

Seizing Russian Assets: A Feel Good Bill That Will Absolutely Boomerang

A Senate measure under consideration would breed contempt and prolong the war in Ukraine

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Introduction

The Washington foreign policy establishment is on the precipice of making yet another strategic blunder.

The Senate is poised to ram through the [Rebuilding Economic Prosperity and Opportunity \(REPO\) for Ukrainians Act](#). This legislation will provide the president the authority to confiscate Russia's frozen sovereign assets in the United States and transfer them to Ukraine for its reconstruction.

Confiscating Russia's sovereign assets is an act of economic war. Seizing and transferring these assets to Ukraine may make Washington feel virtuous, but it will not bring peace. Passage of this bill will only reinforce the view of hardliners in Moscow that Russia's war lies not just with Ukraine, but really with the United States and the West. Any hope that the United States and Russia could work toward stabilizing or improving relations will subsequently be destroyed.

There is no justification for Russia's invasion of Ukraine, but enacting this bill will make peace less likely. Ukrainians have courageously defended their country for nearly two years, but even Ukraine's former top military commander General Valery Zaluzhny [admits the war is now a stalemate](#).

Russia's frozen assets could be used as a bargaining chip during negotiations, but once

Congress provides the president the authority to seize Russian assets, there will be immense political pressure on him to carry out the policy to avoid looking weak. President Biden [was recently pilloried](#) by the media and members of my party for returning frozen Iranian assets in exchange for five American hostages. He is unlikely to make that decision again.

Confiscation will only convince Moscow that there is no negotiated settlement to be had with Ukraine. The result will be a destroyed Ukraine. More Ukrainian soldiers and civilians will die, and more cities and towns will be turned to rubble.

History is replete with examples of economic warfare turning into violent hostilities. Many historians believe the U.S. embargo of 1807, which was intended to punish France and England for their aggressions at sea, led to the War of 1812. Likewise, FDR's decision to freeze Japan's sovereign assets and implement an embargo on oil and gasoline exports led to Tokyo's decision to attack Pearl Harbor.

The past teaches us the folly of embracing every proposed act of revenge. U.S. senators are duty-bound to ask whether our actions will ensure American security and prosperity. In regard to the REPO Act, the Russians already answered that question for us. [Moscow says they will retaliate](#) in kind against the United States and our allies, with some estimates claiming upward of [\\$288 billion in Western assets](#) that Moscow could confiscate.

Nicholas Mulder, an assistant professor of history at Cornell University, [highlights the danger](#) of the "destabilizing precedent that western countries would set by seizing assets to end a war they are not openly involved in." [Professor Mulder states](#) that such an action "would broaden the coercive actions that states could take for disputes to which they are not a direct party."

Confiscating Russia's assets will also certainly convince other countries, including China, that the United States can no longer be trusted as the guarantor of the global economy. They will seek to move away from the dollar and hold their reserves in other currencies. This process of de-dollarization will be an unmitigated disaster as it will degrade America's financial strength and ensure the prosperity Americans have come to expect is no longer attainable.

In addition, this bill will hand the Russians another tool to fuel resentment against the United States. American leaders speak of a "rules-based international order" but the theory that the United States can confiscate the assets of another country we are not at war with is legally dubious.

[Professor Mulder argues](#) that "economic reprisals are the prerogative of injured states, not of third parties." Rather than compel respect for international law, our actions will demonstrate to our adversaries that we are flouting it. This bill will be used by the Kremlin to show the world that while Washington demands that others follow the rules, we are happy to break them whenever we see fit.

In a multipolar world, Washington can no longer expect to act with impunity, particularly when dealing with a nuclear power. We understood the serious dangers our country faced during the Cold War. But three decades of repeated foreign policy disasters proves that Washington's foreign policy establishment is badly broken.

A good way to start on the road to fixing that broken foreign policy is rejecting this disastrous bill.

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