

# G7 powers exploit Ukraine crisis to isolate Russia

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**25 March 2014**

In a concerted push to isolate Russia diplomatically and strategically in the wake of the Western-backed putsch in Ukraine, the United States and other members of the Group of Seven major powers yesterday excluded Moscow from what was the Group of Eight and warned of further damaging financial sanctions.

Gathered in The Hague, US President Barack Obama and the leaders of Germany, France, Britain, Italy, Japan and Canada branded as “illegal” the referendum by which Crimean people voted overwhelmingly to join Russia in response to the fascist-led coup in Kiev. The G7 statement said that the countries did not recognize what it called “Russia’s illegal attempt to annex Crimea in contravention of international law”—setting course for an ongoing confrontation with Moscow.

The Hague Declaration announced that the seven powers had aborted the planned mid-year G8 summit in the Russian Winter Olympics venue of Sochi. Instead they will convene a G7 summit in Brussels and suspend all participation in the G8 until “Russia changes course.”

The suspension of the G8 marks a major shift in world relations. In 1998, when Russia was admitted to the G7, making it the G8, Russia’s participation was presented as a signal of the end of the Cold War following the dissolution of the Soviet Union. Now a new period of conflict between the major capitalist powers is underway, instigated by Washington, with the underlying aim of subjugating or breaking up Russia.

The communiqué presented Russia in the kind of language applied to so-called “rogue nations”—such as Libya, Syria, Iran and North Korea—that have faced crippling US and European Union-led economic sanctions or military intervention. Russia’s actions in Crimea, the G7 declared, were a “serious challenge to

the rule of law around the world.”

The G7 threatened to inflict further damage to the already badly affected Russian economy. “We remain ready to intensify actions including coordinated sectoral sanctions that will have an increasingly significant impact on the Russian economy, if Russia continues to escalate this situation,” it warned. To pave the way for escalated sanctions, the G7 powers agreed to work together to reduce their dependence on Russian oil and gas.

Russia’s largest bank Sberbank warned yesterday that the country faces a recession, compounded by the sanctions imposed on business figures, banks and financial transactions. Capital flight from Russia in January and February alone, before the Crimea crisis, totalled \$US35 billion. In February, Russia managed growth of just 0.3 percent year-on-year, down from 0.7 percent in January. Russia’s Micex stock index has fallen by more than 13 percent this year.

The G7 communiqué demonstrated another driving force behind the regime-change operation—to open up Ukraine, together with the rest of Eastern Europe and the former Soviet Union, for unrestrained capitalist exploitation of resources, markets and cheap labour. It reiterated that the International Monetary Fund (IMF) “has a central role leading the international effort to support Ukrainian reform, lessening Ukraine’s economic vulnerabilities, and better integrating the country as a market economy in the multilateral system.”

That is, the Ukrainian working class is to be subjected to similar savage austerity measures and social devastation as the IMF, working in tandem with the EU, has inflicted across Europe, from Romania and Greece to Ireland. The G7 urged the IMF and the Ukrainian authorities to “reach a rapid conclusion,”

because IMF support would be “critical in unlocking additional assistance.”

In The Hague, Obama held a series of meetings designed to intensify the pressure on Russia, and on China, another target of US aggression. He had a private meeting with Chinese President Xi Jinping in a bid to push Beijing to line-up against Russia. Xi reportedly reaffirmed a desire for a political solution, expressing support for Ukraine’s national sovereignty but refusing to criticise Russia.

The Chinese leadership, which abstained on the UN Security Council resolution denouncing Moscow, fears that the Crimean secession from Ukraine will be used as a precedent for Western support for separatist movements in China, intensifying the US drive, via Obama’s “pivot to Asia,” to encircle China diplomatically and militarily.

A day after meeting Xi, Obama was due to conduct a three-way summit with Japanese Prime Minister Shinzo Abe and South Korean President Park Geun-Hye to seek to defuse territorial and economic tensions between the two countries, both of which the US is encouraging to pursue conflicts with China. Obama will visit Asia in April to further this offensive.

The G7 summit was preceded by a series of inflammatory claims by the Obama administration, European leaders and their proxies in the newly-installed Ukrainian government, accusing Russia of amassing troops on Ukraine’s borders in preparation for a possible invasion. Apart from seeking to motivate Russia’s exclusion from the G8, these claims were calculated to justify an ongoing military buildup against Russia.

It is the United States and the major European powers that are aggressively militarizing the entire region. Before departing for the summit, British Prime Minister David Cameron declared that NATO would bolster the military forces of the Baltic states—Lithuania, Estonia and Latvia—and stand ready to seize upon any alleged Russian threats in order to intervene.

Cameron said it was important “that we send a very clear message to our NATO partners and allies that we believe in NATO and we believe in their security.”

Some of the calculations involved in the US provocations against Russia were referred to in a *New York Times* column yesterday by Michael McFaul, who worked in the Obama administration for five years, on

the National Security Council and as ambassador to Russia. Under the heading, “Confronting Putin’s Russia,” McFaul insisted that the period in which Russia joined the “international order” was over, opening a new era of confrontation akin to those of last century—a reference to World Wars I and II.

McFaul proposed, in addition to punishing sanctions, “greater placement of military hardware in the front-line states, more training and integration of forces, and new efforts to reduce NATO countries’ dependence on Russian energy.” He also advocated “nurturing Chinese distance from a revisionist Russia.”

Unwittingly, McFaul pointed to the staggering hypocrisy and duplicity of the pretences by the Obama administration and its European allies to be responding to Russian aggression, rather than launching a new phase in Washington’s global militarism. He complained that “the United States does not have the same moral authority as it did in the last century. As ambassador, I found it difficult to defend our commitment to sovereignty and international law when asked by Russians, ‘What about Iraq?’”



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