## Misguided Foreign Policies Against Russia

## **Description**

## via Moon of Alabama

Political corruption, a lack of knowledge, and irrational foreign policies have brought the U.S. to a point where it is loosing its primacy in the world.

In response to the 2014 U.S. coup in Kiev the Russian Federation supported ethnic Russian rebels in the Donbas region to resist that anti-Russian progroms with which the Nazi-controlled Kiev regime threatened them. This blocked U.S. plans to move Ukraine into NATO and to station U.S. missiles directly at the Russian border.

In 2016 the Democrats sought revenge by pushing fake claims of Russian interference in U.S. elections. To justify her loss in the presidential election Hillary Clinton created 'Russiagate', the false claim the Trump was somehow directed by Russia. She was supported by high ranking officials throughout the deep state and especially within the FBI. In hindsight their behavior was beyond belief:

An FBI supervisor repeatedly testified Tuesday that agents did not corroborate an explosive allegation from a former British spy of a "well-developed conspiracy" between the Kremlin and Donald Trump's first presidential campaign before citing the claim as a reason to initiate surveillance of a former Trump campaign official.

The FBI used the unconfirmed report, Auten testified, to seek court approval of a secret surveillance warrant to monitor Carter Page, a Trump campaign adviser, and then successfully got that warrant reauthorized on three occasions, based in part on the same, uncorroborated claim.

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Auten told the jury that shortly after receiving the first batch of Steele documents in the fall of 2016, a group of FBI officials met with Steele and offered him "anywhere up to \$1 million" for information that would corroborate the claims in his reports. But Steele never did provide corroboration, Auten said in response to Durham.

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Steele had been hired to produce reports by research firm Fusion GPS, which had been retained by a law firm that represented Trump's opponent, Hillary Clinton, and the Democratic National Committee.

'Russiagate' created a feverish anti-Russian atmosphere especially within the Democrats and their followers.

Adding to this was a serious ignorance of Russia economic and technological capabilities. U.S. politicians rely on <u>biased media which created a false picture of Russia</u>. I did my best to debunk that as often as I could:

The rest of the *NYT* piece is not any better than its very first paragraph. It simply repeats false stereotypes about Putin as an "autocratic leader" or about the non-existing Russian influence on U.S. elections. Nearly thirty years ago when the Soviet Union broke apart Russia had a deep fall. The liberalization of its economy had catastrophic consequences. But it has since reformed itself. It is now back to its traditional position in the world. A large Eurasian power which is in nearly all aspects independent from the rest of the world and able to protect itself. It must therefore be taken into account when one thinks of global polices. That is simply a fact and not the effect of a "mindgame" that Russia allegedly plays with the "west".

That the U.S. still has problems to understand that is not Russia's fault but the result of the skewed descriptions of it.

I wrote the above in December 2019(!). Ten month later I revisited the issue:

Over the last years the U.S. and its EU puppies have ratcheted up their pressure on Russia. They seem to believe that they can compel Russia to follow their diktat. They can't. But the illusion that Russia will finally snap, if only a few more sanctions ar applied or a few more houses in Russia's neighborhood are set on fire, never goes away.

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Russia does not accept the fidgety 'rules of the liberal international order'. Russia sticks to the law which is, in my view, a much stronger position. Yes, international law often gets broken. But as Lavrov said elsewhere, one does not abandon traffic rules only because of road accidents. Russia stays calm, no matter what outrageous nonsense the U.S. and EU come up with. It can do that because it knows that it not only has moral superiority by sticking to the law but it also has the capability to win a fight.

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Russia is militarily secure and the 'west' knows that. It is one reason for the anti-Russian frenzy. Russia does not need to bother with the unprecedented hostility coming from Brussels and Washington. It can ignore it while taking care of its interests.

As this is so obvious one must ask what the real reason for the anti-Russian pressure campaign is. What do those who argue for it foresee as its endpoint?

The answer to my question was revealed in mid of last year when the U.S. and the EU threatened Russia with 'crushing sanctions'. The idea was to destroy Russia's economy to then breakup the country. It was a very stupid one:

Russia is the most autarkic country in the world. It produces nearly everything it needs and has highly desirable products that are in global demand and are especially needed in

Europe. Russia also has huge financial reserves. A sanctions strategy against Russia can not work. To use the Ukraine to gaud Russia into some aggression to then apply sanctions was likewise a rather lunatic attempt.

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Instead of splitting Russia from China the U.S. has unintentionally done its best to push them into a deeper alliance. It was the most severe strategic error the U.S. could make.

Instead of a taking a new strategic posture that would support a pivot to Asia strategy the U.S. is now moving troops back to Europe.

The narrow-minded bigotry of U.S. decision makers, fed by a belief in U.S. exceptionalism while lacking any conception of real power, has led to this defeat.

The U.S., through NATO, had build up the Ukrainian army with the intent to use it against Russia. As NATO General Secretary Stoltenberg proudly claimed:

As you know, NATO Allies provide unprecedented levels of military support to Ukraine. Actually NATO Allies and NATO have been there since 2014 – trained, equipped and supported the Ukrainian Armed Forces.

The recent war was launched <u>by Ukraine</u> on February 17 with artillery barrages against the Donbas republics. Massive sanctions against Russia were introduced. The Russia army finally marched into Ukraine.

It took only a few weeks to recognize that the sanctions, as I had expected, utterly failed. In the first days the Rubel fell only to come back much stronger. There were no shortages for Russian consumers. Russia's industries kept buzzing along.

But the sanctions did crush the 'west' and especially its consumers.

Over the years the U.S. and the EU have held up sanctions against the oil producers Iran, Venezuela and Russia. They also destroyed parts of Libya's oil industry. In total the sanctions have kept some 20% of global oil production either off the markets or made them more difficult to buy and sell. On top of this U.S. relations with major Middle East producers, especially Saudi Arabia, have cooled down.

In late 2021 consumer prices for hydrocarbon products exploded. When they threatened to derail the Democrat's chances in the mid terms President Biden used tax payer money, in form of the Strategic Petroleum Reserve, to subsidize gasoline prices:

The United States and five other world powers announced a coordinated effort to tap into their national oil stockpiles on Tuesday, attempting to drive down rising gas prices that have angered consumers around the world. The move appeared to underwhelm oil traders, who had been expecting President Biden to announce a larger release from America's Strategic Petroleum Reserve, which is the biggest in the world with 620 million barrels.

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The concerted effort, the largest ever for a release of strategic reserves across multiple

countries, is meant to address fluctuations in supply and demand for oil, administration officials said. And **it was a shot across the bow of OPEC Plus**, the name for the Organization of the Petroleum Exporting Countries as well as Russia and other countries. Mr. Biden has pushed those countries to increase production, but has been rebuffed.

The move could bring a response next week when the group holds its monthly meeting. While it could prompt those countries to increase production, it could just as easily push the cartel to restrict supply further and push global prices higher.

The SPR voter bribe has since continued:

Since 2021, the nation's SPR has diminished by about 35%, with 2021 starting with 638 million barrels in inventory. By the end of the year, that figure had dropped to 594 million barrels. Today, there are 416 million barrels—and even more are set to be released.

The U.S. has not only sanctioned major oil producers, it also instigated a war against the third largest (Russia) and pissed of the second largest one (Saudi Arabia).

The peak of such stupidity was the idea to limit the price 'allowed' to be paid for Russian oil:

A sane actor would conclude that the sanctions were a mistake and that lifting them would help Europe more than it would help Russia. But no, the U.S. and European pseudo elites are <u>no longer able to act in a sane manner</u>. They are instead doubling down with the <u>most crazy sanction scheme</u> one has ever heard of:

[T]he European Union pushed ahead on Wednesday with an ambitious but untested plan to limit Russia's oil revenue.

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Under the plan, a committee including representatives of the European Union, the Group of 7 nations and others that agree to the price cap would meet regularly to decide on the price at which Russian oil should be sold, and that it would change based on the market price.

How do you make a big producer of a rare commodity sell those goods below the general market price? Unless you have a very strong buyers cartel that can also buy the product from elsewhere you can not do this successfully. It is an economic impossibility.

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Russia has declared that it will not sell any oil to any party that supports the G7 price fixing regime. That is why neither China nor India nor any other country besides the EU and U.S. will agree to adhere to it.

A month ago OPEC+ finally fired back by decreasing its output aim <u>by 2 million barrels per day</u>. To some of them a price of oil around \$80 per barrel is simply a budget requirement:

The quiet understanding emerging from [Biden's] trip was that Saudi Arabia would increase

its production by about 750,000 barrels a day, and that the United Arab Emirates would follow suit with an additional 500,000, pushing down gas prices and worsening President Vladimir V. Putin's ability to fund a war that was stretching much longer — and with much higher casualties — than Mr. Biden had expected.But the production increases were fleeting. While Saudi Arabia boosted production significantly in July and August, it backed away from their promise to sustain those levels over the rest of 2022. Its leaders, and all of OPEC, worried that the specter of global recession was driving prices down, from \$120 a barrel over the summer to below \$80. Below that level, they fear, budgets have to be cut and social stability is threatened. So the Saudis decided they had to act.

The sanctions and the bad relations with Saudi Arabia mark a major failure of U.S. foreign policy writes M. K. Bhadrakumar:

The Biden Administration tempted Fate by underestimating the importance of oil in modern economic and political terms and ignoring that oil will remain the dominant energy source across the world for the foreseeable future, powering everything from cars and domestic heating to huge industry titans and manufacturing plants.

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The Western powers are far too naive to think that an energy superpower like Russia can be simply "erased" from the ecosystem. In an "energy war" with Russia, they are doomed to end up as losers. Historically, Western nations understood the imperative to maintain good diplomatic relations with oil-producing countries. But Biden threw caution into the wind by insulting Saudi Arabia calling it a "Pariah" state. Any improvement in the US-Saudi relations is not to be expected under Biden's watch. The Saudis distrust American intentions.

The congruence of interests on the part of the OPEC to keep the prices high is essentially because they need the extra income for their expenditure budget and to maintain a healthy investment level in the oil industry. The International Monetary Fund in April projected Saudi Arabia's breakeven oil price — the oil price at which it would balance its budget — at \$79.20 a barrel.

The budget point is an obvious one. But more important is that all of OPEC+ recognize the new sanction scheme as a potential attack on each of them:

Meanwhile, a "systemic" crisis is brewing. It is only natural that the OPEC views with scepticism the recent moves by the US and the EU to push back Russia's oil exports. The West rationalises these moves as aimed at drastically reducing Russia's income from oil exports (which translates as its resilience to fight the war in Ukraine.) The latest G7 move to put a cap on the prices at which Russia can sell its oil is taking matters to an extreme.

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No doubt, the West's move is precedent-setting — namely, to prescribe for geopolitical reasons the price at which an oil-producing country is entitled to export its oil. If it is Russia today, it can as well be Saudi Arabia or Iraq tomorrow. The G7 decision, if it gets implemented, will erode OPEC's key role regulating the global oil market. Therefore, the OPEC is proactively pushing back.

Its decision to cut down oil production by 2 million barrels per day and keep the oil price above \$90 per barrel makes a mockery of the G7 decision. The OPEC estimates that Washington's options to counter OPEC+ are limited. **Unlike in the past energy history, the US does not have a single ally today inside the OPEC+ group.** 

Due to rising domestic demands for oil and gas, it is entirely conceivable that the US exports of both items may be curtailed. If that happens, Europe will be the worst sufferer. In an interview with FT last week, Belgium's prime minister Alexander De Croo has warned that as winter approaches, if energy prices are not brought down, "we are risking a massive deindustrialisation of the European continent and the long-term consequences of that might actually be very deep."

All this is the consequence of U.S. 'Russiagate' phobia, originally raised for purely domestic policy reasons. It is a consequence of misrepresenting and misjudging the size and importance of Russia's economy. It is consequence of believing that Russian (and Saudi) interests can be ignored.

Russia's aim is to <u>de-NATO-size Europe</u>. It will do this by using the sanctions against it to deprive Europe of cheap energy. Sustained over months or years it is all that is needed to make NATO fall apart.

The sanctions will finally split Europe from the U.S. and its failed foreign policy.

Some U.S. politicians still think they must continue to <u>pile onto the mountain of failure</u> that U.S. foreign policy has become:

The congressional backlash against Saudi Arabia escalated sharply on Monday as a powerful Democratic senator threatened to freeze weapons sales and security cooperation with the kingdom after its decision to support Russia over the interests of the US.Washington's anger with its Saudi allies has intensified since last week's Opec+decision to cut oil production by 2m barrels, which was seen as a slight to the Biden administration weeks ahead of critical midterm elections, and an important boost to Russia.

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Hitting out at Mohammed bin Salman's decision to "help underwrite Putin's war through the OPEC+ cartel", Menendez said there was "simply is no room to play both sides of this conflict".

"I will not green-light any cooperation with Riyadh until the Kingdom reassesses its position with respect to the war in Ukraine. Enough is enough," he said.

Another Democratic senator and a member of Congress – Richard Blumenthal and Ro Khanna – expressed similar sentiments in an opinion piece for Politico that also accused Saudi Arabia of undermining US efforts and helping to boost Russian president Vladimir Putin's invasion of Ukraine.

The senators want to block weapon sales to Saudi Arabia. Mohammed bin Salman will rather happily buy Russian air defense system. In contrast to U.S. systems they have the advantage of actually functioning. Saudi Arabia's Intermediate Range Missiles are from China. It will be happy to add more of

those too.

Pissing off Russia, China and the whole Middle East – all at the same time – while condemning its 'allies' to a systemic economic crash and utter poverty, is the result of an irrational U.S. foreign policy.

I find it unlikely that the Biden administration with its librul ideology will be able to correct its own errors. The failures and mistakes will stay uncorrected and their consequences will multiply. It will take a regime change in Washington, and a change in its deep state ideology, to find back to some realistic view on foreign policies.