

Petro Poroshenko: Ukraine's New President Makes Cautious Opening Moves

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Petro Poroshenko, the newly elected (by voters only in Ukraine's northwest – not by the whole country) Ukrainian President, says that [his top priority is ending the Ukrainian civil war, and bringing his country back together again](#), especially bringing back Crimea, where the public overwhelmingly support their breakaway, and where their hope is ultimately to rejoin with Russia. (Crimea was [Russian from 1856-1917](#), then it was in chaos until 1922, then part of the Soviet Union until 1991, when it became part of Ukraine; but hatred from Ukraine's northwest, against Russian-speakers in Ukraine's southeast, caused Crimeans to declare independence on 17 March 2014.)

President-elect Poroshenko has enlisted the wealthiest Ukrainian, the oligarch Rinat Akhmetov, from Ukraine's southeast, to work out a deal with Vladimir Putin, to be acceptable also to aristocrats in Europe, and acceptable also to Barack Obama (the representative of America's aristocrats, or "oligarchs"). Poroshenko said on May 26th, "I'm sure that we can talk to Russia with the help of the U.S." He wants to bring peace not only to Ukraine, but also between Obama and Putin, because he'll need to work with both of them in order to be able to succeed as President.

Poroshenko is declining to endorse Ukrainian membership in NATO, because he wants to use that possibility as a threat in his negotiations with Putin; and he is likewise declining to commit himself on "semi-autonomy" for Ukraine's southeastern provinces, because he wants to use that possibility as a threat in his negotiations with Obama and the IMF.

Basically, he's hoping to be granted some breathing-room, so that he won't be forced to choose sides between Russia's oligarchs and the West's oligarchs.

However, in order for him to be able to do anything to hold the country together, he'll need to come down fast and hard against his own country's corruption, which includes all of the oligarchs whom Obama has been backing, and (though to a lesser extent) also against some who (like Akhmetov — and like Poroshenko himself) transact a large percentage of their personal business with Russia and therefore need good relations with Russia too (not only with Obama).

Most of all, he'll have to prosecute Ihor Kolomoisky, the Obama-allied corrupt Ukrainian oligarch [who masterminded the massacre in Odessa on May 2nd](#), the event that started the civil war. (It started the war because it made clear to Russian-speakers in the southeast, that the authorities whom Obama had placed into power in Kiev want them killed and terrified into submission). If Poroshenko doesn't prosecute Kolomoisky, then the residents in southeastern Ukraine will have no reason whatsoever to feel safe. That would doom

Poroshenko's promise to bring the nation back together again. But, unfortunately, Kolomoysky has friends in high places, [especially inside the U.S. White House](#); so, can Poroshenko really do what he needs to do in order to succeed? It's tragically doubtful.

Ultimately, if Poroshenko cannot bring about peace between Obama and Putin, then Ukraine, which is already in desperate straits, will collapse into two failed states, one allied with Russia, and the other allied with the U.S.

Poroshenko's dream of becoming allied with Europe would then become impossible.

On 5 March 2014, Britain's *Economist* headlined, ["Why Is Ukraine's Economy in Such a Mess?"](#) and reported that, "big bills are imminent: Ukraine needs to find about \$25 billion this year to finance its large current-account deficit and to meet foreign creditors. Foreign-exchange reserves are only \$12 billion. Default is certainly on the cards." (And that was even before the civil war.) An accompanying chart showing "Percent change, real GDP per capita ..., 1992-2013," indicated that among the 11 countries that were still inside the USSR in 1992, Ukraine was the only one with a near-zero increase in its GDP per capita during that 12-year period thereafter: Ukraine is the worst economic performer of them all.

How gigantic is Ukraine's corruption? According to the World Economic Forum, in their ["Global Competitiveness Report, 2013-2014,"](#) Ukraine ranks #122 out of the 148 rated nations for "Diversion of public funds," #143 for "Property rights," #139 for "Judicial independence," #130 for "Irregular payments and bribes," #133 for "Favoritism in decisions of government officials" (otherwise known as cronyism), #143 for "Wastefulness of government spending," #144 for "Efficiency of legal framework in settling disputes," #146 for "Efficiency of legal framework in challenging regs," #146 for "Protection of minority shareholders' interests," and #133 for "Reliability of police services." In other words: it's already like failed states, more like Africa than like most of Europe.

Even before the February 2014 overthrow of the pro-Russian Ukrainian President Viktor Yanukovych by Obama, Reuters on 17 October 2013 had headlined, ["Big Debts and Dwindling Cash — Ukraine Tests Creditors' Nerves,"](#) and reported that, "It will be a jittery 18 months for Ukraine's international creditors, who are weighing up its \$60 billion-plus debt repayment schedule against its fast-diminishing hard currency reserves." Practically all of the loans that had gone to Ukraine's oligarchs for decades had been socked away by them in tax havens abroad (mostly in Western Europe). [In the view of the IMF](#), the time has now arrived for Ukraine's government services to be slashed, and for Ukraine's taxes on the public to rise, in order for those loans to Ukraine's oligarchs to be repaid to the foreign lenders. This is called "capitalism," but it's the fascist, not the democratic, form of that. (The IMF sees eye-to-eye with Obama on this.)

The reason why the Kiev government cannot accept independence of the southeastern provinces was made brutally clear on the day before the massacre, when CNBC headlined on May 1st, ["IMF warns Ukraine on bailout if it loses east,"](#) and reported: "'This is something of a leap of faith for the IMF and is politically driven by key IMF shareholders [the international aristocracy in the U.S and Europe] to support the (interim prime minister Arseniy) Yatseniuk 'kamikaze' administration in its reform efforts,' according to Tim Ash, head of emerging markets research at Standard Bank."

Either Russian creditors of Ukraine would absorb all of those losses (including the ones owed to aristocrats in Europe and the U.S.), or else the IMF would pull the plug, like cold-turkeying

an addict off heroin, and Ukraine's economy would then quickly collapse.

Poroshenko isn't about to be granted even a moment's slack by the world's other oligarchs: they want their money, and they want it on schedule.

The *Kyiv Post* headlined on the day after the May 25th election, "[Former US secretary of state Albright: Putin lies to Russian people 'on an hourly basis'.](#)" and reported: "[Madeleine] Albright has been in Kyiv for several days in her role as chairman of the National Democratic Institute, a U.S.-based [Democratic Party] international nongovernmental organization that promotes democracy, human rights and fair elections in many nations of the world. ... Albright, who served President Bill Clinton as secretary of state from 1997 to 2001, said that Putin 'is also simply making things up. Part of the problem is when you are lying to your own people, you need an enemy and that is what he is doing. ... What is happening in the propaganda of Russia is something that goes to another era and I had hoped it would not return to Russia.'" She said this after Obama's propaganda had actually misrepresented a massacre of civilians, by his own hired fascists, as having been instead an action against "terrorists." This statement from her sounded like a pitch-black pot, calling a grey kettle "black." Putin's stooges haven't been nearly so discourteous toward Obama. Evidently, Obama's America is becoming arrogant (or, at least, is now showing it in a stunningly glaring light). However, this statement from Albright was remarkably unprofessional, coming from a professional diplomat. It was like something from a mere drunk — from no real diplomat at all. It wouldn't favorably impress a diplomat on either side of the new Cold War divide.

Investigative historian Eric Zuesse is the author, most recently, of [They're Not Even Close: The Democratic vs. Republican Economic Records, 1910-2010](#), and of [CHRIST'S VENTRILOQUISTS: The Event that Created Christianity](#).

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