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## **Better-Management Newsletter 22 Feb 2015**

**Ukraine deteriorates / Remember past starvation of millions of Ukrainians / Russia breaches British air space / Greece: keep the party going / Democracy no longer exists in Europe / Potential to collapse the global financial system**

### **Ukraine deteriorates**

As Europe re-arms to match Russia, in turn the Putin government seeks to consolidate its hold on the Donbass region of Ukraine. Already the Russian media is talking about the region as an autonomous self-governing body – whether they hold either a referendum or a parliamentary election or do not. Anyone can see that the standard of armaments for the “pro-Russian Rebels” is on par with regular military forces and no-one is really fooled into the belief that this uprising is spontaneous or self-funded. Never-the-less EU governments are starting to worry that they will need to do more for Ukraine than they can currently afford.

This bit of propaganda below provides a bit of the flavour...and for reasons I will spell out later, Russia is winning the propaganda war as they have persuaded many folk in the OECD that they are right to “protect” their citizens...

<https://www.youtube.com/watch?v=dSaWZQLdDr0#t=12>

If Russia were to stop attacks on Mariupol then Mr Putin would get home Scott-free. But the NATO leadership don't believe Russian forces will stop at that point and continue to try to dismember Ukraine at which time the EU or NATO will likely intervene on an economic/militaristic basis. Hence covert re-arming of the Bundeswehr, French and Polish armies.

### **Remember past starvation of millions of Ukrainians**

Anyone who has forgotten history should rethink. It is real and personal to everyone living in the EU. Remember the poisoning of the former Ukrainian president by FSB agents, or the Khrushchev repression of 40's, 50's and 60's, the starvation of millions of Ukrainians when Stalin stole their entire annual harvest, or the purges and introduction of Russians to control the industrial Donbass region, often moving into homes of the murdered/disposed. From this distance, we cannot comprehend the divergent attitudes between ethnic Russians living within Donbass and the Ukrainian natives. The same issue was trampled into the dust in Crimea and the Crimean Tartars plight is now almost forgotten as Putin's sleight of hand there is a done deal.

But in Europe, many of the Europeans do know. They do remember. The driving force behind the establishment of the EU was the raw and painful memory of occupation. The European documentaries on Putin are now far more restrained than the attacks by Russians on Poroshenko and European leaders. But the rhetoric adds up to an unwelcome escalation of hostilities. The US Secretary of State spells out the US position...

<http://www.bbc.com/news/world-europe-31567577>

### **Russia breaches British air space**

In Britain, the Russian act of breaching British air space is bringing home to the public how ill-prepared they are to resist the Russian military threat...

<http://www.telegraph.co.uk/finance/newsbysector/industry/defence/11425412/Not-fit-to-serve-Vladimir-Putin-exposes-UK-defence-industry-failings.html>

Yet Britain has never been occupied and while the lessons WW2 are still raw for many, the average POM does not share the European commitment to the EU because they lack those personal family memories of first Hitler and then Stalin – and their ethnic cleansing.

So those among you who buy the Russian propaganda to think of Poroshenko as either a thug or a Jew in the service of the USA should perhaps re-consider the lessons of history. The locals in Ukraine have now divided between ethnic Russians and ethnic Ukrainians and like with all previous European land battles, there will likely be a fresh spring offensive if common sense does not prevail. (But how can it?)

A smug Vladimir just sits back behind his wall of nukes and says how he supports democratic rights... in effect, spouting the sort of nonsense that imperial USA has relied upon for the last 70 years to justify her worst atrocities (*Editor's note: note too the US and EU clandestine forces and diplomats that engineered the Ukraine government coup resulted in the change in the Ukraine government in 2014 and installing a West-supporting President; all of which kicked off the current very dangerous escalation. Think Libya, Iraq, Chile etc. as well as past Soviet and German invasions. The Ukraine is another example of proxy confrontations and propaganda wars. The only certain losers are the Ukrainian citizens*).

### **Greece: keep the party going**

No sooner had Germany shut the doors on the Greek Trojan horse that we got news that the IMF stood ready to bail them out...to keep the party going for longer. The IMF and BIS know how fragile the global economy and financial system is (as has been reported in many prior emails).

Then surprise, surprise, we got the news yesterday that a deal had been reached with EU finance ministers...but not quite yet...

<http://www.bbc.com/news/world-europe-31564846>

The fact is that the IMF and BIS are simply too powerful and have overcome German objections to kicking the can down the road. So the can will just keep on getting kicked and that won't help anyone. The IMF and BIS tend to drive G20 decision-making these days and many nations have become accustomed to introducing and passing the banking legislation the IMF wants.

Now we wait to hear whether the Greeks will approve the new deal or not... and the deadline for acceptance is Wednesday...our time.

### **Democracy no longer exists in Europe**

Meanwhile the Greeks appear to be the only ones in Europe to not know that democracy no longer exists in Europe. For her European partners, their banks probably realise they have lost the game and more bail-outs or bail-ins will be required. Greece's flirtation with Russia is likely to cause her more problems than solutions. To Russia, Greece (and Hungary) are just pawn(s) on the chess-board.

Now, Russia is turning her attention to global affairs and concluding the establishment of a new state in Eastern Ukraine, stretching from The Russian Border in the North East to the Crimean peninsula in the South. Despite Mickey-Mouse prevarications I expect the Russia advance will continue for now.

This, for Mr Putin, is work in progress and the Greek tragedy is just a side-show.

### **Potential to collapse the global financial system**

While the French, Germans and Poles have a clear understanding of that, the inter-linking of the global financial system through uncontrolled derivative counterparties means that the IMF and BIS are already aware that the Greek tragedy must be handled right or it could have the potential to collapse the global financial system...perchance a Lehman collapse on steroids.