

# The Secret Stupid Saudi-US Deal on Syria. Oil Gas Pipeline War. By [F. William Engdahl](#)



This incisive article first published by GR in October 2014 sheds light on the unfolding war in Syria and the confrontation between Russia and the US.

*The details are emerging of a new secret and quite stupid Saudi-US deal on Syria and the so-called ISIS. It involves oil and gas control of the entire region and the weakening of Russia and Iran by Saudi Arabian flooding the world market with cheap oil. Details were concluded in the September meeting by US Secretary of State John Kerry and the Saudi King. The unintended consequence will be to push Russia even faster to turn east to China and Eurasia.*

One of the weirdest anomalies of the recent NATO bombing campaign, allegedly against the ISIS or IS or ISIL or Daash, depending on your preference, is the fact that with major war raging in the world's richest oil region, the price of crude oil has been dropping, dramatically so. Since June when ISIS suddenly captured the oil-rich region of Iraq around Mosul and Kirkuk, the benchmark Brent price of crude oil dropped some 20% from \$112 to about \$88. World daily demand for oil has not dropped by 20% however. China oil demand has not fallen 20% nor has US domestic shale oil stock risen by 21%.

What has happened is that the long-time US ally inside OPEC, the kingdom of Saudi Arabia, has been flooding the market with deep discounted oil, triggering a price war within OPEC, with Iran following suit and panic selling short in oil futures markets. The Saudis are targeting sales to Asia for the discounts and in particular, its major Asian customer, China where it is reportedly offering its crude for a mere \$50 to \$60 a barrel rather than the earlier price of around \$100. [1] That Saudi financial discounting operation in turn is by all appearance being coordinated with a US Treasury financial warfare operation, via its Office of Terrorism and Financial Intelligence, in cooperation with a handful of inside players on Wall Street who control oil derivatives trading. The result is a market panic that is gaining momentum daily. China is quite happy to buy the cheap oil, but her close allies, Russia and Iran, are being hit severely.

## **The deal**



According to Rashid Abanmy, President of the Riyadh-based Saudi Arabia Oil Policies and Strategic Expectations Center, the dramatic price collapse is being deliberately caused by the Saudis, OPEC's largest producer. The public reason claimed is to gain new markets in a global

market of weakening oil demand. The real reason, according to Abanmy, is to put pressure on Iran on her nuclear program, and on Russia to end her support for Bashar al-Assad in Syria.<sup>[2]</sup> When combined with the financial losses of Russian state natural gas sales to Ukraine and prospects of a US-instigated cutoff of the transit of Russian gas to the huge EU market this winter as EU stockpiles become low, the pressure on oil prices hits Moscow doubly. More than 50% of Russian state revenue comes from its export sales of oil and gas.

The US-Saudi oil price manipulation is aimed at destabilizing several strong opponents of US globalist policies. Targets include Iran and Syria, both allies of Russia in opposing a US sole Superpower. The principal target, however, is Putin's Russia, the single greatest threat today to that Superpower hegemony. The strategy is similar to what the US did with Saudi Arabia in 1986 when they flooded the world with Saudi oil, collapsing the price to below \$10 a barrel and destroying the economy of then-Soviet ally, Saddam Hussein in Iraq and, ultimately, of the Soviet economy, paving the way for the fall of the Soviet Union. Today, the hope is that a collapse of Russian oil revenues, combined with select pin-prick sanctions designed by the US Treasury's Office of Terrorism and Financial Intelligence will dramatically weaken Putin's enormous domestic support and create conditions for his ultimate overthrow. It is doomed to fail for many reasons, not the least, because Putin's Russia has taken major strategic steps together with China and other nations to lessen its dependence on the West. In fact the oil weapon is accelerating recent Russian moves to focus its economic power on national interests and lessen dependence on the Dollar system. If the dollar ceases being the currency of world trade, especially oil trade, the US Treasury faces financial catastrophe. For this reason, I call the Kerry-Abdullah oil war a very stupid tactic.

### **The Kerry-Abdullah secret deal**

On September 11, US Secretary of State Kerry met Saudi King Abdullah at his palace on the Red Sea. The King invited former head of Saudi intelligence, Prince Bandar to attend. There a deal was hammered out which saw Saudi support for the Syrian airstrikes against ISIS on condition Washington backed the Saudis in toppling Assad, a firm ally of Russia and de facto of Iran and an obstacle to Saudi and UAE plans to control the emerging EU natural gas market and destroy Russia's lucrative EU trade. A report in the *Wall Street Journal* noted there had been "months of behind-the-scenes work by the US and Arab leaders, who agreed on the need to cooperate against Islamic State, but not how or when. The process gave the Saudis leverage to extract a fresh US commitment to beef up training for rebels fighting Mr. Assad, whose demise the Saudis still see as a top priority."<sup>[3]</sup>

For the Saudis the war is between two competing age-old vectors of Islam. Saudi Arabia, home to the sacred cities of Mecca and Medina, claims de facto supremacy in the Islamic world of Sunni Islam. The Saudi Sunni form is ultra-conservative Wahhabism, named for an 18<sup>th</sup> Century Bedouin Islamic fundamentalist or Salafist named Muhammad ibn Abd al-Wahha. The Taliban derive from Wahhabism with the aid of Saudi-financed religious instruction. The Gulf Emirates and Kuwait also adhere to the Sunni Wahhabism of the Saudis, as does the Emir of Qatar. Iran on the other hand historically is the heart of the smaller branch of Islam, the Shi'ite. Iraq's population is some 61% majority Shi'ite. Syria's President, Bashar al-Assad is a member of a satellite of the Shi'ite branch known as Alawite. Some 23% of Turkey is also Alawite Muslim. To complicate the picture more, across a bridge from Saudi Arabia sits the tiny island country, Bahrain where as many as 75% of the population is Shi'ite but the ruling Al-Khalifa family is Sunni and firmly tied to Saudi Arabia. Moreover, the richest Saudi oil region is dominated by Shi'ite Muslims who work the oil installations of Ras Tanura.

### **An oil and gas pipeline war**

## Proposed Iran-Iraq-Syria Pipeline



These historic fault lines inside Islam which lay dormant, were brought into a state of open warfare with the launching of the US State Department and CIA's Islamic Holy War, otherwise known as the Arab Spring. Washington neo-conservatives embedded inside the Obama Administration in a form of "Deep State" secret network, and their allied media such as the Washington Post, advocated US covert backing of a pet CIA project known as the Muslim Brotherhood. As I detail in my most recent book, *Amerikas' Heiliger Krieg*, the CIA had cultivated ties to the terrorist Muslim Brotherhood death cult since the early 1950's.

Now if we map the resources of known natural gas reserves in the entire Persian Gulf region, the motives of the Saudi-led Qatar and UAE in financing with billions of dollars the opposition to Assad, including the Sunni ISIS, becomes clearer. Natural gas has become the favored "clean energy" source for the 21<sup>st</sup> Century and the EU is the world's largest growth market for gas, a major reason Washington wants to break the Gazprom-EU supply dependency to weaken Russia and keep control over the EU via loyal proxies like Qatar.

The world's largest known natural gas reservoir sits in the middle of the Persian Gulf straddling part in the territorial waters of Qatar and part in Iran. The Iranian part is called North Pars. In 2006 China's state-owned CNOOC signed an agreement with Iran to develop North Pars and build LNG infrastructure to bring the gas to China.<sup>[4]</sup>

The Qatar side of the Persian Gulf, called North Field, contains the world's third largest known natural gas reserves behind Russia and Iran.

In July 2011, the governments of Syria, Iran and Iraq signed an historic gas pipeline energy agreement which went largely unnoticed in the midst of the NATO-Saudi-Qatari war to remove Assad. The pipeline, envisioned to cost \$10 billion and take three years to complete, would run from the Iranian Port Assalouyeh near the South Pars gas field in the Persian Gulf, to Damascus in Syria via Iraq territory. The agreement would make Syria the center of assembly and production in conjunction with the reserves of Lebanon. This is a geopolitically strategic space that geographically opens for the first time, extending from Iran to Iraq, Syria and Lebanon.<sup>[5]</sup> As Asia Times correspondent Pepe Escobar put it, "The Iran-Iraq-Syria pipeline – if it's ever built – would solidify a predominantly Shi'ite axis through an economic, steel umbilical cord."<sup>[6]</sup>

Shortly after signing with Iran and Iraq, on August 16, 2011, Bashar al-Assad's Syrian Ministry of Oil announced the discovery of a gas well in the Area of Qarah in the Central Region of Syria near Homs. Gazprom, with Assad in power, would be a major investor or operator of the new gas fields in Syria.<sup>[7]</sup> Iran ultimately plans to extend the pipeline from Damascus to Lebanon's Mediterranean port where it would be delivered to the huge EU market. Syria would buy Iranian gas along with a current Iraqi agreement to buy Iranian gas from Iran's part of South Pars field.<sup>[8]</sup> Qatar, today the world's largest exporter of LNG, largely to Asia, wants the same EU market that Iran and Syria eye. For that, they would build pipelines to the Mediterranean. Here is where getting rid of the pro-Iran Assad is essential. In 2009 Qatar approached Bashar al-Assad to propose construction of a gas pipeline from Qatar's north Field through Syria on to Turkey and to the EU. Assad refused, citing Syria's long friendly relations with Russia and Gazprom. That refusal combined with the Iran-Iraq-Syria gas pipeline agreement in 2011 ignited the full-scale Saudi and Qatari assault on Assad's power, financing al Qaeda terrorists, recruits of Jihadist fanatics willing to kill Alawite and Shi'ite "infidels" for \$100 a month and a Kalishnikov. The Washington neo-conservative warhawks in and around the Obama White House, along with their allies in the right-wing Netanyahu government, were cheering from the bleachers as Syria went up in flames after spring 2011.

Today the US-backed wars in Ukraine and in Syria are but two fronts in the same strategic war to cripple Russia and China and to rupture any Eurasian counter-pole to a US-controlled New World Order. In each, control of energy pipelines, this time primarily of natural gas pipelines—from Russia to the EU via Ukraine and from Iran and Syria to the EU via Syria—is the strategic goal. The true aim of the US and Israel backed ISIS is to give the pretext for bombing Assad's vital grain silos and oil refineries to cripple the economy in preparation for a "Ghaddafi"-style elimination of Russia and China and Iran-ally Bashar al-Assad.

In a narrow sense, as Washington neo-conservatives see it, who controls Syria could control the Middle East. And from Syria, gateway to Asia, he will hold the key to Russia House, as well as that of China via the Silk Road.

Religious wars have historically been the most savage of all wars and this one is no exception, especially when trillions of dollars in oil and gas revenues are at stake. Why is the secret Kerry-Abdullah deal on Syria reached on September 11 stupid? Because the brilliant tacticians in Washington and Riyadh and Doha and to an extent in Ankara are unable to look at the interconnectedness of all the dis-order and destruction they foment, to look beyond their visions of control of the oil and gas flows as the basis of their illegitimate power. They are planting the seeds of their own destruction in the end.

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**Notes:**

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[4] POGC, North Pars Gas Field, Pars Oil and Gas Company website, <http://www.pogc.ir/NorthParsGasField/tabid/155/Default.aspx>

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[6] Pepe Escobar, Why Qatar Wants to Invade Syria, Asia Times, September 27, 2012, <http://www.informationclearinghouse.info/article32576.htm>

[7] Ibid.

[8] F. William Engdahl, Syria Turkey Israel and the Greater Middle East Energy War, Global Research, October 11, 2012, <http://www.globalresearch.ca/syria-turkey-israel-and-the-greater-middle-east-energy-war/5307902>

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