



How the Greens Help Putin in Crimea Incursion

BY RICHARD W. RAHN

THE ECO-LEFT'S OPPOSITION TO OIL AND GAS USE LEAVES UKRAINE AT THE MERCY OF RUSSIA

A primary duty of a sovereign nation is to put policies in place to protect the country from both military and economic aggressors.

This normally includes the creation of a capable military force (and protective military alliances) and competent economic policies to make sure the country is not dependent on key resources from or exports to potential enemies. Ukraine, for a variety of reasons, some outside its control, violated these defensive principles.

After the breakup of the old USSR, Ukraine was left with a large nuclear-missile force, but the country was financially bankrupt. The United States made a deal with Ukraine to give up all of its nuclear weapons and missiles in exchange for major financial payments, to allow it to get through an economic transition period and for a guarantee of future sovereignty.

On Dec. 5, 1994, the presidents of Ukraine (Leonid Kuchma), Russia (Boris Yeltsin) and the United States (Bill Clinton), and the prime minister of the United Kingdom (John Major) signed three memorandums to provide security assurances to Ukraine, in exchange for Ukraine agreeing to relinquish its nuclear weapons.

The memorandums read, in part: Russia, the United Kingdom and the United States "reaffirm their commitment to Ukraine to respect the independence and sovereignty and the existing borders of

Ukraine reaffirm their obligation to refrain from the threat or use of force against the territorial integrity or political independence of Ukraine to refrain from economic coercion designed to subordinate to their own interest the exercise by Ukraine of the rights inherent in its sovereignty."

Russia now stands in clear violation of the agreement. Other than going to the United Nations (which the Russians just vetoed), no enforcement mechanism was created for Ukraine's protection.

The United States and the United Kingdom have no military obligation to protect Ukraine, but having signed the 1994 agreement, they appear to be obligated to take other actions to try to enforce Ukraine's borders and independence — which, in effect, means economic actions that will hurt Russia. When a country engages in economic sanctions or other forms of economic warfare, it must be sure that it will do more damage to its enemy than itself.

The Russian economy is highly dependent on oil and gas exports, and reducing Russian oil and gas exports would be the most direct way to cause pain to the Russian leadership. However, Europe is heavily dependent on Russian gas and oil, particularly gas.

Six European Union countries — Finland, Sweden, Estonia, Latvia, Lithuania and Bulgaria — are 100 percent dependent on Russian gas. Poland, the Czech Republic, Slovakia, Austria, Slovenia and Greece depend on the Russians for more than 50 percent of their gas.

The countries in the EU did not need to be in this position, because the EU has plenty of gas reserves that could be economically tapped using hydraulic fracturing, or fracking. Because of the environmental lobby, though, the EU has allowed itself to become dependent on foreign energy sources — particularly Russian.

Perhaps Peter Foster said it best in The Financial Post on March 8: "Europe's alternative-energy policy is in a shambles. The EU would be even more vulnerable but for a typically unanticipated example of free-market ingenuity: hydraulic fracturing and the boom in oil shale gas. But guess what: Greens are everywhere resolutely opposed to fracking, and nowhere more than in Europe. [L]ike their peace march colleagues half a century ago, they are ultimately dupes for an authoritarian agenda."

Russia used its natural-gas supply as a weapon back in 2006 and 2009 when it cut off supply to Ukraine, which affected the rest of Europe as well. A number of European leaders are now getting the message and arguing for opening up the EU's gas potential — but this is obviously too late to have any impact on the current crisis — and they are still opposed by the green lobby.

Two weeks ago, the ambassadors to the United States from Poland, Hungary, the Czech Republic and Slovakia sent a letter to the U.S. Congress, asking it to remove export limits and help them buy American natural gas to reduce their dependence on Russia. Many lawmakers and others have applauded the idea.

The reality is that the first possible liquefied natural-gas export terminal at Sabine Pass in the Gulf of Mexico is still two years away, and others won't be ready until many months after that. The Department of Energy has been engaging in regulation by strangulation.

As John Kemp of Reuters reported on March 13: "By making regulatory barriers and the permitting process insurmountable, environmental organizations have been able to stop most fracking on lands controlled by the U.S. government." The result is that the United States is still dependent on foreign oil and less able to help supply Europe with various forms of energy — because of various environmental regulations, which have delayed both the production and development of the necessary export infrastructure.

Economic warfare is far preferable to military warfare, but economic warfare requires that those who engage in it are not dependent on the enemy for needed raw materials, energy or markets. Europe is dependent on Russia for all three — and America has so hobbled itself that it cannot bail out Europe. Poor Ukraine, poor Europe, poor America.

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