

Are Sanctions on Russia Desirable?

by Michael Curtis



Gerard Depardieu as Rasputin

One of history's most diverting misunderstandings that long stand uncorrected is the alleged remark in 1972 by Chinese Prime Minister Chou Enlai to President Richard Nixon. Asked what he thought about the 1789 French Revolution, Chou is said to have replied "it's too early to tell." In Washington D.C. today the same lack of clarity exists concerning the alleged collusion or conspiracy between the Donald Trump Presidential campaign and the Russian government to influence the 2016 election. It's "too early" even after exhaustive and seemingly never-ending investigations by the Senate and House Intelligence Committees, the Senate and the House Judiciary Committees, the Senate and the House Oversight Committees, the FBI, and the Special Counsel for the Justice Department of Justice.

Clarity on Russian involvement in the 2016 election, may not be available, even after the intense inquiries into the possible conspiracies hatched during the five, ten, and twenty minute public encounters between Trump associates and Russians in the Mayflower Hotel, D.C. in April 2016, and the Trump Tower, New York on December 1, 2016, and June 9, 2017.

Clearly, Russians have played some role. Russian intelligence probably gained access to the computer network of the Democratic National Committee and other Democratic party organizations. and released thousands of documents and material to WikiLeaks. Their revelation showed that party leaders had favored the candidacy of Hillary Clinton over

Bernie Sanders, and led to the resignation of the DNC Chair, Debbie Wasserman Schultz.

The game's afoot for further circumstantial evidence of improper behavior. Meanwhile, the imposition of sanctions against Russia increases. They are officially imposed on those who in some way are supporting actions that undermine or threaten the sovereignty, territorial integrity and independence of Ukraine. But they also affect the Russian business environment, and the power and political policies of President Vladimir Putin, and his circle of associates.

Already sanctions by the EU and the U.S. Obama administration in September 2014 targeted Russia's state finances, energy, and arms sectors, sectors that are largely controlled by the elite group around President Putin. Among those sectors related to him is the Bank Rossiya, assumed to be the personal bank for top Russian officials, and individuals involved in the Ozero Dacha Cooperative, a housing community on the shore of Lake Komsomolsk, a gated community, and the DMP bank, one of whose owners is a judo associate of Putin.

Sanctions meant targeting the major state oil firms, Rosneft, Transneft, and Gazprom Neft. Sanctions imposed penalties on Russia's banking system: state banks cannot raise long term loans in the EU. Arms deals are banned, and the EU will not export oil industry technology. Russian officials are subject to travel bans, and may be prevented from entering a EU country. Some prominent officials, such as Sergei Chemezov, head of the large state arms corporation, Rostec, are also targeted.

A further round of sanctions took place, on December 29, 2016, a few days before Obama left office. They were officially said to be reprimanding Russian activity: significant cyber-enabled activities affecting the 2016 presidential election; eroding faith and undermining confidence in US democratic institutions. They were directed against four Russian

nationals and five Russian entities for electoral interference. In all, 35 Russian diplomats had to leave the U.S., and two luxury compounds, in Maryland and in New York, were closed.

Putin responded by ordering the closure of the Anglo-American School of Moscow which served children of the US, Canada, and UK. The Cold War had not resumed, but Russian officials referred to Obama's administration as "hapless."

Now, U.S. Congress imposed a new round of sanctions on Russia, and limited President Trump's ability to suspend new and existing ones without congressional approval. The Senate approved the bill by 98-2; and the House by 419-3, on July 27, 2017. The bill, which also included sanctions against North Korea and Iran, was signed reluctantly by Trump on August 2, 2017. The given reason for the sanctions is that they are a response to real or alleged Russian actions: interference in the 2016 US presidential election by cyberattacks and fake news; involvement in the Syrian war where Russia has supported President Bashar Assad; invasion and annexation of Crimea.

Trump was reluctant to sign the bill on the argument that it limits the president's ability to conduct foreign policy and national security matters as it encroached on the executive branch's authority to negotiate, or to make changes in sanctions without congressional approval.

There are two relevant aspects, one concerning economics, the other politics.

The first is clear as the sanctions have hurt the Russian economy. The IMF calculates Russia GDP will drop by 9%, and the increase in annual GDP will fall from 7% to less than 2%.

Restrictions on credit and other matters for companies engaged in Russian energy projects, on foreign financial institutions that facilitate such projects, and on suppliers of arms to Assad in Syria are imposed. The sanctions are also supposed to

target those involved in human rights abuses, those who commit serious corruption, as well as targeting the energy sector, freezing assets, such as property, revoking US visas, and imposing additional sanctions on mining, shipping, railroads industry.

The political impact is also troublesome. During the election campaign and now in the White House, Donald Trump suggested improving relations with Russia, including the easing of sanctions, as well as denigrating any alleged collusion between his supporters and Russians in the campaign.

Obviously, there is and must be interaction between the two countries. The job of the much criticized Russian ambassador, Sergey Kislyak, is to attend meetings, discuss current affairs, and reach agreements with American counterparts. It is not surprising, and certainly not ominous that Sergey Gorkov, head of the state bank Vnesheconombank (Bank of Foreign Economic Activity) which was sanctioned in July 2014 should have met in December 2016 with Jared Kushner.

Differences between the two countries have not prevented agreements, on nuclear weapons stockpiles, arms control, and on plutonium. However, it is essential that sanctions not prevent further collaboration on crucial issues: Syria, terror, Start, cyberspace, environmental protection, illegal immigration, organized crime, and economic development.

If Washington politicians are unwilling to engage in such collaboration, willing substitutes are available. Foremost are three celebrities who have in recent years obtained Russian citizenship: Steven Seagal, Gerard Depardieu, and Roy Jones, Jr.

Steven Seagal, former Hollywood performer, received citizenship on November 3, 2016 directly from President Putin, a fellow martial arts fan; both have black belts, Seagal in aikido and Putin in judo. Seagal's qualifications are obvious

because he played a Russian diplomat in the 2009 film *Driven to Kill*. He supported Russian annexation of the Crimea, depicting Ukraine as a country controlled by fascists. He calls Putin one of “the great living world leaders.” Not surprisingly, Putin has proposed Seagal as an honorary consul in California and Arizona so he could be an intermediary between the two countries.

Gerard Depardieu is seemingly less politically astute or interested though he did play a lead role of Grigory Rasputin in a 2011 film, but he is interested in keeping his wealth which he can do better in Russia.in France. His main aim was to avoid the French supertax, a 75% tax increase on top incomes. Russia, with its flat personal income tax rate was more appealing. He is now a citizen of Russia, a friend of Putin whom he embraced, exclaiming that he loved Putin and called Russia a great democracy. He has been offered a job as culture minister in the area of Moldovia, once the site of a Gulag.

Roy Jones Jr,. an American champion boxer in four different divisions, often visited Russia after his retirement from the ring. He asked for dual American-Russian citizenship, and obtained it in September 2015.

Blessed will be these peacemakers for they will punch, or act, above their weight.