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THE TRUMPET WEEKLY

DECEMBER 26, 2014

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Can the Russians Endure the Faltering Ruble?

BY JEREMIAH JACQUES

As Russia's ruble falters and its economy groans, many Westerners speculate that the discomfort the Russian people feel will become too much for them to withstand. Many believe the sliding standard of living will become unbearable—that it could cause the Russians to turn against President Vladimir Putin.

Is it true that Russia's current economic discomfort is more than its people can bear? Will this lead to the end for Mr. Putin?

To answer these questions, consider the history of the Russians, which can be summarized in five words: And then it got worse.

Beginning in the 11th century, the majority of Russians lived as serfs in an oppressive feudal society. They eked out a living in severe climates, and weren't allowed to own anything or leave the estates they worked. Many were essentially slaves owned by a slender minority of landowners.

see **RUBLE** page 12



President Vladimir Putin watches a Russian honor guard at a military airbase in Korenovsk.

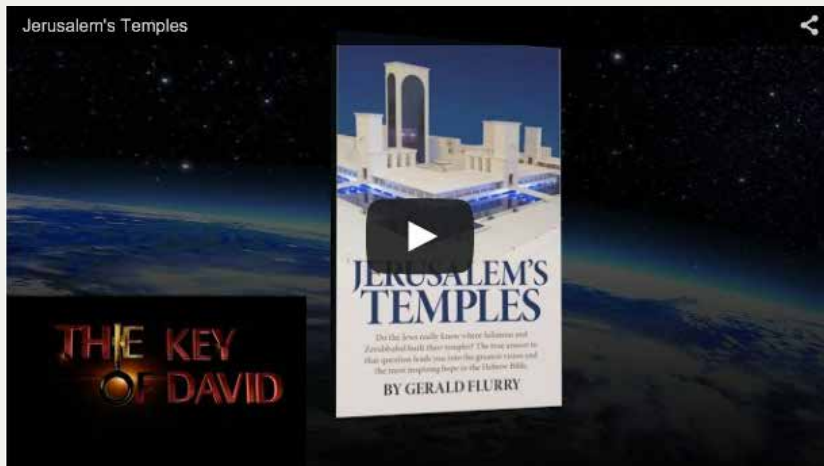


GERALD FLURRY

Jerusalem's Temples

THE KEY OF DAVID | December 26

God mentions Jesus Christ's capital city numerous times in the Bible. He even describes the capitol building itself.



the Popular Resistance Movement, warned that Israel would [pay] a heavy price for killing one of its top activists, Tayseer al-Samiri. ...

Related: "A Third Intifada in Jerusalem—Happening Now?"

Iran to Start Military Drills on December 25

RFE/RL NEWSLINE | December 23

SENIOR IRANIAN military officials say the country's armed forces will conduct a large-scale military exercise in the south of the country beginning December 25.

Iranian Navy commander Rear Adm. Hobibollah Sayyari said the seven-day exercises are titled "Mohammed Rosulollah" (eds. Mohammed the Messenger of Allah) and will involve the army, the navy and the air force. ...

Iranian military officials have said that the country's military abilities will be displayed during the exercises and that new weapons and tactics will be tested.

Army Brig. Gen. Abdolrahim Musavi said last week that the military drills carry the message of "peace and friendship" and demonstrate that Iran is "opposed to the presence of foreigners in the region."

Related: "Just What Is Iran Up To?"

Iran's Rise Sparks Gulf Concerns

THE NATIONAL | December 22

AS THE hours ticked down to the November 24 deadline to strike a final deal with Iran over its disputed nuclear program, U.S. Secretary of State John Kerry spoke with the foreign ministers of each Arabian Gulf

The Islamic State Tests Jordan Defenses

WORLDTRIBUNE | December 21

THE ISLAMIC State ... has been approaching Jordan. Officials said the Hashemite kingdom was on alert for an [Islamic State] presence along Jordan's borders with Iraq and Syria. They said [the Islamic State] was trying to use Jordan as a waystation for fighters and weapons for the jihad campaign in Iraq and Syria.

"The Jordanian Armed Forces are ready to repel any infiltration or attempts to harm security and stability," Jordanian military spokesman Col. Mamdouh al-Ameri said.

In a statement on December 17, al-Ameri acknowledged an [Islamic State] attempt to storm the Iraqi border with Jordan. He said three [Islamic State] vehicles opened fire and detonated explosives against Iraqi border forces before withdrawing.

Officials also reported clashes with Jordanian security forces along the Syrian border. They said the attackers

could have been [Islamic State] fighters or smugglers. ...

Israel Is Playing With Fire

JERUSALEM POST | December 24

HAMAS'S ARMED wing, Izaddin al-Qassam, warned Israel ... saying Israel would be the first to be burned by its fire.

Referring to Wednesday's incident, [in which a sniper attack from Gaza wounded an Israeli soldier, triggering Israeli tank and air strikes which killed a Hamas militant,] the group said this was a "dangerous violation and a crossing of all redlines, as well as playing with fire." ...

"It seems that this murderous enemy has not learned the hard lessons it was dealt by the resistance in the past," Izaddin al-Qassam added. "The enemy thinks that our people and the resistance are tired or exhausted after the last war."

Another group in the Gaza Strip,

'Increasingly Negative About Two-State Solution'

JERUSALEM POST | December 25

ISRAELIS AND Palestinians are increasingly pessimistic about reaching a deal for a two-state solution, a joint poll released Wednesday revealed.

According to the findings, following the summer's conflict, 50 percent of Israelis and 38 percent of Palestinians support a permanent settlement package along the Clinton parameters and the Geneva Initiative, which includes a divided Jerusalem and territorial swaps for a final border agreement. However, these findings represent a drop in support for a package deal—down from 54 percent among Israelis and 46 percent of Palestinians in December of 2013. ...

Among Israelis, 62 percent are worried that they or their family may be harmed by Arabs in their daily life. Among

Palestinians, 82 percent are worried that they or their family could be hurt by Israel in their daily life or that their land would be confiscated or home demolished.

A majority of Palestinians, 58 percent, believe Israel's long-term goals are to extend its borders to cover all the

area between the Jordan River and the Mediterranean Sea and expel its Arab citizens. In addition, 24 percent think the goals are to annex the West Bank while denying political rights to Palestinians.

Similarly, 37 percent of Israelis believe Palestinian aspirations in the long run are to conquer the State of Israel and destroy much of the Jewish

population, while 18 percent think the goals are to conquer the State of Israel. ...

"Our physical and spiritual leaders have deceived the people. 'For they have healed the hurt of the daughter of my people slightly, saying, Peace, peace; when there is no peace' (Jeremiah 8:11). Our leaders have gotten the people to accept peace pacts like the one with Judah and the Palestinians. The leaders continually talk of peace, peace, WHEN THERE IS NO PEACE."

—Gerald Flurry, *Jerusalem in Prophecy*

country to update his worried allies.

Though they had been denied even an observer's role in the talks, Kerry would have tried to reassure them that the U.S. would seek to block every possible path to an Iranian nuclear weapon, and that rapprochement was not Washington's strategic goal. ...

The overriding concern in Gulf capitals is that the deal will do nothing to address Iran's strategy of supporting destabilizing forces in Arab countries—either opposition political and militant groups in Yemen and Bahrain,

or rulers like Bashar Assad in Syria—and that friendlier relations between Tehran and Washington could even empower Iran in the region. The U.S. desire to shift resources and focus to East Asia even fueled fears that Barack Obama hoped to make Iran the regional power in the Middle East. ...

The U.S. commitment to the military campaign against [the Islamic State,] and its close coordination with Gulf allies in the fight, has addressed concerns that the U.S. was disengaging from the region. ...

Still, others say the Gulf-U.S. relationship is slowly evolving as a result of American policies in the region over the past decade. The [Gulf Cooperation Council] countries are looking to diversify security relationships and are acting more assertively than at any time in their histories to pursue regional interests.

Related: "The Danger in U.S. Support of the Gulf Cooperation Council" and "A Mysterious Alliance"

EUROPE

EU Removes Hamas From Terrorism List

WORLD TRIBUNE | December 18

THE EUROPEAN Union, months after the war with Israel, has been ordered to remove Hamas from the terror list.

A leading court said the EU's decision to keep Hamas on the terrorist list was not based on action. The European General Court said its ruling on December 17 was technical rather than

an assessment of Hamas.

"The court stresses that those annulments, on fundamental procedural grounds, do not imply any substantive assessment of the question of the classification of Hamas as a terrorist group within the meaning of the common position," the general court said.

In 2001, the EU placed Hamas, which pledged to destroy Israel, on the terror list. But the court said the designation was based on media reports rather than "acts examined and confirmed in decisions of competent

authorities." ...

The EU, amid its drive to support Palestinian statehood, has two months to appeal the decision. The court, in a ruling hailed by Hamas, said the EU could maintain its freeze on the Islamic movement's assets for three months. ...

Over the last few years, the court dismissed the EU's designation of Hamas-linked charity, al-Aqsa Foundation. In mid-2014, Hamas fired 4,700 missiles and rockets in its 50-day war with Israel.

Germany Wants European Army

Kiall Lorenz | December 23

GERMANY WANTS to be the “driving force in Europe of a parliamentary controlled European army,” German-Foreign-Policy.com reported December 8. It cited a position paper produced by military experts in the Bundestag. These experts want a European Union military academy and a permanent military headquarters.

But is having Germany in the driver’s seat of a European army cause for concern?

Rainer Arnold, the Social Democratic Party’s (SPD) defense policy spokesman, presented the paper to the Bundestag. The authors in the paper recognize Germany as an international power house economically, but decry its laughable foreign and military policies. These policies, Arnold said, are “urgently in need of improvement.”

These SPD demands come as Germany is independently building bilateral and multilateral projects with other European nations, particularly their militaries. Brigades from national armies are joining with the Bundeswehr and coming under the command of the German Army. “Never before has a state renounced this elementary and integral part of its sovereignty,” wrote *Die Welt*’s political editor, Thorsten Jungholt. [Dutch brigades joined the German Army](#) on June 12.

On October 29, German Defense Minister Ursula von der Leyen signed a declaration of intent on German-Polish cooperation with Polish Defense Minister Tomasz Siemoniak. This declaration of intent is not limited to training drills but provides for “placing combat battalions under the other’s command.” After the agreement, von der Leyen’s ministry declared the “German-Polish cooperation is a trendsetting milestone for the development of European integrated military structures.”

Hans-Peter Bartels, the chairman of the German parliament’s defense committee, left no doubt as to the final destination of all these additions. “The hour has come, finally, for concrete steps towards a European army,”



German Defense Minister Ursula von der Leyen speaks with the Bundeswehr’s inspector general.

Bartels told *Die Welt*.

Apart from integrating other nations’ armies into theirs, the Germans also want to consolidate the defense industry. The German minister of the economy requested an EU armament industry based primarily in Germany—but the main requirement is that the armament industry *be independent of the United States*.

The SPD—in conjunction with Germany’s ruling parties—“want to be the driving force in Europe of a parliamentary controlled European army,” and it is “pursuing this objective relentlessly,” reported German-Foreign-Policy.com. Already we see the nucleus of a European army emerging with the German Bundeswehr agreements with Poland and the Netherlands. The German press stated the Bundeswehr is the “trailblazer for a European army.”

The last time Germany attempted to exert its influence upon the world, it did not go well. The Bible shows what will happen next. *Key of David* presenter [Gerald Flurry](#) recently spoke about a coming European power on his “[Revelation 17:10](#)” program. To see where Germany’s aspirations for an EU army are leading, read “[Under Construction](#).”

“Removing the terrorist designation of Hamas is a grave mistake,” Israeli Prime Minister Benjamin Netanyahu said. “Hamas is a ruthless terrorist organization with a proven track record of brutal terror attacks against innocent civilians.”

Germany: The End of Tolerance?

DER SPIEGEL | December 22

FELIX MENZEL is sitting in his study in an elegant villa in Dresden’s Striesen neighborhood on a dark

afternoon in early December. He’s thinking about Europe. ... Menzel, 29, is a polite, unimposing man He takes pains to come across as an intellectual, and avoids virulent rhetoric like “Foreigners out!” He prefers to talk about “Europe’s Western soul,” which, as he believes, includes Christianity and the legacy of antiquity, but not Islam. “I see serious threats coming our way from outside Europe. I feel especially pessimistic about the overpopulation of Africa and Asia,” says Menzel, looking serious. “And I believe that what is unfolding in Iraq and Syria at the moment is a clear harbinger of the first global civil war.”

Menzel, a media scholar, has been running the *Blaue Narzisse* (*Blue Narcissus*), a conservative right-wing magazine for high school and university students, for the last 10 years. His small magazine had attracted little interest until now. But that is about to change, at least if Menzel has his way. “The uprising of the masses that we have long yearned for is slowly getting underway,” he writes on his magazine’s website. “And this movement is moving toward the right.”

In Dresden, at least, the sentiments expressed in the *Blaue Narzisse* have become more palpable in recent weeks. Protests staged each week on Mondays

initially attracted only a few dozen to a few hundred people, but more recently the number of citizens taking to the streets has reached 10,000. The group, which calls itself Patriotic Europeans Against the Islamization of the West (and goes by the German acronym PEGIDA), demonstrates against economic migrants and a supposed “cultural foreign domination of our country”

What is going on in Germany, the world’s second-most popular destination for immigrants? Has the open-mindedness for which Germans had long been praised now ended? Are we seeing a return of the vague fear of being overwhelmed by immigrants that Germany experienced in the 1990s, when a hostel for asylum seekers was burned down? How large is the new right-wing movement, and will it remain limited to Dresden, or is it spreading nationwide?

So far, protests held under the PEGIDA label in other cities—like Kassel and Würzburg—have attracted only a few hundred people at a time. ...

Still, many Germans share the protesters’ views, according to a current *Spiegel* poll. Some 34 percent of citizens agreed with the PEGIDA protesters that Germany is becoming increasingly Islamicized.

Even before the PEGIDA movement began, the number of right-wing protests was on the rise nationwide. In the first 10 months of this year, the refugee organization Pro Asyl and the Amadeu Antonio Foundation, which combats racism, counted more than 200 demonstrations against hostels for asylum seekers. ...

Various movements are coming together in the new wave of protests. Concerned residents are encountering conservatives who have grown wary of democratic values, while hooligans are joining forces with neo-Nazis and notorious right-wing conspiracy theorists. Citizens’ qualms about those on the far right are decreasing, and extremist, xenophobic ideas have apparently become socially acceptable.

This confusing coexistence of movements and ideas is what makes it so difficult to deal with the self-proclaimed saviors of the West. The majority of the demonstrators don’t want

to be pegged as right-wing extremists. Still, it doesn’t seem to trouble them that, week after week, they are demonstrating alongside bullnecked men with shaved heads, as they all shout together: “We are the people!” a slogan adopted from the protests in East Germany in the autumn of 1989 that preceded the fall of the Berlin Wall. ...

In Dresden on December 8, an anonymous PEGIDA speaker even began his speech by quoting the words of U.S. black civil rights leader Martin Luther King, “I have a dream.” He too had a dream, the demonstrator in Saxony said, a dream of the peaceful coexistence of all human beings and cultures. But then he arrived at what he called the hard reality: that we are in a state of war. ...

A vague feeling of being threatened unites the demonstrators, whether they see themselves as members of the middle class, conservative nationalists or radical right-wingers. They yearn for isolation and simple answers, which is why almost-forgotten, Nazi-era terms like “volk” (the people) and “vaterland” (the fatherland) are back in vogue.

Only last summer, the German flag was a symbol of a joyous, multicultural nation of soccer fans. Now it’s being waved above the heads of PEGIDA followers as they crow: “Germany is awakening. For our fatherland, for Germany, it is our country, the country of our ancestors, descendants and children.” ...

Pope Rebukes Vatican Bureaucracy

WALL STREET JOURNAL | December 23

POPE FRANCIS launched his harshest criticism to date of the Vatican bureaucracy, likening it to an “ailing body,” and setting the stage for what is expected to be sweeping reform next year.

In his Christmas address on Monday to cardinals and senior officials attached to the Curia, the church’s Rome-based administrative apparatus, Pope Francis warned against “spiritual Alzheimer’s disease,” careerism and gossip.

The harsh critique grabbed wide

attention, with the Religion News Service offering a headline that said, “Pope Francis to Curia: Merry Christmas, You Power-Hungry Hypocrites.” ...

In a similar vein, the address to the curia seemed to serve notice that he aggressively plans to take on the problems that have developed in the Vatican bureaucracy during the past decade from infighting among cardinals to embarrassing leaks. ...

The pontiff’s remarks presented a colorful 15-point list of “diseases” from which the curia suffers.

He warned against a “curia that is not self-critical,” likening such a body to “the rich fool who thinks he will live for all eternity.” Some suffer from “the sickness of mental and spiritual hardening: that of those who, along the way, lose their inner serenity, vivacity and boldness,” he said. ...

The pope has begun to overhaul the curia, starting largely with the financial management of the body, a task that is well underway. But next year, he is widely expected to begin streamlining the bureaucracy, collapsing some of the departments. ...

France Has Never Had so Many Unemployed

TELEGRAPH | December 24

MORE PEOPLE were unemployed in France in November than ever before, data showed on Wednesday, highlighting continued weak activity in the eurozone’s second-largest economy.

The Labor Ministry said the jobless total in mainland France rose by 27,400 to 3.49 million in November, a 0.8 percent increase over one month and 5.8 percent over one year. The rise was sharpest among unemployed ages 50 or over, up 11 percent on the year.

President François Hollande has seen his popularity fall to the lowest ratings in French polling history, with a key factor being his failure to live up to promises to tackle unemployment.

The jobless increase in November was the third monthly gain in a row after a slight fall in unemployment in August. ...

The Week the Dam Broke in Russia

Ambrose Evans-Pritchard, **THE TELEGRAPH** | December 23

THIS WAS the week when the country's long-festering crisis turned virulent. A last-ditch attempt to defend the exchange rate by raising interest rates to 17 percent failed within hours, yet the shock is surely enough to set off a chain of corporate failures and push banks over the edge.

Traders in the city watched open-mouthed as the dam broke on Black Tuesday. The event exposed the awful reality that the Kremlin does not have the infinite foreign reserves that many had supposed. "What is happening is a nightmare that we could not even have imagined a year ago," says the central bank's deputy chief, Sergei Shvetsov.

The currency has since stabilized at 60 to the dollar. But it has lost half its value in a year.

Russia's \$2.1 trillion economy has shrunk to \$1.1 trillion, half the GDP of California. ...

"A Russian downgrade to junk is only a matter of time," says Tim Ash, from Standard Bank.

"The crisis is suddenly filtering into people's daily lives," says Bill Browder from Hermitage [an investment fund and asset management company specializing in Russian markets]. "Fifty-five percent of consumer goods in Russia are imported and these are doubling in price. People are buying anything they can that keeps its value."

Vedomosti reports that there is a de facto run on banks as depositors pull what they can from ATM machines, fearing the guillotine at any moment. Soviet queues are appearing again. Crowds have descended on Ikea stores, converging in pick-up trucks to buy hard goods before it is too late. The company suspended sales of kitchens on Thursday, saying it cannot meet demand.

Those scrambling to buy cars may have missed their chance. Jaguar Land Rover has halted sales to Russia. So has General Motors, citing "ruble volatility." The big three dealerships—Transtekhservice, Major Auto and Aviron—have frozen sales.

As the buying frenzy subsides, the eerie stillness of depression may instead take hold. The central bank says the economy could contract by 4.7 percent next year if oil prices settle at \$60 a barrel, but that was before the rate shock. ... Rates have risen 750 points in a week.

"It's going to be worse than the default crisis in 1998.

This time you have a situation where the West is against them," says Browder. "Russian companies are shut out of the global capital markets. The country can't turn to the IMF because Washington will block it. There is no lender of last resort."

Western sanctions are still escalating. With wicked timing, President Barack Obama this week chose not to veto a law passed by the U.S. Congress that tightens the noose further, even though he warned previously that it may irk European leaders and erode Atlantic unity. The law implies fresh curbs on the Russian energy sector, and may limit credit to Gazprom. It stiffens Ukraine with \$350 million of military aid, a high-risk move. The White House says Putin can reverse the process at any time by implementing the Minsk ceasefire deal agreed three months ago. "The aim is to sharpen the choice that he faces," it says. ...

Putin invoked the cause of Mother Russia, calling on his people to brace for two years of hardship, yet he is clearly on thin ice. ...

Bloomberg reports that Putin asked his key advisers at a secret meeting in February whether Russia had sufficient foreign reserves to withstand a showdown with the West if it annexed Crimea. They assured him that Russia could weather the storm. ...

Putin can retaliate in other ways. "He is going to escalate. The huge prize for him is to test the credibility of NATO while Obama is still in office," says Browder. That worry is shared by many, especially in the Baltic states with Russian minorities. Four fifths of Estonia's fortress town of Narva are ethnic Russians, and they live within sight of the border. An incident could flare up at any time.

"The nightmare scenario is if 'little green men' appear in one of the Baltics, and it then invokes NATO's Article v [mutual defense clause]," says Ian Bond, the former British ambassador to Latvia and now at the Center for European Reform. Any dispute may be murky. Yet if NATO ever fails to uphold an Article v plea, the alliance withers. ...

Eric Chaney from AXA warns clients to brace for a wave of defaults by "nonstrategic" companies.

The Kremlin will prop up national champions but this bleeds their reserves. ...

Russian-Led Economic Union Launching

David Vejlil | December 24

LEADERS FROM Russia and four other former Soviet states met in Moscow on Tuesday to finalize the

creation of the Eurasian Economic Union. Russia, Belarus, Kazakhstan, Armenia and Kyrgyzstan agreed to a January 1 inauguration.

The alliance will allow free trade among the five nations. It will also coordinate the members' financial systems and regulate industrial and

agricultural policies. This alliance will create an OPEC-like cartel over the vast majority of energy resources Europe depends on. Russia will be the controlling nation.

Putin says the union will have a combined economic output worth \$4.5 trillion, bringing together around 170

With a Friend Like China, Who Needs the IMF?

Anthony Chibairwe | December 26

PARIAH NATIONS facing economic turmoil no longer need to bow to Western demands to access loans and capital markets—they can turn to China.

Recent currency-swap deals between China and economically isolated nations like Russia, Argentina and Venezuela demonstrate how China is presenting itself as a redemptive alternative to the West and the Western-controlled International Monetary Fund (IMF). China is proving to be a global economic power to be reckoned with.

On December 20, Chinese authorities announced their willingness to expand a \$24 billion, three-year currency-swap deal that China signed with Russia in October. The deal allows Russia to borrow the Chinese yuan as well as lend its faltering ruble.

The announcement comes as Russia endures crippling sanctions from Western nations over its annexation of Crimea and involvement in Ukraine. Those sanctions have cut off Russia from most of the world's capital markets. The recent drop in oil and gas prices has exacerbated Russia's economic fortunes.

Russia's ruble performed the worst of any currency in the world over the last six months, as Bloomberg reported on December 22. Prior to the December 20 announcement, Russia's currency had lost 41 percent of its value this year.

Chinese Foreign Minister Wang Yi assured over the weekend that Russia possessed “the capability and the wisdom to overcome the existing hardship in the economic situation.” He added, “If the Russian side needs, we will provide necessary assistance within our capacity.” As the associate dean of the School of International Studies at Renmin University in Beijing, Jin Canrong, said, “[M]any Chinese people still view Russia as the big brother, and the two countries are strategically important to each other.” That is the primary reason China has stepped in to help Russia.

Back in May, the two nations signed the largest business transaction in human history—a 30-year, \$400-billion gas

deal. Other billion-dollar deals followed, as the *Trumpet* documented in our articles “The Rise of Asia” and “The Russia-China Axis Is Here.”

China can afford such support because it is the world's largest economy, according to the IMF's latest purchasing-power parity calculations. It has amassed \$3.89 trillion worth of foreign exchange reserves—also the largest in the whole world.

China can also afford to give such aid because of the global economic power that that aid can present—an opportunity to practice “big-country diplomacy,” as President Xi Jinping said in November.

In other words, China can afford, and is willing, to use its economic power to augment its political clout to undermine and challenge the West, particularly the United States.

China has similarly helped Argentina with \$2.3 billion worth of currency-swap deals since October. The South American nation has been internationally isolated for renegeing on its financial obligations in 2001, and it has found China an alternative to the IMF. Economically sanctioned Venezuela has enjoyed \$4 billion of credit from China since November.

China, obviously, is not in the charity business. In exchange for its assistance, it receives vital natural resources to feed its economy. By helping Russia and Venezuela, China gains cheap natural gas and crude oil.

But more significantly, helping pariah nations gives China critical alliances that will ultimately undermine the U.S. and even challenge what the Bible calls the “king of the north.” For more information about where these developments are leading, read our January 2015 *Trumpet* magazine article “[The Russia-China Axis Is Here](#).”

Related: “[Asia Stands With Putin](#)”

million people.

Putin had planned to restore Russia's influence by creating a union stretching from Ukraine to the Pacific. He wanted that union to rival the European Union and regain what was lost when the Soviet Union broke up. But those plans were foiled in 2013 when Ukraine decided to move closer to the EU.

However, Ukrainian President Viktor Yanukovich abandoned those plans to draw closer to the EU after heavy pressure from the Kremlin. Ukrainians protested in the streets of Ukraine's capital, Kiev, for months. This led to Yanukovich's removal in February, and the defeat of Putin's

designs for Ukraine.

Putin responded by annexing Ukraine's Black Sea Crimean Peninsula in March. This ignited a civil war in eastern Ukraine that has already claimed more than 4,000 lives.

The mood of the Eurasian Economic Union ceremony was dampened somewhat by Ukraine's absence, but the members are forging ahead.

The *Trumpet* believes Putin will succeed in returning Russia to its former influence.

For more information on where the *Trumpet* thinks Putin will take Russia, download our free booklet [He Was Right](#).

Malaysia, China Begin First Joint Military Exercise

THE DIPLOMAT | December 24

MALAYSIA AND China kicked off their first-ever bilateral military exercise on Monday.

The joint tabletop exercise, dubbed “Peace and Friendship 2014,” was launched by the Malaysian Armed Forces and the Chinese People Liberation Army at the Malaysian Armed Forces Joint Warfare Center.

The exercise marks a step forward in the Sino-Malaysian defense

relationship. Although both countries had signed a memorandum of understanding (MoU) on defense cooperation in 2005, initial efforts tended to be focused on exchanges and education. Ties have moved forward incrementally over the past few years, however. For instance, in September 2012, the two defense ministries held their first-ever formal defense and security consultation. And in June 2014, Chinese company Aerospace Long March International signed an MoU with Malaysian firm Aneka Bekal to offer a self-propelled surface-to-air missile system.

When Malaysian Prime Minister Najib Razak last met Chinese President Xi Jinping on November 10 on the sidelines of the Asia Pacific Economic Leaders meeting in Beijing, Xi had said that both countries should boost cooperation in areas including enhancing collaboration between their two armies and working together on law enforcement and safety. This exercise will no doubt be a step in that direction.

The exercise is also being publicized as yet another boost for Sino-Malaysian relations ...

Russian-Indian Joint Military Projects

SPUTNIK NEWS | December 19

RUSSIA WILL provide India with its most advanced weapons and technologies in order to renew Delhi's aging military hardware; since the countries have launched joint military projects, India has obtained new opportunities on the weapons market.

"Russia wants early inking of the final [research and development] contract for the joint fifth-generation fighter (FGFA) project, in which India will invest \$5.5 billion to develop a stealth fighter. India will spend around \$25 billion on 127 such fighters, to be built domestically, in the FGFA project," the *Times of India* reported.

India will also assemble 400 Russian Ka-226T helicopters a year. The deal is important to India, since the country needs to upgrade its aging

military hardware.

"I am pleased that Russia has offered to fully manufacture in India one of its most advanced helicopters. It includes the possibility of exports from India. It can be used for both military and civilian use. We will follow up on this quickly," Indian Prime Minister Narendra Modi said in an official statement as quoted by Defense News.

Russia is also ready to provide India with its Akula-II class nuclear-powered submarines, which will bolster India's capability to maintain control over its territorial waters in the Indian Ocean amid growing geopolitical tensions in the region. ...

It should be noted that India has always been one of Russia's biggest defense customers. The *Times of India* points out that Russian-Indian arms deals included "refit of aircraft carrier Admiral Gorshkov or INS Vikramaditya (\$2.33 billion), 6 Talwar-class stealth frigates (almost \$2 billion) ... 272 Sukhoi (project cost over \$12 billion), 45 MiG-29Ks (\$2 billion), 139 Mi-17 V5s helicopters (over \$2 billion)."

"Russia will remain our most important defense partner," Prime Minister Narendra Modi underscored during his meeting with Vladimir Putin earlier this month, pledging to deepen the defense cooperation.

Russia Grows Across Border at Lithuania

REUTERS | December 21

GEOPOLITICS PLAGUE Lithuanians at this frozen Russian border post, where a return trip by car can mean 48 hours of queuing. It is a reminder for some of why the former Soviet republic will cement its move to the West by joining the eurozone next month.

Tensions with Moscow have simmered ever since Lithuania became the first republic to declare independence from the Soviet Union in 1990, although only 6 percent of the population are Russian speakers, far fewer than in its Baltic neighbors.

On January 1, it will be the last of the Baltic states to join the currency

bloc, hoping like Estonia and Latvia for more investment and lower borrowing costs to spur one of Europe's poorest but fastest-growing economies.

All three have felt the blowback from East-West tension over Russia's encroachment into Ukraine this year in the form of Russian sanctions and military grandstanding on their borders. ...

The move to the euro coincides with steps towards greater energy independence and requests for more NATO troops in Lithuania, marking a new shift away from Moscow. But half those polled in this state of 3 million do not welcome the euro.

"It is all a horror movie," elderly Laima Krecikienė said outside a supermarket by the border. "Don't you understand? Can you imagine how little money people in the villages have? Just look at the prices, they shot up in anticipation of the euro."

Market reforms and wider economic crisis have been tough for Lithuanians, driving many to emigrate. But few oppose its shift towards the West. ...

Ukraine Ends 'Nonaligned' Status

WALL STREET JOURNAL | December 23

UKRAINE ENDED its status as a nonaligned nation on Tuesday, reopening aspirations to join NATO and drawing a quick rebuke from Moscow, which has accused the West of bringing hostile forces to its borders.

Though largely symbolic, the move highlights the depths of differences between Kiev and Moscow, which has long thought of Ukraine as its satellite and buffer against the West.

Ukraine had pursued NATO membership when a pro-Western government was elected 10 years ago, but declared itself as nonaligned under the recently ousted pro-Russia president, Viktor Yanukovich, after he was elected in 2010.

Ukraine's chances of joining NATO anytime soon are practically nil, however, as members in Europe especially have little stomach for a confrontation

with Russia. On Tuesday, Russian Foreign Minister Sergei Lavrov condemned the move, which he said would make a resolution of the crisis in Ukraine more difficult. ...

Ukraine's move comes as international diplomatic efforts to restart the peace talks between Kiev and separatists appear to be making some progress, with discussions in Minsk expected as early as Wednesday. A tentative ceasefire announced in eastern Ukraine appears to be holding, with the number of shootings and casualties down significantly, Ukrainian officials say. ...

TW IN BRIEF

■ Russia's military buildup

Russia's military modernization plan, initiated in 2011, is now 16 percent complete, according to December 8 reports by Ria Novosti. This year alone, Russian forces acquired 38 intercontinental ballistic missiles, 22 submarine-based ballistic missiles, 3 nuclear-powered ballistic missile submarines, 142 jets, 18 modernized interceptors, 16 fighter-bombers, 28 transport jets, 135 helicopter gunships, and 7 air defense missile systems. They also added three new S-400 antiaircraft missile systems, which some analysts call the

world's most advanced air defense system. Military spending will increase another 30 percent to reach a record high of \$62 billion. In the year ahead, the Nuclear Forces will receive 50 intercontinental ballistic missiles, 140 new aircraft, a new Admiral Grigorovich-class frigate, 2 new super-silent improved Kilo-class diesel-electric submarines and a handful of small Project 21631 missile corvettes. Russia announced that it plans to reach 30 percent rearmament by the end of next year as it is currently engaged in its largest military buildup since the collapse of the Soviet Union.

LATIN AMERICA/AFRICA

'Russia-Backed' War Rages in Darfur

FRANCE 24 | December 14

VICTIMS OF Darfur's protracted war have been beaten, raped and killed as UN peacekeepers looked on, a former spokesperson for the UN mission tells France 24. She says Russia and China have forced the world body to turn a blind eye to the conflict. ...

More than a decade after Arabs and non-Arabs began massacring each other in the arid Sudanese region of Darfur, the brutal conflict rages on. President Omar al-Bashir is still wanted at the International Criminal Court for genocide and war-crimes charges, more than five years after he was indicted. In 2014 alone, some 315,000 people have been displaced. But after seven years on the ground

and almost \$11 billion in spending, the UN has failed in its mission to protect civilians and is now thinking of pulling its 19,000-strong peacekeeping force out of the region.

[Aïcha] El Basri, who spent eight months stationed with the UN-African Union blue helmet mission, describes Darfur as the UN's "biggest peacekeeping failure." ...

"If you want to know what Syria will look like in several years, start by looking at Darfur."

Africa Must Save Libya to Fight Terror

MAIL & GUARDIAN | December 23

AFRICA STILL hasn't forgiven France, Britain and the United States for its military intervention in Libya in 2011 and the way former

strongman Muammar Qadhafi was "assassinated."

In fact, African participants at a high-level meeting on African security in Dakar, Senegal, last week—including heads of state—blame the NATO intervention against Qadhafi for the current chaotic situation in Libya. This has created a vast ungoverned zone in the southern Libyan desert and a safe haven for terrorists where they can regroup, get sophisticated weapons and equipment, and launch attacks across the Sahel.

High-ranking officials and military experts ... concur that to fight the scourge of terrorism in Africa, which "spreads like wildfire across the continent" it is imperative to solve the crisis in Libya. ...

There are increasing signs of cooperation between the Sahel Islamic terror groups, Boko Haram in northern Nigeria and al-Shabaab in Somalia

ANGLO-AMERICA

NASA Is Lost in Space

WALL STREET JOURNAL | December 22

ALMOST HALF a century ago Americans set foot on the moon—only eight years after the Apollo space exploration program began. Today

the U.S. has to pay the Russians for a ride to the international space station, which orbits a mere 250 miles above Earth. The price tag? Up to \$70 million a seat. While other countries have set objectives for their exploration programs—China plans to get people

to the moon in the 2020s—the National Aeronautics and Space Administration is lost in space. ...

NASA has an important role to play in advancing our nation's interests in space, but it needs reform. ...

Out-of-this-world spending

Pound Drops: 'Unsustainable' Current Account Deficit

TELEGRAPH | December 23

BRITAIN'S RECOVERY is more fragile than previously thought, official data showed on Tuesday, as statisticians revised down growth for most of last year and revealed that the UK's current account deficit is now at its joint-widest on record.

Sterling dropped against the dollar on Tuesday after new figures showed growth was less robust between the second quarter of 2013 and second quarter of 2014 than previously thought.

Weaker manufacturing growth, a smaller-than-expected surplus in services exports, and weaker government consumption over the period were behind the downgrades, the Office for National Statistics (ONS) said.

While the ONS left its final estimate of third quarter GDP growth unchanged at 0.7 percent, the year-on-year figure fell from 3 percent to 2.6 percent due to downward revisions to growth in each of the five previous quarters.

Meanwhile, the UK's current account deficit, which measures trade as well as overseas income and transfers to bodies such as the European Union, widened to £27 billion

(US\$42 billion) in the third quarter, or around 6 percent of GDP. This is the biggest deficit in cash terms since records began in 1955, and matches the record deficit seen in the third quarter of 2013 as a proportion of GDP. ...

The data revealed that income from the UK's foreign investments dropped between July and September, exacerbated by an increase in cash flowing out of the UK to foreign investors. ...

Joe Grice, the ONS's chief economist, described Britain's widening current account deficit as "something to watch." "It's clearly an important development. Some of these trade and balance of payment issues have fallen out of fashion over the past decade or two. But things seem to be happening there," he said.

Nick Kern, chief economist at the British Chambers of Commerce, warned that the current account deficit had reached an "unsustainably high level," while Stephen Lewis, chief economist at ADM Investment Services, said sterling would be vulnerable if foreign investors suddenly lost faith in Britain's ability to pay its way in the world. ...

wouldn't be necessary. Funding for the International Space Station and Space Launch System alone already totals more than \$7 billion annually, similar to what the Apollo program spent every year on average. That money would be better used by working on clear, stated goals. Such steps are the only way to reestablish the American space program that was once the wonder of the world.

Islamic State Recruiting Ferguson Criminals

BREITBART | December 24

THE ISLAMIC State has been actively recruiting Ferguson criminals, according to the U.S. Attorney for the Southern District of Illinois. ...

U.S. Attorney Steve Wigginton told KSDK that the federal government has received "intelligence reports for law enforcement showing actual tweets [the Islamic State] was putting out encouraging Americans to join the people who were burning down buildings in Ferguson to engage that kind of conduct across America."

FBI special agent Sean Cox told the

outlet, "We are very concerned by threats posed by homegrown violent extremists from individuals who live in the same community they intend to attack."

"These individuals are difficult for us to detect, as they are able to connect with other extremists with relative ease, and they are more capable from an operational standpoint because they are familiar with their intended target areas," he added. ...

Less Than Half Live in a 'Traditional' Family

PEW RESEARCH CENTER | December 22

LESS THAN half (46 percent) of U.S. kids younger than 18 years of age are living in a home with two married heterosexual parents in their first marriage. This is a marked change from 1960, when 73 percent of children fit this description, and 1980, when 61 percent did, according to a Pew Research Center analysis of recently-released American Community Survey and Decennial Census data.

Rapid changes in American family structure have altered the image of who's gathering for the holidays.

While the old "ideal" involved couples marrying young, then starting a family, and staying married till "death do they part," the family has become more complex, and less "traditional."

Americans are delaying marriage, and more may be foregoing the institution altogether. At the same time, the share of children born outside of marriage now stands at 41 percent, up from just 5 percent in 1960. ...

One of the largest shifts in family structure is this: 34 percent of children today are living with an unmarried parent—up from just 9 percent in 1960, and 19 percent in 1980. In most cases, these unmarried parents are single. However, a small share of all children—4 percent—are living with two cohabiting parents, according to CPS data. ...

More Private Contractors to Iraq

AL JAZEERA | December 24

THE U.S. government is preparing to boost the number of private contractors in Iraq as part of President Barack Obama's growing effort to beat back Islamic State militants

The Race Card's Steep Cost

Thomas Sowell, **THE NATIONAL REVIEW** | December 23

THE COLD-BLOODED murder of two New York City policemen as they sat in their car is not only an outrage but also a wake-up call. It shows, in the most painful way, the high cost of having demagogues, politicians, mobs and the media constantly taking cheap shots at the police.

Those cheap shots are in fact very expensive shots, not only to the police themselves but to the whole society. Someone once said that civilization is a thin crust over a volcano. The police are part of that thin crust. We have seen before our own eyes, first in Ferguson, Missouri, and then in other communities, what happens when there is just a small crack in that crust, and barbarism and arson burst out.

That can happen anywhere. So can what happened in New York. ...

It is a painful irony that, on the eve of the murders of these two police officers in New York, some of the city's police were already saying that, in the event of their deaths, they did not want Mayor Bill de Blasio to attend their funerals. ... No politician in the country has done more to play the race card against the police and spread the notion that cops are the big problem in minority communities.

It so happens that the police officers killed were both members of minority groups—Officer Rafael Ramos, Hispanic, and Officer Wenjian Liu, Asian. It so happens that a substantial part of the New York City police force are members of minority groups.

But you might never know that from the story told by demagogues who depict the black community as a “colonial” society being “occupied” by white policemen who target young blacks. Mayor de Blasio joined the chorus of those saying that they have to warn their black sons how to cope with this situation.

“What can we say to our sons?” some demagogues ask. They can say, “Don’t go around punching strangers,

because it is only a matter of time before you punch the wrong stranger.”

Mayor de Blasio has made anti-police comments with Al Sharpton seated at his side. This is the same Al Sharpton with a trail of slime going back more than a quarter of a century, during which he has whipped up mobs and fomented race hatred from the days of the Tawana Brawley “rape” hoax of 1987 to the Duke University “rape” hoax of 2006 and the Ferguson riots of 2014.

Make no mistake about it. There is political mileage to be made siding with demagogues like Al Sharpton who, as demagogue-in-chief, has been invited to the White House dozens of times by its commander in chief.

Many in the media and among the intelligentsia cherish the romantic tale of an “us” against “them” struggle of beleaguered ghetto blacks defending themselves against the aggression of white policemen. The gullible include both whites who don’t know what they are talking about and blacks who don’t know what they are talking about either, be-

“Poisonous race relations have everything to do with Bible prophecy This dangerous buildup within our society is a racist bomb that most of us will see explode in our faces! Many people believe that Mr. Obama is going to greatly improve race relations. But our racial problems are going to rapidly get much worse! ... The race card is going to be played often for political gain!”

—Gerald Flurry, *theTrumpet.com*, July 21, 2008

cause they never grew up in a ghetto. Among the latter are the president of the United States and his attorney general.

Such people readily buy the story that ghetto social problems today—from children being raised without a father to runaway rates of murder—are “a legacy of slavery,” even though such social problems were nowhere near as severe in the first half of the 20th century as they became in the second half.

You would be hard pressed to name just five examples from the first half of the 20th century of the kinds of ghetto riots that have raged in more than a hundred cities during the second half. Such riots are a legacy of the social degeneracy of our times.

Calling this social degeneracy “a legacy of slavery” is not just an excuse for those who engage in it, it is an excuse for the ideology of the intelligentsia behind the social policies that promoted this degeneracy. ...

The race card is nothing to play with. It can ruin us all.

threatening the Baghdad government, a senior U.S. official said. ...

The preparations to increase the number of contractors—who can be responsible for everything from security to vehicle repair and food service—seemingly underscores the Obama administration’s growing commitment in Iraq. When U.S. troops and diplomats venture into war zones, contractors tend to follow, doing jobs once handled by the military.

After the Islamic State ... seized

large swaths of Iraqi territory and the major city of Mosul in June, Obama ordered U.S. troops back to Iraq. Last month, he authorized roughly doubling the number of troops, who will be in noncombat roles, to 3,100, but is keen not to let the troop commitment grow too much.

How many contractors will deploy to Iraq—beyond the roughly 1,800 now working there for the U.S. State Department—will depend in part, the official said according to Reuters,

on how widely dispersed U.S. troops advising Iraqi security forces are, and how far they are from U.S. diplomatic facilities.

“It is certain that there will have to be some number of contractors brought in for additional support,” said the senior U.S. official, speaking on condition of anonymity.

There are now about 1,750 U.S. troops in Iraq, and U.S. Defense Secretary Chuck Hagel last week ordered deployment of an additional 1,300. ...

RUBLE from page 1

After Alexander II abolished serfdom in 1861, life for the average Russian took a turn ... for the worse.

While serfs hadn't owned land, most had only needed to meet a certain quota and could then keep the remaining crop yields for themselves. After serfdom was abolished, though, they became wage laborers. Everything they grew or produced belonged to the property owner. Since the wage laborers were often earning just a few kopecks a day, it was barely possible for them to buy the food they had grown with the wages they'd been given to grow it.

Alexander had abolished serfdom because he wanted to assuage the Russian masses and prevent a revolution. But the circumstances created by that abolition ended up increasing revolutionary pressure. By 1905, the pressure had exploded into a revolution against Czar Nicholas II. However, because of infighting among the revolutionaries, it only ended up strengthening the czar's power. The Russian nights grew longer and colder.

Then World War I broke out, and the Russian Army, large but poorly armed, took the offensive against the German-led axis. Russian soldiers were often sent to the front lines unarmed and instructed to fight with whatever weapons they could find on the battlefield. Russia lost more people in the Great War than any other nation, yet its strong-willed troops managed to tie down great numbers of enemy troops.

While the Russian soldiers loyal to the czar were fighting at the front, whispers of revolution in the capital grew into cries of upheaval. The people had had enough of Russia's gross social inequality, discouraging war losses, rampant starvation, and scandals surrounding the monarchy. In 1917, revolutionaries toppled the czarist system. But the overthrow didn't result in a power-to-the-people ending as it had in the French and other revolutions. Instead, after five years of savage civil war, the Soviets took power.

Russia entered a chapter bleaker perhaps than any it had known before.

Joseph Stalin and other leaders orchestrated what is sometimes called "the other holocaust of the 20th century"—the imprisonment, debasement and murder of tens of millions by their own government.

In the midst of this dark Soviet chapter came an even darker inset: World War II.

Russian losses in this largest war ever fought are perhaps best summarized with one tragic statistic: 80 percent of all Soviet males born in 1923 were dead by the end of World War II.

Again, the Russians did not have enough weapons for all of its soldiers. Many units had only one rifle for every 10 men. The unarmed men would trail each armed soldier, wait for him to be shot down, and then grab his gun and keep fighting. Russian soldiers were also known to sometimes clear minefields by marching over them. Upon witnessing these tactics, one German soldier reportedly said he was convinced that the tough-as-nails Russians would win the war.

The Soviet Union's total number of war dead for World

War II exceeded 25 million—again more than the losses for any other nation.

Once the war ended, Soviet rulers returned to inflicting the "other holocaust" on the people of the USSR. Historian I. G. Dyadkin estimated that 56 to 62 million people died "unnatural deaths" from 1928 to 1954.

Then, the Soviet Union endured several decades of the Era of Stagnation, as it languished under the communist yoke and the ice of the Cold War.

Revolution broke out again in 1989, leading to the dissolution of the Soviet Union. Then things got worse.

In the decade following the USSR's collapse, rates of poverty and economic inequality skyrocketed. Between 39 and 49 percent of the population were earning less than \$25 per month. Russia's deep depression was more severe than the Great Depression of the United States. Russia's 1998 financial crisis further exacerbated the difficulties.

Russians' Strength

The combination of falling oil prices and sanctions the West slapped on Russia for its aggression against Ukraine means the ruble has taken a serious hit. It means Russians are suffering. But Russian history shows that its people are no strangers to terrible suffering. Prosperous times have been the exception for most of them, and suffering the norm.

After a recent trip to Moscow, Stratfor's George Friedman said, "There is always the expectation that prosperity will end and the normal constrictions of Russian poverty return. ... Russians' strength is that they can endure things that would break other nations."

One of the few times that Russia has seen a departure from the typical "and then it got worse" historical pattern was after Mr. Putin became the country's leader.

From 2001 to 2007, the Russia's nominal gross domestic product increased sixfold. Under Putin, for the first time in their lives, many Russians owned cars and vacationed abroad. Russians are fiercely loyal to Putin because of all this, and instead of viewing him as the cause of the current troubles, they continue to view him as the solution. An Associated Press poll from December 18 found that a staggering 81 percent of Russians still support him.

This soaring popularity is in part because Putin has convinced Russians to view their setbacks as noble sacrifices made in the name of the war effort. One Moscow resident, who spoke with the *Trumpet* on December 16 said that, although Russians are suffering, "The current mood is 'It'll be fun and scary!'"

People in such a "mood" sacrifice willingly, endure tough times bravely, and are sometimes even willing to march through minefields to clear them out for their comrades following behind.

The Westerners who think the current discomfort will be too much for Russians have made a mistake: They have assumed that the Russian capacity to endure suffering and sacrifice in the name of the nation is roughly equal to that of the average Westerner. In fact, it is far greater.

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