



Written by [Alex Newman](#) on May 20, 2014

U.S. Taxpayers Funding Putin via IMF Bailout of Ukraine

Despite the [supposed showdown between the Obama administration and Moscow](#), even more U.S. taxpayer funds will soon be lining Russian strongman Vladimir Putin's pockets. The International Monetary Fund, funded primarily by taxpayers from the United States and the European Union, [announced](#) on April 30 that it would be bailing out the new Ukrainian government with a massive loan package. Authorities in Kiev, meanwhile, plan to use a big portion of those bailout funds to pay Putin for energy supplies coming from Russia. Much of the rest will be used to prop up Western mega-banks.



As *The New American* [reported earlier this month](#), the IMF bailout to Ukraine's "new" ruling class amounts to almost 11 billion in so-called "Special Drawing Rights," or SDRs for short. That amount in the controversial [global outfit's proto-global currency](#), which globalists are working to promote as the eventual replacement for the U.S. dollar as the global reserve currency, represents more than \$17 billion.

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Of course, there are multiple complex agendas at work in Ukraine at the moment — [masterfully outlined in a recent piece in *The New American* magazine by William Jasper](#) — that have little to do with the staged drama unfolding in the establishment press. However, the notion that the IMF bailout of Kiev would be bad for the Kremlin and good for U.S. taxpayers is laid to rest by, among other glaring problems, the fact that Russian authorities openly approved it.

In addition to the massive, Kremlin-approved IMF bailout, the U.S. Congress agreed to shower Ukraine's new rulers with a separate \$1 billion bailout. The emerging Brussels-based super-state, meanwhile, approved an EU "aid" package funded by European taxpayers worth well over 10 times that amount. Other wealth transfers from the West to Kiev for various alleged purposes are also underway.

All of that money extracted from Western taxpayers was supposed to help the new Ukrainian regime stand up to Putin — at least that is what the public was told. The establishment press parroted the line, too. "It is in America's interest that Ukraine and other countries receive financing from international organizations like the fund rather than from countries like Russia," the *New York Times* [claimed in a half-baked editorial](#) urging U.S. lawmakers to approve a [massive IMF power grab being pushed by Putin](#) and the communist regime in Beijing.

In reality, though, much of that bailout funding for Ukraine will end up in Putin's bank accounts. Officials now admit it, too. In an e-mail to *The New American*, analyst James Rickards, an expert on currency and author of best-seller *The Death of Money*, highlighted the absurdity of it all.

"What is more interesting is that some of the IMF loan, which is partly financed by the United States,



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will be used to pay debts that Ukraine owes to Russia's Gazprom natural gas company," he said after commenting on the use of SDRs for the bailout, which he noted was "not that unusual." "So, even as the U.S. and Russia escalate their financial warfare threats, some U.S. money is being sent to Russia via the IMF and Ukraine to pay for Putin's natural gas."

Indeed, the new Ukrainian regime, which includes [more than a few familiar faces](#), already owes some \$3.5 billion to Putin's Kremlin-controlled energy giant Gazprom. Because everyday Ukrainians have been looted for all they are worth by successive corrupt rulers and the globalist establishment, the new regime has been struggling to pay off the debts to Moscow.

Making matters even worse for the new government in Kiev, Gazprom recently decided to end the huge discounts on energy supplies to Ukraine that were offered under the former regime led by Putin's now-ousted crony. Now, Russia is seeking about 80 percent more for its energy supplies than before the regime-change operation.

Much of that growing debt to the Kremlin will now be paid off using funds extracted from American and European taxpayers — making it easy to see why Putin backed the Ukrainian bailout at the IMF, but leaving pro-bailout Western politicians and officials looking like fools at best, or collaborators at worst. In other words, under the guise of helping Ukraine stand up to Moscow, Western taxpayers were just fleeced to bail out Putin and his government.

The underhanded Western bailout for Putin is hardly a secret. Indeed, the EU actually openly admits that part of the funds it seized from taxpayers across the bloc to send to Kiev will in fact be transferred straight to Moscow. "It is aid for the Ukrainian budget to meet its external financing needs, which includes payments in the energy sector," said Simon O'Connor, a spokesman for the European Commission, an unaccountable sort-of hybrid executive and legislative branch that now dominates the formerly sovereign nations and peoples of Europe.

Of course, Ukraine's new "interim" Prime Minister Arseniy Yatsenyuk is trying hard to mitigate the public relations disaster, sounding tough and even threatening legal action. He expressed special outrage about Gazprom's proposed rate hike in energy prices.

"We want a deal based on market conditions," Yatsenyuk complained, adding that Moscow had confiscated Ukrainian assets when it seized Crimea following a dubious referendum. "If Russia rejects this, we will bring Russia to [an international] court in Stockholm. If I'm not mistaken, there's 20 days left — this is the final call for Russia to sit at the negotiating table."

The new Ukrainian government's "ambassador" to the EU had even harsher words, telling the *EU Observer* that it would not be transferring funds from Western taxpayers to Putin for his "political" gas price demands. "We are not so stupid or naive as to pay this price," he said. "The situation is not easy and time is running: We need to start filling our underground storage facilities so that we can ensure transit of [Russian] gas to European countries [in winter]."

It was not immediately clear what other options might be available that would justify the almost certainly hollow threat of non-payment. However, few analysts seriously believe that Putin will not get paid as the Western taxpayer-funded deluge begins pouring down on Kiev.

Still, EU bosses were making apparently futile noises, too. European Commission boss José Barroso, a "former" Maoist revolutionary, for example, blasted Moscow's demands. "Russia, if it wants to be seen as a credible supplier, cannot play political games with energy," he told journalists standing alongside Ukraine's new "caretaker" ruler. "If Russia continues with this kind of behavior, it will only lead to its



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further isolation.” It was not clear what the increasingly power-hungry EU might do, but the taxpayer-funded bailout to Kiev is already flowing, and the supposed threat of “sanctions” has been widely ridiculed.

Indeed, the huffing and puffing is almost certainly pointless — and probably produced for public consumption more than anything else. In a letter released last week, Putin stood firm, even reiterating a threat made in April that, beginning next month, energy supplies would only be delivered to Ukraine if the Kremlin-controlled Gazprom was paid in advance.

“Given the circumstances, the Russian company has issued an advance invoice for gas deliveries to Ukraine, which is completely in accordance with the contract, and after June 1 gas deliveries will be limited to the amount prepaid by the Ukrainian company,” Putin explained in the letter. In other words, the funds from Western taxpayers better start flowing to Moscow soon. Otherwise, Ukraine and potentially even other parts of Europe could soon be struggling to keep the power on.

Other than bailing out Putin, much of the funding extracted from Western taxpayers under the guise of propping up Ukraine’s new rulers will also reportedly go straight back into mega-banks in Europe and the United States. Due to previous bailouts from 2008 and 2010, Kiev must start paying back those loans, and part of the new bailout will almost certainly be used for that purpose.

“A lot of that \$17 billion — somewhere between \$6 and \$9 billion of that depending on the estimate and who you hear it from — is going immediately back to the Western banks, the EU banks, to pay for the two previous bailout tranches that were coming due,” explained Political Economy Professor Jack Rasmus of St. Mary’s College of California in a radio interview.

All of the bailouts also come with strings attached. So, in other words, Western and globalist politicians are essentially dictating Ukraine’s future and ensuring that the people remain in perpetual debt. While the crisis in Ukraine has been framed in the international press as a conflict between “East” and “West,” however, the [reality bears little resemblance to the official narrative](#).

Of course, U.S. bailouts for foreign rulers are not constitutional, whether they are done directly or through dangerous globalist outfits such as the IMF, currently being groomed to serve as a [planetary central bank](#) in charge of a [new world currency](#). With the U.S. government already suffocating Americans with odious debts and wild currency printing, though, the notion that struggling taxpayers ought to be bailing out foreign countries and governments is even more outrageous.

When considering the fact that much of that bailout will go straight to Putin — the man the funds were allegedly supposed to serve as a bulwark against — it becomes clear that Western taxpayers are being played for total fools. Adding insult to injury, globalists are now openly discussing even more fleecing of the West under the guise of further propping up Kiev as the Ukrainian economy implodes. Americans should just say no.

Photo of Vladimir Putin with President Obama: AP Images

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