

Wednesday April 30, 2014

Search Moneynews

[Home](#)
[Street Talk](#)
[Personal Finance](#)
[Economy](#)
[Companies](#)
[Markets](#)
[Investing & Analysis](#)
[Insiders](#)
[Newsletters](#)
[Latest](#)
['Warren Buffett Indicator' Signals Massive Collapse \(See Shocking Story\)](#)
[Home](#) | [Newsmax.TV](#)[View Live Show](#)
[Tags: America's Forum](#) | [Russia](#) | [Putin](#) | [Russia](#) | [sanctions](#) | [exports](#)

## Prof. Campbell Harvey: Russia Sanctions an 'Effective Deterrent'

Tuesday, 29 Apr 2014 06:57 PM

By Joe Battaglia

Share:


[Get Short Link](#) | [Email Article](#) | [Comment](#) | [Contact Us](#) | [Print](#) | [A](#) [A](#)

While economic sanctions currently being levied on Russia seem to fall short, they may just be the first steps in penalties that could have a meaningful impact, according to one financial expert.

Campbell Harvey, professor of finance at Duke University, told J.D. Hayworth and Francesca Paige on "America's Forum" on NewsmaxTV that more patience is needed before measuring the effectiveness of the sanctions imposed on Russia by the Obama administration.

"This is kind of round two and the first couple of rounds are pretty mild sanctions but what really counts is Putin's ability to extrapolate where we are heading," Harvey said. "So each round you want to increase the severity of the sanctions and then he can reasonably extrapolate forward to see what the end game actually is.

"The end game is very ugly for Russia and it's ugly for the chances of Putin remaining in control. So it's not as much the sanctions that are imposed today that actually count. What it is is the expected level of severity that we can reasonably think could happen in the future. That's what's really going to impact his thinking. It is a very effective deterrent."

Harvey believes that as the U.S. continues to ratchet up the sanctions, it will begin to cripple Russia's economy, which would in turn ultimately deliver the message to Putin that his hostilities in Ukraine and the rest of the region are unacceptable.

"One thing that's totally different with Russia today versus Russia during the Cold War, the Soviet Union was so large that effectively they just traded amongst themselves," Harvey explained. "So they didn't really depend on global trade. So today, it's a completely different story, where 29 percent — 29 percent — of Russian GDP is based upon exports. That's much larger than the U.S. The U.S. is about 14 percent.

"So Russia is hooked into the global system and to disrupt that, you can imagine a severe sanction, the most extreme sanction would kill their exports. That would just send them into a depression and that's not good for the people of Russia and it's definitely not good for the probability of Putin hanging on."

**Story continues below video.**

[Watch Live Now >>](#)Email: Retype Email: Country: Zip Code: 

### You May Also Like

- [Big Chill: Harsh Winter Freezes US Growth](#)
- [Wall Street: 98% Risk of Crash This Year](#)
- [Editor: Housing Recovery Is a Sham](#)
- [Jack Welch: US Lacks Rational Tax Policy](#)
- [Obama and Jobs – Is He Getting America Back to Work? Vote Now](#)
- [New Testosterone Booster Takes GNC by Storm](#)
- [Diabetics: Check Out This New Approach](#)
- [The Science of Removing Lower Abdomen Fat](#)

What's This?



**REAL ESTATE INVESTING**  
WITH TAX LIEN CERTIFICATES

Learn to Successfully Invest in Tax Lien Properties

UNITED STATES TAX LIEN ASSOCIATION  
www.USTaxLienAssociation.com

Free Course

## Around the Web

Dollar Crash in 2014? How to protect your savings.

Imagine Life Without Diabetes

Little-known Annuity Income Strategy Up To 15%

MD Blows Whistle on Outlawed Solution for Disease

First look—new Obama law

Your IRA/401k Is At Risk. Use This "IRS Loophole"

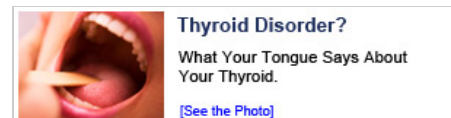
The One Retirement Plan Obama Can't Touch

Ron Paul Predicts Dollar Crash ... Protect with Gold

MD Blows Whistle on Outlawed Solution for Disease

Here's the exact day the U.S. dollar will collapse

What's This?



**Thyroid Disorder?**  
What Your Tongue Says About Your Thyroid.  
[\[See the Photo\]](#)

Harvey said that although sanctions thus far have targeted select individuals and institutions, U.S. investors need to look big picture at the projected outcome of this situation.

"If I'm a U.S. investor thinking of building a plant in Russia right now that's going to require [a] \$100 million green field type of investment, I don't as much care about 45 individuals that are being sanctioned right now," he said. "What I care about is what's going to happen over the next round, the round after that, the round after that, and basically [it] just screams risk and I'm not going to invest. So the money today is not going into Russia. The only money that's going into Russia right now are the Russians that are repatriating their funds because they think their funds are going to be frozen in western countries."

Harvey added that these types of economic sanctions have proven effective in the past.

"The most recent example is a spectacular result that happened in June of 2012 where the imposed punitive sanctions on Iran in the form that they couldn't transfer any money between banks, their banks and foreign banks, and it effectively drove them back to the table," he said. "It was extremely effective. So if you go this route today, it can lead to success."

### Related Stories:

- **Obama Announces New Round of Russia Sanctions to Change Putin's 'Calculus'**
- **White House Won't Rule Out Sanctions on Putin Assets**

© 2014 Newsmax. All rights reserved.

Share:



[Get Short Link](#) | [Email Article](#) | [Comment](#) | [Contact Us](#) | [Print](#)

[Click Here](#) to comment on this article

## Around the Web

Can Whiskey Prevent Cancer? [must see]

Rollover Your IRA/401k To Gold Using IRS Loophole

Don't take Viagra or Cialis until you read this

"Buffett Indicator": Is Your IRA or 401k at Risk?

Warren Buffett's Shocking Confession -See It Here!

## Special Links

**Politics**

**Money**

**Health**

## Most Commented

**Author Rifkin: Capitalism Is Dying by Its Own Hand**

Friday, 25 Apr 2014 | 75 comments

THE U.S. IS DESTROYING OURSELVES FROM WITHIN This country has been in failure...

**Anti-Business Obama Strikes Again on Keystone**

Friday, 25 Apr 2014 | 73 comments

Why doesn't Obama "care?" Because, he's anti-capitalism! Good grief, America....

**Buffett: Raise Earned Income Tax Credit Instead of Minimum Wage**

Friday, 25 Apr 2014 | 59 comments

Raising the minimum wage is sheer stupidity. It changes NOTHING. Once passed...

**Buffett: If My Tax Rate Could Be Lower, 'I Would Have it Lower'**



### Free \$20,500 Checks?

Do you qualify to receive up to \$20,500 in free money? (Must be over age of 50...)

[\[Find Out Now\]](#)



### Rate President Obama

Is He Hurting the Economy?

[\[Vote Now\]](#)



### Heart Attack Signs?

Assess Your Heart Attack Risk in Minutes Online!

[\[Take Test Now\]](#)

Tuesday, 29 Apr 2014 | 54 comments

You effing HYPOCRITE! You won't pay one dime more than you owe yet you run...

### Old Normal Returns as Pimco Foresees 'New Destination' for US

Monday, 28 Apr 2014 | 33 comments

Since the ACTUAL inflation rate is about 6.5% (see Shadowstats.com) and the...

## Join the Newsmax Community

>> [Register](#) to share your comments with the community.

>> [Login](#) if you are already a member.

0 Comments

Moneynews

Sort by Best ▾

Share Favorite

Be the first to comment.

### Buy 1g to 1kg of Gold in

bullionvault.com

Zurich, Singapore & London vaults  
Commission from 0.5% to 0.05%.

### Crazy New Obama Tax ▾

### Today's Best CD Rates ▾

ALSO ON MONEYNEWS

WHAT'S THIS?

#### Buffett: If My Tax Rate Could Be Lower, 'I Would Have it Lower'

54 comments • a day ago

TaurusPT111 — You effing HYPOCRITE! You won't pay one dime more than you owe yet you ...

#### Study: 38 Million Americans Live Paycheck to Paycheck

10 comments • 2 days ago

STEVEN — You can get a whopping .05% interest in the bank and then the feds want you to pay income tax on ...

#### Old Normal Returns as Pimco Foresees 'New Destination' for US

33 comments • 2 days ago

William Jack — Since the ACTUAL inflation rate is about 6.5% (see Shadowstats.com) and the proposed ...

#### Former NYC Welfare Chief: Collect Immigrant Welfare Monies From ...

1 comment • 2 days ago

threadnut — Non citizens getting welfare? Why?

[Subscribe](#)

[Add Disqus to your site](#)

- [Home](#)
- [Street Talk](#)
- [Personal Finance](#)
- [Economy](#)
- [Companies](#)
- [Markets](#)
- [Investing & Analysis](#)
- [Insiders](#)
- [Newsletters](#)

[Contact](#) | [Advertise](#) | [Shop](#) | [RSS](#) | [Archives](#) | [Links](#) | [Privacy Policy](#) | [Terms & Conditions](#)

MONEYNEWS.COM  
© 2014 Newsmax Media, Inc.  
All Rights Reserved

New smax, Moneynews, and Independent. American. are registered trademarks of New smax Media, Inc. New smax TV, New smaxWorld, New smaxHealth, are trademarks of New smax Media, Inc.