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Why the Ukraine War Is a Scam

Analysis by Dr. Joseph Mercola Fact Checked | July 04, 2022

STORY AT-A-GLANCE

- The U.S. is using unofficial back channels to secure crucial supplies from Russia, while publicly talking about being tough on sanctions
- On the one hand, the West wants to appear tough on Russia by issuing trade embargoes, sanctions and bans on investments, while simultaneously being more or less dependent on Russia for essential commodities such as oil, gas, food and fertilizer components
- As a result, shortages of energy and food and rising inflation now loom large around the world, which could have catastrophic consequences for the average person, without doing anything to pressure Putin to pull out of Ukraine. In fact, the Russian ruble is now the strongest it's been in seven years
- The corporate trend to make political statements at every opportunity is also backfiring and worsening the situation. The decision of some 1,000 companies to "self-sanction" and drop their business in Russia has now actually become a barrier to diplomatic resolution
- Most wars are a means to an end, and that end is corporate profits. The Ukraine conflict appears to be more of the same, as NATO warns we should expect a long, protracted war, and that we must continue to supply Ukraine with weapons

That the West has made serious strategic errors in its support of Ukraine are now becoming more obvious by the day. According to recent media reports, the U.S. is using unofficial back channels to secure crucial supplies from Russia, while publicly talking

about tough sanctions. This somewhat embarrassing development was reported by Bloomberg, June 13, 2022, which noted:[1]

> *"The US government is quietly encouraging agricultural and shipping companies to buy and carry more Russian fertilizer, according to people familiar with the efforts, as sanctions fears have led to a sharp drop in supplies, fueling spiraling global food costs.*
>
> *The effort is part of complex and difficult negotiations underway involving the United Nations to boost deliveries of fertilizer, grain and other farm products from Russia and Ukraine that have been disrupted by President Vladimir Putin's invasion of his southern neighbor.*
>
> *US and European officials have accused the Kremlin of using food as a weapon, preventing Ukraine from exporting. Russia denies that even as it has attacked key ports, blaming the shipment disruptions on sanctions imposed by the US and its allies over the invasion.*
>
> *The EU and the US have built exemptions into their restrictions on doing business with Russia to allow trade in fertilizer, of which Moscow is a key global supplier.*
>
> *But many shippers, banks and insurers have been staying away from the trade out of fear they could inadvertently fall afoul of the rules. Russian fertilizer exports are down 24% this year. US officials, surprised by the extent of the caution, are in the seemingly paradoxical position of looking for ways to boost them."*

Biting the Hand That Feeds

All of this is starting to look like a combination of "biting the hand that feeds you" and "cutting off your nose to spite your face." On the one hand, the West wants to appear tough on Russia by issuing trade embargoes, sanctions[2] and bans on investments, while

simultaneously being more or less dependent on Russia for essential commodities such as oil, gas, food and fertilizer components.

As a result, the Russian ruble is now the strongest it's been in seven years. It's so strong, the central bank in Russia is actually taking steps to weaken it, as they fear an excessively strong currency will make Russian exports less competitive.[3] Meanwhile, the U.S. dollar is in the toilet and getting weaker by the day.

According to Bloomberg,[4] the Kremlin now wants the Biden administration to provide assurances to buyers and shippers of Russian fertilizer and grain that they aren't subject to sanctions.

This, Bloomberg notes, appears to be a condition to release shipments of Ukrainian farm products as well. Ivan Timofeev, a sanctions specialist at the Kremlin-founded Russian International Affairs Council told Bloomberg:[5]

> *"For Russia, it's really important that U.S. authorities send a clear signal that these deals are permitted and in the interest of global food security and they shouldn't refuse to carry them out."*

An estimated 25 million tons of grain, sunflower oil and other commodities are reportedly stuck in Ukraine due to security fears in ports and shipping lanes. Countries that have the most to lose by this, being the largest importers of Ukrainian grain, include Egypt, Indonesia, Bangladesh, Pakistan and Turkey.[6]

Who's Getting Hurt?

The questions that Western leaders seem unwilling to answer are "who benefits and who gets hurt?" Right now, most of what they've done have only helped strengthen Russia's position, while placing their own citizens in harm's way.

Shortages of energy and food and rising inflation now loom large around the world, which could have catastrophic consequences for the average person, without doing one lick to pressure Putin to pull back from Ukraine. Basically, American and European

citizens are the ones being punished, through higher prices on food and energy, while Russia is reaping mostly benefits.

According to Radio Free Europe,[7] Russia has "nearly doubled its income from energy sales to the EU" since it entered Ukraine, this despite the fact that the EU cut its oil imports by 20% and coal by 40%.

Research by Center for Research on Energy and Clean Air (CREA) released on April 28, 2022, showed "soaring prices have more than compensated Russia for the loss in sales volume due to sanctions," Radio Free Europe writes. China and India have also increased their imports from Russia.

Corporate Self-Sanctioning Was a Bad Move

The new corporate trend to make political statements at every opportunity is also backfiring and worsening the situation. As reported by Bloomberg, June 14, 2022:[8]

> *"Officials were initially impressed by the willingness of companies from BP Plc. to McDonald's Corp. to abruptly 'self-sanction,' sometimes selling assets at fire-sale prices. But the administration was caught off-guard by the potential knock-on effects — from supply chain bottlenecks to uninsurable grain exports — due to the companies' decisions to leave, according to people familiar with internal discussions ...*
>
> *So while Ukrainian President Volodymyr Zelenskiy has urged US businesses to cease operations in Russia, telling a joint session of Congress that the Russian market was 'flooded with our blood,' the Biden administration has been encouraging some commerce, including for agriculture, medicine and telecommunications."*

Here's the key problem: The decision of some 1,000 companies to "self-sanction" and drop their business in Russia has now actually become a barrier to diplomatic resolution.

> **“With so many private companies choosing to make political statements rather than just running a business, diplomatic negotiations are now actually hampered, because these companies have eliminated a lot of the leverage that the promise to lift sanctions could bring.”**

Sanctions are a popular tool because it outsources government policy to the private sector. Once warring sides decide to meet at the negotiation table, the promise to eliminate sanctions can act as a strong incentive to end the violence.

Alas, with so many private companies choosing to make political statements rather than just running a business — selling burgers to hungry Russians, or whatever — diplomatic negotiations are now actually hampered, because these companies have eliminated a lot of the leverage that the promise to lift sanctions could bring.

They left voluntarily, spitefully, and not because government sanctions legally prevented them from doing business there. As a result, the "carrot" of lifting sanctions doesn't have the same bargaining power. As explained by Bloomberg:[9]

> *"It's hard even to offer that [removal of sanctions] as a potential benefit of entering into negotiations because much of the pullout by American businesses has been self-inflicted. Companies could face public blowback if they are seen as rushing back into the Russian market ...*
>
> *[L]onger-term, the US may undercut its 'soft power' in Russia by abandoning the local market to brands from other countries — or even to Russian firms that are snapping up company assets at little or no cost. The departure of high-profile US firms 'does some psychological harm to Russia, psychological injury,' Smith said. But 'at the end of the day, is removing elements of US soft power where the US wants to be?'"*

Moralism Fail

In the Jimmy Dore Show video in the section above, Dore expands on this, quoting some tweets by independent journalist Glenn Greenwald. In one June 14, 2022, tweet, Greenwald commented on the Bloomberg story:

> *"The problem from the start was the obligatory moralism narrative didn't help decipher what policies would and wouldn't work. And that was as intended: there was so much to debate and question about US policy, but it was barred. Anyone who tried was maligned as a Russian stooge."*

Why the Ukraine War Is a Scam

The Jimmy Dore Show above discusses journalist Wolfram Weimer's appearance on German television, in which he boldly contradicts the official narrative about the Ukraine conflict.

Weimer points out that while the German chancellor "is working with this language template: 'Russia must not win this war, Ukraine must win,'" it's clear that Russia has already won the war and Ukraine doesn't stand a chance. So, where is this headed, politically? Weimer wonders. "Since we cannot win this war, we have to end it as quickly as possible," he adds.

The fact that Western supporters of Ukraine have not yet stepped up to help Ukraine negotiate a peace deal is instructive in and of itself. What could that mean? Well, for starters, it's an ominous indication that it's all about greasing the wheels of war.

Time and again, the U.S. has entered into intentionally unwinnable conflicts that have but one real purpose: To funnel taxpayer dollars into the private military industrial complex. Almost all of the $40 billion "Ukraine aid" package, for example, went straight to weapons manufacturers.[10]

It can be tempting to jump on the "support Ukraine" bandwagon, but it would be far more useful to try to really understand the deeper forces at play. More often than not, war is about keeping the weapons industry flush with cash.[11]

In the final analysis, that's typically what decades-long, drawn-out unwinnable conflicts are all about, and in this case, it seems NATO is trying to take advantage of the situation by dragging it out as long as possible. Let's not forget that NATO allies actually circumvented an arms embargo against Russia, supplying it with weapons as recently as 2020. In an exclusive report, The Telegraph reported:[12]

> *"France and Germany armed Russia with €273 million (£230 million) of military hardware now likely being used in Ukraine, an EU analysis shared with The Telegraph has revealed. They sent equipment, which included bombs, rockets, missiles and guns, to Moscow despite an EU-wide embargo on arms shipments to Russia, introduced in the wake of its 2014 annexation of Crimea.*
>
> *The European Commission was this month forced to close a loophole in its blockade after it was found that at least 10 member states exported almost €350 million (£294 million) in hardware to Vladimir Putin's regime.*
>
> *Some 78% of that total was supplied by German and French firms ... Alongside bombs, rockets and torpedoes, French firms sent thermal imaging cameras for more than 1,000 Russian tanks as well as navigation systems for fighter jets and attack helicopters."*

Meanwhile, both Germany and France have been reluctant to provide Ukraine with high-powered arms. So, is it really about helping the people of Ukraine, or is it about squeezing out money for the military industrial complex? Many nations have sent what amounts to antiquated cast-offs to Ukraine, including old Soviet-era tanks.[13]

The mishmash of weaponry from different countries and eras make for a logistical nightmare, but it allows countries to virtue signal, wave the flag of solidarity, and justify a new surge of military spending to rebuild their own armaments. Dump the old in Ukraine and refill with the latest and greatest. Quite the racket.

War as a Source of Profit Endangers Conflict Resolution

It's high time the world starts to realize that most wars have a profit motive behind them. Not always, but often enough. As noted in "Profits of War: Corporate Beneficiaries of the Post-9/11 Pentagon Spending Surge," a 2021 report by the Watson Institute and Center for International Policy:[14]

> *"The United States government's reaction to the terrorist attacks of September 11, 2001 led to dramatic increases in Pentagon funding and revenues for weapons contractors. While the costs and consequences of America's war policies of the twenty-first century have been well-documented, the question of who has profited from this approach has received less attention.*
>
> *Corporations large and small have been, by far, the largest beneficiaries of the post-9/11 surge in military spending. Since the start of the war in Afghanistan, Pentagon spending has totaled over $14 trillion, one-third to one-half of which went to defense contractors.*
>
> *Some of these corporations earned profits that are widely considered legitimate. Other profits were the consequence of questionable or corrupt business practices that amount to waste, fraud, abuse, price-gouging or profiteering.*
>
> *The Pentagon's increasing reliance on private contractors in the post-9/11 period raises multiple questions of accountability, transparency, and effectiveness. This is problematic because privatizing key functions can reduce the U.S. military's control of activities that occur in war zones while increasing risks of waste, fraud and abuse.*
>
> *Additionally, that the waging of war is a source of profits can contradict the goal of having the U.S. lead with diplomacy in seeking to resolve conflicts.*
>
> *More broadly, the outsized influence of defense contractors has resulted in a growing militarization of American society. This is manifested in everything from the Pentagon's receipt of the lion's share of the federal discretionary*

budget — more than half — to the supply of excess military equipment to state and local law enforcement agencies."

Bankers Also Profit From War

Contractors aren't the only ones that can cash in on war. Did you know, for example, that Goldman Sachs, the New York-based investment bank, is profiting from the war in Ukraine by selling Russian debt? In March 2022, NBC News reported:[15]

> *"As the Western world scrambles to defend Ukraine by locking down Russian money, the company is acting as a broker between Moscow's creditors and U.S. investors, pitching clients on the opportunity to take advantage of Russia's war-crippled economy by buying its debt securities low now and selling them high later, according to four financial world sources familiar with the strategy.*
>
> *An investor who declined a Goldman trader's offer to add Russian debt to his hedge fund's portfolio — because of the war — said the trader suggested he could 'just put it in your personal account' to avoid scrutiny. That does not violate the U.S. sanctions regime, but it is very different from the public face Goldman is putting on its relationship with Russia ...*
>
> *When U.S. officials sanctioned Russian banks this month, it became illegal for U.S. companies to do business directly with major Russian financial institutions. But the Treasury Department's Office of Foreign Assets Control, or OFAC, issued a memo affirming the legal legitimacy of trading Russian assets in "secondary markets" — those not directly involving the Russian banks. That's why Goldman can act as a broker ...*
>
> *Goldman's effort to profit from the war highlights the complexities the Biden administration faces in trying to punish Russia without harming Wall Street and the economies of the U.S. and its allies. And it is a stark reminder that no asset is too toxic to be traded when there are willing buyers, sellers and brokers."*

There's More to the Story

In this case, Russia appears to have had at least some justification for its actions. In a June 14, 2022, article[16] in The Guardian, Angela Giuffrida summarized comments made by Pope Francis during an interview with the Jesuit magazine La Civiltà Cattolica.

While the pontiff condemned the "ferocity and cruelty of the Russian troops," he added that Putin's invasion of Ukraine was "perhaps somehow either provoked or not prevented," and we should resist the temptation to think of the conflict in terms of "good versus evil."

He explained he'd met an unnamed head of state some months earlier, who told him "he was very worried about how NATO was moving." When Francis asked why, the head of state replied, "They are barking at the gates of Russia. They don't understand that the Russians are imperial and can't have any foreign power getting close to them."

Indeed, shortly before Russia's launch of its "special military operation" in Ukraine, Putin had demanded NATO rule out allowing Ukraine — which shares a border with Russia — into the alliance. In June 2022, Russian Foreign Minister Sergei Lavrov told the BBC:[17]

> *"We declared a special military operation because we had absolutely no other way of explaining to the West that dragging Ukraine into NATO was a criminal act."*

Russia has also accused Ukraine of conducting dangerous bioweapons research on behalf of the U.S. I reviewed the evidence for this in "**Bioweapons Expert Speaks Out about US Biolabs in Ukraine**." Thirdly, Russia has been critical and seemingly grown weary of Ukraine's attacks on native Russians in the Donbas region, a conflict that has been ongoing since 2014. So, there's more to this story than what the media are telling us.

What's the Real Motive for Keeping Conflict From Resolution?

If Russia suspected Ukraine was being groomed to be used against Russia, there's every reason to suspect a diplomatic solution is available. Why not give Russia the assurances it wants that Ukraine won't be used against it? The fact that Ukrainian supporters send weapons rather than diplomats therefore raises questions about motives.

As recently as June 19, NATO chief Jens Stoltenberg warned the Ukraine war "could last for years," and that Western nations "must prepare to continue supporting Ukraine" — "Even if the costs are high, not only for military support, [but] also because of rising energy and food prices."[18]

U.K. Prime Minister Boris Johnson has issued the same warning.[19] So, ask yourself: Is NATO interested in negotiating peace and saving lives by ending the violence? Or is it merely taking advantage of the conflict to keep the war machine, the war industry, going, for as long as possible?