

# Trumpet Weekly

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A sign displays the price of gas at the U-gas station on December 8 in Miami, Florida.



## Falling Oil Prices Impact a Lot More Than Your Wallet

**S**AUDI ARABIA'S POWERFUL OIL MINISTER MADE A VERY STRANGE comment on Dec. 22, 2014. He told the Middle East Economic Survey that it was "not in the interest of OPEC producers to cut their production, *whatever the price is*" (emphasis added throughout).

"Whether it goes down to \$20 a barrel, \$40, \$50, \$60, it is irrelevant," the Saudi Oil Minister Ali al-Naimi said.

His odd comments come as the price of oil has hit multi-year lows.

Since June, United States' crude has cascaded from \$107 per barrel to \$54 per barrel. Just a few years ago, oil traded for \$140 per barrel.



ROBERT MORLEY

It is the third-sharpest decline in history, yet *the Saudis seem to want it to go even lower*. This is strange because the Organization of the Petroleum Exporting Countries (OPEC) cartel was founded to do just the opposite—keep oil prices high by limiting supply.

Something smells rotten—and it isn't the sulfurous crude bitumen produced by Canada's oil sands.

So what are the Saudis up to? *And how will it impact you?*

It impacts you every time you head to the gas station. That is the good news. According to Citigroup, if these prices hold, the average family will save \$1,150 over the course of the year.

The extra cash is an immediate boost for the economy. The U.S. Bureau of Labor Statistics reported on December 22 that U.S. gross domestic product grew at a barn-burning 5 percent rate during the past quarter. This was the fastest growth since the economic crash in 2008.

Yet there are also risks to America's economy that did not exist in America just a few years ago.

You may not realize this, but in the years following the 2008 Wall Street meltdown, *shale oil* revolutionized America's economy. And last year, according to Bank of America analysts, the United States overtook both Saudi Arabia and Russia to become the world's largest oil producer.

This radical development was made possible by fracking technology. It allowed companies to get oil from rock. The same technology allowed America to become the world's largest natural gas producer in 2010.

Massive amounts of previously inaccessible energy helped

power America's economy in the post-2008 crisis.

*The shale oil and gas revolution has been the nation's biggest single creator of full-time, middle-class jobs since the 2008 economic crash.* As economic analyst John Mauldin points out, nearly 1 million Americans work directly, and 10 million indirectly, in the oil and gas industry.

"The important takeaway is that, without new energy production, post-recession U.S. growth would have looked more like Europe's—tepid, to say the least. Job growth would have barely budged over the last five years," Mauldin says.

But America's energy boom was predicated on oil prices that no longer exist.

The average mid-cycle break-even price of a shale oil company operating in North Dakota's Bakkan field is \$69 per barrel, according to analysts at Scotiabank. The break-even cost in the Permian Basin in Texas comes in at \$68 per barrel; the Niobarra at \$59; and the Eagle-Ford at \$50.

Remember, these are mid-cycle break-even prices that don't factor in the upfront costs of acquiring the land and infrastructure. You need to tack on an additional \$5 to \$10 per barrel for those costs.

Today, that oil can only be sold for around \$54 per barrel.

Houston, we have a problem.

The vast majority of America's newest oil production—the production that has powered so much of America's recent job growth—is uneconomical at current prices.

Existing oil wells will continue to be pumped because they are profitable, but unless something changes, future development

will grind to a halt.

Already, Reuters reports that well-permit applications were down 40 percent in November. And it wasn't until December that the oil price really started falling.

Layoffs at drilling companies are starting too.

Making matters worse, America's oil boom was financed by *extreme debt*. This may be the bigger danger for America.

"The reality is that the recent energy boom was financed by \$500 billion of credit extended to mostly 'subprime' oil companies, who issued what are politely termed high-yield bonds—to the point that 20 percent of the high-yield market is now energy-production-related," writes Mauldin.

"High yield" is code for junk.

A "subprime" oil crisis may be looming. If so, shale oil companies and the banks that lent to them will be ground zero. Your 401(k) or pension plan will be the aftermath. And the poisoned fallout will radiate throughout the economy.

"Losses are going to cascade through the system," says former CIA financial analyst Jim Rickards. "There are unforeseen consequences and hidden losses. I am not so sanguine that this is going to work out so smoothly in the end .... This looks like the beginning of [a crisis]."

2015 looks set to be a very portent-filled year. For an analysis of what the falling oil price means for Russia, Iran, OPEC and the rest of the world, read the [rest of this article](#) at theTrumpet.com.

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## MIDDLE EAST

### Obama: Iran Can Be 'Very Successful Regional Power'

**The Weekly Standard | Dec. 29, 2014**

PRESIDENT OBAMA MADE A GAFFE IN AN INTERVIEW WITH NPR .... "[W]hen I came into office, the world was divided and Iran was in the driver's seat. Now the world's united because of the actions we've taken, and Iran's the one that's isolated," Obama told NPR.

"They have a path to break through that isolation and they should seize it. Because if they do, there's incredible talent and resources and sophistication inside of—inside of Iran, and it would be a very successful regional power that was also abiding by international norms and international rules, and that would be good for everybody. That would be good for the United States, that would be good for the region, and most of all, it would be good for the Iranian people."

In the same interview, President Obama acknowledges that Iran sponsors terrorism and wants a nuclear bomb.

"Tehran is a large, sophisticated country that has a track record of state-sponsored terrorism, that we know was attempting to develop a nuclear weapon—or at least the component parts that would be required to develop a nuclear weapon—that has engaged in disruptions to our allies, whose rhetoric is not only explicitly anti-American but also has been incendiary when it comes to its attitude towards the state of Israel," he said, mistaking Tehran for Iran.

And yet a "path" exists, in Obama's mind, for this nation to be "a very successful regional power."

### Olive Branch to the Mullahs

**Daily Mail | Dec. 29, 2014**

PRESIDENT BARACK OBAMA SAID MONDAY THAT IRAN MIGHT join Cuba as a second rogue state to enjoy normalized diplomatic relations with the United States under his administration.

In a 40-minute interview with National Public Radio conducted on Dec. 18, 2014—but held back for 11 days—the radio network's senior morning host quizzed Obama in the Oval Office about a wide range of policy positions, including his plans for the

Middle East.

“Is there any scenario under which you can envision, in your final two years, opening a U.S. embassy in Tehran?” asked NPR’s Steve Inskeep.

“I never say never,” Obama replied, while allowing that “I think these things have to go in steps.”

The unprecedented olive branch pointed in the direction of Iran’s mullahs will stoke controversy among older Americans who recall the 1979 hostage crisis in the last embassy Washington maintained there. ... In Iran the event is still celebrated as the “Conquest of the American Spy Den.”

Few observers believe Iran is interested in proving its stated intentions to abandon its nuclear-weapons ambitions by the time Obama leaves office in January 2017.

But the president believes there’s a chance.

### **Maps in the Middle East Omit Israel**

**Telegraph | Dec. 31, 2014**

**H**ARPERCOLLINS, ONE OF THE WORLD’S LARGEST PUBLISHING houses, sells English-language atlases to schools in the Middle East that omit Israel.

Collins Middle East Atlases show Jordan and Syria extending to the Mediterranean, but do mark the position of the West Bank.

“The publication of this atlas will confirm Israel’s belief that there exists a hostility towards their country from parts of the Arab world. It will not help to build up a spirit of trust leading to peaceful coexistence,” said Bishop Declan Lang, the chairman of the Bishops’ Conference Department of International Affairs, to

“We have to get this nuclear issue resolved—and there’s a chance to do it,” he said, “and the question’s going to be whether or not Iran is willing to seize it.” ...

Obama shocked the world—and angered America’s Cuban émigrés—with a Dec. 17, 2014, announcement that he would reestablish formal ties with the Raúl Castro regime in Havana. ...

Obama emphasized Monday a theme that he has grappled with since the heady days of his first presidential campaign: the prospect of changing the global diplomatic map by bringing unfriendly nations under America’s wing.

“I was asked very early in my presidential race back in 2007—would I meet with these various rogue regimes?” he recalled.

“And what I said then remains true: If I thought it advances American interests, yes. I believe in diplomacy, I believe in dialogue, I believe in engagement.” ...

*The Tablet.*

“Maps can be a very powerful tool in terms of delegitimizing ‘the other’ and can lead to confusion rather than clarity. We would be keen to see relevant bodies ensure that all atlases anywhere reflect the official United Nations position on nations, boundaries and all political features,” added Dr. Jane Clements, director of the Council of Christians and Jews.

However, Collins Bartholomew, the subsidiary of HarperCollins that specializes in maps, said that including Israel would have been “unacceptable” to their customers in the Gulf and the amendment incorporated “local preferences.” ...

### **Will Palestinians Control East Jerusalem in 3 Years?**

**David Vejl | Dec. 30, 2014**

**O**N MONDAY, THE PALESTINIANS SUBMITTED THE FINAL DRAFT OF their resolution for statehood to the UN Security Council. However, they only garnered eight out of the nine Security Council votes needed to adopt the resolution. The resolution called for East Jerusalem to be the capital of Palestine and for an end to settlement building in the West Bank and East Jerusalem. It also set a strict timetable for negotiations. The plan called for a peace deal within one year and a return of Israel to its pre-1967 borders by the end of 2017.

Israeli Prime Minister Benjamin Netanyahu said withdrawing

from the West Bank would create a second *Hamastan*. He also said it would “jeopardize” Israel’s existence.

The resolution was not expected to pass, either due to a lack of votes or because of a United States veto. Before the vote, Israel warned that it would react strongly if the resolution had passed. Israel’s intelligence minister said he would seriously consider dismantling the Palestinian Authority if the resolution passed.

Based on Bible prophecy, the *Trumpet* knows that the Palestinians [will gain control of East Jerusalem](#) and soon.

### **Abbas Paving Way for Possible War Crimes Probe Against Israel**

**Jerusalem Post | Dec. 31, 2014**

**P**ALESTINIAN AUTHORITY PRESIDENT MAHMOUD ABBAS ON Wednesday evening signed applications for Palestinian membership in 20 international organizations and treaties, including the International Criminal Court (ICC).

Abbas’s move came in response to the failure of the Palestinian statehood resolution at the UN Security Council on Tuesday.

Prime Minister Benjamin Netanyahu vowed to respond to

the move, and the White House called the Palestinian decision “deeply troubling.” ...

Abbas signed the applications at the beginning of an emergency meeting of the PLO [Palestine Liberation Organization] and Fatah leaders in Ramallah to discuss the repercussions of the Security Council vote. ...

Referring to the decision to join the ICC, Abbas said, “We want to file a complaint [against Israel]. We are being attacked. Our

lands are being attacked every day. Who are we going to complain to? The Security Council has let us down. There's an international organization and we're going to it to complain." ...

[Netanyahu], in his initial reaction to the move, said the Fatah-dominated PA, which is in a unity government with Hamas, should be more concerned about the ICC than Israel. He said that Israel would respond—though he did not give any indication of how it would do so ....

Speaking to Fatah supporters at a rally in Ramallah marking

the 50th anniversary of the group's first attack on Israel, Abbas said: "The Security Council is not the end of the world. Last night's session was not the end of the journey. We have something to say about this as of tonight. We and our children will continue until we arrive at Jerusalem, the capital of the Palestinian state." ... There would be no Palestinian state without Jerusalem and the Gaza Strip, [Abbas] said. ...

**RELATED:** ["Why the Middle East Can't Have Peace Today"](#)

## **Iran Flexes Military Muscle With Drill Near Strait of Hormuz** **David Vejl | Dec. 29, 2014**

ON THURSDAY, IRAN SHOWED THE WORLD THAT IT CAN PUT THE world in a chokehold. Its military began a massive drill near the 34-mile wide Strait of Hormuz—the strategic waterway that sees 30 percent of the world's exported oil pass through it. The strait is also the entrance into the Persian Gulf, which separates the Arabian Peninsula and Iran.

Iran's military is conducting various drills over 850,000 square miles in the Indian Ocean, the sea of Oman, and the eastern part of the strait. The weeklong exercise involves 13,000 troops, including the army, navy and air force

"We transferred parts of our military equipment and forces from the southwest of the country to the southeast so that we

can assess our agility in rapid transportation," Iranian military spokesman Gen. Kiomars Heidari said.

This is the first time Iran has organized a drill so far from its coastline. The exercises will involve ballistic missiles and drone testing.

It is probably not coincidence that these large-scale exercises are happening as oil prices fall and Iran's budget is squeezed. Iran is reminding the world of its ability to shut down the strait, even if only for a short time.

The *Trumpet* believes tensions over Iran's nuclear program and pushy foreign policy will explode into [a deadly conflict with the West](#).

## **Syria's Assad Depends on Iranian Financial Aid** **Middle East Eye | Dec. 30, 2014**

THE SYRIAN ECONOMY HAS EFFECTIVELY CEASED TO FUNCTION, and President Bashar Assad's government is almost entirely dependent on loans from Iran and some aid from the Russian Federation.

Economic studies by the United Nations, the International Monetary Fund and independent economists paint a grim picture:

- Gross domestic product is now half of what it was three years ago, according to the IMF.
- Oil production has effectively ground to a halt.
- Inflation is now at 50 percent.
- Exports and imports are both reduced by 90 percent.
- Unemployment is at 50 percent.

"Syria as it was will never exist again. The economy will be smaller. The population will be smaller," said Bassel Kaghadou, director of the UN program National Agenda for the Future of Syria, in a statement released on Nov. 21, 2014. ...

A delegation of Syrian officials visited Moscow on Dec. 17, 2014, to request a \$3 billion loan.

Russia's aid to the country has, however, mostly consisted in the supply of arms in contracts that have earned Russian firms about \$4 billion in funds supplied by Iran in 2013. ...

On May 27, 2013, the Syrian central bank announced that Iran was providing the country with a \$4 billion credit. And in December 2014, Syria reportedly requested an additional loan of the same size.

"Needless to say, the Assad regime is now dominated by Iran,"

says the London-based Syria analyst Halia Diwab, in an interview with the Anadolu Agency. ...

There is a deep frustration within Syrian society that main actors in the armed conflict are not concerned about the needs and priorities of the people, explains the Syrian Center for Policy Research, in a report published in May 2014.

While both Russia and Iran have protested their desire to maintain Assad in power in Syria, some analysts think that they may choose to preserve the government without the current president.

"The peace negotiations between some factions of the opposition and the regime, which are to take place in Moscow in January, could provide an exit strategy for Assad," Diwab suggests. ...

With the price of oil dropping drastically, neither Russia nor Iran could continue its aid to Assad indefinitely. ...

The drying up of funds could be one of the reasons Assad has recently intensified efforts to mobilize reservists, in order to make up for the loss of soldiers who are deserting his army or draft-dodging. ...

Another factor that could be causing desertions in the ranks of the army is a growing dissatisfaction amongst the Alawite community, on whose support Assad has relied on throughout the war. ...

If these cracks deepen, and significant numbers of Assad's sect come out against him, the results would be catastrophic for Assad.

**RELATED:** ["How the Syrian Crisis Will End"](#)



## Axis of Evil Expands Between Hamas and Turkey; Terrorist Leader Calls for 'Liberation of Palestine'

Jewish Voice | Dec. 31, 2014

A VISIT TO TURKEY BY HAMAS'S TOP LEADER AND HIS PARTICIPATION in a convention of the ruling Islamist party is the latest sign that Turkey, a member of NATO, is becoming the key sponsor and ally of a U.S.-designated foreign terrorist organization, according to a CNS News report.

Khaled Mashaal, the head of the terrorist organization Hamas, made a surprise appearance in Turkey last Friday at the ruling Justice and Development Party's (AKP) annual general meeting on Dec. 27, 2014. Prior to his address at the meeting, Mashaal met with Turkish President Tayyip Erdoğan in order to solidify the burgeoning ties between his organization and his host country.

Having received an enthusiastic welcome at the Islamic party conference in the town of Konya, Mashaal endorsed Erdoğan and Turkish Prime Minister Ahmet Davutoğlu by name and expressed his fervent hope that both Hamas and Turkey would "liberate Palestine and Jerusalem."

Turkey's *Hürriyet* daily reported that party supporters waving Turkish and Palestinian flags responded to Mashaal's speech with shouts of "Allahu Akbar" and "Down with Israel," according to CNS News. ...

Prime Minister Davutoğlu said his country views the Palestinian plight "as its own cause" and "Palestine's land as holy as Turkish land." He added that Turkey stands behind Palestinians in their efforts to oppose what he calls Israeli attempts to "reduce the Islamic character" of Jerusalem.

The understanding that the AKP party is part of Turkey's Ottoman heritage is bound up in the same Islamist romanticized notion of the Caliphate espoused by the Muslim Brotherhood. ...

According to the Washington-based Foundation for Defense of Democracies, Turkey is also now sheltering an arguably even more dangerous Hamas terrorist, Amad al-Alami, a key link between the group and Iran. Along with Mashaal and four other senior Hamas leaders, Alami has been listed as a specially-designated global terrorist by the U.S. Treasury Department for more than a decade, as was reported by CNS News. ...

"It's illogical for a NATO member to host a terrorist organization that trains and plans terror attacks on its soil," read [an Israeli] statement. ...

RELATED: ["Turkey Is Going to Betray America"](#)

## Report: Gulf States Fear Iranian Takeover of Yemen

Arutz Sheva | January 1

AN ARABIC-LANGUAGE NEWSPAPER IN LONDON REPORTED Thursday that pro-Iranian militias in Yemen have tightened their grip on the country ....

According to *A-Sharq al-Awsat*, the Houthi rebel groups took over a number of government offices this week, including the country's civil aviation authority, and the Bank of Yemen. Speaking to the newspaper on condition of anonymity, a Yemen government official said that a negotiated settlement to curb violence under UN auspices signed earlier this year "has practically been annulled due to the practices of the Houthis who are seeking to take complete control of the Yemeni state." ...

The Houthis are a Shiite Islamist group that has claimed that

Shiites in Yemen are mistreated. The official told *A-Sharq al-Awsat* that Sunni Yemeni groups were becoming "very upset" at the continued coup the Houthis are apparently conducting. Islamist groups, including one backed by al Qaeda, are likely to take action in the near future—dragging the country even deeper into civil war.

Gulf states, led by Saudi Arabia, have apparently given up on Yemen, effectively admitting that it will eventually fall to Iran's domination, the newspaper said. The states have cut off assistance to Yemen, and are withdrawing personnel, the report added.

RELATED: ["Iran Is King"](#)

## EUROPE

## 'They Have Hatred in Their Hearts': Angela Merkel Delivers Stinging Attack

Independent | Dec. 31, 2014

THE GERMAN CHANCELLOR, ANGELA MERKEL, USED HER NEW year's address to deliver her most outspoken attack to date on Germany's growing anti-Islamic protest movement.

She accused its leaders of "prejudice, coldness and hatred," charging that they hijacked and abused political slogans that helped to topple the Berlin Wall 25 years ago.

The recently formed, so-called Patriotic Europeans Against the Islamization of the Occident—or PEGIDA—have been holding regular demonstrations since October 2014. One such protest at the end of December drew more than 17,000 people, while

another is currently planned in the eastern city of Dresden for Monday.

"I say to all those who go to such demonstrations: Do not follow those who have called the rallies because all too often they have prejudice, coldness, even hatred in their hearts," Ms. Merkel said in a televised new year's appeal.

Her speech was broadcast nationwide this evening. The sudden popularity of PEGIDA has shocked Germany's main parties and provoked heated political debate as the country struggles to cope with a record 2014 influx of more than 200,000 asylum

seekers. The influx is set to continue well into the new year. ...

Ms. Merkel, who grew up in East Germany, took issue with the fact that many of the predominantly right-wing protesters who have attended PEGIDA demonstrations chant the slogan “Wir sind das Volk” (“We are the people”), coined by East German anti-Communist demonstrators in 1989 in the run-up to the fall of the Berlin Wall. She accused PEGIDA of hijacking the slogan for its own xenophobic ends. She told viewers: “What they really mean is: you are not one of us because of your skin

color or your religion.

Worldwide there are more refugees than we have seen since the Second World War. Many literally escaped death. It goes without saying that we help them and take in people who seek refuge with us.” ...

Its supporters fear that Germany is being overrun by Muslim immigrants who are destroying traditional Teutonic values. They want strict immigration controls, enforced “integration” for foreigners, and “criminal asylum seekers” to be sent packing. ...

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## **Election to Determine ‘Whether Greece Stays in Europe’** **Deutsche Welle | Dec. 30, 2014**

**T**HE GREEK PRIME MINISTER HAS SAID THAT NEXT MONTH’S PARLIAMENTARY polls will determine whether the country will remain in the eurozone. The snap election follows lawmakers’ failure to elect a new president.

Speaking during a meeting with the current president, Greek Prime Minister Antonis Samaras said on Tuesday that the January 25 election would amount to a fork in the road in terms of the country’s political future.

“This struggle will determine whether Greece stays in Europe,” the conservative Samaras said as he asked President Karolos Papoulias to formally dissolve Parliament and call the election.

The “struggle” that Samaras referred to promises to be a tough election campaign, as he seeks to retain his job as premier despite the far-left Syriza Party having consistently topped opinion polls in recent months.

Syriza has said it wants to roll back some of the austerity measures implemented by Samaras and a previous government in return for an international bailout that has prevented Athens from slipping into default.

“This is the beginning of the end of a regime that plunged Greece into poverty, unemployment, misery and despair,” the leader of the party, Alexis Tsipras, said shortly after Monday’s presidential vote failed. He also pledged to enter a “real negotiation” with Greece’s creditors, the European Union and the International Monetary Fund. ...

The European economy commissioner, Pierre Moscovici, warned that it was “essential” for whatever government takes charge following the polls to stay the course on austerity. ...

The president was expected to formally dissolve Parliament and call the election later on Tuesday.

## **ASIA**

## **Would MacArthur Support Japan’s Moves Toward Constitutional Revision?**

**Jeremiah Jacques | Dec. 28, 2014**

**S**HINZO ABE WAS REELECTED AS [JAPAN’S PRIME MINISTER](#) ON DEC. 24, 2014, and reiterated his pledge to rewrite the country’s pacifist constitution. Revision, he said, is his most “cherished wish.”

Is it a noble wish? For the answer, consider why the pacifist constitution was written.

Before and during World War II, Japan authored some of the worst brutality in mankind’s history. The wartime fanaticism of the Japanese was largely driven by their belief that their emperor, Hirohito, was a god destined to rule the world. State Shinto became the national religion, promoting an ideology of Japanese racial superiority and the notion that Hirohito was divinity. These ideologies became the mantras of school curricula and were trumpeted in Japan’s civic life. The toxicity of this faith made many Japanese virtually incapable of surrendering—even in the face of insurmountable odds.

Some Japanese soldiers were taken captive, but most fought until they were killed or committed suicide. The fanaticism spread even to Japanese civilians. By the end of World War II,



Japanese Shinzo Abe speaks with colleagues before being reelected as prime minister with an overwhelming majority.

Japan had been fighting for 14 years. Almost 3 million Japanese were dead, with many more injured or ill. Most were starving, and the nation lay in ruins. Even then, nothing short of two atomic bombs was able to bring a halt to Japan’s perverse military

fanaticism.

It was then, in the immediate aftermath of that tragic history, that the United States occupied Japan and drafted its constitution. Officials, led by Gen. Douglas MacArthur, wanted to ensure that bellicose fanaticism would not rise again in Japan, so in that constitution, they included Article 9—a clause outlawing war as a means for Japan to settle international disputes. MacArthur's team also outlawed emperor worship and disbanded State Shinto.

It is clear today that Japan's cultural and technological contributions have enriched the human experience for billions around the globe. Yet many are concerned about Mr. Abe's most "cherished wish."

Intensifying the concern is the fact that Abe is a member of the Shinto Association of Spiritual Leadership (SAS), and the Nippon Kaigi. Besides working to scrap Article 9, these groups want to blur the separation of religion and state, and restore lost Japanese values.

University of Auckland Prof. Mark Mullins said both groups "believe the Occupation period brought about ... the forced removal of Shinto traditions from public space and public institutions. For them, this was authentic Japanese identity ... and to be an independent and authentic Japan again those things need to be restored."

Would Abe really push for a return to something as arcane as emperor worship? Last October, he became the first Japanese prime minister since World War II to participate in a ceremony at the Ise Shrine celebrating the emperor's divine ancestry.

The issue of constitutional revision has divided the Japanese public, but more than 80 percent of the nation's parliament is in favor of revision.

If Mr. Abe's wish comes true, it could push Japan back into the toxic blending of nationalism, Shinto myth and militarism.

If General MacArthur were around today, he would recognize the shifting tides in Japanese leadership and take action to reverse them.

 Follow [Jeremiah Jacques](#)

## Russia Brings Navalny Verdict Forward

Jeremiah Jacques | Dec. 29, 2014

A MOSCOW COURT SAID MONDAY THAT IT will announce the verdict in a controversial fraud case against opposition leader Alexey Navalny on Tuesday rather than the originally planned date of January 15. Kremlin critics view the sudden move as a ploy to undercut protests by Russians who say the case against Navalny is politically motivated.

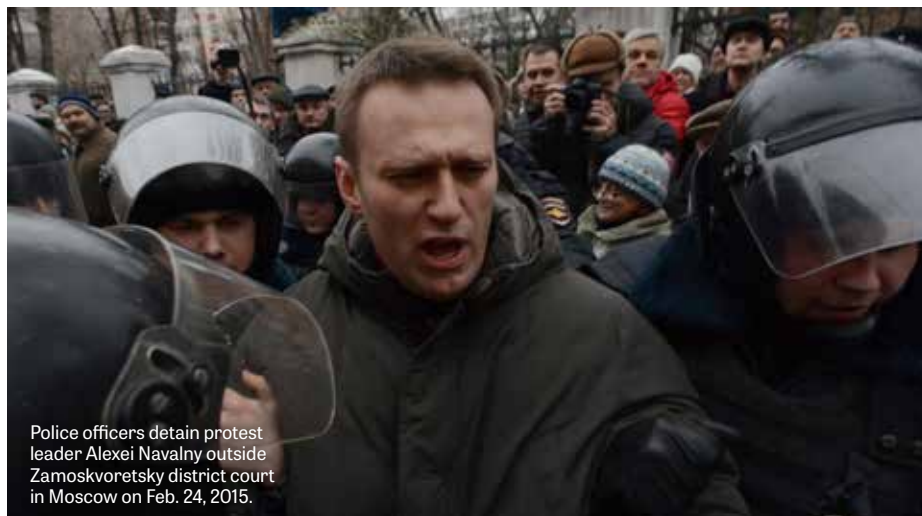
In 2011, Alexey Navalny led a spate of anticorruption protests that shook Russian leadership to a degree unseen since the 1990s. By 2013, he had grown from a protest leader and blogger into a legitimate politician. But in February 2014, a Moscow court placed Navalny under house arrest after he was accused of stealing 26 million rubles (US\$459,000) from Yves Rocher, the Russian affiliate of an international cosmetics company.

Alongside an earlier conviction for stealing from a Russian-owned timber firm, Navalny could be sentenced to up to 10 years in prison.

Since fewer than 1 percent of Russian court cases end in a not guilty verdict, the charges are likely to result in a conviction. Navalny's supporters say the charges are trumped up by the administration of Russian President Vladimir Putin as an illegal means of squelching opposition.

"Navalny is dangerous for Putin as he's a popular figure, and now that the economy is in crisis, people who felt quite secure a few months ago today are desperate," Alexei Makarkin, deputy head of the Moscow-based Center for Political Technologies, said to *Business Week*.

More than 33,000 Russians had signed up on the event's Facebook page to participate in an unsanctioned protest against the




Police officers detain protest leader Alexei Navalny outside Zamoskvoretsky district court in Moscow on Feb. 24, 2015.

Navalny verdict on January 15. But after the sudden rescheduling, the number planning to demonstrate plummeted to just a few thousand.

This abrupt verdict rescheduling follows several steps Putin has recently taken to muzzle his opposition. In July 2014, he made laws essentially making participation in opposition rallies a crime punishable by prison time and steep fines. In mid-August, Putin quietly sacked 18 top-ranking Russian officials. Among them were the head of the Ministry of Internal Affairs, the chief of the Federal Drug Control Service, the head of the Investigative Committee of the Russian Federation, and several high-ranking military personnel.

In order to keep the Russian propaganda machine well oiled, Putin has also clamped down on domestic media. In November 2013, he greatly extended his grip over TV and radio when the media arm of state-controlled Gazprom bought Profmedia. Last

December, he dissolved Russia's primary state news agency, [RIA Novosti](#), after being angered by its coverage of the Maidan protests in Ukraine. After shutting RIA Novosti down, he gave its facilities to Rossiya Segodnya, a news agency that is totally

submissive to the Kremlin. Putin then went after smaller threats, passing legislation requiring all bloggers with more than 3,000 subscribers (or Twitter followers) to register with the authorities.  Follow [Jeremiah Jacques](#)

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## Ditching Dollar: China, Russia Launch Tools in Local Currencies

**RT | Dec. 29, 2014**

**C**HINA AND RUSSIA HAVE EFFECTIVELY SWITCHED TO DOMESTIC currencies in trading, using financial tools as swaps and forwards, as they seek to reduce the influence of the U.S. dollar and foreign exchange risks.

The agreement signed in the end of October comes into force Monday, December 29, and provides a currency swap of 150 billion yuan (up to US\$25 billion).

The country's Foreign Exchange Trade System will carry out similar transactions with the Malaysian ringgit and the New Zealand dollar.

From now on, yuan swaps are available for 11 currencies on the foreign exchange market. ...

China has set up [bilateral currency swap lines](#) with more than 20 countries and regions since 2009, including Switzerland, Brazil, Hong Kong, Indonesia and South Korea, Xinhua News reported in July.

A swap is a financial tool to ease transactions by exchanging certain elements of a loan in one currency, like the principal or

interest payments into an equivalent loan in another currency.

Currency forward is an obligation of two parties to convert an agreed amount of one currency into another by a certain date at an exchange rate specified at the moment of signing the deal.

Russia and China have long been looking for ways to cut the dollar's role in international trade. The question is significant for China as 32 percent, or \$4 trillion, of its foreign exchange reserves are in U.S. bonds, which means there is a vulnerability to fluctuations in the exchange rate.

Russia's foreign exchange reserves are worth \$398 billion, and the U.S. dollar accounts for about \$162.45 billion. ...

Chinese authorities are particularly interested in currency swap lines with developing countries, mainly from the Asia-Pacific region. Australia, New Zealand, Brazil, Singapore, Hong Kong, Argentina and Malaysia are actively involved in transactions with China.

**RELATED:** ["With a Friend Like China, Who Needs the IMF?"](#)

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## Abe Plans for Easier Dispatch of Troops Overseas

**Asahi Shimbun | Dec. 29, 2014**

**T**HE ABE ADMINISTRATION IS PREPARING A BILL TO ENABLE SPEEDIER dispatches of the Self-Defense Force (SDF) overseas for rear-echelon support of the U.S. and other militaries whenever the Japanese government feels it is necessary.

But [Prime Minister Shinzo Abe](#) and his Liberal Democratic Party (LDP) must first win over Komeito, the smaller but more pacifist partner in the ruling coalition. The bill could expand the SDF's activities abroad, always a sensitive issue in Japan, and Diet deliberations will likely focus on limiting the content of and approval methods for such missions.

The bill is expected to be submitted to the ordinary Diet session after the unified local elections in spring.

If passed, the legislation would effectively do away with the need to enact a special measures law for each SDF dispatch abroad.

Under the bill, rear-echelon support will include the supply and transportation of goods. SDF support will be provided in activities based on United Nations Security Council resolutions that impose sanctions against countries that have invaded other nations or missions taken by a group of countries, such as U.S.-led operations against terrorism. ...

The Abe administration in July changed the government

interpretation of the pacifist constitution to lift Japan's ban on exercising the right to collective self-defense. It also decided to expand the range of SDF activities for rear-echelon support to the militaries of the United States and other countries overseas.

Previously, SDF troops could only operate in "noncombat areas" where fighting was not likely during the dispatch period. The government's decision in July means that SDF troops can be sent to other areas on the condition that no combat is taking place at the destination when the SDF members leave Japan.

Since the terrorist attacks in the United States on Sept. 11, 2001, the Japanese government has enacted a special measures law each time it planned to send SDF troops overseas, including the Indian Ocean and Iraq, to support U.S.-led multinational forces or help reconstruct areas damaged by war.

But enacting such laws took time, and many in the government and the LDP have called for legislation to speed up the process of dispatching SDF troops abroad.

The LDP and Komeito plan to start discussions on the entire legal framework for national security in late January. ...

**RELATED:** ["Would MacArthur Support Japan's Moves Toward Constitutional Revision?"](#)



## South Korea Offers Talks With North Korea Over Unification

Associated Press | Dec. 30, 2014

**S**OUTH KOREA TODAY PROPOSED TALKS WITH NORTH KOREA TO discuss what it calls a range of issues needed to prepare for the unification of the divided countries.

It's unclear if Pyongyang would accept Seoul's offer as the country has viewed any of South Korea's unification plans as an attempt to take it over. North Korea wants a unified Korea with Pyongyang in charge.

Unification Minister Ryoo Kihl-jae told a televised news conference that South Korea wants talks in January to discuss exchange programs, joint projects and laws needed for a unified Korea. Ryoo said South Korea hopes the proposed talks would also discuss resuming reunions of families separated by the 1950-53 Korean War.

Seoul launched a government committee on the unification in July, six months after President Park Geun-hye told a New Year's

press conference that unifying with North Korea would bring an economic "bonanza," not massive financial costs. ...

UN Secretary General Ban Ki-moon, a former South Korean foreign minister, welcomed the South Korean proposal and "sincerely hopes that the Democratic People's Republic of Korea authorities positively consider the proposal and engage in dialogue," UN spokesman Stephane Dujarric said.

[The Korean Peninsula was divided](#) into a U.S.-backed, capitalistic South Korea and a Soviet-supported, socialist North Korea after its liberation from the Japanese colonial occupation from 1910 to 1945.

The Koreas share the world's most heavily fortified border as the Korean War ended with an armistice, not a peace treaty. Animosities deepened when their troops traded gunfire along the border twice in October. ...

## ANGLO-AMERICA

### Holder and Obama Inflaming Hatred

Washington Post | Dec. 28, 2014

**A**TTORNEY GENERAL ERIC HOLDER INSISTED TO MSNBC [IN EARLY December] that "we are in a better place than we were before" in race relations since Barack Obama was elected president.

The president doubled down in an interview with NPR last week. Asked if race relations were worse since he took office, he said, "No, I actually think that it's probably in its day-to-day interactions less racially divided."

But that's not what the American people see. A Pew Research Center poll found that only 40 percent of Americans approve of the way Obama is handling race relations. Black approval is down to 57 percent, while approval among whites is down to 33 percent.

More young people under age 30, the age group who were most enthusiastic about electing the nation's first African-American president, now disapprove of his performance on racial issues than approve. And Eric Holder has one of the lowest approval ratings of any public official.

Law-enforcement officials are appalled at the way the Obama administration exploited tragedies in Ferguson, Mo., and New York City to appeal to its political base. David Clarke, a Democrat who is the African-American sheriff of Milwaukee, doesn't mince his words.

"The thing that disappoints me the most is some very powerful people in this country—the president of the United States, Attorney General Eric Holder and Mayor Bill de Blasio of New York—have created a pathway that contributes to an unjustifiable hatred of law enforcement officers across the country," he told WMAL radio in Washington, D.C. "They trashed an entire profession with a broad brush because it was politically expedient for them to do so."

Holder, who thinks we are "a nation of cowards" on race, has infused the Justice Department with the "racial justice"

movement that falsely argues the police "subconsciously" discriminate through the use of "disproportionate" means such as traffic stops. It has forced 15 cities into consent decrees to end such practices, for which it has almost no evidence.

Take Seattle, where Justice claimed that "[b]iased policing is not primarily about the ill-intentioned officer but rather the officer who engages in discriminatory practices subconsciously," adding that even a well-meaning cop can violate the civil rights of black suspects by operating "on implicit biases that impact that officer's behavior or perceptions."

Even though DOJ admitted it couldn't verify the supposed bias, in 2012 it ordered Seattle to weaken its use-of-force rules while disciplining officers engaged in "implicit bias." ...

Even honest liberals agree that Holder's Justice Department has been confrontational and polarizing. Juan Williams of Fox News, the author of "Eyes on the Prize: America's Civil Rights Years," laments that "the Justice Department has devolved into the heart of Washington darkness, the absolute pit of modern political polarization in my lifetime."

One reason for that is that, thanks to direct support from Holder and Obama, Al Sharpton has now become the nation's leading civil-rights leader. ...

And Holder has filled the ranks of the office at DOJ responsible for policing the police with radical lawyers hostile to law enforcement.

In 2013, a federal judge ordered a new trial for five New Orleans police officers convicted of a shooting during Hurricane Katrina because of "grotesque prosecutorial abuse." Judge Kurt Engelhard slammed the "skullduggery" and "perfidy" of Justice Department prosecutors in engaging in a PR campaign to inflame public opinion and sway the jury through anonymous postings on a newspaper website. The judge suggested that Holder "seriously

consider appointment of an independent counsel” to investigate the scandal. Holder has ignored the judge’s recommendation and instead recently moved to have the judge removed from the case. ...

Since President Obama took office, “racial justice” ideology has been allowed to trump common sense. Saying we “are in a better place” when it comes to race relations may be true for the Al Sharptons of the world but not for ordinary Americans.

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## **‘Racial’ Cop Stories That Didn’t Make the Cut**

**Larry Elder, Real Clear Politics | Dec. 18, 2014**

**I**N 2012, ACCORDING TO THE CENTERS FOR DISEASE CONTROL AND Prevention (CDC), 140 blacks were killed by police. That same year 386 whites were killed by police. Over the 13-year period from 1999 to 2011, the CDC reports that 2,151 whites were killed by cops—and 1,130 blacks were killed by cops.

Police shootings, nationwide, are down dramatically from what they were 20 or 30 years ago. The CDC reported that in 1968, shootings by law enforcement—called “legal intervention” by the CDC—was the cause of death for 8.6 out of every million blacks. For whites the rate was 0.9 deaths per million.

By 2011, law enforcement shootings caused 2.74 deaths for every million blacks, and 1.28 deaths for every million whites. While the death-by-cop rate for whites has held pretty steady over these last 45 years, hovering just above or below the one-in-a-million level, the rate for blacks has fallen. In 1981, black deaths by cop stood at four in a million, but since 2000 has remained just above or below two in a million.

So what’s driving this notion that there is now an “epidemic” of white cops shooting blacks when in the last several decades the numbers of blacks killed by cops are down nearly 75 percent?

Where’s the evidence suggesting race had anything to do with the death of 12-year-old Tamir Rice in Cleveland, who was pointing a pellet gun at bystanders before being shot and killed by police?

What’s the racial nexus to the death of Eric Gardner, the large, obese man who died after being taken down by several NYPD cops?

While the Trayvon Martin/George Zimmerman case became another racial thermometer of America, the jury found Zimmerman not guilty, and several jurors later said that during jury deliberations “race never came up.”

The Ferguson, Mo., shooting of Michael Brown by officer Darren Wilson is yet another case where there is absolutely no evidence that whatever happened occurred because of Michael Brown’s race. Did officer Wilson display racial animus? Does anyone know if this officer Wilson had some racist background? With the desire by media for a scalp, such information would

have long ago been made public by somebody. ...

That this “epidemic” is imaginary can be demonstrated by the recent stories that never became national news.

In Mobile, Ala., a black cop shot and killed an unarmed white teenager. As with Michael Brown, the Alabama teen was later found to have been under the influence of marijuana at the time of the shooting. The teen had also recently taken a hallucinogen, and was so stoned he thought he was on fire—and literally took his clothes off. Nude—and obviously unarmed—he was still later shot by the cop. Despite public pressure, a Mobile grand jury decided not to indict the black police officer, believing he acted in self-defense. Not national news.

In Salt Lake City, Utah, just two days after Brown was shot and killed in Ferguson, a “not white” cop shot and killed an unarmed 20-year-old man whose race has been described as Hispanic. The family of the dead man believes that the cop is a murderer. Not national news.

In Pennsylvania, a state trooper named Kelly Cruz was accused in 2009 of stomping on the head of a handcuffed suspect laying on the ground, resulting in facial fractures, a broken nose and damaged teeth. The trooper, at the time, was attached to a local drug task force and was part of a raid on a suspected meth lab. One of the men inside escaped during the raid, and the victim—who, according to another officer, was seen running from the scene and found five houses away—was thought to be the meth lab escapee. Turns out the victim was not a meth lab escapee. The local grand jury decided not to indict the trooper. The feds, however, filed civil rights charges against the cop. He was found not guilty by the federal jury.

Not national news.

It is rare for a cop to shoot and kill any civilian. Excluding practice on the gun range, 95 percent of officers never discharge their firearm while in the line of duty, including those who work for big-city departments. ... The facts do not support the narrative that there is an epidemic of white cops shooting unarmed blacks.

We are being manipulated.

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## **Obama Finds an Ally on Political Controversies at the Vatican**

**Washington Times | Dec. 30, 2014**

**P**RESIDENT OBAMA INCREASINGLY IS FINDING A KEY POLICY ALLY in the Vatican, with Pope Francis standing virtually shoulder to shoulder with the White House on income inequality and a historic diplomatic reboot with communist Cuba. The pontiff next year also appears poised to offer greater support to the president

on climate change initiatives and reportedly wants to be a leading voice at a UN global warming summit next year, where the American president will make perhaps his greatest pitch to date for more dramatic action on the environment.

For Mr. Obama and fellow Democrats, aligning with Francis

offers clear benefits in the short term ....

But in the long term, analysts say, Democrats may pay something of a political price.

To soothe American Catholics, who may have grown suspicious of the church's partnership with a liberal White House, the pope in the coming months and years is likely to zero in on fundamental disagreements with the Democratic Party

on issues such as abortion and religious liberty, said Joseph Prud'homme, a political science professor and the director of the Institute for the Study of Religion, Politics and Culture at Washington College. ...

While abortion and other moral issues represent a philosophical chasm between the Catholic Church and the Democratic Party, the past several years have proved the two can work together. ...

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### **In Search for Next 'Organizer-in-Chief'**

**The Daily Caller | Dec. 28, 2014**

**P**RESIDENT OBAMA'S NONPROFIT ADVOCACY GROUP ORGANIZING for Action (OFA) plans to train 10,000 new community organizers in 2015 in a search for the next "organizer-in-chief."

The OFA Fellows Program set a goal of training 10,000 new organizers to follow in the footsteps of Obama, according to a fundraising e-mail the group sent out Sunday ...

"We take pride in the fact that the president of the United

States got his start organizing the families affected by closed steel mills on Chicago's South Side," the OFA e-mail stated. "[T]he whole idea is that these 10,000 folks will be working their tails off on the issue organizing we're doing today.

"And years from now, these are the same people who will be progressive leaders in their communities. Some will be elected officials, and—yeah—one may even go on to be the organizer-in-chief."

### **Did Your State Raise Its Minimum Wage Today?**

**The Daily Signal | January 1**

**A**T THE STROKE OF MIDNIGHT [ON THURSDAY], 19 STATES increased their minimum wage. Residents of three more and the nation's capital can expect hikes later on this year.

A year ago, the White House and Democratic lawmakers embarked on a campaign to make the minimum wage a defining issue in the 2014 elections. ... In his State of the Union address last January, President Obama urged members of Congress to pass bills ... to raise the federal minimum wage to \$10.10.

"Say yes," Obama [said](#). "Give America a raise."

Top of FormBottom of Federal legislation was met with resistance. Republicans argued raising the minimum wage would cause an increase in prices for consumers and low-wage workers likely would face layoffs as companies grappled with the higher costs associated with hiked wages.

Some of those concerns were validated last month by a University of California–San Diego [study](#). For three years, researchers followed low-income workers residing in states that saw wage hikes and those that did not. The study found that minimum

wage hikes had negative impacts on employment, income and income growth. ...

"Minimum wage supporters have good intentions, but those good intentions cannot repeal the law of unintended consequences," [James Sherk](#), an expert in labor economics at The Heritage Foundation, told The Daily Signal. He added: "Minimum-wage increases reduce the total earnings of low-wage workers—the higher pay for some workers gets completely offset by the nonexistent pay of those no longer employed."

In its study, UCSD researchers found that after minimum-wage increases, the national employment-to-population ratio decreased by 0.7 percent points between December 2006 and December 2012.

In addition, the study found that minimum-wage increases hindered low-skilled workers' ability to rise to lower-middle-class earnings.

**RELATED:** ["President Obama's War on Poseidon"](#)

### **U.S. Releases Five More Guantanamo Bay Prisoners**

**Fox News | Dec. 31, 2014**

**T**HE DEFENSE DEPARTMENT ANNOUNCED WEDNESDAY THAT FIVE more prisoners will be transferred out of Guantanamo Bay to another nation, in the latest step by the Obama administration to whittle down the prisoner population in pursuit of ultimately closing the camp.

The five men will be transferred to the Central Asian nation of Kazakhstan for resettlement, the U.S. government announced.

The two men from Tunisia and three from Yemen—who have been at the camp for a dozen years—had been cleared for release from the prison by a government task force but could not be

sent to their homelands. The U.S. has sent hundreds of prisoners from Guantanamo to third countries but this is the first time Kazakhstan has accepted any for resettlement.

Their release brings the prison population at Guantanamo to 127, according to a Pentagon statement on Tuesday.

The transfer appears to be the latest step in the administration's strategy to rapidly bring down the prison population at Guantanamo, potentially to under 100, so that the White House can make a more aggressive argument to Congress that the camp should be closed. ...

Many vocal critics of the administration's push to close the camp, though, have not backed off their concerns. And the accelerated prisoner transfers have raised additional security concerns.

### **Severe Flu Cases on the Rise in U.S.** **Wall Street Journal | Dec. 30, 2014**

**T**HIS YEAR'S INFLUENZA SEASON STARTED EARLIER THAN expected and is sending more patients to the hospital, raising concerns this could be a more severe outbreak than in recent years.

Thirty-six states are now experiencing high levels of flu activity, according to the Centers for Disease Control and Prevention (CDC) in Atlanta, as this year's flu vaccine may not fully protect against a strain known as influenza A H3N2 that is currently circulating and tends to be more severe.

### **Gun Deaths for U.S. Officers Rose by 56 Percent in 2014** **Reuters | Dec. 30, 2014**

**G**UN RELATED DEATHS OF U.S. LAW ENFORCEMENT OFFICERS rose by 56 percent in 2014 compared to the previous year, with about one third of officers killed in an ambush, the National Law Enforcement Officers Memorial Fund said on Tuesday.

Across the country, 50 officers were killed by guns in 2014 compared to 32 in 2013, according to the website of the non-profit fund, which aims to increase safety for law enforcement officers.

The most deadly states were California, Texas, New York, Florida and Georgia, the group said.



### **Mystery of the Ages**

**Gerald Flurry,**  
**The Key of David | January 2**

**T**HE BIBLE IS A MYSTERY TO MOST PEOPLE—EVEN RELIGION doesn't truly understand it! Here is how to remove the mystery of the Bible.

All the prisoners being transferred to Kazakhstan had been captured in Pakistan and turned over to the U.S. for detention as suspected Islamic militants with ties to al Qaeda. ...

Fifteen children age 18 and under have died from the flu as of December 20, compared with four such deaths around the same time last year, according to the CDC. A number of hospitals are outpacing previous years, with some restricting visitors to prevent the spread of the virus.

"Our medical director said that in his eight years at the hospital, he had never seen double digits" in the number of patients hospitalized, said Jill Chadwick, a spokeswoman at the University of Kansas Hospital in Kansas City, Kan. ...

"Fifteen officers were shot and killed in ambush, more than any other circumstance of fatal shootings in 2014," the website said. ...

Altogether, 126 law enforcement officers died in the line of duty in 2014, a 24 percent increase from 2013, when 102 officers were killed, the fund said.

"The number of firearms-related fatalities matches 2012 statistics, when 50 officers were killed by guns," the fund said.

The second-most common cause of death for officers in 2014 was traffic-related incidents.

