STATE AFFAIRS
WISPOLITICS
Wisconsin's Premier Political News Service

Tom Loftus: The new Cold War containment strategy

Posted on Thursday, Apr 21, 2022

The column below reflects the views of the author, and these opinions are neither endorsed nor supported by WisOpinion.com.

I came to Norway in late 1993. The end of the Cold War. The end of the Soviet Union. A time of optimism.

However, as my colleague from Finland, which shares a long border with Russia, said: “They are the same Russians.”

Poland, Hungary and the Czech Republic, Estonia, Latvia and Lithuania had just come out of more than 50 years of occupation — first by the Nazis, then the Soviets.

>> WisPolitics is now on the State Affairs network. Get custom keyword notifications, bill tracking and all WisPolitics content. Get the app or access via desktop.

The ambassadors from these newly independent countries were a literature professor, a civil engineer, an academic with a PhD in “American Women Writers from the South” — people who had never been in government let alone diplomacy. But they were not tainted by the former Communist regimes.

The priority for these countries and the United States was to envelop them in western institutions — mainly the EU and NATO.

Non-aligned Finland, Sweden and Austria joined the EU the same day — Jan. 1, 1995. Security was the overriding reason — read protection from Russia. Trade was secondary.

The focus in Norway was to find ways to bring Norwegian natural gas to these countries. This to try to relieve at least some of the dependence on Russian gas.

In 2021, Norway's gas supplied close to 25 percent of gas demand in the European Union and Britain.

The country exports about 95 percent of its gas via an extensive subsea pipeline network linking it to terminals in Germany, Britain, France and Belgium. A new pipeline to Poland will be completed this year.

While Norwegian oil and gas fields are producing at nearly 100 percent capacity, the mix between oil and gas can be adjusted in some cases. Less oil and more gas can be generated.

Norway can also increase LNG supplies to the EU as can the U.S., but terminals are required at each end. There is a terminal planned for Estonia, but it needs an EU funding commitment. This now may happen

European Commission President Ursula von der Leyen announced a deal with President Biden last month under which the EU would guarantee long-term demand for another 50 billion cubic meters a year of LNG. The volumes would offset some of the 155 bcm of gas the EU imported from Russia last year.

This is certainly a sincere long-term promise, but the lack of terminals in the U.S. is a problem. Domestic politics will probably delay those.

Total U.S. LNG capacity now stands at 120 bcm a year. Three more plants due online by 2025 will bring 70 bcm of new capacity. Another 206 bcm worth of plants have federal regulatory approval but await a final green light from their sponsors.

Trade can be a lever for peace. However, when dealing with dictators and autocrats it is not. Especially when an autocrat can make a democratic neighbor reliant on an essential need for their economy.

Freeing Europe from being a hostage to Russian gas supply is essential — part of the new Cold War strategy of containment. Which is starting to look like the old Cold War policy of containment. Which we were good at.

In the early 20th century, Norman Angell wrote a now notorious book called "The Great Illusion" that argued that the industrialized nations of his time were too economically interdependent to go to war with one another. Instead, two world wars followed.

–Loftus is the former U.S. ambassador to Norway. He has been the Wisconsin Assembly speaker and a UW regent. He participated in a recent WisBusiness,com-Wisconsin Technology Council trade policy virtual luncheon with other ambassadors from Wisconsin. See it here: https://www.youtube.com/watch?v=8IKknuuFAq4