

Quote of the week : “I think nationalism in China has overcome the concept of internationalism ... This is cause for concern.” - Kasit Piromya, Thailand’s Foreign Minister from 2008 - 2011 (& once its Ambassador to the Soviet Union & Russia, Indonesia, Germany, Japan & the United States), speaking recently at a meeting of regional security analysts - *appeals to nationalism often are a prelude to foreign adventures & aggression abroad, and fostering xenophobia a way of diverting people’s attention from domestic problems by a regime that feels threatened.*

In an article entitled Temple Madness the November 8th Economist urged Netanyahu to resist the growing pressures on him from the far right to allow Jews to pray on the Temple Mount (*never mind building a temple there*), *which not only would break a key condition of the 1994 Israeli-Jordanian peace treaty but likely to have the same effect on Palestinians & Arabs as a red flag on a bull.* It goes on to say that any erosion of the status quo on the Temple Mount would look like part of a broader policy of encroachment that has starved Arabs in East Jerusalem of resources & surrounded them with Jewish housing blocks, and has their lives increasingly disrupted by hardline Jewish clusters in their midst, as building permits for Arabs are routinely denied & residence permits withdrawn, with the result that any hope for a negotiated peace & the creation of a Palestinian state with East Jerusalem as its capital is fast disappearing. While it concludes “That may well be what hardliners, and Mr. Netanyahu, want ... (*for they think*) the world *is* going their way : the Palestinians are weak and divided; Syria and Iraq are torn by civil war; jihadis are keener to kill Arabs than Israelis; Egypt is ruled by a friendly general who hates Islamists; Saudi Arabia is an ally against Iran; America’s Congress is supportive and Obama will soon be a lame duck. Why compromise?”, it warns “Such shortsightedness is dangerous. It pushes Palestinians to radicalism, (*and*) feeds calls for European sanctions ...” - *future historians may well will classify Netanyahu’s policies of the past eight years as having been “Pyrrhic victories”¹*

Fuel accounts for one-third of airlines’ operating costs. So, with US airlines consuming 16.2BN gallons of fuel a year and in the first three quarters of this year having paid only US\$2.97 for a gallon of fuel, vs. US\$3.07 during the same period last year, they saved themselves US\$1.6BN (with more to come in the Fourth Quarter as the cost of its fuel for the quarter is expected to be between US\$2.76 & US\$ 2.81). But this won’t do travelers much good; for the airlines have boosted their pricing power by more accurately than they used to matching seat availability to demand & have better uses for their money than to pass savings on to the travelling public, i.e. to pay for the raft of new, more fuel-efficient new planes they have on order, to share the wealth with shareholders by resuming the payment of-, or hiking existing-, dividends, & to buy back more of their own shares (*to inflate their price by boosting their reported earnings per share*).

In the past decade fewer young people have been applying for admission to US law schools. So to keep the needed ‘bums in seats’ to make ends meet, law schools have relaxed their admission standards. Thus, according to Jerry Organ, a law professor at the St. Paul, Minn.-based University of Saint Thomas, the median LSAT score of students accepted into US law schools declined in every one of the last four years & last year they admitted 50% more students with low LSAT scores than they had three years earlier. This explains why far more candidates ‘bombed’ their bar exams last July than the year before and, while some vested interests blame this on a computer glitch during the exams, Erica Moeser, the President of the

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Named after the Greek king Pyrrhus of Epirus who invaded Italy in about 280 B.C. who, while winning his battles against the Roman legions suffered such heavy casualties that, being a long way from home, he couldn’t replace while the Roman legions could be reinforced with new recruits eager to seek revenge for the earlier losses, as a result of which he went home empty-handed.

National Conference of Bar Examiners left no doubt as to where she stood when she told law school deans bluntly in a note dated October 23rd “The group that sat in July 2014, was less capable than the group that sat in July 2013”.

While Israel has called on European parliamentarians not to unilaterally recognize a Palestinian state since “this would reduce the incentive for the Palestinians to return to the bargaining table” (*while increasing the pressure on it to make concessions?*), it may be fighting a losing battle. For Sweden recently did so, Poland & Hungary already had done so before they joined the EU, Britain recently overwhelmingly passed a (*non-binding*) vote to do so in the House of Commons, and France & Denmark have scheduled similar, non-binding votes in their parliaments.

Japan has had a relationship with the Muslim world since the mid-to-late 1800's. The first mosque there was built in Nagoya in 1931 & the second one in 1935 in Kobe, both by Muslims of Indian origin, and the third in Tokyo in 1938 by Tatar Muslims who had escaped the Russian Revolution. Today, there are an estimated 70,000-120,000 Muslims in Japan, one-tenths of them Japanese converts, & over 200 mosques.

A dress worn by 38 year-old Lebanese pop star Haifa Wehbe on TV last week was not only figure-hugging but in large part consisted of see-through material with bare skin showing, Viewed by over 2MM people on a video downloaded on YouTube, it created a furor in the Arab world, particularly among the women, with “scandalous” among the kinder metaphors applied to it. While views as to what women can, & cannot, wear vary widely in the Arab world, Lebanon on the liberal extreme with bikinis & miniskirts quite common, this apparently was too risqué for even many Lebanese.

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Thursday November 20th, 2014

EAST-WEST CONFLICT SET TO RUN AND RUN (BBCNews, Mark Wardell)

- Prior to the recent G-20 meeting in Brisbane, the host, Australian Prime Minister Tony Abbott, promised to “shirtfront”² Putin over Ukraine. And so he did, as did several other leaders. *But it ran off his back like water off a duck’s, & he showed his contempt for their opinions by leaving early under the pretext of ‘needing some sleep’.* But a recent report by the European Leadership Network³ entitled Dangerous Brinkmanship suggests it has been Putin who has been shirtfronting the West. For it details 40 serious incidents⁴ during the March 1st - October 31st period, incl. a near collision between a Russian jet & a civilian airliner, & 100+ close encounters of a military kind between NATO & Russia, a three-fold increase YoY. And Dr. Ian Kearns, its Director, said that, once they started

² A term in Australian football, the country’s most popular sport, that’s like rugby except that the playing field is oval-shaped, for meeting an opponent someone front on & knocking him down.

³ A London-based entity devoted to advancing “the idea of a cooperative and cohesive Europe and develop collaborative European capacity to address the pressing foreign, defense, and security policy challenges of our time.

⁴ While the majority of these occurred in the Baltic Sea region, there were also five above the North Sea, five off North America (incl. one on May 9th when Russian aircraft came within 50 miles off the California coast & another in early September when Russian bombers entered Canadian air space over the Labrador Sea practicing cruise missile strikes on the US), two in the Black Sea & one above the Sea of Okhotsk (between the Kamchatka Peninsula & Eastern Siberia).

running a tally, they had been surprised at the number, & scale, of the incursions, saying “It is definitely a policy change - the (Russian) military has been told to be more assertive, even aggressive on occasion, and operate on a much larger scale across European airspace ... Putin is trying to demonstrate ... that Russia is back as a serious military power⁵.” And he is upset that much of the one-time Soviet Empire is now part of the EU & NATO, and feeding on a strong feeling in his country that, if NATO had just disappeared along with the Soviet Union, by now East & West would be living in peace & harmony, whereas instead the West had muscled its way into Russia’s backyard & now is seen as trying to break down its back door to get into its kitchen.

- But to Dr. Sam Greene, Director of King’s College London’s Russia Institute, all this points at Russia’s weakness since, while “Russia is obviously a major power with a nuclear arsenal⁶, a fairly large military and a *permanent* seat on the UN Security Council ... they are not conventionally strong, they cannot project force the way the US can, they don’t have *Europe’s* soft power ... (or) the sense that China has that in time is in its favour ... until it becomes the world’s largest economy.” So he opines that without that sort of strategic advantage, Putin’s only option was to maximize his tactical advantage by making himself an initiator of events for others to react to, in the belief that the West has no stomach for any military confrontation with him, no matter what the provocation. .

*Playing with matches in a gunpowder magazine can be self-destructive. One risk he runs is that of going ‘One bridge too far’. Another that at some point the West will be forced to draw ‘a line in the sand’ &, to his surprise & quite out of character, be prepared to make it stick. Thirdly, a local bad judgment call at a relatively low command level could snowball into an avalanche. Fourthly that, as happened to the Soviet Union leaders in the 1980’s, his domestic house of cards could implode on itself (in this instance because as times got **really** tough the hoi polloi would realize that nationalistic bombast doesn’t buy groceries and/or the oligarchs decide he had ceased to be an asset & become a liability (and possibly even a personal threat to them). And, finally, longer term, because in seeking to make up for his alienation from the West, by snuggling up to Beijing, he would find, like Icarus in Greek mythology that, by tacking too close to the Chinese dragon, its hot breath had melted his wings (by expanding its role in Siberia).*

WAGES TO RISE ON SIGNS OF IMPROVING JOB MARKET (BB, Richard Clough)

- The signs economists look for to herald the long-delayed pickup in workers’ pay are starting to emerge. In the Third Quarter wages & salaries climbed 0.8%, the most since the Second Quarter of 2008 & the ratio of unemployed people to job openings approached a tipping point. And with their profits-, & sales-, per employee continuing to rise, *big* companies can afford to boost employee compensation. While so far this has been most pronounced in Texas & North Dakota, that are riding an oil & gas boom, and in the improving housing market in the Southeast (where there is anecdotal evidence of employee poaching & ‘signing bonuses’ for employees that change employers), it is expected to fan out from there. Says Moody’s Capital Markets’ Chief Economist Mark

⁵ Moscow also announced plans recently to start sending bombers ‘on training missions into the Gulf of Mexico

⁶ Or as its longtime Chief Foreign Affairs Commentator Gideon Rachman put it in an article in the November 17th Financial Times entitled The Nuclear Gun is back on the Table, “both in private and in public, Russia is making *more* explicit references to its nuclear arsenal”.

Zandi “Wage growth is beginning to bubble up ... It is still nascent ... but the labor market is now tightening to the point ... we are beginning to see some stronger wage gains.”)

This ought to remove the last obstacle to the Fed getting off its butt interest rate-wise (although Yellen cannot be counted on to see it this way)..

EU TO ISRAEL : IF YOU WANT TO GET ALONG WITH US, MAKE PEACE

(JP, Tovah Lazaroff)

- On Sunday November 16th, Israeli Foreign Minister Avigdor Lieberman said it would be a mistake for the EU to link its ties with Israel to the peace process. Just the same, the very next day the EU's new foreign policy chief, Italy's Federica Mogherini, responded, upon emerging from an EU Foreign Affairs Council meeting in Brussels (that among others had discussed ways & means of imposing a boycott on Israeli goods made in the West Bank settlements, a most sensitive issue for Israel) by telling the press “The future development of the relations with both the Israeli and Palestinian partners will ... depend on their engagement towards a lasting peace based on a two-state solution.”

Age 41 & now a member of Italy's left-of-centre Democratic Party but in her younger years a member of the Communist Youth Federation, her university thesis was entitled Relationship between Religion and Politics in Islam. This was the first Council meeting she chaired since assuming her new post earlier this month (after which she immediately paid a two-day visit to Israel, the West Bank & Gaza). Following the November 18th terrorist attack at the Har Nof synagogue in Jerusalem, in which five were killed (four of them rabbis killed on the spot, all of them residents with dual citizenship - three American & the fourth British -, & the fifth a Druze policeman who was among the first on the scene & later died from his injuries) she issued a statement that, after the usual generic condemnation of terrorism-, & condolence-, platitudes, warned “The lack of progress towards the two-State solution will systematically ensure the next round of violence ... What we need is not just recognition [of a Palestinian state] ... (but) ... of a Palestinian state that can live next to the Israeli one in peace and security” - as to the boycott, it would just formalize the current situation in which Israel has an informal status in the EU not dissimilar to that of a member state, but only as it applies to areas within the 1949 “Green Line”.

PM's CALL FOR UNITY CAN'T MASK HIS GOVERNMENT'S DYSFUNCTIONALITY

(Haaretz, Yossi Verter)

- On Tuesday night November 18th Netanyahu called, rather unusually so for Israeli politics, on the leaders of all non-Arab parties by name to join him in a national unity government, proclaiming this to be the “need of the hour”(as if Arab armies were massed on our borders at this very moment to destroy us). It's always the same, putting “unity” forward as the recipe for solving domestic political problems. But before he invites others to join his conflict-ridden dysfunctional government, he might consider renewing his invitation of 20 months ago to those who are already part of it but who are acting as if they have already left it. And before he blames others for the “situation”, he should have the decency to take responsibility for the deterioration in security in Jerusalem which soon will feature more & more concrete barriers & checkpoints. Since July Jerusalem has become a battlefield, first in the eastern-, & now in the western-, parts of the city. And how are our leaders responding? By heaping abuse on Abbas, depicting him as a mega-terrorist, as if East Jerusalem was under his control, while Shin Beth security chief Yoram Cohen, whose association with the religious right had once raised fears he would spend more time & energy igniting-, rather than putting out- fires, told the Knesset's

Foreign Affairs and Defense Committee on November 18th that in his professional opinion Abbas is not inciting terrorism, & doesn't support-, nor encourage-, terrorism.

In the writer's view Israel is "galloping towards elections, guided by insanity."

ISRAEL BEGINS DEMOLISHING HOMES OVER ATTACKS (al-Jazeera)

- On November 19th, after sealing off the neighbourhood, Israeli security forces executed the *revenge* demolition of a building in the East Jerusalem Silwan neighbourhood⁷ that was home to four families, incl. that of the Palestinian man who last month carried out a suicide car attack on a crowd waiting at a Jerusalem LRT stop⁸, killing two & injuring a number of others. But when they subsequently headed for the Jabal-al-Mukabher neighbourhood⁹ South of Silwan to do the same to the homes of the two cousins who had perpetrated last Tuesday's terrorist event at the Har Nof synagogue¹⁰, they were confronted by a mob of angry Palestinians that caused them to back off. And although, al-Jazeera's Imtiaz Tyab conceded this would only be a delay, it will generate more unease in East Jerusalem that "has been tense for some time now". Elsewhere ten Palestinians were wounded near al-Ram, a Jerusalem neighbourhood cut off from the rest of the city by The Wall & two dozen more in Sur Baher, South of Jerusalem while more violence erupted in the West Bank when Israeli settlers attacked a school in the village of Urif, South of Nablus (where five Palestinians were wounded by rubber-coated steel bullets & others taken to hospital due to tear gas inhalation) while other settlers attacked Palestinian-owned cars on bypass roads¹¹ in the Hebron area.

While it is easy to dismiss this as al-Jazeera propaganda, it has made great efforts to report facts, rather than fiction; besides, much of the information provided above, & in the footnotes, can be validated from Israeli sources that don't get much coverage in Western media.

THE JEWISH NATION STATE BILL (Haaretz, Zvi Bar'el)

- The proposed racist Basic Law : Israel the Nation State of the Jewish People is an attempt to prioritize the State's Jewish identity above its civil-democratic one. It will

⁷ Once a 100% Arab neighbourhood, in recent years settlers have moved in and there are now 700 settlers living amidst 50,000 Arabs. And tensions there were ratcheted up in late September when, in the middle of the night, a couple of dozen settlers, **supported** by police, occupied 25 housing units in seven buildings 'legally' acquired through a Palestinian front man from Palestinian owners, necessitating the eviction of seven families living in one of them. And when the White House & the EU condemned this move, Netanyahu said he was "baffled" because it was "un-American" to criticize a legal purchase. Be that as it may, on October 2nd the EU formally condemned the move.

⁸ Netanyahu thus resumed a practice that in 2005, in the late stages of the Second Intifada, then Prime Minister Ariel Sharon suspended as a not very effective deterrent of attacks.

⁹ Located to the South of Silwan it was cut in half by The Wall & over the years has produced more than its share of perpetrators of anti-Israeli violence.

¹⁰ In which four rabbis resident in Israel but with dual citizenship (three American & one British) were killed, as well as a Druze policeman who was among the first to arrive on the scene.

¹¹ A separate road system that bypass Palestinian towns & villages to enable settlers to move between settlements with less risk of exposure to the Palestinian population.

undermine the Arabs' civil rights, & their collective rights as a minority would be at the government's sufferance. But none of this is altogether new; in fact it has been a generation in the making, as witnessed by the ease with which today suggestions to move all Arabs elsewhere beyond the State's borders are now accepted. But it won't only affect the Arabs. For it proposes Israel be ruled by Jewish law, just as Egypt's Constitution stipulates "Sharia will be the primary source of all legislation" & in Saudi Arabia the Koran is the Constitution. And it raises the question as to what had been the vision of the Prophets & who would interpret what those visions meant today and, most importantly, what principles of justice & peace the Jews of Israel will have to depend on.

policies of the last generation in a clean white suit." While still in the pre-First Reading stage, it's on the Cabinet's agenda for next Sunday, November 23rd and Naftali Bennett has already announced that he & his party will withdraw from the coalition if Cabinet does not approve it (Zvi Bar'el has a Ph.D. in the History of the Middle East & is Haaretz's Sokolev Prize-winning¹² Middle East Affairs analyst, and a Research Fellow at the Hebrew University of Jerusalem..

CHINA FACES A WATER CONTAMINATION CRISIS (BB, Dexter Roberts)

- An investigative report by the Xinhua News Agency made public on November 18th noted that, according to a survey by the Ministry of Environmental Protection based on findings at 4,778 monitoring sites across the country, the quality of 60% of the nation's ground water is either "bad" or "very bad", that 17 of the country's 31 major fresh water lakes are "slightly"-, if not "moderately"-, polluted¹³, and that over half of China's nearly 600 major cities face water shortages with the situation being particularly serious in North China, including the cities of Beijing & Tianjing, and the rest of Hebei Province, where per capita water availability is less than 300 cubic metres annually (while 1,000 cubic metres denotes 'scarcity' & 500 cubic metres 'absolute scarcity'). And since rapid urbanization is an official priority China's inadequate & degraded water supply situation can only get worse (*although the US\$80BN South-to-North Water Diversion project may alleviate the problem in North China (although possibly at South Asia's expense as some of the water that will be made to flow North would otherwise have flowed there)..*

The Ministry had reported earlier that 3.3MM hectare of farmland - an area the size of Belgium - had already become too contaminated to grow crops. China's 130 hectares of farmland constitute 10% of the total global stock of farm land & is only 10% in excess of what Beijing says is its food-self-sufficiency 'red line'. So the loss of 3.3MM hectares is not insignificant especially since, as a result of urbanization & industrialization, the stock of 'occupied farmland' declined by 824,000 hectares in the first decade of this century, an annual rate of decline 7x that during the 1985-2000 period (& the percentage of the remainder that was rated "good" or "excellent" declined from 46% to 38%).

RUSSIA DELIVERS A NEW BLOW TO CRIMEA (BW, Carol Matlack)

- Since the region voted to be annexed by Russia, its business community has suffered the consequences of a collapsed tourist industry & of being cut off from its Ukrainian suppliers & customers. Now it faces a new threat, an aggressive, forced nationalization

¹² For lifetime achievement in print journalism.

¹³ Which, going by independent, third party accounts, likely massively 'lowballs' the real situation.

campaign by the Kremlin-backed local government of companies it deems inefficient, of strategic importance and/or unduly friendly to the Kiev government. So far the highest profile targets have included the region's largest bakery (& its flour supplier), a resort complex owned by a Ukrainian oligarch & its biggest commercial ship builder (ownership of which has been transferred to a Russian firm).

Earlier Putin forced Ukrainian banks to close (& on TV told listeners not to worry about any money they owed to them - which must have compounded any bad loan problems they might have had before). And with Ukrainian currency banned, non-Russian credit cards no longer usable at ATMs, & the Ukrainian banks' assets, equipment & cash seized but their customers' account balances not acknowledged, people are having a hard time getting by. But it's a credit to Moscow's propaganda machine that locals now nevertheless think that it is the Ukrainian banks that have "stolen their money".

PUTIN SAYS UNITED STATES WILL NEVER 'SUBDUE' RUSSIA (Reuters)

- On November 18th, after his return from the Brisbane G-20 Summit, and following a four hour meeting with his core support group, the People's Front, during which he responded to questions ranging from the sale of blood glucose meters to housing problems, Putin said that, while United States wants to subdue Moscow, it will never succeed since "No one in history ever managed to achieve this and no one ever will" (triggering a wave of applause). And with the Russian economy under serious stress from the sanctions, he pledged to improve it & in that context urged Russian firms in the agricultural & defense sectors to boost their sales in the domestic market.

Rosneft, Russia's largest oil & gas producer, announced this week that its CEO, Igor Sechin, a close ally of Putin, will be in Vienna on Tuesday November 25th, two days prior to the crucial OPEC meeting (presumably to exert pressure to have it cut its members' production quotas). But he may have a hard time making his case; for when the price of oil was under pressure during the 2008 financial crisis, & he as Russia's Deputy Prime Minister was attending the OPEC meetings, Russia had refused to participate in a round of production cutbacks. Meanwhile Venezuela is pushing for production cutbacks (but doesn't have much clout in part because it would be expected to cheat afterwards anyway), Iraq has announced it will not agree to a cut (& in fact is ramping up production), American shale oil producers are continuing to improve their technology & increase output, & there are no real indications that Saudi Arabia is ready to resume its traditional role as the "swing producer", in part because of the pain lower oil prices will inflict on Iran, its Shiite regional rival. So Putin may have bitten off more than he can chew with his undertaking to improve the Russian economy.

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