The Biden Administration needs Russia to invade Ukraine. The US shale oil business needs Russia’s gas, to remain in Russia. The world may be at war soon, but not over the rights, wants, and wishes of the people of Eastern Europe or Central Asia. The controlling elites of the west are the ones gamling with lives, not Vladimir Putin and the Russians.

In October of 2015 an interesting meeting was held in London under so-called Chatham House Rule, wherein the identities of those attached to the statements or “facts” they present is hidden. The meeting was held under the auspices of the Columbia University’s Center on Global Energy Policy, and was labeled “The Role of US Shale in European Energy Security and Trade.” Key experts from academia, government, industry, nongovernmental organizations and research institutions sat at the roundtable. Interestingly, the report (PDF) from the meetup framed Arab Spring, and the Russia-Ukraine crisis, as the top game changing “challenges” to Europe’s energy security situation. The report is lengthy, but Russia is the targeted subject, it’s clear.

The discussion, and the ensuing report, treat geopolitical events and energy flows and profits as variables
independent from one another. This is strange, even though the discussion circles back, over and over, to the subjects of Europe dependence on Russia energy, the Ukraine affair, and how American shale gas can fill a vacuum made by these “unusual” international relations events. But the rhetoric of these “experts” betrays the underlying truth, as always. Here is a passage from the report:

“Disputes between Russia and Ukraine, which led to a shutdown of natural gas supplies to Europe in 2006 and 2009, have highlighted the vulnerability of Europe’s energy security, created by the continent’s strong dependence on Moscow for energy supplies. This reliance not only complicated the European Union’s ability to respond to events such as Russia’s most recent adventurism in Ukraine, but also leaves Europe strongly beholden to Russian state gas company Gazprom and its pricing policies.”

As you can see, the energy experts and stakeholders who met in London were keenly focused on Gazprom profits, more so than the welfare of Europeans and their energy security. If you read the entire report, you’ll understand what took place during the Arab Spring, in Ukraine, years previously in the Caucasus, and even the recent events in Kazakhstan. The United States broke out the last of her energy reserves to declare economic war on the rest of the world. Russia, given her position historically and resource wise, is the primary target. Iran, Venezuela, Libya, and other oil/gas rich nations are a secondary focus.

Also hidden in the meeting minutes from London is the current strategy the Biden administration is enacting. Between the lines of this Columbia discussion, we find the real crux of America’s problem/weakness. Another passage is telling:

“Russia has substantial idle producing capacity in the legacy Western Siberian producing region, where practically all costs are sunk. Hence, Russia can easily increase production levels without undertaking any new investments if it decides to “price out” US LNG from the European market.”

Now we see the reason for the fear mongering over a Russian invasion of Ukraine. The strategists have unwittingly laid bare the real reason Washington is so vehement to incite a war. Skip forward to Nord Stream 2, and Vladimir Putin’s ultimate victory over big energy in the west. Russia is now in position to undercut anybody’s price for supplies of gas or oil to Europe. This is why the Biden administration is talking about “crippling sanctions” should the Russians take the bait and take over all or part of Ukraine. Yes, NATO is being used as a tool by western energy oligarchs. This is the sad, bitter, naked truth.

Finally, the energy war America has declared can only be won if the Russians are “sanctioned” out of the European oil and gas market. Our genius friends at Big Energy also revealed this at the London meetup. You see, European energy contracts with Russia are binding up until 2025, when many of the Gazprom contracts expire. Europe is contractually obliged to purchase most of its imported energy from the Russians, anyhow. So, the only way for US energy/policy interests to eliminate Russia as a competitor is war. The only way American shale oligarchs get to win is if Europe is “invaded” by Russia. This is the behind the scenes. A sort of Catch 22 for both Russia and the west.

This report also deals with crude oil, and once again focuses on Russian supplies, only more so to landlocked countries like Poland (not landlocked), Slovakia, Hungary, the Czech Republic that use the Druzhba pipeline system. The people sitting at this roundtable probably had no inkling that somebody would be analyzing their outcomes in order to frame them as the henchmen of a potential World War III. But, maybe they did, given their use of the Chatham House Rule. Be that as it may, at the time Russia supplied almost one-third of Europe’s crude oil needs.

In the end, the whole west-east geopolitical crisis is about pricing and margins. US unconventional oil and gas production simply cannot compete with Russian or even OPEC capabilities, and not only because of the distances involved. Shale energy is expensive, and one reason we see the Biden administration prodding Russia is the devastating revenue losses low prices have caused the energy oligarchs in the west. And make no mistake, the current war on Russia is not something American thinkers just thought up in 2015 at a semi-secret meeting. This Brookings Institute report from March of 2002 reveals more of the envy/concern Washington has had for decades.

“Russia: The 21st Century’s Energy Superpower?” The title pretty much says it all. I leave you with the gist of that think tank’s assessment from 20 years ago.

“Russia’s gas reserves far exceed those of any other country. Indeed, Russia is to natural gas what Saudi Arabia is to oil. With 32 percent of proven world reserves, Russia far outranks Iran (15 percent), Qatar (7 percent), Saudi Arabia and the UAE (4 percent), and the United States and Algeria (3 percent).
Single-handedly, Gazprom, Russia’s giant gas company, holds a quarter of all world gas reserves, controls 90 percent of Russian output, and is Russia’s largest earner of hard currency.”

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