

# US, EU press Russia to recognize Ukraine's putschist regime

Alex Lantier  
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Amid US President Barack Obama's tour of Europe, US and European Union (EU) officials pressed Moscow to recognize the Western-backed Ukrainian regime that emerged from last month's fascist-led putsch in Kiev.

Speaking with Dutch Prime Minister Mark Rutte amid a nuclear summit at The Hague, Obama briefly addressed the Ukraine crisis. Denouncing the March 16 referendum in which Crimea seceded from Ukraine and was annexed to Russia, he said: "We are also concerned about further encroachment by Russia into Ukraine. So what I announced and what the European Council announced was that we were consulting and putting in place the framework, the architecture for additional sanctions, additional costs, should Russia take the next step."

He added, "There is another path available to Russia. The Ukrainian government has said it is prepared to negotiate with Russia, that it is prepared to recognize its international obligations. And the international community has been supportive of a diplomatic process that would allow a de-escalation of tensions, a moving back of Russian troops from Ukraine's borders and rapidly organized elections that allow the Ukrainian people to choose their leadership."

Obama's demands for Moscow's acceptance of the Western-backed coup in Ukraine came amid reports that Russian Foreign Minister Sergei Lavrov agreed to meet with the foreign minister of the Kiev regime, Andriy Deshchytsia, on Monday. Until now, Russian officials had refused demands by the Western powers that they meet with representatives of the Kiev regime.

"We set forth our vision to establish good national dialogue taking into account all residents of Ukraine," Lavrov told a press conference after meeting with Deshchytsia.

Obama's remarks are a cynical fraud, trying to give a veneer of democratic principles to Western support for an illegitimate, fascist regime in Kiev. As Obama proposed new elections, the German Institute for Science and Politics (SWP) think-tank released a report stressing that it was "questionable" whether the Kiev regime would "be sufficiently stable to carry out the elections in an orderly fashion."

The fascist and anti-Russian character of the forces on which the Kiev regime rests precludes any meaningful democratic process or any lasting agreement with Moscow. Shortly after Lavrov's talks with Deshchytsia ended, Ukrainian police operatives shot and killed a key leader of the fascist Right Sector militia, Oleksandr Muzychko. This led to threats from the Right Sector, which played a key role in last month's putsch, that it would retaliate.

There is deep opposition in the American and European working class to further military escalation against Russia in support of the far-right regime in Kiev. A recent CBS poll found that 65 percent of Americans did not think the United States should provide military aid to the Kiev regime. Only 26 percent called for the provision of such aid.

The poll also found that 61 percent of the population did not think the United States has any "responsibility to get involved" in the conflict between Russia and Ukraine.

Obama's remarks suggest that the most stringent sanctions against Russia will not be imposed simply because of Crimea's vote to rejoin Russia, but will be reserved in case Russian forces invade Ukraine, which Moscow has repeatedly stressed it would not do.

They do not, however, signal a pause in the relentless economic pressure and the US military build-up in Eastern Europe. Aimed at Moscow, this has included

escalating threats of sanctions and deployments of US fighter jets and military trainers to Poland, the Baltics, and other Eastern European states.

As part of his ongoing international tour, Obama will meet tomorrow in Brussels with NATO Secretary-General Anders Fogh Rasmussen, who has been closely discussing the military build-up over the Ukraine with the White House. After Obama's stop in Brussels, he will travel on to Rome to visit the Pope and Italy's new prime minister, Matteo Renzi, and then travel on to Saudi Arabia to meet with King Abdullah.

A major component of the imperialists' strategy is now to rely on Russian capitalism's economic dependence on US and European finance capital to compel Moscow to give in to their demands on Ukraine.

After meeting with UN Secretary General Ban Ki-moon yesterday, British Foreign Secretary William Hague stressed the economic "leverage" the EU has over Russia—particularly by threatening to cut off purchases of Russia's massive energy exports to Europe.

Russian officials themselves acknowledged the impact of the massive financial pressure imposed by the Western imperialist powers on the Russian economy.

Russian Deputy Economy Minister Andrei Klepach said that capital outflows from Russia might reach \$70 billion in the first quarter of 2014, as investors worried about Western sanctions against Russia over the Ukraine crisis pulled money from the country. Russian authorities raised interest rates 1.5 percent this month to slow down the outflow of capital and prevent Russia's currency, the ruble, from collapsing.

Forcing borrowers and firms to pay high interest rates in order to boost profits and make Russia more attractive for investors threatens to undermine the Russian economy, however. "If rates stay this high for another two to three months, there will be serious trouble," said Bartosz Pawlowski of BNP Paribas. "There is no free lunch. You can defend your currency, but if you do that you wreck your economy."

Russian officials cannot let the capital outflow go too far and sink the ruble, however. The ruble has already fallen 11 percent this year. Russian banks and firms owe \$650 billion in foreign currency, however, of which \$155 billion is to be refinanced in the next year,

and further falls in the value of the ruble would only make it more expensive for Russia to repay these debts.

Lars Christensen of Danske Bank said that, as a result, Russian authorities might impose capital controls to block the outflow of cash: "Capital controls are a serious risk, and should not be discounted. Whatever now happens, there has been permanent damage to the Russian economy because investors are not going to forget this lightly."

US officials also sought to step up pressure on Russia's oil and natural gas industry, which supplies a third of Europe's demand and is central to the Russian economy.

They indicated on Monday they may allow natural gas exports from Jordan Cove in Oregon to Europe, to supplement Europe's natural gas supply in case Europe cuts off its Russian gas imports as part of sanctions imposed on Moscow over Ukraine. The US State Department claimed that US shale gas had freed up almost 80 billion cubic meters of natural gas. Europe currently imports approximately 130 billion cubic meters per year from Russia.



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