

Ukraine: Emperor Obama's Old New Clothes and the US Energy War

By Vera Graziadei Global Research, October 17, 2014 Vera Graziadei 2 October 2014 Region: <u>Russia and FSU</u> Theme: <u>Oil and Energy</u>, <u>US NATO War</u> <u>Agenda</u> In-depth Report: <u>UKRAINE REPORT</u>

It really is a pity that children are not allowed to U.N. meetings, so that during Obama's address to the General Assembly last week someone could have shouted out: "The King is naked!". For even though in its intention his speech was supposed to be a finely-weaved cloth depicting utopian motifs of US-led knights in shining UN armour fighting for human progress, democracy, peace and prosperity around the globe, there were so many holes in this spin-doctor-fabricated material, that the bare flesh of the real US Foreign policy agendas was impossible to conceal.

Everyone present along with the loyal mainstream media carried on with the pretence, purposefully ignoring faulty lines and gaping holes, while praising the smoothness of the yarn (The Guardian: "Obama sought to strike a delicate balance at the UNGA") and spotlighting new haute-couture patterns of justifying war (BBC: "The phrase that will linger is "the network of death") soon to be seen in all high-street media narratives.

Conveniently, most MSM journalists chose to ignore the ironic twists in the weaving of Obama's advisors: "Hundreds of millions of human beings have been freed from the prison of poverty" (yes, except <u>67% of Detroit families</u> and <u>46.5 million people in the whole of the US</u>); "I often tell young people in the United States that this is the best time in human history to be born (the U.S. infant mortality rate is fourth highest among 29 of the world's most developed nations), for you are more likely than ever before to be literate (<u>32 million</u> adults in the U.S. can't read. That's 14 percent of the population), to be healthy (US has the most-expensive and least effective health-care system compared with 10 other western, leading industrialised nations), and to be free to pursue your dreams (The American Myth of Social Mobility)."



"We come together at a crossroads between war

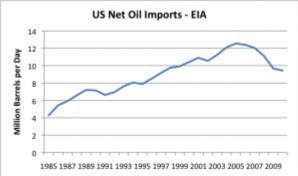
and peace; between disorder and integration; between fear and hope", said the 2009 Noble Peace Laureate, who only a day before started bombing Syria. "We come together at a crossroads between war and peace; between disorder and integration; between fear and hope", said the 2009 Noble Peace Laureate, who only a day before <u>started bombing the 7th predominantly Muslim country after Afganistan, Pakistan,</u> <u>Yemen, Somalia, Libya and Iraq</u>. Hours before the U.S. launched airstrikes and cruise missiles into Syria, a senior administration official had <u>told the Guardian</u> that "<u>neither of the</u> <u>two groups targeted in the Monday night strikes — the Islamic State militant group or the Al-</u> <u>Qaeda splinter group Khorasan — posed an imminent threat to the U.S</u>." In fact, Khorasan Group is a <u>fake terror threat to justify bombing Syria</u>.

As Obama was rallying the world on the path of war (which by then he had already started), not one person stood up to ask what possible legal authority he has to bomb Syria. During the following days all mainstream media outlets which in recent months have been so outspoken about international law and the sovereignty of the Ukrainian state towards which Russian aggression was allegedly directed, were now not only silent about the lack of UN or Congressional authorisation for the Syrian war, they were obligingly spreading all the war propaganda they were fed by the authorities. (Note: War propaganda is a war crime according to the Nuremberg Principles: Crime against the Peace. By upholding US foreign policy, MSM is complicit in war crimes.)

Setting aside the tragedy of the Middle Eastern conflict and focusing on Europe, as the Emperor was showcasing his supposedly humanitarian robes, there were so many holes of lies, hypocrisy and double standards in them, only fierce defenders of the Empire or Obama's useful idiots would carry on with the pretence that the naked ugly flesh of US foreign policy is not flashing in front of everyone's eyes. Presumably, because the majority of Brits and Europeans still believe that their own prosperity and progress is dependent on US global dominance, Obama's speech resonated with their beliefs and values irrespective of its falseness. Because when one looks at the facts of what the US has been doing in the UK and Europe in recent years, it becomes clear that the real aggression is not coming from Russia, but from across the Atlantic – seeding corrupt and undemocratic practices into European politics, as well as endangering the environment, undermining people's rights and powers and even encouraging the spilling of blood (as in Ukraine). The only people who are benefiting from these practices are multinationals and corrupt politicians that work together in alliance to preserve the existing world order, which has been benefiting them and which is currently under threat.

According to Foreign Policy magazine, "American Leadership in the world is imperilled": there's more economic growth occurring in the developing world; military spending of developing countries is increasing (reducing the relative military power of the US) and the total federal debt is \$13 trillion, which is 3/4th of GDP. It's the latter, which is the biggest problem that the US faces at the moment: "among allies, adversaries, and swing states alike, U.S. fiscal policy is increasingly calling into question America's ability to lead globally."

Foreign Policy listed measures that the US has to take in order to remain a global power – fiscal deficit could be reduced by increasing the retirement age, investing in infrastructure, reforming corporate tax law to encourage bringing profits home, enhancing productivity through reforming health-care and education, and focusing on technological superiority in military spending. Aside from these domestic-focused solutions, it also stressed the importance of attracting talent from around the world and capitalising on America's energy boom.



Less than a decade ago, the US was totally dependent on energy imported from abroad, especially from the Middle East. It was all reversed since 2007, when a combination of fracking and horizontal drilling have generated a surge in US oil and natural gas production, helping the US to overtake Russia as the world's leading producer of oil and gas in 2013 and even giving hope that it will overcome Saudi Arabia as the world's largest crude oil producer by 2015. This economic boost from the "North American energy revolution" has made the US relatively energy independent and in turn 'stimulated energy-heavy petrochemical production, created 2 million jobs in shale gas industry', supposedly reduced carbon dioxide emissions and, most importantly, transformed US foreign policy.

It all started with <u>Hilary Clinton, who during her leadership at the State Department has</u> <u>worked closely with energy companies to spread fracking around the globe</u> – sold as a broader push to fight climate change and boost energy supply, but also to weaken power adversaries, who challenge the US in the global energy market, such as Russia, China, Syria and Iran and to benefit US firms, which with the help of American officials, would get high concessions on shale gas overseas.

In early 2009, when Clinton was sworn as Secretary of State, she instructed lawyer David Goldwyn to 'elevate energy diplomacy as the key function of US foreign policy'. By 2010, Goldwyn unveiled the Global Shale Gas Initiative, which aimed 'to help other nations develop their shale potential', in a way which is 'as environmental friendly as possible'. However, when the Initiative was launched, environmental groups were barely consulted and it was the United States Energy Association, a trade organization representing Chevron, Exxon Mobil, and Conoco-Phillips, that played the key role.



"From then on US officials and oil giants were working together, as if they are part of the same multinational company pursuing the same business plan." They were working together in order to achieve the US foreign policy goals.

By early 2011, the State Department decided to launch a new bureau to integrate energy into every aspect of foreign policy, an idea heavily inspired by Chevron executive Jan Kalicki's book *Energy and Security: Toward a New Foreign Policy Strategy.* The new Bureau of Energy Resources, with 63 employees and a multimillion-dollar budget (coming out of taxpayers' pockets) started its work in late 2011. *One of the strategies was for US embassies to 'pursue more outreach to private-sector energy firms' (some of these firms happened to support Hilary Clinton's and Obama's political campaigns, e.g. Chevron*). From then on US officials and oil giants were working together, as if they are part of the same multinational company pursuing the same business plan.

Europe was one of the top targets of this new US energy-focused foreign policy/business plan and Clinton personally flew to various countries like Bulgaria to promote the fracking industry. Lobbyists circulated a report that the European Union could save 900 billion euros if it invested in gas rather than renewable energy to meet its 2050 climate targets. At the same time shale gas was advertised as the fuel of choice for slashing carbon emissions. Environmentalists argued that fracking can do little to ease global warming, given that wells and pipelines leak large quantities of methane, a potent greenhouse gas. Also anyone concerned with the environment was upset that investing in fracking could crowd out investment in renewables. At the same time growing evidence was emerging that fracking was linked to groundwater <u>contamination</u> and <u>earthquakes</u>.

Despite these counter-currents, '2012 was a busy year for a State Department, which hosted fracking conferences from Thailand to Botswana, while American foreign diplomats and officials helped US oil giants to snap up shale gas leases around the globe. Chevron had the largest share of shale concessions in Argentina, Australia, Canada, China, and South Africa, as well as in Eastern Europe, especially in <u>Poland</u>, which had granted more than 100 shale concessions covering nearly a third of its territory.'

However, this US foreign policy/business plan didn't unfold smoothly : <u>new research</u> from the U.S. Geological Survey suggested that the EIA assessments had grossly overestimated shale deposits in Poland by 99% and *one industry study <u>estimated</u> that drilling shale gas in Poland would cost three times as much as in the US*. There was a further controversy with regards to rights to underground resources in Eastern Europe.

Facing these obstacles, the US State Department and Oil behemoths started a <u>lobbying blitz</u> <u>around the EU</u>: lawmakers were sent industry-funded studies, fake grassroots organisations were set up, regulators were wined and dined at conferences and extravagant functions. All of it came with a warning that failure to develop shale gas "will have damaging consequences on European energy security and prosperity".



Is the EU as transparent as it presents itself, when a major law company in Washington is able to hire former senior decision makers who bring with them a not-yet-published draft law about tracking in the EU?

At one time of this European <u>lobbying bonanza</u>, Covington & Burling, a major Washington law firm, hired several former senior E.U. policymakers — including a top energy official who, <u>according to the New York Times</u>, arrived with a not-yet-public draft of the European Commission's fracking regulations. Not only American law firms were fostering corruption by rewarding recruited European politicians, including top officials from the three main governing bodies – the European Commission, Parliament and Council – with fat pay-checks, but they also made every effort to keep their lobbying practices as opaque as possible, citing lawyer-confidentiality to evade government-backed but voluntary disclosure efforts. This lack of transparency left many of their lobbying results outside of public scrutiny, undermining democracy in Europe, yet bringing profits to multinational clients.

Between January and October 2012 Goldwyn from the US Shale Gas Initiative organised Chevron-funded fracking workshops in Bulgaria, Lithuania, Poland, Romania, and Ukraine. All of these countries, except Bulgaria, which saw wide-spread anti-fracking protests, would later grant Chevron major shale concessions. In Romania the US State Department got involved in direct negotiations *-the US Ambassador led negotiations between 'upset' Chevron officials and the Romanian government, which resulted in a 30 year deal with Chevron*.

When Chevron started installing its first Romanian rig in late 2013, local residents <u>blockaded</u> the planned drilling sites. Soon, anti-fracking protests were starting across Europe, from <u>Poland</u> to the <u>United Kingdom</u>, but Chevron didn't back down – along with other American energy firms, itlobbied to "insert language in a proposed U.S.-E.U. trade agreement, aka TTIP (Transatlantic Trade and Investment Partnership), allowing U.S. companies to haul European governments before international arbitration panels for any actions threatening their investments, in order protect shareholders against "arbitrary" and "unfair" treatment by local authorities."

Despite the public outcry in Europe, the State Department, working alongside energy multinationals, as if 'they were all branches of the same company', has stayed on its course of making Europe more dependent on the North American energy platform. One of the biggest obstacles to this goal was and is Russia, as it supplies 30% of Europe's natural gas. Part of the campaign to promote a US-led fracking revolution in Europe is the media's demonisation of Russia, in order to scare Europeans away from their Russian gas consumption.

Unfortunately, Ukraine was bound to be the centre of this battle as it depends on Russian gas almost entirely while being one of the main gas transit countries in Europe. An insider report called <u>"Occasional Paper 291. Ukraine's Energy Policy and US Strategic Policy in Eurasia"</u> stated the following as 'the problem':

"Twelve years after achieving independence, Ukraine seems unable to find a way to break away from its energy dependency on Russia, or to find viable ways of managing it. Ukraine's current energy situation and its handling also have important negative implications for US strategy in the region... Ukraine's lack of clear energy policy strategy complicates the US strategy of supporting multiple pipeline routes on the east-West axis as a way of helping to promote a more pluralistic system in the region as an alternative to continued Russian hegemony." If only Obama's speeches were as honest.

On 5th November 2013, it looked like Ukraine's future independence from Russian gas was certain – <u>Ukraine and Chevron finally signed a 50-year lease deal</u>, following a January 2013 deal with Royal Dutch Shell. *Ukraine President Yanukovich seemed optimistic about these new partnerships, stating on his website that they "will let Ukraine satisfy its gas needs completely and, under the optimistic scenario, export energy resources by 2020".*

Quite a few bottles of champagne must have popped on that day, as the US had been trying to wean Ukraine off Russian gas for quite a few years. As early as 2004, the Bush administration had spent <u>\$65 million</u> 'to aid political organisations in Ukraine, paying to bring opposition leader Viktor Yushchenko to meet U.S. leaders and helping to underwrite exit polls indicating he won last month's disputed runoff election.'

It was during Yushchenko's presidency (2005-2010), that Ukraine and Russia had many 'gas rows', which at one time in 2009 left as many as <u>18 European countries cut off</u> from Russian gas. In response, *Gazprom, Russia's state-run energy company, proposed the building of a new \$21.6 billion pipeline called South Stream as a way to circumvent Ukraine and ensure an uninterrupted, diversified flow to Europe*. Italy and seven other countries have joined the venture.



Hromadske TV was established just one day after

Yanukovich abandoned agreement with the EU (such a coincidence). This TV also promoted Maidan protests.

As the project would not be complete until 2018, the US still had time to challenge Russia in the European energy market and Chevron's deal with Ukraine was an attempt to do just that. *As usual, the US supplemented its business plan with a powerful PR campaign – a couple of months prior to the signing of the Chevron-Ukraine deal, the US (Chevron) and Dutch (Shell) Embassies, along with George Soros' International Renaissance Foundation 'announced' the set-up of an "NGO" – an online anti-Russian pro-western media outlet called <u>Hromadske TV</u>, which, again totally incidentally (no doubt!) was launched on 22 November 2013, one day after Yanukovich <u>abandoned</u> an agreement with the EU in favour of Putin's sudden offer of a 30% cheaper gas bill and a \$15 billion aid package.*

It was this US/Dutch/Soros-sponsored Hromadske TV, which became the main driving vehicle behind the Euromaidan protests, which were initiated by its editor-in-chief <u>Mustafa</u> <u>Nayem</u>, who used Facebook to rally the Ukrainians to gather on Independence Square in Kiev to protest Yanukovich's decision. The narrative that was spun by Hromadske TV, opposition-owned Ukrainian TV and western media was that Euromaidan was 'a true

people's movement, fueled by Ukranian citizens' desire for a better government and closer ties with the EU.' Somehow, not that many western journalists were concerned about the fact that the man who rallied people on Maidan was funded by US and Dutch Embassies, as well as by George Soros.

While publicly US officials were professing 'the right of Ukrainian people to selfdetermination, freedom and democracy', behind the scenes they were choosing leaders themselves, not with Ukrainian people's interests, but with US interests in mind. In a private <u>leaked</u> telephone conversation US assistant secretary of state Victoria Nuland told US ambassador to Kiev Geoffrey Pyatt that "I don't think [opposition leader] Klitsch should go into the government" (Klitshchko didn't and successfully ran for the Mayor of Kiev instead). "I think Yats is the guy who's got the economic experience, the governing experience." (Yatsenyuk became the interim prime minister. Also completely incidentally his foundation Open Ukraine has a revealing list of <u>Russia-hating sponsors</u>, including NATO Information and Documentation Centre and State Department of the United States of America)

In the same conversation, Nuland, who is married to neo-con foreign policy pundit Robert Kagan who pushed for the Iraq war, gave the most accurate definition of the UN's role in this world: "He's [Jeff Feltman, United Nations Under-Secretary-General for Political Affairs] now gotten both [UN official Robert] Serry and [UN Secretary General] Ban Ki-moon to agree that Serry could come in Monday or Tuesday. So that would be great, I think, to help glue this thing and to have the UN help glue it and, you know, Fuck the EU." I think the UN should change their website's banner from Welcome to the United Nations. It's your world. to 'Welcome to the United Nations. It's a US world, and we are here to glue it.' Also 'Fuck the EU" is possibly the most succinct summary of US relations with Europe in recent years. It would add a touch of truthfulness, if they would add it as a postscript to Obama's speech at the UNGA.

To be continued...

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