

Will Russia Succumb To Washington's Economic Attack?

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Yesterday State Department deputy propaganda spokesperson [Mark Toner](#) reminded [US companies](#) that there are economic and reputational risks associated with doing business with Russia until Russia gives Crimea back to Washington's puppet government in Kiev. ^[1]

I see the matter differently from the US State Department.

The only risk American corporations face from doing business in Russia is from the US government. Washington will punish the US companies unless, of course, the companies are part of the corporate oligarchy which has been granted immunity to the sanctions.

The risk involved is to Russia. Here are some of the risks:

When a Russian company does business with an American one, the American firm obtains economic information about Russia which is given to the CIA.

When the Russian Central Bank sells Russian bonds, Wall Street, acting for the CIA, can purchase the bonds and then dump them at inopportune times to embarrass Russia by driving down their price. The price decline will then become propaganda that Russia is failing and its bonds are worthless.

When the Russian government allows the ruble to be traded in currency markets, the Russian government enables Washington to speculate against Russia's currency and to drive down its value. The decline in the ruble is then reinforced by propaganda that the ruble is worthless.

When the Russian government permits foreign investment, Washington can have the money pulled out of Russia at inopportune times and, thereby, destabilize the Russian economy.

The Russian government should forget all about Washington's sanctions. In fact the sanctions have helped Russia tremendously. Prior to the sanctions, Washington had Russia set up in the global economy as a Third World supplier of raw materials and dependent on foreign imports. This was Washington's way of controlling Russia. As a result of sanctions, Russia has become more self-sufficient and focused on producing for its own needs instead of for the needs of the West.

Rather than worrying about Washington's sanctions, the Russian government should put sanctions on Russian companies for doing business with the US. In their activities abroad, American corporations are agents for the CIA, and they are agents in behalf of Washington's

policy of destabilizing Russia and China.

To see the truth of this, look at the history of Latin America. Every reformist government in every Latin American country in which the US has a business presence has been destabilized and overthrown.

Russia's goal should be to insulate itself from the West, not integrate itself into the West. To be integrated into the West means to be a vassal state. Together Russia, China and India comprise by far the largest potential market in the world and also the largest geographical area.

These three countries should focus on integrating their economies and insulate themselves against the West.

Modern Monetary Theory, which is associated with outstanding economists such as Michael Hudson, makes it clear that countries should finance their infrastructure and any productive investment by creating money not debt. The use of government debt simply allows private banks to create the money, and the debt has to be serviced with interest paid to the banks, which drains the economy of spending power. Moreover, the debt can end up in hostile hands and be used to destabilize the economy.

If Russia is going to allow the West to control its economy, it may as well allow Washington to control its armed forces.

Unfortunately for the Russian government and the Russian people, Russia's Central Bank and neoliberal economists are too naive and gullible to be able to protect Russia from destabilization. Until Russia finds much better economic advice, the country's future remains uncertain.

Note: In the above URL to the Sputnik article, Sputnik reports: "Toner added that Washington has sent a 'clear signal' to Moscow through 'combined sanctions, restrictive measures, and reduced diplomatic engagement' that it should fulfill its commitments under the Minsk ceasefire deal and end its 'occupation of Crimea.'"

Is this sloppy editing by Sputnik or has Sputnik succumbed to Washington's propaganda? Russia is not required under the Minsk accord to deliver Crimea to Washington. Moreover, Russia is not "occupying" Crimea. Crimea, a province of Russia for centuries, has a Russian population. The population in a massive voter turnout voted almost 100% to return to Russia from which the province was wrenched by Khrushchev when Russia and Ukraine were part of the same country.

Notes:

[1] <http://sputniknews.com/politics/20160524/1040134996/russia-us-business-sanctions>.

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