

Bloomberg News Blames Putin for Russia's Economic Problems

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Region: [Russia and FSU, USA](#)

Theme: [Global Economy](#)

On December 17th, Bloomberg News bannered ["Putin's Secret Gamble on Reserves Backfires Into Currency Crisis"](#) and reported that,

"As President Putin exulted at the Winter Olympics in Sochi 10 months ago, aides assured him Russia was rich enough to withstand the financial repercussions from a possible incursion into Ukraine, according to two officials involved in the talks. That conclusion now looks like a grave miscalculation. Russia has driven interest rates to punishing levels and spent at least \$87 billion, or 17 percent, of its foreign-exchange reserves trying to prevent a collapse in the ruble from spiraling into a panic. So far, nothing has worked."

The team of three Bloomberg news reporters write there that, "Putin now confronts the nation's most serious economic crisis since 1998," and that the reason is "Putin's pride." They say that, "When rising crude prices were firing the economy, Russia's swelling reserves became a symbol of economic might and a point of pride for Putin."

This pride by Putin, they assert, came to the fore when he discussed in February with his advisors the following question: "Could Russia afford the economic blowback from taking over Crimea?"

Bloomberg reports that Putin then "was told Russia had enough foreign currency reserves to annex Crimea and withstand any sanctions that might follow." This, they say, was the "grave miscalculation" that "emboldened Putin to annex Crimea," and that in "Russia has driven interest rates to punishing levels."

Their news report does not say anything about [the United States coup d'etat in Ukraine](#) that was occurring at the same time as that, when Crimeans, who had voted overwhelmingly for the Ukrainian President whom the U.S. was now overthrowing, were [publicly demonstrating against the overthrow, and were pleading for Crimea, which Nikita Krushchev had donated from Russia to Ukraine in 1954, to be taken back into the Russian fold by Russia and no longer associated with Ukraine](#). Also, nothing is said in this Bloomberg news report about two Gallup polls which were taken in Crimea, one [in 2013 before the coup](#), and the other [in 2014 after the coup](#), with Crimeans both times overwhelmingly self-identifying as being "Russians" and neither "Crimeans" nor "Ukrainians," and in which they overwhelmingly approved of Russia, and disapproved of the United States. Also, nothing is said there about Russia's [Black Sea Fleet](#), which the U.S.-installed coup-government wanted to kick out, but which had been based in Crimea ever since 1783, and which has always been crucial to Russia's military defense and strategy. This Bloomberg news report deals strictly with

Putin's "pride" and his "miscalculation," which caused him to decide for an "incursion into Ukraine" whose aim was "taking over Crimea."

Other news headlines on December 17th from Bloomberg News included these:

"Putin's Economic System Frays Further"

"Stunned Russians Stock Up on Goods Awaiting Putin Fix for Ruble"

"Putin Paints a Beseiged Russia, Says U.S. Wants to 'Rip Out Its Teeth and Claws'"

"Russia Seen Spending Further \$70 Billion to Fight Ruble Rout"

"Russian Tourists Get Stuck Holding Rubles From Berlin to London"

"Obama's Unambiguous Message to Putin About Cuba: We Win and You Lose."

You'll find the latest headlines from Bloomberg News [here](#).

Investigative historian **Eric Zuesse** is the author, most recently, of [They're Not Even Close: The Democratic vs. Republican Economic Records, 1910-2010](#), and of [CHRIST'S VENTRILOQUISTS: The Event that Created Christianity](#).

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