

# Washington, EU impose new sanctions on Russia

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Washington and the European Union (EU) imposed a new round of sanctions on Russian firms and business and political leaders, as violence mounted across eastern Ukraine between pro-Russian protesters and supporters of the Western-backed regime in Kiev.

Gennady A. Kernes, the mayor of the eastern city of Kharkov, was shot and remains in critical condition, amid violent clashes and rising social distress in Ukraine's second-largest city.

The sanctions are part of an escalating conflict between Russia and the Western imperialist powers triggered by the February 22 fascist-led putsch that installed the current regime in Kiev. The world is teetering on the brink of war as the government in Kiev launches a US-backed crackdown on eastern Ukraine protests and Russia threatens to intervene militarily to defend ethnic Russians. The latest round of sanctions are escalating these tensions and threatening to provoke a trade war.

US financial sanctions and travel bans hit top Russian officials close to Russian President Vladimir Putin, as well as oil and defense contracting firms. Those targeted included Deputy Prime Minister Dmitry Kozak, Presidential Office Chief Vyacheslav Volodin, parliamentary Foreign Affairs Commission Chief Aleksey Pushkov, and Igor Sechin, the head of the Rosneft oil company. EU officials, for their part, agreed to add 15 more individuals to their list of people targeted for sanctions.

Speaking from the Philippines, which he is visiting as part of his tour of Asia, President Barack Obama called the moves a "calibrated effort" to escalate pressure on Russia. "The goal here is not to go after Mr. Putin personally," Obama said, "The goal is to change his calculus."

He added, "We do not yet know whether it's going to work."

Several US officials attacked the sanctions as

inadequate, with Republican senators Bob Corker and Kelly Ayotte dismissing them as "a slap on the wrist." The US puppet regime in Kiev has also demanded more severe sanctions against Russia, including a cut-off of European purchases of Russian oil and gas.

The EU has until now held back from taking such measures, which could quickly bring much of the European economy to a halt. Several major energy importing nations depend on supplies from Russia, including Germany (30 percent), the Netherlands (34 percent), and Italy (28 percent). Many Eastern European countries rely almost totally on Russia: Poland (91 percent), Lithuania (92 percent), Slovakia (96 percent), Hungary (86 percent), and Bulgaria (90 percent).

British energy corporations, including BP, which holds a 20 percent stake in Rosneft, reportedly intervened to oppose US plans for sanctions against Russia modeled on those imposed on Iran, which have largely cut the country off from world trade. US oil firm ExxonMobil, which also works closely with Rosneft, said it was studying the potential impact of sanctions against Russia on its operations.

Russian officials dismissed the sanctions and threatened to retaliate. "We will respond, although it is not our choice," Deputy Foreign Minister Sergey Ryabkov told ITAR-TASS. "But we cannot leave this situation without reaction, without practical reaction, without reaction by means of our own decisions. US behavior in the field is becoming provocative."

Putin, who last week called sanctions "ineffective," said they would primarily hurt Ukrainian defense contractors that work with Russia. "For the Ukrainian defense industry, the severing of ties with Russian partners is likely to lead to disaster. Why? They don't have any other markets. They just don't exist. The only consumer is the Russian Armed Forces," he said.

Putin added that he hoped a rupture of trade relations

did not occur, but if it did, the Russian armed forces would find Russian manufacturers for parts previously obtained from Ukraine. He offered to hire Ukrainians who lost their jobs in the defense industry there.

Russian officials also appealed to their Western counterparts to halt the build-up of NATO forces in countries on or near Russia's borders, including not only Ukraine, but also Poland, the Baltic states and Romania. Russian Defense Minister Sergei Shoigu noted that this deployment on Russia's borders was "unprecedented." He said he had spoken with US Defense Secretary Chuck Hagel, urging him to help "turn down the rhetoric."

International tensions are growing as the provocative policies of Kiev and Washington in eastern Ukraine spark rising opposition and bring that region ever closer to civil war.

In Slavyansk, the stronghold of the pro-Russian militia forces now besieged by Kiev's military and fascist paramilitary units, self-declared Mayor Vyacheslav Ponomarev released one of eight military observers sent under the auspices of the Organization for Security and Cooperation in Europe (OSCE) to Slavyansk. The detainee who was released is from Sweden and suffers from diabetes. The others were brought to a press conference, where they said they were in good condition.

A group of armed pro-Russian protesters, described by the *New York Times* as "middle-aged men," seized city buildings in Konstantinovka, a city between Donetsk and Slavyansk. They demanded a referendum on federalization to allow greater regional autonomy from the far-right regime in Kiev.

The mayor of Kharkov, Kernes, was riding his bicycle when he was shot in the back by unidentified gunmen. Doctors said the bullet damaged both his liver and one of his lungs, leaving him in a serious condition after emergency surgery. An unexploded grenade with its pin removed was found near Kernes after he was shot. This is the first assassination attempt against a prominent eastern Ukrainian politician since the Kiev putsch.

It was unclear who shot Kernes. While he supported pro-Russian President Viktor Yanukovych, who was ousted by the fascist-led putsch in February, he supported the pro-Western regime in Kiev after the coup and was critical of pro-Russian protesters.

Riots are breaking out in major cities across eastern Ukraine. In Kharkov, fighting broke out the day before Kernes was shot between pro-Russian protesters and members of football fan clubs, many of which are tied to the Kiev-backed fascist militia, Right Sector.

Pro-Russian and pro-Kiev demonstrators clashed in Donetsk yesterday, with 14 people hospitalized. Fighting broke out between a force of approximately 1,000 pro-Kiev fighters and pro-Russian protesters, who were supported by local police and passers-by who joined the clashes.

Vitaly Ivanov, from the press service of the anti-Kiev "Donetsk People's Republic," said: "We were expecting an attack. We had objective information. Really, the guys arrived with baseball bats, sticks and rods. Those were the ultras [fans] from Dnepropetrovsk, FC Dnipro Dnepropetrovsk supporters. According to our information, there were also people from the FC Dynamo Kiev fan base."

The fighting comes amid a social crisis made worse by the anti-working class austerity policies of the Kiev regime. Shortly before city administration buildings were taken over by pro-Russian protesters, the Donetsk City Council announced a 50 percent cut in the number of social workers. This was done in order to slash 308 million hrynia (\$27 million) from city budgets.

Earlier this month there were protests in Kiev over mass layoffs of city workers there.

Cuts to state subsidies for natural gas, which will increase gas bills 50 percent for individual consumers and 40 percent for industrial users, are set to go into effect on Thursday.

Prime Minister Arseniy Yatsenyuk and his backers in Washington and the European Union intend to press ahead with policies of austerity and war in defiance of public opinion.

In an interview with the *Washington Post* last week, Yatsenyuk was asked how his government would retain public support in the face of the austerity measures. He all but admitted that popular support would plummet, saying, "I'm not sure the public will be happy. We doubled the gas bill, we shut down a number of social programs."



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