

# Current Politics in Ukraine

Opinion and analysis on current events in Ukraine

## DISCUSSION: THE HOLODOMOR AND OLIGARCHS

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### **Irreconcilable Differences: Gas Tycoon Dmytro Firtash and the Holodomor Monument in Washington DC**

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On October 8 various media sources and the Ukrainian diaspora in North America reported that controversial Ukrainian gas tycoon Dmytro Firtash had donated \$2.5 million to the building of a monument to the 1932-1933 holodomor (murder famine) in Washington DC. The monument is to be built by the Ukrainian government on land donated by the US government.

The holodomor was organized by Soviet leader Joseph Stalin and his henchmen murdering upwards of four million people. Nearly twenty governments, many leading Western academics (such as Yale University's Timothy Snyder and Stanford University Norman Naimark), the Ukrainian diaspora and a large proportion of public opinion in Ukraine believe this was an act of genocide committed by the Stalinist regime against Ukrainians.

The New York-based U.S. Committee for Ukrainian Holodomor-Genocide Awareness 1932-33 released a statement on October 7 citing Chairman Michael Sawkiw, Jr.: "We are truly grateful for Mr. Firtash's generosity and commitment to the building of a memorial in Washington, DC that will educate and inform thousands of people about a forgotten chapter in world history. Having

worked on this issue for many years, this project would not have been successful without Mr. Firtash's keen awareness and dedication to seeing this project completed. The community commends Mr. Firtash for this memorable deed and act of charity."

Two immediate conflicts of interest arise from the donation.

The first is that Mr Firtash is a close ally of President Viktor Yanukovych who in spring 2010, only a few months after coming to power, overturned the consensus of his three predecessors when he adopted the Russian position on the holodomor. This step was demanded in a highly controversial August 2009 open letter from President Dmitri Medvedev to President Viktor Yushchenko and called for an end to Kyiv's claims that Stalin targeted Ukraine or that it was genocide. Therefore, since 2010 Yanukovych and Russian President Vladimir Putin have the same views on the 1933 famine that it engulfed the entire USSR and was a product of collectivization and weather – not deliberate government policy.

This position is similar to that of the Communist Party with whom the Party of Regions, then led by Yanukovych, refused to vote for the November 2006 law on the famine.

The second is that Mr Firtash, as Stratfor reported on October 9, is a representative of the gas lobby which is the most pro-Russian group among oligarchs in Ukraine (<http://www.stratfor.com/sample/analysis/russia-pros-controversial-figure-ukraines-energy-industry> (<http://www.stratfor.com/sample/analysis/russia-pros-controversial-figure-ukraines-energy-industry>)). Although the gas lobby make their money in the East, Western Ukrainian Mr Firtash supports projects close to the hearts of nationalist Ukrainians such as the Ukrainian Catholic University in Lviv, Ukrainian studies at Britain's Cambridge University, a two-day Ukrainian festival in London this month and the holodomor monument in Washington DC. Firtash has become Yanukovych's PR man for the Ukrainian diaspora.

Last September the hierarchy of the Ukrainian Greek-Catholic Church and pro-Yanukovych government jointly attended the opening of greenhouses in Mr Firtash's home village of Synkiv in the Ternopil region of Western Ukraine (<http://www.kyivpost.com/content/business/firtash-will-build-greenhouse-complex-worth-100-mi-122335.html> (<http://www.kyivpost.com/content/business/firtash-will-build-greenhouse-complex-worth-100-mi-122335.html>)).

Stratfor reported that Gazprom would supply gas at a discounted rate to OstChem Holding, a new gas intermediary owned by Mr Firtash ([http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews%5Btt\\_news%5D=40641#.UIVreeLbVoM](http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=40641#.UIVreeLbVoM) ([http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews%5Btt\\_news%5D=40641#.UIVreeLbVoM](http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=40641#.UIVreeLbVoM))). OstChem would purchase 5 billion cubic meters of natural gas for storage purposes, discounted at 30-36 per cent, or close to \$260 per thousand cubic meters. Since the 2009 gas contract Ukraine has paying one of the highest gas prices in Europe and Russia has refused to change the terms of the contract. Last year Ukraine began importing cheaper Russian gas from Germany and Central Europe.

Mr Firtash's two previous controversial gas intermediaries were Eural-Trans Gas (2002-2004) and RosUkrEnergo (2004-2009), with Prime Minister Yulia Tymoshenko closing the latter in the January 2009 gas contract. The contract formed the basis for criminal charges that led to Tymoshenko's imprisonment in October 2011. Her case has become a cause celebre for Western governments and

international organizations who describe it as selective use of justice. For Ukraine to receive an Association Agreement in late November's Eastern Partnership summit in Vilnius rests on her release, even if only for medical treatment abroad.

Mr Firtash and the gas lobby were understandably angry at RosUkrEnergo being removed from the 2009 gas contract which he described as 'criminal' and 'the most stupid contract' in Ukraine's history. Mr Firtash told US Ambassador William Taylor that 'he would have supported Tymoshenko's arrest because, in his view, signing the agreement was paramount to treason. If anyone else had signed such an agreement, "he would have already been hanging from the street lights."' (<http://wikileaks.org/cable/2009/03/09KYIV427.html#> (<http://wikileaks.org/cable/2009/03/09KYIV427.html>)).

Before making such accusations against Mrs Tymoshenko it would have been perhaps pertinent for Mr Firtash to look at his own past.

Mr Firtash admitted to US Ambassador Taylor during a meeting held in December 2008 that he had been given support for entering into the energy business in the 1990s by mafia boss Semyon Mogilevich ([http://www.wikileaks.org/plusd/cables/08KYIV2414\\_a.html](http://www.wikileaks.org/plusd/cables/08KYIV2414_a.html) ([http://www.wikileaks.org/plusd/cables/08KYIV2414\\_a.html](http://www.wikileaks.org/plusd/cables/08KYIV2414_a.html))) Mogilevich was also protected by the Russian leadership through to 2008 on the eve of the removal of RosUkrEnergo.

The FBI has long had Mogilevich and his associate Igor Fisherman on their top ten wanted list (<http://www.fbi.gov/wanted/topten/semion-mogilevich/view/> (<http://www.fbi.gov/wanted/topten/semion-mogilevich/view/>); <http://www.fbi.gov/wanted/cei/igor-lyovich-fisherman> (<http://www.fbi.gov/wanted/cei/igor-lyovich-fisherman>)). The FBI accuse Mogilevich and his associates of laundering ten billion dollars through the Bank of New York, stealing \$1.2 billion in World Bank loans and being behind a \$150 million scam on the Toronto Stock Exchange.

Stratfor wrote that Moscow is working for a 'Russian strategy to resurrect its own allies in Ukraine if the current leadership continues to resist' while tying both countries ever closer together. This is clearly seen in calling for criminal charges against Mrs Tymoshenko and working through OstChem to receive discounted Russian gas undermines the state gas company Naftohaz Ukrainy. The perennially near bankrupt Naftohaz is forced to subsidise households (who pay upwards of only half the real cost of gas) while OstChem monopolizes the lucrative industrial market.

Another source of funding for these projects that are close to the heart of patriotic Ukrainians is profits from Firtash's expanded business empire since 2010 that have established a monopoly in the chemicals industry. *Ukrayinsky Tyzhden* reported on conditions at Azot, a chemical fertilizer plant in Severodonetsk where 'the conditions there became prison-like' and 'the employees are treated no better than cannon fodder.' 'Firtash's executives have been cutting production lines and letting people go on a massive scale and out of the public eye at all the plants bought by the oligarch, especially in the Luhansk Oblast. Those who remain face new, tougher working conditions' (<http://ukrainianweek.com/Society/62438> (<http://ukrainianweek.com/Society/62438>)). 'Today, Azot is a jail behind barbed wire,' Oleksiy, a worker at one of the workshops, explains. 'We are paid peanuts compared to many less profitable plants in Donbas. An average salary here is UAH 3,000 (\$375),' *Ukrayinsky Tyzhden* continued.

Should the holodomor monument be built on the backs of these exploited workers?

In fact, Mr Firtash's support for Tymoshenko's imprisonment and his and the gas lobbies close ties to the Russian leadership show he is working against Ukraine's European integration through an Association Agreement and therefore acting against the policies Ukrainian organizations in the USA and Canada are supporting. This begs the question why the Ukrainian diaspora should be thankful for and associated with a donation from Mr Firtash who seeks to tie Ukraine ever closer to Russia.

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