

THE AMERICAN GRAND STRATEGY

How the Iran War Engineered a New Global Economic Order

By Jaron Lewis, Founder — ECON Sentry Investments | Published June 7, 2026

EXECUTIVE SUMMARY

"While the world watched missiles — Washington was watching pipelines."

The conflict between the United States, Israel, and Iran that began in early 2026 is widely perceived as a military and geopolitical confrontation. That reading is incomplete. Beneath the surface of drone intercepts, ceasefire negotiations, and War Powers Act votes lies a deliberate, multi-dimensional economic offensive — one that has simultaneously restructured global energy dependency, forced open foreign markets to American goods, engineered a controlled dollar weakening cycle, and positioned the United States to reduce its trade deficit without sustaining a prolonged military campaign. The evidence for this thesis is now quantifiable, sourced from U.S. government agencies, Treasury Department actions, and verified geopolitical reporting. This is not coincidence. This is strategy.

PART I: THE ENERGY LEVER — LNG AS THE NEW WEAPON OF CHOICE

Record LNG Exports: The War's Hidden Revenue Stream

While media coverage focused on missile exchanges and ceasefire negotiations, the United States was executing the most consequential energy repositioning in its history. According to the U.S. Energy Information Administration (EIA), U.S. LNG exports to Europe reached a record 10.3 Bcf/d in 2025, up sharply from 6.3 Bcf/d in 2024 — representing 68% of all U.S. LNG export volumes. Asia-bound exports fell to 2.5 Bcf/d and China-bound exports fell to zero. The EIA forecasts U.S. LNG exports will rise to 17.0 Bcf/d in 2026, with five new projects coming online through 2027.

The Economic Footprint

Independent analysis by S&P; Global for the U.S. Chamber of Commerce: +\$40 billion in GDP, +273,000 jobs, +\$54 billion in federal and state tax revenue. U.S. LNG export value now exceeds corn and soybean exports combined. Projected contribution through 2040: +\$1.3 trillion GDP, +\$166 billion taxes, +495,000 jobs.

Qatar's Disruption & The Long-Term Lock-In

The EIA confirms Iran conflict disruptions represent over 10 Bcf/d — 20% of global LNG supply. Qatar's Ras Laffan facility sustained damage to 17% of export capacity, with repairs estimated at up to five years. LNG infrastructure contracts span 20 to 25 years — European nations are now structurally locked into American supply for a generation. The EU-U.S. trade framework targets \$250 billion in annual U.S. energy exports to Europe.

PART II: THE MARKET ACCESS EQUATION — LNG HAS FUNCTIONALLY REPLACED TARIFFS

LNG demand and supply destruction has replicated the market-access leverage of tariffs while avoiding nearly all their liabilities.

Dimension	Tariffs	LNG Strategy
Durability	Reversible — next admin removes them	20–25 yr contracts — permanent
Retaliation Risk	High — China retaliated at 125%	Low — allies need the supply
Revenue	Collected on imports	\$54B+ tax revenue from exports
Leverage	Blunt — hits all nations	Surgical — energy-dependent allies
WTO Risk	High — legal challenges	Zero — commercial agreements
Optics	Visible and controversial	Invisible — normal trade

The China Counter and Its Self-Defeating Consequence

China's 125% retaliatory tariff on U.S. LNG forced Chinese traders to resell contracted U.S. LNG to European buyers at elevated spot prices, while simultaneously drawing down China's own strategic gas reserves — having lost 29% of LNG supply previously sourced from Qatar. China now competes against European buyers for spot cargoes, paying more per unit than the contracted U.S. price it politically refused to accept. Its retaliatory tariff turned China into an involuntary distributor of American energy to Europe while depleting its own strategic position.

PART III: IRAN'S STRAIT GAMBIT — THE \$2 MILLION TOLL BOOTH

The Persian Gulf Strait Authority: Confirmed and Sanctioned

Iran formally established the Persian Gulf Strait Authority (PGSA) — confirmed by NPR, Euronews, the Washington Times, the Jerusalem Post, and Iranian parliamentary session records. Lawmakers confirmed tolls are actively collected, deposited into the Central Bank of Iran. Vessels pay up to \$2 million per transit in Chinese yuan or cryptocurrency, bypassing USD settlement and SWIFT. The Jerusalem Post estimates full-scale PGSA operations could generate \$70–90 billion annually.

U.S. Treasury / OFAC Response — May 26, 2026

OFAC officially designated the PGSA on May 26, 2026, in a release titled 'Economic Fury Targets Iranian Maritime Extortion':

"Starved of revenue and severely weakened by Operation Epic Fury, Iran's IRGC extorts vessels transiting the Strait of Hormuz through the Persian Gulf Strait Authority — imposing illegitimate tolls on commercial traffic. Funds are funneled to the IRGC, a designated Foreign Terrorist Organization."

The OFAC designation is the legal bridge connecting the Strait fee story to the Iranian asset seizure and Gulf reconstruction mechanism announced by Secretary Bessent on June 6, 2026.

PART IV: THE DOLLAR STRATEGY — CONTROLLED WEAKNESS AS POLICY TOOL

U.S. Treasury Secretary Scott Bessent has operated within a framework where the administration's actual preference was always a structurally weaker dollar — serving five objectives: boosting U.S. manufacturing exports, reducing the trade deficit, servicing national debt, amplifying LNG competitiveness, and attracting foreign direct investment. The Iran conflict temporarily strengthened the dollar through safe-haven demand — a side effect, not a strategic goal. The June 6, 2026 Treasury announcements represent the deliberate beginning of that unwind.

■ TRADE IMPLICATION — EUR/USD

EUR/USD Target: 1.17 – 1.18

Q3 2026 Thesis: ECB +25bp June 11 (Danske Bank) + USD risk premium unwind + Rate differential compression

Every exit pathway from this conflict routes through USD depreciation and EUR appreciation.

PART V: THE WAR POWERS INFLECTION — POLITICAL ARCHITECTURE OF THE EXIT

On June 3, 2026, the U.S. House of Representatives passed a War Powers Resolution 215–208 — the first successful congressional rebuke of the Iran war — with four Republicans joining Democrats. Public approval stood at just 27% in Reuters/Ipsos polling, with 59% calling military action the wrong decision. Iran faces \$435 million per day in economic damage from the U.S. naval blockade, targeting 90% of Iran's \$109.7 billion in annual commerce. The PGSA fee system is Iran's attempt to monetize its control position — the behavior of a party seeking an economic exit, not a military one.

PART VI: THE SETTLEMENT ARCHITECTURE — WHAT JUNE 6 CONFIRMED

Three independently sourced announcements in 13 minutes on June 6, 2026 — timed 73 minutes before the Sunday forex open: Iranian frozen assets to be released to Gulf allies (4:47 PM), Bessent directing damage assessment (4:48 PM), New York Post confirmation with 28,000 views (5:00 PM). The 1991 Gulf War model repeats — American military power, allied financial backing, Iranian asset liquidation as the settlement mechanism. Gulf collateral damage: \$600 million per day in lost regional revenue, Qatar's Ras Laffan requiring \$20 billion and 5 years to rebuild, PGSA imposing up to \$2 million per vessel transit.

CONCLUSION: THE GRAND STRATEGY — VERIFIED STATUS

Strategic Goal	Verified Status
Lock in LNG revenue — \$40B GDP, \$54B taxes, 273K jobs	■ Confirmed — U.S. EIA / S&P; Global
Capture European energy market — 10.3 Bcf/d, 68% of exports	■ Confirmed — U.S. EIA

Strategic Goal	Verified Status
Replace tariffs with LNG structural leverage	■ Confirmed — Florence School / Columbia Energy
Trap China in reserve depletion cycle	■ Confirmed — IEEFA / Columbia Energy Policy
Force open allied markets — EU \$250B energy framework	■ Active — Florence School of Regulation
Engineer controlled dollar weakness	■ In progress — Treasury signals June 6
Exit war with political cover — House 215–208	■ Confirmed — AP News
Recover war costs via Iranian frozen assets	■ In motion — NYPost / Bessent June 6
Sanction Iran toll revenue — OFAC designated PGSA	■ Confirmed — U.S. Treasury May 26, 2026

The opening move was military.

The closing move is financial.

The dollar is the last battlefield.



Sources: U.S. EIA | U.S. Chamber of Commerce / S&P; Global | U.S. Treasury / OFAC | AP News | NPR | Euronews | Washington Times | Jerusalem Post | CSIS | Middle East Council | Foundation for Defense of Democracies | Columbia University Energy Policy | Florence School of Regulation | Danske Bank Research

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