

U.S. Lawmakers Call for Tighter Sanctions

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The  **Moscow Times**

Two members of the Senate Foreign Relations Committee called Sunday for tougher Western sanctions against Russia to include its petrochemical and banking industries and warned that Moscow thus far has ignored U.S. and European efforts to persuade it to back off its confrontation with Ukraine.

"We have helped in many ways to create the problems that exist there. And to leave them alone in the manner that we are leaving them alone to me is just unconscionable," Senator Bob Corker, the committee's senior Republican member, said on NBC television's "Meet the Press."

"I do not think Putin really believes we are going to punish them in that way," he said.

Democratic Senator Chris Murphy, a member of the same committee, said, "I think the time is now to rapidly ratchet up our sanctions, whether it is on Russian petrochemical companies or on Russian banks."

"If Russia does get away with this, I do think that there is a potential that a NATO ally is next. And, yes, there will be economic pain to Europe [under tightened sanctions]. But it is time for them to lead as well."

President Barack Obama has said his administration is prepared to take further action against Russia if diplomatic efforts to destabilize the conflict fail.

Vice President Joe Biden plans to be in Kiev, the Ukrainian capital, on Monday and Tuesday to meet with government leaders and democracy advocates.

Defense Secretary Chuck Hagel said last week that the U.S. is looking for ways to reassure its NATO allies of its strong commitment to collective defense. The Pentagon's press secretary, Rear Admiral John Kirby, has said that American officials are considering a range of additional measures to bolster air, maritime and ground readiness in Europe.

A Western official said Saturday that the U.S. is considering deploying about 150 soldiers for military exercises to begin in Poland and Estonia. The ground exercises in the two countries, both NATO members, would last about two weeks but such exercises would continue on a rotating basis on and off over time, the official said, and other locations in Eastern Europe would be considered. The official was not authorized to discuss the plan by name because it has not been made final and requested anonymity.

Corker, who plans to be in the region in May, said unless the Russians "immediately begin moving the 40,000 troops on the border which are intimidating people in Ukraine, unless they begin immediately moving them away, I really do believe we should be sanctioning some of the companies in the energy sector, Gazprom and others. I think we should hit some of the large banks there."

Geoffrey Pyatt, the U.S. ambassador to Ukraine, said that an international agreement forged late last week designed to ease tensions in Ukraine may be "the best chance that we have got to achieve a diplomatic de-escalation of this crisis. And we are working hard at it."

He told CNN's "State of the Union" that "there are obviously some real challenges at this point," including a fresh outbreak of violence earlier Sunday in eastern Ukraine.

"But we also believe that there has been some progress. I am seeing reports this morning that at least one of these government buildings now has a Ukrainian flag flying over it," Pyatt said.

U.S. fund managers warned this month of risks shareholders could face from current or future Western sanctions against Russia, underscoring the stakes for emerging-markets investors arising out of the turmoil in Ukraine.

An April 10 securities filing for ING Russia Fund warned that the U.S. might impose economic sanctions against companies in various sectors of the Russian economy such as financial services, energy or mining. On Friday, U.S. national security adviser Susan Rice said: "Those costs and sanctions could include targeting very significant sectors of the Russian economy."

Washington, with the European Union, has since March imposed sanctions such as visa bans

and asset freezes on a small number of individuals. (Reuters)

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