

Article 1: “Democrats for Higher Gas Prices,” by the Editorial Board

Russia’s invasion of Ukraine has upended the energy industry, as sanctions on the former have raised the price of oil and natural gas, Russia’s chief exports. The stage was set for this because of the so-called “green” energy policies championed by Democrats and other left-wing forces. In the article, the Editorial Board argues that instead of blaming themselves for the inflation of 2021 and the even further increase since the war began, they have turned to another boogeyman: “Big Oil profiteering.”

The term was coined by Massachusetts Senator Elizabeth Warren, who introduced legislation to tax at 50% of the valued difference in the average price of oil per barrel imported a day (it amounts to about \$57 per barrel). The tax would apply only to companies that import 300,000 or more barrels of oil per day. The article argues that this is a silly notion “since supply and demand,” not oil companies, set the price of energy, evidenced by the price declining by \$20 since the United Arab Emirates said it would encourage other OPEC members to boost production.

In conclusion, they claimed the proposed tax was not an effort to get prices to fall but a coercive mechanism to force more Americans to buy electric vehicles.

In light of recent developments, it is hard to disagree with the Editorial Board’s point. The pursuit of expensive solar and wind energy and the gutting of cheaper, reliable fossil fuels enabled Vladimir Putin to gain the power he needed to invade Ukraine. Making Europe dependent on Russian oil and gas exports gave him the required financing and foreign currency reserves. Meanwhile, the energy that Democrats and other left-wing parties were set on pursuing was expensive for the everyday person, making domestic energy production, which would have decreased the price, difficult. Therefore, it is a convenient excuse to blame big oil companies for the price increase and one that the electorate is unlikely to buy.

Article 2: “Economy Economic Blacklist of Russia Marks New Blow for Globalization,” by Josh Zumbrun

This article traces globalization's breakdown, a trend that started in 2008 with the global financial crisis and Great Recession and has picked up steam since then. Russia’s invasion of Ukraine is just a further step along this road, showing that the post-Cold War optimism and trend toward globalization may have been a blip in rather than an endpoint of history.

One way of tracing global trade is through exports as a percentage of global GDP. This number peaked at 31% in 2008, before the financial crisis. It has not recovered to that point and continues its downward trajectory, reaching 26.4% in 2020, about the percentage it was in 2004-5. The rise of populism, the United States’ rivalry with a rising China, the Covid-19 pandemic, and now, Russia’s invasion of Ukraine are all contributing to the trend. Trade barriers, likewise, are increasing. They totaled \$0.13 billion in 2010. They totaled \$1.5 trillion in 2021, with a sharp

increase from 2016 onward. The article concludes that the immediate post-Cold War period, characterized by the optimism of the 90s, was “a naïve time.” The world is now returning to the ideological trade blocs that had once characterized it, implying a new Cold War framework. Democracies will do business with other democracies, dictatorships with other dictatorships, and so on.

It would be hard to disagree with the article's authors while watching current events unfold. After all, China will continue to support Russia and buy its oil and gas, among other products, making up at least part of the shortfall. However, it may be too pessimistic. After all, we cannot know for sure what will happen. Russia's ongoing financial crisis and the collapse in the value of its currency show that no country can entirely cut itself off from the global system and expect to flourish, even with a partner as powerful as China. With a change in leadership, policy can also change. The article might prove too short-sighted as events continue to unravel. The coming together of the global community in condemnation of the invasion and to financially punish Russia will have sent a signal, arguably ensuring that the system functions when stressed rather than collapses.

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Articles

1. Wall Street Journal Editorial Board. "Democrats for Higher Gas Prices." *The Wall Street Journal*. March 11, 2022. https://www.wsj.com/articles/democrats-for-higher-gas-prices-11647042264?mod=hp_trending_now_opn_pos3.
2. Zumbrun, Josh. "Economic Blacklist of Russia Marks New Blow for Globalization." *The Wall Street Journal*. March 10, 2022. <https://www.wsj.com/articles/economic-blacklist-of-russia-marks-new-blow-for-globalization-11646940040>.

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