

A Reflection on the Democratization of Russia Awards as the World Plugs Putin's Spigots

written by Tracy Hughes | March 1, 2022

In 2001 I joined a firm in downtown Toronto that was responsible for taking the first pure Russian oil and gas play public on the American Stock Exchange (AMEX). Immediately, I joined the U.S.-Russian Investment club and started attending many of their NYC-based events.

I did this for 3 years and the experience included attending an event at Harvard University's U.S.-Russian Investment Symposium in Boston, November 12, 2003, when international financier George Soros, Chairman of Soros Fund Management received the "Democratization of Russia Award".

This was a scandalous, hypocritical, slap at Mr. Soros at the time, as this was just after several of his assets had been seized in Russia earlier that year. George surprisingly attended despite the offense, and I remember him taking this award and slowly communicating the kind of message that only one of the richest men in the world could properly communicate...

"You did not expect me to attend" he responded, and it quickly descended into what I perceived as a warning for anyone listening that Russia was anything, but a democracy. And it was just as important for Mr. Soros to communicate that this kind of action would create an immeasurable long-term impact on their ability to attract other investors of his investment fortitude.

It would be a few years later around 2005 when I attended an event in Poland when PGNiG was going public. The moderator of the panel asked: "Is there anyone here who would not do business with Russia?"

Regrettably, my hand shot up, too young to understand that while in Eastern Europe, you do not speak your mind to a group that was in the throes of negotiating with Russian partners.

The host leaned into his microphone and replied sternly my way with: "We do not make business decisions based on emotions." Another panelist leaned forward and defended me with, "Perhaps her reply is because Ms Weslosky and I had met with Mikhail Khodorkovsky (Russian oil tycoon) just prior to his imprisonment."

In 2006 PGNiG signed a last-minute deal with RosUkrEnergo, this decision was one that they would later regret.

Over the years as both an investment banker and capital markets Publisher, I was well aware of the Russian investment community on Bay Street. And of course, with my involvement in hosting critical material events, it became apparent to me that the role of the Russians through companies like ARMZ Uranium Holding Co. which held a dominant position on uranium (for instance) had shown that Russians were making great strides in business. But in the United States where sustainability was the drum that we were all beating, the uranium supply we were accessing was barely 5% American.

My point in this commentary is that we – we built Putin. For all his wrongs, we kept the financial taps on strong enough to create this very powerful man who apparently can make people do things that are counterintuitive to what they want. There are rumors of Russians protesting this invasion, so it is clear that not everyone stands behind him. I want to reach out to

associates from the critical materials sector to ask them about their positions, but I fear they may be greeted with reprisals should they dare communicate their opinions.

While the world focuses on plugging Putin's financial spigots, and while money is unquestionably an element of this powerade, he has consumed too much of it, and the equation of how we got here must be examined. We are watching the world respond and reviewing some incredible prose online from a wide range of professionals. Please do leave your comments as we continue to send out our support to the Ukrainian people.

Here are a few links/stories I have enjoyed regarding the impact on investors in the capital markets over the last few days:

- Canadian-listed Mining Companies Affected by Russia Invading Ukraine [Click Here](#)
- Putin attacks Ukraine, what are the consequences for investors? [Click Here](#)
- Asset Class Winners and Losers if Russia Invades Ukraine [Click Here](#)