

Ukraine's Finance Minister: "Made in the USA": Kiev Government Giving Away Citizenships so "Foreigners Can Run the Country"

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In-depth Report: **UKRAINE REPORT**

I hadn't written a single piece on the U.S.-Ukraine-Russia quagmire for the entirety of 2014, until Monday when I published: <u>Tensions Between the U.S. and Russia Are Worse Than You Realize - Remarks by Foreign Minister Sergey Lavrov</u>. Now I can hardly think of anything else.

The reason the geopolitical hot zone has so captured my attention is because I think we are much closer to a serious escalation than most people want to admit. I hope I'm wrong, but when I take a step back and look at what is being said and done under the surface, an incredibly dangerous tinderbox is now firmly in place and ready to be lit. We know from history that relatively minor catalysts can lead to unimaginable horrors. I fear the stage is set for some real nastiness, and hope cooler heads can prevail on both sides.

Claims that the new government in Ukraine is nothing more than a Western puppet Parliament have been swirling around consistently since February. Nevertheless, I think it's very significant that the takeover is now overt, undeniable and completely out in the open. Nothing proves this fact more clearly than the recent and sudden granting of citizenship to three foreigners so that they can take top posts in the government.

At the top of the list is American, Natalie Jaresko, who runs private equity fund Horizon Capital. She will now be Ukraine's Finance Minister, and I highly doubt she will be forced to pay the IRS Expatriation Tax (one set of laws for the rich and powerful, another set of laws for the peasants). For Economy Minister, a Lithuanian investment banker, Aivaras Abromavicius, will take the reigns. Health Minister will be Alexander Kvitashvili of Georgia.

The Wall Street Journal reports:

Ukraine's parliament appointed a new, pro-Western government that includes a U.S.-born finance minister to take on the job of staving off financial collapse, overhauling the shrinking economy and ending the armed conflict in the country's east.

The new cabinet includes Finance Minister Natalie Jaresko, the chief executive of a private-equity fund and a former U.S. diplomat, as well as two other nonnatives: Economy Minister Aivaras Abromavicius, a former investment banker from Lithuania; and Health Minister Alexander Kvitashvili, who held a similar post in Georgia.

Ukraine is dependent on the International Monetary Fund for financing, and

officials and analysts say it will need more than the current \$17-billion program from the lender.

Two senior EU officials said Tuesday that the IMF has in recent days shared a rough estimate of \$15 billion in financing needs for Ukraine through the first quarter of 2016, although that could be revised as fund officials negotiate with the new government.

Shortly before the voting in Kiev, President Poroshenko signed a decree granting Ukrainian citizenship to the three foreign-born candidates. He said the dire economic situation meant Ukraine had to look for people outside the country with experience of dealing with "systemic crises."

Valeriy Voshchevskiy, deputy prime minister for infrastructure and ecology, said he wanted to privatize state holdings such as the railway and road-building monopolies.

This is where American financial oligarchs will get paid. It's all about looting at the end of the day, as always.

Some analysts praised the inclusion of outsiders in the government as a way to tap foreign experience, insulate against corruption and help push through unpopular economic overhauls. But opposition lawmakers slammed the decision.

"We don't understand why from 300 coalition members and 40 million people [in the country], 10 minister candidates couldn't be found who'd be Ukrainian citizens or at least ethnic Ukrainians," said Yuriy Boiko, head of the Opposition Bloc and a former energy minister.

In a sign of early discontent, some lawmakers from the ruling coalition questioned the creation of a new Information Ministry, dubbed the "Ministry of Truth" by some journalists amid concerns that it could create another expensive layer of bureaucrats.

The newly appointed minister said earlier that it will be needed to counter Russian propaganda.

I don't know much, but I know that people don't like being ruled by foreigners. Ever.

Bearing that in mind, a bill known as H.Res.758 was recently introduced in the U.S. Congress. Here's the full title: H.Res.758 – Strongly condemning the actions of the Russian Federation, under President Vladimir Putin, which has carried out a policy of aggression against neighboring countries aimed at political and economic domination.

Here's how a summary of the bill starts off (click on the image for the full summary):

There is one summary for this bill. Bill summaries are authored by CRS.

Shown Here

Introduced in House (11/18/2014)

Supports the efforts by President Poroshenko and the people of Ukraine to establish a lasting peace for Ukraine that includes:

- · full withdrawal of Russian forces from its territory,
- · full control of its international borders,
- disarming of separatist and paramilitary forces in eastern Ukraine,
- adoption of policies to reduce the Russian Federation's ability to use energy exports and trade barriers as weapons to apply economic and political pressure, and
- an end to interference by the Russian Federation in Ukraine's internal affairs.

This isn't well intentioned diplomacy, these are demands. The last bullet point is particularly laughable. The U.S. government admonishes Russia for interfering in Ukraine's internal affairs (a nation directly on its border), when Ukraine just granted an American private equity manager citizenship so that she can be Finance Minister. The hypocrisy will not be lost on Putin, or anyone else for that matter.

The danger of this bill was highlighted by former U.S. Rep. Dennis Kucinich. Here are some excerpts via *TruthDig*:

U.S.-Russia relations have deteriorated severely in the past decade and they are about to get worse, if the House passes <u>H. Res. 758</u>.

NATO encirclement, the U.S.-backed coup in Ukraine, an attempt to use an agreement with the European Union to bring NATO into Ukraine at the Russian border, a U.S. nuclear first-strike policy, are all policies which attempt to substitute force for diplomacy.

The Western press begins its narrative on the Crimea situation with the annexation, but completely ignores the provocations by the West and other causal factors which resulted in the annexation. This distortion of reality is artificially creating an hysteria about Russian aggressiveness, another distortion which could pose an exceptionally dangerous situation for the world, if acted upon by other nations. The U.S. Congress is responding to the distortions, not to the reality.

Tensions between Russia and the U.S. are being fueled every day by players who would benefit financially from a resumption of the Cold War which, from 1948 to 1991 cost U.S. taxpayers \$20 TRILLION dollars (in 2014 dollars), an amount exceeding our \$18 trillion National Debt.

Based on all I have read and observed, I'd have to say I generally agree with the conclusions of Mr. Kucinich.

Finally, I want to end the post with some very important words from Eurasia Group President Ian Bremmer. They were published in the article, <u>Crumbling Oil Makes Putin More Dangerous</u>:

Russian President Vladimir Putin is being pushed "further into a corner" by falling oil prices, leaving him little option but to continue his aggression toward Ukraine and confrontation with the West, Eurasia Group President Ian Bremmer told CNBC on Tuesday. Putin has "gone all-in on an anti-U.S., must-keep-Ukraine nationalist engagement," Bremmer said on "Squawk Box." He said it's

"completely inconceivable" for Putin to back down. "This is what is behind all his approval ratings. It's behind who he now is as a leader," Bremmer said, adding that capitulation would "erode a lot of his power." Russia's currency and economy are crumbling along with oil prices, the country's main export and revenue source. On Monday, the ruble suffered its worst one-day decline since 1998, and it looks like Russia's economy will tip into recession next year. As the ruble tumbles, what will Putin do next? "I think that lower oil prices simply squeeze him harder, pushes him further into a corner. He feels he has to fight as a consequence.

This echoes sentiments I expressed in my piece Monday. I wrote:

Lavrov also describes the negative impact that this behavior has had on the Russian psyche generally. He expresses dismay that the U.S. status quo sees the world as unipolar, and attempts to tackle every problem from the perspective that might is right. In no uncertain terms, Lavrov makes it clear that Russia will not stand for this. I don't think the Russians are bluffing, so this is a very dangerous situation.

The U.S. establishment is used to bullying around anyone it wants and getting its way. This will not happen with Putin. It appears that the U.S. is attempting to put so much pressure on Putin that he does something reckless and loses all support on the world stage. I can't stress enough how important, and dangerous, the current situation is.

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