

ARE THE ECONOMIC PINS TO THE SAUDI-US RELATIONSHIP STILL IN PLACE?

As I noted the other day, 60 Minutes renewed attention on the 28 pages implicating Saudi, surely to set up the announcement that the White House is conducting a declassification review of the section of the Joint Congressional Inquiry that implicates one of our closest allies in that attack. I went on to argue that the suppression of those pages for 15 years, even as the Saudis continued to support anti-American terrorism, indicts those who've been complicit.

Sadly, this whole orchestrated move toward declassifying the 28 pages may well be a charade – a threat to the Saudis designed to make them change their ways. At this point, after tolerating Saudi double dealing for so long, those 28 pages indict Americans just as badly as they indict the Saudis.

To illustrate just how much of a charade the attention on the President *voluntarily* conducting a declassification review of the Saudi section of the Joint Inquiry, in the wake of that hullabaloo, the NYT reported on the financial threats the Saudis made that (the article suggests) are one of the things, though not the only thing, that has led Obama to lobby against a bill permitting the Saudis to be held accountable in court.

Saudi Arabia has told the Obama administration and members of Congress that it will sell off hundreds of billions of dollars worth of American assets held by the kingdom if Congress passes a bill that would allow the Saudi government to be held responsible in

American courts for any role in the Sept. 11, 2001, attacks.

The Obama administration has lobbied Congress to block the bill's passage, according to administration officials and congressional aides from both parties, and the Saudi threats have been the subject of intense discussions in recent weeks between lawmakers and officials from the State Department and the Pentagon. The officials have warned senators of diplomatic and economic fallout from the legislation.

Adel al Jubeir, the Saudi foreign minister, delivered the kingdom's message personally last month during a trip to Washington, telling lawmakers that Saudi Arabia would be forced to sell up to \$750 billion in treasury securities and other assets in the United States before they could be in danger of being frozen by American courts.

Several outside economists are skeptical that the Saudis will follow through, saying that such a sell-off would be difficult to execute and would end up crippling the kingdom's economy. But the threat is another sign of the escalating tensions between Saudi Arabia and the United States.

The administration, which argues that the legislation would put Americans at legal risk overseas, has been lobbying so intently against the bill that some lawmakers and families of Sept. 11 victims are infuriated.

So on the one hand, Obama is making a big show of declassifying the 28 pages. On the other hand, he is lobbying (privately until this NYT report) to ensure that nothing legal will come of the release of those pages.

It feels kind of like Obama's treatment of torture, allowing very limited exposure of what happened, all while ensuring there will be no legal accountability (legal accountability, I'd add, that would threaten to expose others higher up in the US executive branch; and note that while the Administration is permitting a lawsuit of James Mitchell and Bruce Jesson, I'm skeptical this will get very far either).

Against this background, the Saudis are trying to negotiate an oil freeze to bring up prices, but apparently have delayed doing so, ostensibly because of rising animosity with Iran but also, analysts suggest, to hurt US capacity.

Failure to reach a global deal would signal the resumption of a battle for market share between key producers and likely halt a recent recovery in prices.

"If there is no deal today, it will be more than just Iran that Saudi Arabia will be targeting. If there is no freeze, that would directly affect North American production going forward, perhaps something Saudis might like to see," said Natixis oil analyst Abhishek Deshpande.

Of course, our investment in fracking has always been, in significant part, about undercutting the power over the Saudis. The Saudis have been especially concerned about losing their privileged relationship with us since the Iranian deal, and since then the Saudis have been playing a game of chicken with oil production, daring other opponents to outlast it (which South American producers have been unable to do).

So a lot of this is financial.

But the fact that it *is* financial – and the fact that NYT's analysts are skeptical that the Saudis could manage to screw us over, financially – suggests there's something more.

Obama also doesn't want the Saudis sued for liability reasons. He says, overseas.

Except this charade has been going on far too long for liability to exist only overseas.