# Obama Exploiting Ukraine to Empower IMF and Dictatorships


The globalist establishment, Russian authorities, and the Obama administration are pushing hard for a series of controversial "reforms" aimed at massively expanding the power and resources of the International Monetary Fund (IMF) while further scaling back U.S. influence at the institution. Using various pretexts — and especially the crisis in Ukraine — governments and dictatorships, including Vladimir Putin's Russia, are even threatening to proceed with the radical plot to empower the IMF whether the U.S. Congress approves it or not.

The most important and far-reaching elements of the "reform" agenda include a doubling of taxpayer resources available to the IMF. Member governments would have to supply twice as much taxpayer funding to meet their "quota" under the agreement. Even more important, the reforms would also dramatically reduce U.S. influence while handing more power to what propagandists refer to as "emerging markets." In reality, "emerging markets" would continue to have no influence whatsoever at the powerful globalist institution. The dictators and governments that rule them, however, would be given far more authority to dictate IMF policy and decisions.

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Chief among the regimes that would be empowered under the "reforms" is the communist dictatorship ruling over mainland China, which for years has been calling for the IMF to become a sort of planetary central bank in charge of a global currency. Other governments that would have more influence include those ruling over the rest of the so-called BRICS — primarily socialist and communist regimes in Brazil, Russia, India, and South Africa. All of the "BRICS" regimes have been strongly pushing for more control over the IMF in recent years, even as they push to radically expand its mandate to include a planetary currency.

"We support the reform and improvement of the international monetary system, with a broad based international reserve currency system providing stability and certainty," the five BRICS regimes said in a joint 2013 declaration, calling for Third World dictators to have a greater say in the IMF and the emerging global monetary regime. "We welcome the discussion about the role of the [IMF's] SDR [a proto-global currency known as Special Drawing Rights] in the existing international monetary system including the composition of SDR's basket of currencies."

The biggest barrier thus far to the IMF "reforms," reportedly agreed to in 2010, has been the U.S. Congress, which is so far refusing to approve the funding. In a statement, however, the Obama administration said it was working on overcoming that obstacle. Among other demands, the administration wants lawmakers to approve a shift of some $63 billion from a "crisis" fund to the IMF's general accounts to comply with the 2010 reform "commitments" made by the Obama administration and the IMF board.

"We are working with Congress to approve the 2010 IMF quota legislation, which would support the IMF's capacity to lend additional resources to Ukraine, while also helping to preserve continued U.S. leadership within this important institution," the White House said in a "fact sheet" released last week, exploiting the ongoing fiasco in central Europe to advance the controversial agenda to empower the IMF and its less-than-friendly member regimes. The radically expanded U.S. "quota" would presumably be met going forward by borrowing from foreign governments or the Federal Reserve, which simply conjures currency into existence out of thin air and usuriously lends it to the Treasury at interest.

Having apparently lost hope of getting the legislation through on its own, the administration is now trying to tie the IMF funding demands to a bill showering U.S. taxpayer funds on Ukraine's new rulers. "It is imperative that we secure passage of IMF legislation now so we can show support for the IMF in this critical moment and preserve our leading influential voice in the institution," Obama Treasury Secretary Jack Lew said last week in a congressional hearing, just months after demanding a debt-ceiling hike. It remains unclear whether the GOP-controlled House will submit to the administration's demands.

In a report from Reuters citing "sources," however, the news agency reported that Russian officials are working to push ahead the drastic IMF reforms without the support of the U.S. government, which holds a controlling share of votes at the institution because U.S. taxpayers are its primary source of funds. If the Kremlin and its allies succeed in advancing the reforms without U.S. congressional approval, the news agency claimed, it could result in Washington, D.C., losing its veto even over major IMF decisions. Moving ahead without Congress, though, would reportedly require "complicated" changes to IMF rules.

The anonymous "sources" cited in the Reuters article claimed that the G20 governments — the regimes ruling China and Russia are both among the members — would give the U.S. government until IMF and World Bank meetings next month to obey. If Congress remains uncooperative, the "sources," presumably speaking to the news agency in a bid to pressure U.S. lawmakers, said the G20 regimes would be "taking more aggressive measures" to ram through the reforms empowering the controversial global institution.

"It was agreed that in the absence of progress by the United States on the 2010 package by the April meeting of the IMF and G20, that there will be formulated a list of 'bad options,' which will allow [us] to move forward in this matter, excluding the opinions of the United States," one of the three unnamed sources told Reuters. In other words, either the U.S. Congress does the bidding of foreign governments at the G20, or those regimes will advance the radical agenda anyway.

In an editorial, the establishment mouthpieces at the *New York Times* urged lawmakers to promptly obey, too. "As Congress moves forward with providing financial assistance to Ukraine in the form of loan guarantees, lawmakers should also ratify much-delayed reforms that would strengthen the International Monetary Fund and give it more resources to lend to troubled nations like Ukraine," the *Times* editorial board argued on Monday, adding that the Obama administration had "led a global effort" to increase IMF funding to over $750 billion while curtailing U.S. power at the institution.

"Some Republicans in the House have steadfastly refused to let the reforms come to a vote, arguing unconvincingly that the fund doesn't need the money," the *Times* complained, presumably also suggesting that the IMF and the nations it shackles with debt need the money more than struggling U.S. taxpayers. “Ukraine’s troubles serve as evidence that it’s important to increase the fund’s resources.”

Ironically, the *Times* suggested that it was in “America’s interest” that authorities in Ukraine and other countries receive bailouts from U.S. taxpayers through organizations such as the IMF rather than from Russia directly. The claim is especially ridiculous considering that the Kremlin is leading the push to adopt the IMF “reforms” without approval from the U.S. Congress. The argument becomes even more absurd when realizing that Moscow is participating in the IMF bailouts agreement for Ukrainian officials. And it borders on lunacy when considering a *New York Times* report last week acknowledging that much of the “aid” to Ukraine will end up in Russian institutions anyway.

“Providing Ukraine with $1 billion in loan guarantees from the American government is a good start, but that will not be enough to get the country back on its feet,” the *Times* editorial concludes. “Congress needs to go one step further and give the I.M.F. the resources it needs to help troubled nations like Ukraine.”

The conservative-leaning Heritage Foundation, while claiming that the United States “clearly” benefits from the existence of the IMF, also conceded that, “many conservatives have rightly pointed to the IMF as an enabler of moral hazard.” Those critics, the group said, “are concerned that American tax dollars are being used for IMF programs that bail out bad decisions by other governments that follow reckless fiscal and monetary policies (e.g., the flawed policies that Ukraine pursued under Yanukovych until 2011 when the IMF ended its previous program for the country).”

In response to those concerns, Heritage Research Fellow for Economic Freedom James Roberts offered Congress some suggestions. “Refuse the Obama Administration’s attempt to link urgent assistance to Ukraine to approval of the IMF governance reform package that has been pending for three years,” he advised. “Insist that the 2010 reform package be revised so that the U.S. retains the unilateral right to appoint its own representative to the executive board; and demand the abolition of the NAB [New Arrangements to Borrow] supplemental facility so that it cannot be used in the future as an additional source of potentially morally hazardous lending during the next ‘crisis’.”

Critics of the IMF and the long-term agenda of the institution and its backers, however, suggest that a better solution would be for the U.S. government to withdraw from the controversial outfit altogether. Not only is Washington, D.C., foisting unfathomable levels of odious debt on the American people to fund such globalist institutions, the IMF is now openly proposing wholesale global wealth confiscation and plundering. As if that was not bad enough, the IMF and the globalist establishment that controls it are openly working to turn the institution into a global central bank in charge of a planetary fiat currency if and when the U.S. dollar loses its status as international reserve.

For Americans, Ukrainians, and indeed, humanity, the IMF represents nothing but expensive trouble — and it is only going to get worse if current trends continue. U.S. lawmakers who take their oath of office seriously must refuse to submit.

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