

G7 Unity shows Cracks on Russia Sanctions

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Meeting for the first time in two decades without the participation of Russia, members of the Group of Eight—now Group of Seven, G7—agreed in Brussels on a joint statement backing the right-wing regime in Kiev and denouncing Moscow for the annexation of Crimea and its alleged “actions to destabilize” eastern Ukraine.

While the summit went through the motions of issuing boiler plate statements on issues like the global economy, climate change and energy, Ukraine was the only issue of substance before the assembled heads of state of the US, Germany, Britain, France, Japan, Italy and Canada.

The downsized summit—which included none of the guests and observers who commonly attend such events—failed, however, to adopt any concrete plans for the imposition of a new round of sanctions, pushed by the Obama administration. Cracks in the summit’s paper unity were apparent over the potentially severe economic impact these measures could have on Western European economies, compared to their relatively innocuous effect upon the United States.

Washington has sought to ratchet up tensions with Russia as much as possible since working together with Germany and other European powers in orchestrating and backing the violent, fascist-spearheaded February coup that ousted Ukraine’s elected president, Viktor Yanukovich. It has not only pushed through economic sanctions, but also deployed US warplanes in Poland, dispatched American paratroopers to Poland and the three former Soviet Baltic republics and sent warships into the Black Sea, bringing US military forces to Russia’s borders.

It is becoming increasingly clear that US imperialism’s strategy is to militarily encircle Russia and lay the groundwork for eliminating it as an obstacle to US hegemony in Eurasia and the Middle East.

The statement on foreign policy drafted by the G7 is remarkable for its cynicism and hypocrisy. It hails the “successful conduct” of the May 25 Ukrainian elections—won by the billionaire “chocolate king” Petro Poroshenko—ignoring the fact that there was no voting by millions of Ukrainians in the east, who were and are under a military siege. Immediately after the section on Ukraine, the statement denounces the election held in Syria a week later, under similar conditions, as a “sham.”

The statement further “encourages” the Kiev regime to “maintain a measured approach in pursuing operations to restore law and order” in the east and “commends” its “willingness ... to continue the national dialogue in an inclusive manner.”

As the G7 heads of state were talking in Brussels about “measured approach” and “inclusive dialogue,” on the ground in eastern Ukraine there is mounting evidence of a savage attack on the civilian population characterized by multiple war crimes.

The Russian government has warned that a humanitarian disaster is taking shape in the region. Moscow reported Thursday that over the previous 24 hours over 8,300 Ukrainian refugees, most of them women and children, had crossed into Russia to escape continuous artillery and aerial bombardment carried out by regime forces.

Weapons outlawed by international conventions are being used widely by the regime, such as cluster-bombs dropped on the Luhansk regional administration building at the beginning of this week, killing eight civilians.

And it has been reported that after heavily shelling the town of Krasnyi Lyman, southeast of Slavyansk in the Donetsk Region, members of the National Guard, a force that has recruited heavily from neo-fascist elements connected to the Right Sector and Svoboda party, overran the local hospital and executed 25 wounded people they found there.

The US and its Western European allies have denied there is any humanitarian crisis in the region, giving a green light to whatever atrocities are required to suppress the local population.

The Kiev regime, meanwhile, has announced its intention to declare martial law in the rebellious regions of Donetsk and Luhansk in order to pave the way for an even more violent crackdown.

While saying nothing about the violent repression in the east or the Kiev regime’s reliance on fascist militias to do its dirty work, the statement put the onus on Moscow to force self-defense forces in the region to “lay down their weapons.”

While the G7 statement “welcomed” loan agreements already reached with the International Monetary Fund and other agencies and governments, it proposed no new funding for the Ukrainian economy, which is in free fall. Instead, it demanded that the Kiev regime fulfill its “commitment to pursue the difficult reforms that will be crucial to support economic stability and unlock private sector-led growth.” These “reforms” spell drastic austerity and increased joblessness for an already impoverished population.

On the issue of sanctions, however, the statement confirmed decisions to impose fairly limited sanctions on individuals and a small number of companies in Russia, while affirming only that the seven heads of state were “ready to intensify targeted sanctions and to implement significant additional restrictive measures to impose further costs on Russia should events so require.” It did not specify what “events” would trigger such new measures.

There was no mention of the kind of sectoral sanctions, targeting Russia’s oil and gas industry for example, that the Obama administration has been pushing.

Divisions between Washington and its European allies emerged most nakedly in the clash between Obama and French President François Hollande over the French government’s decision to go ahead with 1.2 billion euro (\$1.6 billion) sale to Moscow of two advanced Mistral warships that are designed for amphibious invasions. France is set to begin training

some 400 Russian sailors in the operation of the warships later this month.

Following the summit meeting, Obama told a press conference in Brussels, “I think it would have been better to press the pause button” on the Mistral sale. He added, “President Hollande so far has made different decisions.”

Hollande dismissed any suggestion of canceling the sale. “If the contract was interrupted there would be a reimbursement,” he said. “There is no reason to enter into that process.” German Chancellor Angela Merkel supported Hollande’s position, arguing that, since the European Union had not approved any broader sanctions, there was no reason for France to cancel the contract.

US-French relations were further soured over Obama’s public rebuff of an appeal from Hollande for a “reasonable” settlement of a criminal investigation brought by the US Justice Department against the French banking giant BNP Paribas over alleged violations of US sanctions against Sudan, Iran and Cuba. There have been reports that the bank could face a fine of over \$10 billion, which Hollande has argued is “disproportionate” and could have a severe impact on France’s economy.

Obama said he would do nothing to promote a more lenient settlement. “The tradition of the United States is that the president does not meddle in prosecutions,” he told reporters in Brussels.

While Obama has failed to seek any meeting with Vladimir Putin, most of the other members of the G7 have organized bilateral talks with the Russian president, who was invited by Hollande to attend a commemoration of the 70th anniversary of the D-Day landing during World War II.

Hollande defended the invitation, declaring, “We know what we owe to the Russian people, the Soviet people of that time. They were heroic of their defense in the face of Nazi divisions and the suffering of the Russian people.” The French president organized two separate meals Thursday night: the first a dinner at a Paris restaurant with Obama and the second a supper with Putin at the Elysee Palace.

Germany’s Merkel—who told a news conference, “This is not about threats ...we want dialogue”—and British Prime Minister David Cameron also organized separate meetings with Putin. And Japanese Prime Minister Shinzo Abe told a Brussels news conference, “I’m hoping to continue dialogue with President Putin” and seemed to express regret that Putin wasn’t at the summit.

Ben Rhodes, the White House deputy national security adviser, expressed Washington’s hostility to these bilateral meetings. “We’ve always said we don’t want different countries to be having conversations over the head of the government in Kiev about Ukraine’s future,” he told reporters.

For his part, Putin, who represents the interests of a ruling stratum of billionaire oligarchs with substantial wealth invested in the West, has signaled that he is prepared to reach a compromise on Ukraine. He has ordered Russian forces to withdraw from Ukraine’s border and has recognized the May 25 elections. It was announced on Thursday that the Russian ambassador will attend Poroshenko’s inauguration on Saturday.

In an interview broadcast on French television Wednesday night he clearly sought to exploit

the divisions between Washington and Western Europe, declaring himself “ready for dialogue,” while adding, “it is not a secret that the most aggressive and severe policy is the one of the US.”

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