

## Gauging Putin’s Strategy to Weaken the U.S.

by Richard W. Rahn

Russian President Vladimir Putin has a clear goal — weaken the U.S. relative to Russia. Watch what he does this week.

By the end of the Trump administration, the U.S. had overtaken Russia in oil production, but even so Russia still produces twice as much oil per capita as the U.S. Oil and gas exports are the key sources of foreign exchange for Russia, accounting for 60 percent of their exports and about 30 percent of GDP.

By contrast, the oil and gas industry accounts for about eight percent of U.S. GDP. Mr. Putin needs to do everything in his power to keep oil and gas prices high and expand Russian exports. Oil prices were relatively high during the first decade of Putin’s reign, but they have been relatively low for the last decade, until this year.



The Putin administration was greatly concerned about the fracking revolution taking place in the U. S. and elsewhere. To slow or stop fracking, the Russians poured money into U.S. environmental groups, which took up the anti-fracking mantra. Much of the Russian money appeared to come from the major — state-controlled — Russian fossil fuel companies (Gazprom

and Rosneft) that was laundered through a Bermuda foundation.

The environmental groups assisted U.S. political candidates who supported anti-fracking legislation and regulation. (In the 2014-15 period, several investigative reporters and commentators — including yours truly — wrote many articles about the situation.)

There was also the curious case of Mikhail Lesin, the founder of what is now RT TV and former, in essence, minister of state propaganda under Mr. Putin. He was found murdered in his hotel room in Washington, D.C. on Nov. 5, 2015. When the news of his death first appeared, it was asserted that he died of a heart attack (he was 57 years old). But those who had seen his body said that his head and upper body were covered with bruises, so the story was changed to “he was drunk and fell out of bed numerous times.” Eventually, after many months of revised stories from the D.C. coroner’s office, it was revealed that his neck had been broken and he was beaten to death.

Lesin had also been the head of Gazprom-Media, which had acquired several Russian private media companies. He was reportedly in Washington to meet with the Justice Department. Given his senior positions in the Russian government and Gazprom, he almost certainly knew about any laundered payments to U.S. environmental organizations. Many people seemingly had an interest in silencing Lesin — including recipients who had received funds to do Mr. Putin’s bidding. Some claim that Mr. Putin was behind it, but Lesin had been in Russia only two weeks before his murder in Washington, where his demise could have been less messy.

Given that Lesin had been a very high ranking Russian official, was close to Mr. Putin, and had become rich enough to buy many expensive California properties and set up his son as a Hollywood movie producer, one would have thought that the FBI would have exhibited more curiosity about his murder – which remains unsolved six years later — hmmm. It is also curious that many of those in government and the media who promoted the now-famous hoax blaming Russia for Donald Trump’s election were at least indirect beneficiaries of the Russian largesse in the U.S.

Former President Trump was a disaster for Mr. Putin, despite making friendly comments about him, in that he put in a series of policies to greatly encourage expanded oil and gas production in the U.S., which resulted in much lower prices — both in the U.S. and globally — and the U.S. becoming a major oil exporter.

President Biden, on the other hand, has used tougher rhetoric on Mr. Putin than Mr. Trump did, but immediately killed the Keystone XL pipeline as well as previously approved opening of leases in Anwar and attendant pipelines to carry the oil. Mr. Biden has also restored many regulations on the production of oil and gas, including fracking, that Mr. Trump had repealed, as well as added new restrictions on the industry, including reducing the areas available for new production.

At the same time, the Biden administration waived sanctions on the companies involved with Russian Nord Stream 2 gas pipeline to Germany, in effect giving Mr. Putin the green light to finish the pipeline.

All of this causes the price of oil and gas to rise — which has been a goal of the “environmentalists” — and also greatly benefits Mr. Putin. What many do not realize, it is not only the great variety of energy products made from oil and gas, but also many plastics, household items, pharmaceuticals, construction materials, clothing, sports equipment, medical materials, including implants and fertilizers necessary for producing inexpensive and abundant food, etc.

Lower-income people are those most negatively affected by the high-cost Biden policies in the same way they were the greatest beneficiaries of inexpensive oil and gas from the Trump policies. The Biden policy apologists claim the cost to the poor is worth it, because of the environment while largely ignoring the fact that every month India and China are building enough new coal-fired power plants to swamp many times over the potential benefits of any Biden actions.

Mr. Putin may well say to Mr. Biden during their meeting this week, “I am happy for you to keep calling me names as long as you continue to weaken the American economy and make Russia richer.” What a deal.

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