

The Looting of Ukraine and the US Energy War

By [Vera Graziadei](#)

Global Research, October 18, 2014

[Vera Graziadei](#) 2 October 2014

Region: [Russia and FSU](#)

Theme: [Global Economy](#), [Oil and Energy](#)

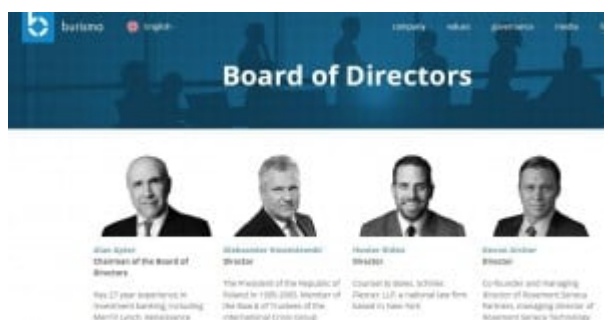
In-depth Report: [UKRAINE REPORT](#)

There is a difference between a people's revolution and an orchestrated coup, there is a difference between allowing people to choose their leaders democratically, irrespective of whether they are pro-western or pro-Russian, and actually installing a government, which the US has done in Kiev after the coup. One can only feel sorry for the poor Ukrainian people, who truly believed in what they were demonstrating against. Paul Craig Roberts summarised [the coup and the protests that followed](#):

"The purpose of the coup is to put NATO military bases on Ukraine's border with Russia and to impose an IMF austerity program that serves as cover for Western financial interests to loot the country. The sincere idealistic protesters who took to the streets without being paid were the gullible dupes of the plot to destroy their country."

The main looters set to benefit from the takeover of power were some high profile American politicians and their friends and family and they were unashamedly supporting the protests to ensure that they would get their licence to loot. "We stand ready to assist you," [US Vice President Joe Biden](#) promised to protesters, "Imagine where you'd be today if you were able to tell Russia: 'Keep your gas.' It would be a very different world." Biden certainly had imagined where he and his family would be in a Ukraine without Russian gas – his son Hunter has since [joined](#) the board of the biggest Ukrainian energy company Burisma Holding.

Biden was not the only well-connected American to join the gas company. Devon Archer, a wealthy investor and Democratic campaign fundraiser with long ties to US Secretary of State John Kerry, upon joining the board of directors rejoiced that Burisma Holdings [reminded him of "Exxon in its early days."](#) The company's portfolio of licenses is well-diversified across all three of Ukraine's key hydrocarbon basins – Dnieper-Donets, Carpathian and Azov-Kuban, and its fields are fully connected to the major gas pipelines in the country.



Hunter Biden (second from the right, son of Joe Biden) has joined the board of the biggest Ukrainian

energy company Burisma Holding. Another coincidence in Ukraine?

Crimea's referendum and re-unification with Russia took everyone by surprise and it was a major blow for companies like [Chevron, Shell, ExxonMobil, Repsol and Petrochina](#), which had already invested money into developing Crimean offshore assets – LNG (Liquified Natural Gas) reserves in Crimea. If one looks at [some of the targets of the U.S. sanctions](#) against Russia or Russian-linked companies, two of them were directly aimed at [slowing down or stopping South Stream](#): “The first South Stream-related company [the U.S. targeted](#) was Stroytransgaz, which is building the Bulgarian section. Putin ally and billionaire [Gennady Timchenko](#) owns it and he's already [on the sanctions list](#). So Stroytransgaz had to stop construction or risk exposing other companies on the project to the sanctions. The second entity in the sanctions crosshairs was [a Crimean company called Chernomorneftgaz](#). After joining Russia, the Crimean parliament voted to take over the company, which belonged to the Ukrainian government. And guess what that company owned? The rights to the exclusive maritime economic zone in the Black Sea. That's important because Russia routed the pipeline on a longer path through the Black Sea that cut out Ukraine. It avoided the Crimean waters, going instead via Turkey's.”

Only a fool would believe that Putin has supported the referendum in Crimea in order to 'protect interests of Russian people', just as only a fool would believe that the US and EU are concerned about the Ukrainian people, democracy and freedom. Both sides are manipulating popular sentiments to achieve their own geopolitical and economic goal: a battle for energy dominance in Europe. What happened in Crimea was a mirror situation of what happened in Kiev – the people of Kiev, demonstrating on maidan, wanted to be closer to the EU and US, while people of Crimea have been trying for a long time to rejoin Russia, both the US and Russia have used the situation to their economic and political advantage, while citing humanitarian causes.



In recent years US foreign policy could be characterised as: expose people to shocking events, grab power and quickly carry out all the planned economic and political changes before people come back to their senses.

The major difference was that in Crimea only [one soldier](#) was killed by accident, while in Kiev snipers shot nearly 100 people from [maidan-controlled buildings](#), after which power was taken by force. It looked like a popular technique the US used during many staged coups, described succinctly in Naomi Klein's book "[The Shock Doctrine](#)": expose people to shocking events, grab power and quickly carry out all the planned economic and political changes before people come back to their senses. Another major difference is that while the majority of Crimeans are happy to be with Russia, the post-coup protests, which flared up in the Eastern regions of Ukraine, showed that significant parts of the Donbass population

were not happy to break ties with Russia (the majority being ethnic Russians themselves).

When self defence forces set their base in Slavyansk, right in the heart of the Uzoivka shale gas field, where Shell and Burisma were going to start fracking, US officials showed how far they were prepared to go in order to fight for the business interests of their oil and gas giants' associates. On Monday April 14th, [Reuters](#) published a White House's confirmation that CIA Director John Brennan had been in Kiev the weekend before. The following day, Kiev announced the beginning of a so called '[anti-terrorist operation](#)' in Donbass. One of the fierce supporters of this operation was Poland, which again was not surprising at all, given that *one of Burisma's directors alongside Biden and Archer, was and is the ex-president of Poland – Alexander Kwasniewski*.

The Senate Bill 2277, which was introduced on May 1st, 2014, "to prevent further Russian aggression toward Ukraine", directed the US Agency for International Development to begin guaranteeing the fracking of oil and gas in Ukraine, while Kiev troops were marching into Donbass to '[basically protect the fracking equipment](#)'. One thing that Obama is very talented at is acting – it's remarkable that during his UNGA speech, he managed to keep a straight face, when he was mouthing these lies and hypocrisies:

"This is the international community that America seeks: one where nations do not covet the land or resources of other nations, but one in which we carry out the founding purpose of this institution and where we all take responsibility. A world in which the rules established out of the horrors of war can help us resolve conflicts peacefully and prevent the kind of wars that our forefathers fought. A world where human beings can live with dignity and meet their basic needs whether they live in New York or Nairobi, in Peshawar or Damascus."

The civil war that broke out in Ukraine and which, as shown above, is a part of the US global energy war, has claimed [4,000](#) civilian lives, left more than a [million Ukrainians](#) displaced and led to a [humanitarian crisis](#). In addition to that, when fracking goes ahead in Ukraine, Ukrainians can in addition expect – 'earthquakes, floods, groundwater pollution, and pestilence of marine animals, birds, and fish, streams of water boiling with methane, and poisoned drinking water and air'.

[Furthermore:](#)

"so far there is no information about the means of disposing of thousands of cubic meters of fracturing fluid from several thousand wells, which will produce shale gas. Are they really going to be buried in the ground or discharged into water bodies? The experience of foreign companies in third world countries (Ukraine cannot even claim to be the one of them) shows that they are capable of environmental crimes (Ecuador, Nigeria, etc.) "

This is particularly the case for Chevron and Shell, both of which have been implicated in major human rights violations in Nigeria. *Chevron has been [accused](#) of recruiting and supplying Nigerian military forces involved in massacres of environmental protesters in the oil-rich Niger Delta, and Shell has faced [charges](#) of complicity in torture and other human rights abuses against the Ogoni people of southern Nigeria.*[\[see here\]](#)

Obama's statement: "America and our allies will support the people of Ukraine as they

develop their democracy and economy.” is a lie. The truth, instead, can be found in [gas industry media](#), where they do not attempt to veil American business interests with humanitarian concerns for Ukrainian people and other jingoistic moral narratives:



Fracking in Ukraine is a huge investment opportunities for the US companies. This is also reason why USA is so interested in Ukraine and its political developments.

“American companies can directly invest in Ukraine, bringing their technology with them. Ukrainian companies can hire experienced American drillers, they can license American drilling and seismic imaging technology, and they can import sophisticated U.S. drilling equipment... U.S. government can encourage these developments through government-sponsored engagement programs like the State Department’s Unconventional Gas Technical Engagement Program ... can speed this investment with financing from the U.S. Export-Import Bank. Once a new parliament is elected in October, the Ukrainian government should do everything they can to promote private investment in production; this would include lowering these taxes and providing new incentives to energy investment. One particular tax incentive they could offer would be to create a value-added tax (VAT) break for the import of sophisticated drilling equipment, modelled on a recently-initiated VAT break for imports of military equipment. It is important that Ukraine not only has strong laws and a good regulatory environment, but that it also has an open and transparent civil service, in order to prevent the corruption that was rampant under the old regime from becoming rooted into the new one. To prevent that, the U.S. and European governments should promote transparency within the government by encouraging engagement between American civil servants with the new members of the civil service of the Ministry of Energy and Coal Industry.”

These are the people, who will benefit from “US support for Ukrainian democracy and economy”: American companies, American drillers, American drilling and seismic imaging technology specialists, manufacturers of US drilling equipment, US banks and American civil service. The people of Ukraine will not benefit, because the ‘shale gas revolution’ is a sham. *Even Forbes, which in March claimed that “[What Ukraine needs is an American style shale-gas revolution](#)” by September published an article that [the shale gas bubble is bound to burst](#).* The only reason that most people still believe that shale gas can increase exports, boost employment and increase GDP, along with cutting down on greenhouse emissions, is because most of the information about natural gas supplies and how it can be exploited comes from ‘people with a vested interest in selling the dream of a “Shale Gale”’.

Most of the revenue in the fracking business comes from the selling of leases, something that in the financial industry would be seen as a variation of “pump and dump” scam, which looks like [this](#):

“Step 1. Borrow money and use it to lease thousands of acres for drilling.

Step 2. Borrow more money and drill as many wells as you can, as quickly as you can.

Step 3. Tell everyone within shouting distance that this is just the beginning of a production boom that will continue for the remainder of our lives and the lives of our children, and that everyone who invests will get rich.

Step 4. Sell drilling leases to other (gullible) companies at a profit, raise funds through Initial Public Offerings or bond sales, and use the proceeds to hide financial losses from your drilling and production operations.”

Banks and oil and gas companies will no doubt profit, but the gains will not pass on to the people of Ukraine or the people of Europe, where the US is hoping to export its ‘fracking pseudo-revolution’. Instead they will only have all the terrible [fracking impacts](#) on water, air, soil, human health, the welfare of livestock and wildlife, and the climate to deal with. Ironically it is Russian natural gas, which would be much safer and cheaper for Europe to keep consuming, but US foreign policy has been set and it looks that people of Europe will not have a choice on the matter. It is from the likes of Condoleezza Rice that we hear what should happen to Europe: *“You want to depend more on the North American energy platform... you want to have pipelines that don’t go through Ukraine and Russia. For years we’ve tried to make Europeans interested in different pipeline routes. It’s time to do that.”*

Recently, Securing America’s Future energy and the Foreign Policy Initiative hosted [this conversation](#) about energy security and geopolitics with US legislators and leading experts, where the “[US New Paradigm](#)” of Global Energy Dominance Foreign Policy was summarised. While the US is going for the kill with this new paradigm in [Ukraine](#) and [Syria](#), Emperor Obama showcased his humanitarian Old New Clothes to an organisation which is supposed to “maintain international peace and security, promote human rights, foster social and economic development, protect the environment” and everyone present pretended not to see the ugly flesh of the US Energy War. But for anyone who saw that the King is naked, Obama’s last words sounded like a dangerous threat:

“And at this crossroads, I can promise you that the United States of America will not be distracted or deterred from what must be done....we are prepared to do what is necessary to secure that legacy for generations to come. Join us in this common mission”

Vera Graziadei is a Ukrainian-British actress. She achieved a degree in Philosophy and Economics and a Masters in Philosophy and Public Policy (Thesis: Social Capital and Critique of the World Bank’s Development Report) from London School of Economics. She continued studying Philosophy, while working as an actress, focusing on Existentialism, and completed a foundation course in Psychotherapy/Psychoanalysis. Her other passions are Comedy and Literature (esp. Russian classics).

The original source of this article is [Vera Graziadei](#)
Copyright © [Vera Graziadei](#), [Vera Graziadei](#), 2014

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Vera Graziadei](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca