

Oil Price Treachery: Are the Saudis Blackmailing Putin for Concessions on Syria?

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Here's what you need to know about the Syria peace talks: Four of the most powerful militias currently operating in Syria have been excluded from the negotiations. The Islamic State (ISIS), Jabhat al Nusra, the Syrian Democratic Forces (SDF) and the Kurdish People's Protection Units (YPG) have all been banned from the talks. What this means is that even if all the delegates agree to a ceasefire, it's not going to matter. The fighting is going to continue. Everyone in the Obama administration already knows this, which is why we think the peace talks are a fraud designed to conceal Washington's real objectives. (More on this later.)

The meetings that were supposed to begin on Friday, did not actually start until Monday following a series of diplomatic miscues over the weekend. As it happens, the main Syrian opposition groups, most of who operate under the aegis of the High Negotiations Committee, refused to come to Geneva until Russia met their demands concerning humanitarian relief, prisoner release and stopping the bombing of enemy positions. Not surprisingly, the matter wasn't settled by Moscow caving in to the HNC's demands, but by Kerry bending-over-backwards to placate the group by making a number of commitments that he'll never be able to keep. What commitments? According to Reuters:

"In separate comments before heading to Geneva, Assad al-Zoubi, (chief negotiator for the HNC) said U.S. Secretary of State John Kerry gave assurances by phone to the HNC's leadership, saying Washington supported a U.N.-backed political transition period without Assad, a bone of contention among warring parties." ([Reuters](#))

Naturally, the media has tried to sweep this story under the rug saying that there was no quid pro quo between the State Department and the opposition, but that seems very unlikely. Here's more background from Tass news service:

"The Syrian opposition is ready to begin the negotiations in Geneva without any preconditions, Salem al-Muslad, a spokesman for the delegation of the High Negotiations Committee supported by Riyadh that has arrived in Switzerland has told reporters.

According to him, the delegation will demand providing humanitarian access to Syrian cities, releasing prisoners and rendering humanitarian assistance. He noted though that those "were not preconditions." "These are not our preconditions." ([Syrian opposition ready to begin talks in Geneva without preconditions](#), Tass)

Let's get this straight: Demanding "the release of prisoners and humanitarian assistance", is a "precondition" regardless of what Muslad says. This hair-splitting mishmash is simply designed to confuse the public about concessions Kerry apparently made in private. And, if the Reuters report can be trusted, then Kerry also promised that Assad would not be part of the "transitional government". That's a promise Kerry will never be able to keep since Russia, Iran and Hezbollah flatly reject the idea. In fact, the current war is largely a battle between those who support regime change and those who don't. Moscow doesn't, and it has deployed its military assets to Syria to defend that principle.

In any event, the actual peace talks did not begin until Monday when members of the HNC arrived in Geneva and held their first two hour-long meeting with UN special envoy Staffan de Mistura. Members from the Syrian government's delegation, led by Syrian ambassador to the UN, Bashar al-Jaafari, were not present at the meeting nor will they be in the future. They refuse to be in the same room with members of the anti-regime opposition. Instead, they plan to be in another part of the building where they'll get regular updates from couriers shuttling back and forth between their suite and the conference room. The obvious hatred between the members of the rival groups suggests that a breakthrough is improbable at best.

It's worth noting, that the Saudis created the HNC to lump the many disparate militias operating in Syria under one pretentious-sounding moniker that lends legitimacy to the roving bands of Sunni militants that most people consider terrorists. The whole scam is another shining example of public relations run amok. For example, the HNC does not view Jaish al-Islam and Ahrar al-Sham as extremist groups even though both organizations are committed to overthrowing the existing, secular government and replacing it with an Islamic regime that will enforce Sharia law. Naturally, the western media goes along with this sham because the HNC's strategic aims coincide closely with those of the US. But the fact is the HNC is basically a terrorist umbrella organization whose ultimate goal is to topple Assad and replace him with a compliant stooge who'll do whatever he's told by his foreign puppetmasters.

On Monday, following his meeting with the HNC delegation, de Mistura issued a statement that reiterated the primary policy objective of the Obama State Department; to stop the blistering Russian-led military offensive and declare an immediate ceasefire to save as many US-backed jihadists as possible. Here's a blurb on the topic from an article in Al monitor:

"Declaring the official beginning of the Syrian peace talks, de Mistura said it was now up to the 20-member International Syria Support Group (ISSG) to begin parallel discussions on a Syria cease-fire...

"I am reminding International Syria Support Group members of what they actually indicated, that when talks start, they themselves would start helping in ensuring there would be a discussion about an overall cease-fire in the Syrian conflict," de Mistura said." ([Syrian opposition finally agrees to join Geneva talks](#), al Monitor)

So implementing a ceasefire is the UN's top priority as it is Washington's. But why would Putin agree to a ceasefire now just when the Russian-led coalition is making great strides on the battlefield, the war's momentum has shifted in his favor, and the jihadist militias appear to be on the ropes?

He probably won't agree to a ceasefire nor will he agree to have Assad be removed by force of arms. But he might be willing to ease-up on his current military offensive and even allow the US to retain captured territory in eastern Syria (that could be used for future pipeline corridors) if he thought that Russia would benefit from the deal.

But what sort of deal would that be and what would it involve?

Oil. It would involve oil and, ultimately, oil prices.

What if the Saudis, acting on behalf of their friends in Washington, offered to cut back production so prices began to rise and Russia's economy started to rebound? Would that be an offer that Putin would consider?

Maybe, after all, the combination of sanctions and plunging oil prices has pushed the Russian economy into a deep slump. It's only natural that Putin would want to put an end to the pain and get the economy back on track. But what do the Saudis want in return, that's the question. Check out this clip from an article in Monday's Wall Street Journal:

"It remains within Saudi Arabia's ability to foster at least a partial recovery in crude prices on its own. A sharp rally in prices last Thursday morning was based on comments from Russia's energy minister that the Saudis might get the ball rolling on 5 per cent output cuts. That was quickly refuted and oil gave up much of the gains....

Russian overtures that include political and military concessions might break the logjam and persuade the Saudis to take the lead on production cuts." ([Oil-price poker: why the Saudis refuse to fold 'em](#), Wall Street Journal)

There are three points in this excerpt that need clarification. First, the WSJ confirms what the so called "conspiracy theorists" have been saying from the beginning, that is, that the Saudis have ability to foster a "recovery in crude prices on its own". In other words, the plunging prices are not simply "market driven", but the result of deliberate manipulation via oversupply. The Saudis have the power to change this.

Second, the Saudis DID tell Russia's energy minister that they were considering 5 percent output cuts. And then they lied about it afterwards when they talked with the media. (which sent prices back down.) Was the quick about-face designed to get the Russians thinking about how much they need the Saudis to lift oil prices?

Of course, it was. They wanted the energy minister to pass-along the message to the Kremlin bigwigs so they'd start to whet their appetites for those juicy oil revenues. The Saudis are trying to weaken Moscow's resolve and pave the way for a compromise. That's what's really going on.

Third, "Russian overtures that include political and military concessions might break the logjam and persuade the Saudis to take the lead on production cuts."

Ah ha! So the author admits that if Russia agrees to "political and military concessions", then the Saudis will implement production cuts. But are the Saudis really acting on their own behalf in this matter or has someone else put them up to it, someone like Uncle Sam, for example?

This same theme popped up in Brookings working paper last year by author F.Gregory Gause 3. Here's what he said:

"The question remains whether negotiations, or even agreements, on oil questions might lead to enough improvement in the atmospherics of regional relations that security issues like the Syrian civil war ... might become amenable to negotiations among Riyadh, Tehran and Moscow" ([Sultans of Swing? The Geopolitics of Falling Oil Prices](#), F. Gregory Gause, Brookings Institute)

Hmmm? In other words, if Putin is willing to make concessions on Syria, then maybe all his oil problems will just go away. Sounds a lot like blackmail, doesn't it? Here's Gause again:

"Washington should be ready to make an effort to expand them (the negotiations) beyond oil issues to include regional crisis spots like Syria. This can only be done through cooperation with Saudi Arabia, which will have to make an oil deal contingent on some geopolitical concessions from Bashar al-Assad's allies as well."

So the author is admitting that the only way Washington is going to be able to force Putin into making the "geopolitical concessions" they want, is by using Saudi oil for leverage.

Is this the strategy behind Geneva, to use the fake "peace talks" to put a gun to Putin's head and see if he'll cave in?

It sure looks like it to me.

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