

Competing Oligarchs

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Russia and Ukraine are at war – killing each other, and regarding Ukraine, professing a racial hatred of Russians. Yet at the same time both have oligarchic capitalist systems in which a few individuals own and control vast profit making entities. Former president Poroshenko was, and perhaps still is, the cocoa oligarch, dominating the confection trade in Ukraine and Eastern Europe with his company ROSHEN that produces more than 350 kinds of confectionery products. The product line includes chocolate and jelly sweets, caramel, toffee, chocolate bars, biscuits, wafers, sponge rolls, pastries, and cakes. But the country hadn't had a few individuals owning and/or controlling its most precious resource – the best, most productive, farmland in that part of the world.

Ukraine has been called the most corrupt nation in Europe if not the world. How corrupt? On Nov 6, 2020 Prime Minister Shmyhal announced that an audit indicated that 5 million hectares (1 hectare is about 2.5 acres) had disappeared from state ownership. The State Cadastral Service (reputably the most corrupt state agency in a government that is rotten to the core) announced that much of the missing land had been privatized between 2018-2020 in order to obtain loans from the IMF, World Bank and other entities. The privatized land was distributed to local communities to make it easier for foreign investors to take possession. Actual ownership will soon follow.

Much of what transpired may be illegal and the SCS is looking into recovering state losses, but Ukraine's legislature passed the law, *On Amendments to Certain Laws of Ukraine on the Conditions of Turnover of Agricultural Land* March 2020 as a condition for receiving a \$5 billion IMF loan. A moratorium in 2001 had halted further privatizations of state-owned land and it had been repeatedly renewed until the Nato coup opened up the country to Nato exploitation. Currently the land is being leased rather than sold. US private equity firm NCH Capital is one of the largest lease holders with 430,000 hectares. Both individuals and companies will be allowed to purchase up to 10,000 hectares starting January 1, 2024.

Russia has a large rice producing operation in the Krasnodar region on the Black Sea near Ukraine. Last year the Fedorovsky hydroelectric dam collapsed causing a major reduction in the annual rice yield. Thanks to the Special Military Operation fresh water from the Dnieper

River is now flowing to the Crimea. Rice growers will be sowing 3500 hectares for a planned production of 30,000 tons – five times more than last year. I think Ukraine can forget about ever getting the Crimea back.

Credit Suisse – Cause of its Demise

The bank was founded July 5, 1856 and for many years was satisfied with being a prosperous, growing, traditional bank. In 1988 it purchased the seeds of its destruction in the form of First Boston and the casino financial world. Instead of the usual banking processes – loans with interest, managing assets, etc. it got into casino gambling banking. Now it was mergers and acquisitions and derivative poison pills.

Panic sets in between 13-19 March 2023. The Swiss National Bank and Finma (regulator) told the media that - *Credit Suisse meets the capital and liquidity requirements for systemically important banks* – immediately followed by CS applying for 50 billion (\$54 billion) Swiss francs loan. If that wasn't enough to worry about, the US was pressing for a quick solution because it also had a bank run in progress. Two days later, with full fledged collapse on the horizon, it was merged with the United Bank of Switzerland.

Touching final moments by Marc Chesney Schweizer Standpunkt – April 13, 2023: *The lights are out: For Credit Suisse (CS), the party is over. Members of the executive board and the board of directors temporarily leave the muted green carpet of the casino financial world. They do so with serious faces, full pockets and light hearts. Expressions of regret and apologies fit the occasion. They would have done their best.*

The markets have now had two good months even though the world economy creeps lower and crises of every sort abound. Let them sleep peacefully while we view the next catastrophe.

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