or a bad guy? He was a professional soldier who saw himself as a patriot, exactly like Petraeus, McChrystal, or any other of his US counterparts. Not evil, just a uniformed bureaucrat trying to do his job. Which was keeping his country safe from a very aggressive, very powerful, and very perfidious power that has it surrounded on all sides.

I don't, however, put a lot of store in what people have been saying about Soleimani's assassination being a war crime, or immoral. This is what governments do. It's their essence. Although they always gussy it up in self-righteous “Yahweh, Jesus, or Allah is on our side” rhetoric. “We did it to save lives,” and other transparent lies.

I can imagine that there are many, many very smart and imaginative people in the Middle East thinking of what the most cost-effective way to strike back might be. It might be very low-tech, simply disappearing any US soldier or operative who sets foot outside their compounds. If Trump expands the war as a result, perhaps they'll take out the US naval base in Bahrain or the airbase in Qatar – the things are indefensible, and only a few miles across the Gulf from Iran. I know that if the Chinese (probably our next enemy du jour) had the US surrounded, and were killing people at will with high-tech weapons, there would be legions of Americans figuring out how to strike back.

**Chris:** Do you think that Trump just killed his chances for reelection with this move?

**Doug:** That is a really good question. I wish I had my finger more on the pulse of what the *hoi polloi*, Boobus Americanus is thinking. Most of them can't find Iran on the map. But for most of their lives, they've been told that Iranians are the devil incarnate. Anybody that the bureaucrats in the US government designate evil is automatically accepted as a devil by the media, and then by the people at-large. It's easy to transform humans into a bunch of hooting and panting chimpanzees who want to kill the other tribe across the watering hole.

Let me reemphasize that I'm not a defender of the Iranian regime. But they're more or less blameless in this whole thing. The fact that Trump tweeted that he was going to attack cultural icons in Iran was pointlessly and stupidly provocative. How would Americans like it if a foreign government threatened to blow up the Liberty Bell, the Washington Monument, and the Empire State Building? It really does amount to a huge breach of international law and a war crime, for what that's worth. It was really quite shocking, and a stupid threat to make. Even though we all know that after the precedents set in World War 2 – and all subsequent unpleasantnesses, actually – absolutely nothing is off the table today. Just as bad is how Trump followed up with a threat to confiscate Iraqi bank accounts in the US if they insist US troops leave the country. Anyone with any sense is thinking that they don't want to either use dollars or have assets in the US. They could be held hostage on a whim.

Don't forget Trump is surrounded by all these crazy neocons that really like the idea of war, and think you can win a war in today's context. Anything could happen from out of the blue. I don't see how this can end well.

**Chris:** What do stock market investors need to know about intensifying US-Iran tensions? Any investing implications from this?

**Doug:** War stocks, weapons manufacturers – it's dishonest to call them defense stocks – have done extremely well for a long time. Ever since the early '80s, actually, when Americans could still remember what a total disaster Vietnam was. That said, I still think gold is both a safer and a better way to play it at this point.

**Chris:** What advice do you have for Americans listening to the news every day, anxiously awaiting what's next?

**Doug:** Don't believe almost anything. Most reporters just parrot whatever they're told by the authorities. Most pundits misinterpret the facts – apart from the fact most of what they think they know are lies. Be cynical about thinking it's a good idea to stick your nose in other people's business.

**Chris:** Do you think the US will invade Iran?

**Doug:** No. Washington is incredibly stupid, but even they can see another land war in Asia makes no sense. It's probably impossible, from the viewpoint of manpower alone. And they have to realize that US troops in Iran would be about as popular as Iranian troops in the US. On the other hand, it's been said that, "After hydrogen, the most common thing in the universe is stupidity."