

Strategy of U.S. Anti-Russia Sanctions Becomes Clearer: Serving American Billionaires

Targeting Russia's Competing Oil-Gas Giants and Weapons Producers

By <u>Eric Zuesse</u> Global Research, April 12, 2018 Region: <u>Russia and FSU</u>, <u>USA</u> Theme: <u>Global Economy</u>, <u>Intelligence</u>, <u>Oil</u> <u>and Energy</u>

On Friday, April 6th, Reuters headlined <u>"Russian businessmen, officials on new U.S.</u> <u>sanctions list"</u>, and opened: "The United States on Friday imposed major sanctions against 24 Russians, striking at allies of President Vladimir Putin over Moscow's alleged meddling in the 2016 U.S. election and other 'malign activity'. Below are the most prominent businessmen targeted along with their main assets and connections as well as extracts from the U.S. Treasury statement."

As that Reuters list makes even clearer than before, U.S. economic sanctions against Russia are focused against mainly the following four categories of targets in Russia:

1. Russian competitors to America's largest international oil companies. These specific U.S. firms were listed, on March 27th, in an excellent article by Antonia Juhasz in *Pacific Standard* magazine, <u>"INSIDE THE TAX BILL'S \$25 BILLION OIL COMPANY BONANZA:</u> A Pacific Standard analysis shows the oil and gas industry is among the tax bill's greatest financial beneficiaries." There, they were listed in rank order. For example: the largest such firm, Exxon/Mobil, was given \$5.9 billion in "2017 Tax Act Savings," and the second-largest, Philipps 66, won \$2.7 billion in it. The latest round of anti-Russia sanctions focuses clearly against these international U.S. oil firms' Russian competitors.

However, previous rounds of U.S. sanctions have especially focused against:

2. Russian competitors of Lockheed Martin and other international U.S. weapons-firms — Russian manufacturers that are selling, to foreign governments, military aircraft, missiles, and other military equipment, on the international markets: competing military products. The competitive purpose of these sanctions is to boost not U.S. international oil-firms, but U.S. international weapons-firms.

3. Russian banks that lend to those firms. Some of these banks have also other close ties to those firms.

4. Russian Government officials, and billionaires, who cooperate with Russia's elected President, Vladimir Putin. Putin refuses to allow suppliers to the Russian military to be controlled (such as are the military suppliers to America's Government) by private investors (and especially not by foreigners); he wants the weapons-manufacturers to represent the state, not the state to represent the weapons-manufacturers; i.e., he refuses to privatize Russia's weapons-producers, and he instead insists that all firms that supply Russia's military be controlled by Russia's elected Government, not by any private investors. (By

contrast, The West relies almost entirely upon privately owned weapons-makers.) He also prohibits foreign interests from controlling Russia's natural resources such as oil firms, mining, and land-ownership, and this <u>explicitly applies even to agricultural land</u>. However, most important are <u>Russia's Strategic Sectors Law</u> (otherwise known as "Strategic Investment Law"), which defines as a "Strategic Entity" and thus subject strictly to control only by the Russian Government and citizenry, four categories: Defense, Natural Resources, Media, and Monopolies. Russia's refusal to allow U.S. billionaires to buy control over these to buy control over the Government — is, to a large extent, being punished by the U.S. anti-Russia sanctions.

Focusing on the latest round: The Reuters article lists the specific main targets of the new sanctions. These targets are, as described by the U.S. Treasury Department, and as quoted by Reuters:

"Oleg Deripaska is being designated ... for operating in the energy sector of the Russian Federation economy."

"Viktor Vekselberg is being designated for operating in the energy sector of the Russian Federation economy."

"Kirill Shamalov is being designated for operating in the energy sector of the Russian Federation economy."

"Andrei Skoch is being designated for being an official of the Government of the Russian Federation."

"Suleiman Kerimov is being designated for being an official of the Government of the Russian Federation."

"Vladimir Bogdanov is being designated for operating in the energy sector of the Russian Federation economy."

"Igor Rotenberg is being designated for operating in the energy sector of the Russian Federation economy."

Those are the ones that the Reuters article specifically listed. In addition, there are:

DESIGNATED RUSSIAN GOVERNMENT OFFICIALS

Andrey Akimov, chairman of the board at Gazprombank

Andrey Kostin, president of VTB bank

*Alexey Miller, chief executive of Gazprom

Mikhail Fradkov, president of the Russian Institute for Strategic Studies

Sergey Fursenko, member of the board of directors of Gazprom Neft

Oleg Govorun, head of the Presidential Directorate for Social and Economic Cooperation with the Commonwealth of Independent States Member Countries



Gazprom is Russia's oil-and-gas giant; and, likewise in accord with Putin's demand that national-security industry remain under state-control instead of control by private investors, its controlling investor is the Russian Government. However, a few individuals are listed who are simply Russian Government officials, presumably likewise more cooperative, with carrying out the intentions of the elected President, than the U.S. and its allied governments consider to be acceptable.

Clearly, the special focus of these sanctions is on supporting U.S. international oil firms competing against Russian international oil firms.

On January 26th, Reuters bannered <u>"U.S. hits Russian deputy minister and energy firms with</u> sanctions", and opened:

The United States added Russian officials and energy firms to a sanctions blacklist on Friday, days before details of further possible penalties against Moscow are due to be released.

...

A Treasury Department spokesperson said the department is "actively working" on reports required under the "Countering America's Adversaries Through Terrorism Act" and aimed to release them consistent with timelines in the legislation.

Trump or his Treasury Secretary were actually responding to pressure from "Democrats" and unnamed others; but, when <u>the final statement</u> from the Treasury was issued on January 29th (and largely ignored by the press), it turned out that no new sanctions were issued, against anyone. The billionaires' lobbyists had achieved nothing more than to provide (via the anti-Russia verbiage from members of Congress) to the American public, yet more anti-Russia indoctrination in support of America's war against Russia; but, this time, no real action was taken by the President against Russia.

On 28 December 2017, the 'private CIA' firm Stratfor, which does work for the CIA and for major U.S. corporations, had headlined, <u>"Russia Won't Sit Still for Additional U.S. Sanctions"</u>, and summarized prior U.S. economic sanctions against Russia:

Since the Soviet period, the United States has targeted Russia with numerous sanctions. The primary ones currently in effect were instituted over human rights violations and the conflict in Ukraine. In late 2012, the United States

expanded its Soviet-era sanctions over human rights and approved the Magnitsky Act to punish those deemed responsible for the death of Russian tax accountant Sergei Magnitsky, a whistleblower who investigated Kremlin abuses and a tax-fraud scheme. The act penalizes dozens of people believed to be involved in the case, but the measure has evolved into a platform for the United States and its allies to punish Russia for a much wider scope of human rights abuses.

The Ukraine sanctions imposed by the United States (and, to a lesser extent, by the European Union, Canada, Australia and Japan) stem from Russian involvement in the conflict there and includes the conflict in eastern Ukraine, Russian support of the previous government, the downing of Malaysia Airlines Flight 17 and the annexation of Crimea. Those penalties include:

• Limits on debt issuance to Russia's six largest banks, four primary state oil firms and four state defense firms.

• Sanctions on Russia's energy industry, prohibiting U.S. firms from providing, exporting or re-exporting goods and technology related to deep-water, Arctic offshore and shale oil and natural gas projects in Russia.

• Bans on subjects receiving dual-use goods by Russia's primary state defense companies.

• Sanctions (travel and asset freezes) against hundreds of Russian entities and individuals.

That was a fair summary; but, because Stratfor derives some of its income from the CIA, it stated as being facts, instead of as being lies, that "Sergei Magnitsky [was] a whistleblower who investigated Kremlin abuses and a tax-fraud scheme," even though Magnitsky actually was never a "whistleblower," and he was, to the exact contrary, assisting an American hedge-fund operator to illegally avoid \$230 million in taxes that were due to the Russian Government and which tax-fraud had been reported not by Magnitsky as any 'whistleblower' but instead by, essentially, a bookkeeper, who was afraid of being prosecuted if she didn't report to the police this tax-evasion that she was working on. Furthermore, Stratfor's "to punish those deemed responsible for the death of" Magnitsky also is a lie, because the only person who so "deemed" was the American tax-fraudster who had employed Magnitsky. That employer accused Russia's police of beating to death in prison this criminal suspect, Magnitsky, and he used, as 'documentation' for his charges, fake 'translations' into English of the police documents, and these 'translations' were taken at face-value by U.S. and EU officials, who couldn't read Russian, and who wanted to cooperate with, instead of to resist, the U.S. Barack Obama Administration and the UK David Cameron Administration.



Furthermore, Stratfor, when it refers to "human rights violations and the conflict in Ukraine," is actually referring instead to <u>"the most blatant coup in history"</u>, as the head of Stratfor put it when describing what the Obama regime referred to as the 'revolution' that in February 2014 had overthrown Ukraine's democratically elected Government <u>and that then began an ethnic-cleansing campaign to get rid of the residents in the areas that had voted over 75% for the President whom the U.S.-run operation had overthrown. In fact, U.S. think-tanks criticized Obama for providing insufficient assistance to the newly installed Ukrainian regime's firebombings of the places where over 90% of the residents had voted for the now-ousted Ukrainian President. And that was <u>entirely typical</u>. This is a sort of 'philanthropy' that America's billionaires receive 'charitable' tax-writeoffs for funding (donating to). No matter how aggressive a U.S. President may be against Russia, America's aristocracy (through their 'philanthropies' etc.) complain that it's not aggressive enough — America's Government must do yet more, in order to 'support human rights' abroad.</u>

So, that's what America's anti-Russian sanctions are all about: serving America's billionaires.

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

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