## Putin accuses US of seeking to undermine Russian sovereignty

Andrea Peters, David Levine 11 December 2014

In his annual address to the Russian parliament last Thursday, President Vladimir Putin laid out in stark terms the geopolitical crisis facing Russia and advanced a rightwing, nationalist economic program in a bid to address the country's decline. With no solutions to the pressures facing his regime, Putin continued to refer to Washington and Berlin as his "partners" and "friends," even as he accused the United States of meddling in Russia's sphere of influence, destabilizing international security and sponsoring separatism within Russia's borders.

Putin spoke as the Russian economy continued to unravel under the combined weight of sanctions, falling oil prices and the collapsing value of the ruble. Growth slowed in the third quarter of this year to just 0.7 percent, and Russia is expected to officially enter recession in 2015.

The ruble is down 40 percent this year against the dollar. Capital flight could hit \$130 billion by the end of 2014, more than double that of last year. The day after Putin's address, the government announced a five percent year-over-year reduction in non-military expenditures for the next three years.

Speaking about recent events in Ukraine, the Russian president denounced the US for undermining Russian interests in its sphere of influence. "I mentioned our American friends for a reason," said Putin, "since they are always influencing Russia's relations with its neighbors, either openly or behind the scenes. Sometimes it is even unclear whom to talk to: to the governments of certain countries or directly with their American patrons and sponsors."

Putin argued that Russia's desire for a "dialogue" over the Ukraine-European Union Association Agreement, as well as Russia's longstanding economic ties with Ukraine, have been ignored by the West. "We were told it was none of our business, or, to put it simply, we were told where to go. All the arguments that Russia and Ukraine are members of the CIS free-trade zone, that we have deep-rooted cooperation in industry and agriculture, and basically share the same infrastructure—no one wanted to hear these arguments, let alone take them into account," he said.

Most significantly, Putin insisted that the conflict over Ukraine was not episodic, but the manifestation of a fundamental threat to the sovereignty of Russia, which is being targeted by the West. "I'm sure that if these events had never happened," the Kremlin leader said, referring to the coup in Ukraine, "they [the US and its allies] would have come up with some other excuse to try to contain Russia's growing capabilities, affect our country in some way, or even take advantage of it." He accused the West of working for Russia's "containment," a reference to Washington's policy towards the USSR during the Cold War.

Putin condemned Washington's withdrawal from the Anti-Ballistic Missile Treaty in 2002 and its continuing efforts to build a missile defense system in Europe aimed at Russia. "It poses a threat not only to Russia, but to the world as a whole—precisely due to the possible disruption of this strategic balance of forces," he declared.

In one of the more remarkable passages of his speech, Putin suggested that in the late 1990s and early 2000s, the West had been working for Russia's breakup by supporting separatism in the Caucasus and "even outright terrorism in Russia."

"Let me reiterate," underscored the Russian president, "we remember high-level receptions for terrorists dubbed as fighters for freedom and democracy... Despite our unprecedented openness back then and our willingness to cooperate in all, even the most sensitive issues, despite the fact that we considered—and all of you are aware of this and remember it—our former adversaries as close friends and even allies, the support for separatism in Russia from across the pond, including information, political and

financial support and support provided by the special services—was absolutely obvious and left no doubt that they would gladly let Russia follow the Yugoslav scenario of disintegration and dismemberment. With all the tragic fallout for the people of Russia."

Just a few hours before the speech, separatists attacked a road checkpoint in the Chechen capital of Grozny. The resulting battle with police and security forces caused the deaths of at least twenty people.

Also last week, Mikhail Fradkov, the head of Russia's foreign intelligence service, declared that the US and its allies were pursuing regime-change in Russia.

That the Russian president felt compelled to portray the confrontation with the West in existential terms is a sign of the depth of the crisis facing the country's ruling elite, which is coming to grips with a political reality at odds with the illusions promoted at the time of the dissolution of the USSR. In his last address to a congress of the Communist Party of the Soviet Union in 1990, General Secretary Mikhail Gorbachev asserted that the integration of the Soviet sphere into the world capitalist economy laid the basis "for the construction, in conjunction with other peoples, of the material foundations for an irreversibly peaceful period of history and for the solution of mankind's global problems."

All of this has been proven to be completely false. The Russian ruling elite, whose power and ill-gotten wealth come from the dissolution of the Soviet Union and destruction of what remained of the conquests of the Russian Revolution, has no solution to the crisis it faces. Having carried out the restoration of capitalism in the former USSR, it has no basis upon which to oppose Washington's drive to dominate Eurasia.

Since the outset of the conflict over Ukraine, Putin has sought to find a modus vivendi with the imperialist powers and continues to do so. For all his objections to a regime that came to power through a coup, Putin quickly recognized the government of Ukrainian President Petro Poroshenko.

In last week's speech, he made no mention of the breakaway pro-Russian Donetsk (DPR) and Luhansk (LPR) People's Republics in eastern Ukraine, the refugee crisis that has sent hundreds of thousands streaming across the Russian border, or the economic blockade that is bleeding the DPR and LPR white. *Time* magazine reports that last Friday Putin removed remarks critical of Ukraine from a speech before human rights advocates in the lead-up to a new round of peace talks being held later this week. Even as he portrayed Washington as working

to destroy Russia, during his parliamentary address last week Putin proclaimed, "Under no conditions will we curtail our relations with Europe or America."

The Kremlin couples its continual search for some sort of compromise with the West with appeals to chauvinism, militarist bombast, and economic nationalism.

Putin began last Thursday's speech by evoking religious messianism and celebrating Russia's medieval past. "Christianity was a powerful spiritual unifying force that helped involve various tribes and tribal unions of the vast Eastern Slavic world in the creation of a Russian nation and Russian state," he said. He declared Crimea to be a place of "sacral importance" comparable to the Temple Mount.

Later on in his remarks, he absurdly claimed, "No one will ever attain military superiority over Russia," as if the US military budget and war machine are not already vastly larger than those of Russia.

In the economic policy portion of his address, Putin declared that Russia would pursue a program of "import substitution," which would allow it to decrease its dependence on foreign goods. The idea that Russia, a country that today is wholly integrated into and dependent upon the world economy, can sustain itself without reliance on global markets is delusional and reactionary.

Notwithstanding the nationalist claptrap in Putin's speech, the class character of the Kremlin's response to the country's crisis was on display when he announced a series of measures "to improve the business climate." This included a four-year moratorium on all changes to tax law, an easing of commercial regulations, tax exemptions and subsidies for small and medium businesses, and an "amnesty," i.e., an exemption, from tax and criminal penalties for offshore capital returning to Russia.

He further proposed to recapitalize Russian banks using funds from the country's National Welfare Fund—in essence, a bank bailout to be financed at the expense of the state treasury—and outlined a number of macroeconomic goals that can be achieved only through attacks on the working class, including increasing labor productivity, reducing inflation, and cutting operating expenses at state-controlled companies.



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