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From Panel 3 World War III, or a New Global Renaissance?

Report from Ukraine

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Dear conference participants! I am very happy to greet you. You are gathered today in Australia, which is far away from our Eurasian continent, and with such a wonderful topic for your conference: dedicated to peace. You are discussing new, unique investment projects, the New Silk Road, the Land-Bridge. And you believe there will be peace on Earth, and you have dedicated your hopes and aspirations to this. This is wonderful! And, believe me, this is what all sane people in the world want.

I regret very much that my country, Ukraine, is not a part of this process today. In my country, there is a civil war going on. My country is undergoing deliberate, sustained, and brutal destruction.

Not long ago, only twenty-five years ago, Ukraine was among the ten most developed countries in the world, measured by GDP per capita. Ukraine produced 2 per cent of world GDP at that time. Per capita, Ukraine's level of GDP was 11 per cent above the world average. We had full employment. All our factories were operating. Ukraine had more than 360 major industrial plants. Ukraine was an advanced agro-industrial country. We had rocket-building plants, ship-building, aircraft, auto, and locomotive production. Ukraine has over 20 per cent of world's reserves of black earth soil. We had excellent harvests, and nobody went hungry. We had free education and health care. We could have children and bring them up, with full confidence in what tomorrow would bring.

But the Soviet Union was destroyed. It was destroyed by the Communist Party elite, which degenerated, and wanted to take ownership of what was actually the common wealth of the nation. They wanted to look after just their own children and grandchildren.

Ukraine has existed as an independent country for 24 years. What has my country gotten during that so-called independence? Today, Ukraine's GDP represents only 0.5 per cent of world GDP. It had been 2 per cent, now it is 0.5 per cent. Expressed per capita, Ukraine's GDP is US\$4,000 per capita, as against a world average of US\$10,500. Thus it is now 60 per cent below the world average. We were 11 per cent above the average level, and now we are 60 per cent below it.

Why is this? It is because the economic ties were broken with those factories and regions, in tandem with which our economy had developed for decades. First and foremost, that means Russia, Belarus, the former Soviet republics. In this setting, of course life has not improved for the population. The figures tell the story. The average life expectancy in our country has fallen by two years, in these twenty-five years. It was 72, now it is 70. Men in Ukraine live to an average age of 62. The population is dying out. Ukraine had a population of 52 million people in 1990. Now there are 43 million left, without Crimea. Ukraine has lost Crimea.

The primary reason is the reform policy, imposed by the International Monetary Fund. This reform policy meant the privatisation of state property, which passed into the hands of a new oligarchy. That oligarchy is getting along quite nicely. Their families do not suffer any poverty. The reform policy ended government regulation of export and import. Commercial banking activity proliferated, and the banking mafia began to make money on Ukraine's problems. The banking mafia is also not impoverished. They're living quite well. The IMF reform policy for Ukraine prescribed a cheap-labour economic model. The subsistence level, the minimum wage, and pensions were suppressed, and that's why the overwhelming majority of the population is impoverished. According to the human rights ombudsman, in 2011, 80 per cent of the Ukrainian population was living below the poverty line established by the UN for Central and Eastern Europe, and the Commonwealth of Independent States countries. That is US\$4.30/day. Eighty percent of the Ukrainian population received less, at that time. What about now? I'll tell you how things are now.

Ukraine faced the choice of whether to integrate with Russia, Belarus, and Kazakhstan—the Customs Union, or the European Union. What needed to be done, was to weigh and analyse these different options. And they *were* analysed. A special working group was set up, including specialists from the Russian Academy of Sciences Economic Forecasting Institute and the Ukrainian National Academy of Sciences Economic Forecasting Institute. This working group meticulously calculated what would be more beneficial for Ukraine. Their clear answer was that integration in the East, with the members of the Customs Union, would be beneficial and promising, and could actually save Ukraine. They showed that if Ukraine joined the Customs Union, it would experience an 18 per cent increase of GDP in ten years. This would be the highest increase of any of Customs Union member. Russia would have 16.8 per cent growth in that time period; Belarus—16.1 per cent, Kazakhstan—14.7 per cent. But Ukraine would have 18 per cent GDP growth. Why? Because the barriers would be removed for Ukrainian goods to be sold in Russia, Belarus, and Kazakhstan. Prices on these products would decline and they would become more competitive, because of the lower costs of bringing them to market. Furthermore, Ukraine would receive much-needed investments for modernising its industry.

Do you suppose these were merely projections? No, indeed. Let me give you precise figures. In 2010, Yanukovich was elected President of Ukraine. His image was that he was supposedly pro-Russian and would re-establish close contacts with Russia. In April 2010, the Kharkov Agreement was signed, whereby Russia granted Ukraine a discount on natural gas prices. Everybody really hoped that there would be

an intensive economic integration process between Russia and Ukraine. What happened in 2010 overall? In 2010, Ukraine's trade with Russia grew by 60.7 per cent, reaching the level of US\$41.9 billion. Russian-Ukrainian trade increased, and Ukraine obtained a huge market for its products. Ukrainian industrial output rose by 11 per cent in 2010. I'm talking about *industrial* output, which was the core of the Ukrainian economy. This is why Ukraine's GDP rose by 4 per cent in 2010. It was not only that gross exports to Russia rose, but the composition of Russian imports from Ukraine was 40 per cent high-tech products and 45 per cent products of a medium-technology level. In other words, this was creating demand for a highly skilled work force in Ukraine, so that when our children graduated from school, and university, there would be demand for their skills in the economy. 2010 showed that clearly.

Alas, that same year President Yanukovich, upon taking office, decided to betray everybody. He betrayed his voters, who had believed that he would ensure economic integration with Russia. He deceived the West, where he started exporting his fast-growing personal wealth. He started assuring the West that he would bring about Ukraine's integration into Europe. That's why, in July 2010, Yanukovich's Party of Regions, along with the Communist Party and the Litvin Bloc, who together made up a majority coalition in Parliament, voted for the euro-integration of Ukraine. This was voted up by the Parliament of Ukraine, but it was done against the will of our people. It was done even against the pledges made by these political forces. Neither the Party of Regions nor the Communists had run on a platform of breaking ties with Russia and pushing toward the European Union.

On the contrary, our people had voted in two referendums, back in 1991, to be together with Russia and Belarus, and to build a new, improved alliance. But then Presidents Kravchuk, Kuchma, and Yushchenko, followed by Yanukovich, trampled on what the population had voted for. Yanukovich and the Party of Regions started building up the myth that Europe wants Ukraine, and that Ukraine should move toward Europe and integrate with the EU.

Meanwhile, our academic economists, whose findings about relations with Russia I already mentioned, calculated what Ukraine would get out of integration with the West. What they found, the same Ukrainian Academy of Sciences Institute for National Economic Forecasting, was horrifying. In order to integrate with the EU, even just into the free trade zone mandated by an Association Agreement, would cost 160 billion euros to modernise the Ukrainian economy. Where would money like that come from?

When these calculations were presented to Prime Minister Azarov in the Autumn of 2013 and President Yanukovich, showing what Ukraine would get out of association with the EU, then they, too, started tearing their hair out over what was going to happen to the Ukrainian economy. They were late in tearing their hair out, of course. For three years, they had been circulating myths about the prosperity Ukraine would experience if it associated with the EU. This euro-psychosis was fanned for three years. But when, on 21 Nov. 2013, the Ukrainian government decided to put the signing of the Association Agreement on hold, then the entire operation, which was pre-planned, prepared and paid for by the West, and involved a quite substantial

section of the Ukrainian population who had been pushing for a move toward the West, kicked into action. And the Euromaidan began.

On 29 Nov. 2013, in Vilnius, Yanukovych refused to sign the Association Agreement with the EU. That night, 29-30 November 2013, the peaceful Euromaidan ceased to be peaceful. Today, we all understand that the scenario had been pre-planned, in the interests of and paid for by the United States, and it was deployed by Presidential Chief of Staff Lyovochkin. Suddenly, the Berkut special police forces used inappropriate force against the students who were protesting in the central square. Although, from what I see about the events in Frankfurt on 18 March 2015, law enforcement there was very tough in breaking up a rally, where the demonstrators likewise had cobblestones and Molotov cocktails, and were burning automobile tires. And what about Ferguson, Missouri? In the United States, demonstrators protesting the shooting of a black man were also dealt with harshly. But in Kiev, the demonstrators on 1 December 2013 grabbed clubs, chains, Molotov cocktails, and cobblestones, and they attacked the law enforcement personnel from the Berkut police special forces, who this time were unarmed. They didn't even have billy-clubs. The West, especially the United States, forbid Yanukovych to use force. They forbid it.

And then, on 21 February 2014, it was the Western countries—the foreign ministers of Germany, France, and Poland—together with Yanukovych and the leaders of the opposition, Yatsenyuk, Klitschko, and Tyahnybok, who took responsibility for signing an agreement that Yanukovych would step down and there would be a new government in Ukraine. They assumed responsibility for making it a peaceful transition.

But what unfolded then in our country? Even before 20 February, there were weapons on the Maidan. There were shootings of both demonstrators and the Berkut, by mysterious snipers whose identity has not been established to this day. Thus the “Heavenly Hundred” shooting victims came about.

And what came next in Ukraine? Did the Western countries not see during the Winter of 2014, that Nazis had taken charge of the Euromaidan in Kiev? These were parties and political forces who openly preach Nazi ideology. They don't hide it, proclaiming “Ukraine above all!”, “Ukraine for the Ukrainians!” They use Banderite slogans. And Stepan Bandera was an agent of Hitler's military intelligence, the Abwehr. He collaborated with the Nazis, organising his people to lend Hitler a hand. At the Nuremberg International Military Tribunals, where the German fascists were put on trial, their helpers were also convicted. Article 6 of the Nuremberg Tribunal Charter said that the accomplices should be convicted and punished. But in this case, the followers of Bandera and Shukhevych came with their black-and-red pro-Nazi flags, and their swastikas—either the Nazi swastika outright or the Wolfsangel, another Nazi symbol—and with portraits of Bandera, Konovalets, and Shukhevych, who were all Abwehr agents; and under slogans calling to “knife the Moskali”, which is a derogatory Ukrainian term for Russians, and “hang the Communists”. These were the marchers' slogans on the Maidan. These symbols could be seen not only in Kiev, but both before the coup and after it, they spread throughout Ukraine. And the Western countries didn't notice them.

From 23 February to 5 March 2013, our delegation of leading representatives of some Ukrainian leftist parties was able to tour Europe, visiting France, Germany, and Italy. This was organised by our colleagues from the LaRouche movement. I am very grateful, for their giving us the opportunity to hold dozens of meetings, press conferences, and interviews. Thanks to Members of the European Parliament from the Italian Lega Nord, I was able on 26 February 2013 to hold a press conference at the European Parliament. At that time, already, we explained what was happening in Ukraine. Already then, we warned about the threat of civil war and the disintegration of the country, which could lead to World War Three. And at that time, I called on Berlin, Moscow, and Paris to unite efforts: specifically these three centres—Berlin, Moscow, Paris—to unite their efforts and prevent the Nazis from taking over in Ukraine. To help institute a ban on all neo-Nazi parties and movements in Ukraine.

If this had been done at that time, the subsequent horrors in Ukraine would not have come to pass: when dozens of people were burned alive the Trade Union Building in Odessa on 2 May 2014. When a peaceful 9 May demonstration in Mariupol was fired upon. When Crimea, upon seeing this Nazi coup, made its exit from Ukraine. When the Donbass rose up, and blood is still flowing there. To this day. There are 50,000 dead, hundreds of thousands crippled, and two million refugees, including those who have left the country for political reasons. This is no small price that has been paid for the anti-Constitutional, neo-Nazi coup in Ukraine!

This is a tragedy for the whole nation; it's not only the Donbass that is suffering. Ukraine as a whole has been sapped of its strength. In 2014, Ukraine's GDP fell by 7 per cent. Industrial output fell by 10.7 per cent. In January 2015 alone, industrial output dropped another 21 per cent. The national currency has been devalued by two-thirds. Ukraine's gold and foreign currency reserves today are only US\$5.5 billion. One year ago, they had been US\$24 billion. There is not even enough to cover three months of imports, which is the standard minimum level. For Ukraine, that's US\$9 billion, but the country doesn't have the reserves to cover it.

Meanwhile, Ukraine begs for the latest pittance from the IMF. On 11 March, they decided to lend US\$17.5 billion. But not all at once, rather over three years. In 2015, there will be US\$5 billion, which was already done on 13 March, and another US\$5 billion at the end of the year. A total of US\$10 billion. But Ukraine has *foreign debt payments* in 2015 of US\$11 billion! So the IMF loan is not even enough to meet the debt payments.

And what are the terms of the loan? They are absolutely monstrous. Ukraine ended 2014 with the largest natural population decline in the world. We have the second worst mortality rate in the world. But for natural population growth, defined as the difference between the death rate and the birth rate, we have the worst rate of decline in the world. And that was for last year. What will happen this year, under the IMF's draconian conditionalities? Think about it: in order to obtain these miserable billions of dollars, the Yatsenyuk government, the Ukrainian Parliament, and the President of Ukraine agreed to a brutal hike in residential utilities rates. Natural gas prices will be increased 3.3-fold. Electricity will become 3.5 times more expensive. Heat—72 per cent this year. Hot water—55 per cent. Cold water—15 per cent.

How are people supposed to pay? I would like you to understand what the minimum subsistence level of income in Ukraine is, for wages and pensions, as established by law. These levels were established in December 2013, for the 2014 government budget, which assumed that they would be indexed for inflation. But the new government did not do this, they didn't index the payments, although inflation in 2014 was 24.9 per cent, the highest rate of inflation in the world. The subsistence minimum income, established for Ukraine in December 2013 and still in effect, *was*, at that time, equivalent to \$152 per month for one person. But with the devaluation of the national currency by two-thirds since then, the subsistence minimum is now equivalent to \$49 per month. The minimum wage is \$51. The minimum pension is \$40. That is what the state budget provides, per month, for a pensioner—\$40.

The average monthly pension in Ukraine is the equivalent of \$60. In addition, part of the IMF package is that pensions will be subject to a tax to fund defence spending.

The length of time a person has to have worked in heavy labour jobs, to qualify for a pension, has been increased by five years. The seniority level for professionals, before they receive a pension, has been increased. What a blow against our pensioners! I realise what a burden they are for the IMF. We have 14 million pensioners, one-third of the population. The IMF is looking forward to Ukraine's pensioners dying off, as fast as possible.

And not just pensioners! Working people, too. Look at wages. The average *hourly* wage in Ukraine today is 0.2 euros, that is, twenty euro cents an hour. The average wage in the EU is 23 euros an hour. Can this even be called a wage? This is why our people get sick, and they die.

And food prices are rising so much, that people cannot eat properly. On top of that comes the planned rate hikes for residential utilities.

The IMF demanded cuts in spending on education. The number of institutions of higher learning in Ukraine is being slashed by 60 per cent. The number of schools is being cut by 5 per cent.

The IMF demanded an end to subsidies for the agro-industrial sector. How are our farmers supposed to survive? How can they plant the crops? The calculation is that they'll be forced to sell their land. The Ministry of Agriculture has put three-fourths of the farm businesses in Ukraine up for privatisation. They'll be bought up by DuPont, Monsanto, and the like, on the cheap, so they can grow their genetically modified crops here, and flood Europe and the world with them.

This is what is being done to Ukraine: war, death, hunger, and poverty. What will Europe get from this? What does Europe stand to gain? Do the Europeans really not understand, that the flames of war may flare up even more now, and then the seemingly local war in Ukraine will lead to a world war—to a conflict with Russia? Why do this?

I hope very much that peaceful initiatives will prevail. I hope very much that this nightmare in Ukraine can be stopped, and that Ukraine will be able to use its tremendous potential, its intellectual, industrial and scientific capabilities. They still

exist. The people are still alive. I hope that Ukraine can turn to building things, and together with Russia, and Europe, and China, build new land-bridges, and the new Silk Road, and the program to develop the Moon, and so forth.

That is what I would like to wish for my country and for all mankind.

In conclusion, I would like to say something—because I am not physically there in Australia, but someone is there who looks a lot like me, and has therefore been called my sister: [CEC Executive Committee member] Gabrielle Peut. And I would like to say this to her:

“My dear Gabby, I am glad to address you. I believe we will meet each other many times in the future.”

I believe that.