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CLM Business

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HD **Russia Built Parallel Payments System That Escaped Western Sanctions; Crimea sanctions spurred Russia to build its own Mir payments network, taking the sting out of Visa, Mastercard exits**

BY By Alexander Osipovich and AnnaMaria Andriotis

WC 1,111 words

PD 30 March 2022

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LP

Western sanctions have disrupted nearly every part of Russia's financial system, but there is one big exception.

The domestic-payments system continued to work smoothly after Visa Inc. and Mastercard Inc. pulled out earlier this month. While the card giants' exit from Russia was viewed as a significant move by many in the West, the reality on the ground was anything but. Most Russian consumers never lost the ability to use their Mastercard- and Visa-branded cards to pay for things within the country.

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How effective will sanctions be in putting pressure on Vladimir Putin to end the war? Please join the conversation below.

There were roughly 197 million Mastercard or Visa cards in Russia at the end of 2020, according to the Nilson Report, a trade publication. But behind the scenes, the cards don't rely on the U.S. networks' systems to process payments in Russia. For years, they have used a homegrown system overseen by Russia's central bank.

The National Payment Card System—known by its Russian initials NSPK—runs the financial plumbing that underpins card transactions in Russia, even for cards bearing Visa and Mastercard logos.

The system was part of Moscow's eight-year effort to insulate the Russian economy from Western financial pressure. The Kremlin also has aggressively promoted Russia's own card company, called Mir, which is built on NSPK's infrastructure. More than 100 million Mir cards have been issued since its launch in 2015, according to Mir's website.

The resilience of Russia's payments system is a rare win for President Vladimir Putin in his financial war with the West. Russia failed to break its dependence on Western imports, leaving the country in dire need of key parts for manufacturing. Before the war, Russia amassed $630 billion in reserves to ensure it could protect the ruble, but that effort was undermined when the U.S. and European Unionfroze Russian central-bank assets.

"We provided for our national security in the payments space," said Alma Obayeva, head of the National Payments Council, a Russian trade association.

The retreat of Visa and Mastercard did have one big consequence for Russians: In many cases, their cards now don't work outside the country. The Mir network extends only to a small number of countries besides Russia, most of which are former Soviet republics. Russian officials have been in talks in recent days to expand it to Venezuela and Iran, according to reports from the TASS state news agency. Some Russian banks have said they are exploring partnerships with China's UnionPay to issue cards that their customers can use more widely.

Still, Russians' inability to use their cards to withdraw cash or make purchases abroad is aligned with the Kremlin's goal to keep assets in the country. Some Russians who have fled have said Visa and Mastercard's cutoff played into Mr. Putin's hands.

On a February call to discuss potential Russia sanctions, executives from Visa, Mastercard and other payments companies told Treasury Department officials that banning U.S. networks from handling Russian bank transactions wouldn't be especially painful, according to people familiar with the matter. Sanctions, they said, would simply push more transactions onto Mir.

Representatives for Visa and Mastercard declined to comment.

More countries have developed their own payments infrastructure, limiting the clout of Visa and Mastercard and, by extension, the ability of the U.S. to influence countries' behavior through sanctions that target their banking systems. China's state-owned UnionPay handles most domestic transactions on cards issued by Chinese banks. Turkey and India started their own networks in recent years to wean the countries' banks off Visa and Mastercard.

Russia tried to reduce its vulnerability to Western financial pressure after it was stung by sanctions over its 2014 annexation of Crimea.

Visa and Mastercard at the time accounted for nearly all card network activity in Russia. Their networks serve as a link between merchants and banks that issue debit and credit cards, and they handle the routing of card transactions.

In March 2014, hundreds of thousands of Russians discovered that their cards had been rendered useless overnight. U.S. sanctions over Crimea had prompted Visa and Mastercard to block services to several banks linked to associates of Mr. Putin.

For Russian officials, the move highlighted a vulnerability. Within months, Mr. Putin signed a law establishing NSPK. A later amendment to the law effectively forced Visa and Mastercard to transfer processing of transactions to NSPK. The two U.S. companies at first opposed the law and suggested they might leave Russia. But by early 2015, both had agreed to use NSPK's system.

Later that year, NSPK launched Mir. The name means both "world" and "peace" in Russian. It was chosen after an internet naming contest, in which some of the rejected alternatives were "Kometa" (Comet) and "Patriot."

Initially, Russians saw little reason to swap their Visa- and Mastercard-branded cards for Mir cards. Then the Kremlin put its thumb on the scales.

In 2017, Russia passed a law requiring banks that handle pensioners' payments and salaries of public-sector employees such as teachers and military personnel to make those funds available through Mir cards. Mir usage surged, with card issuance rising to 95 million by the end of 2020 from about 2 million in 2016, according to NSPK. The law also mandated that Mir be accepted at point-of-sale terminals used by many merchants.

NSPK invested heavily in marketing Mir, sponsoring the Russian national soccer team and promoting incentives such as cashback programs.

By taking over payment processing, NSPK became a moneymaker for Russia's central bank, collecting fee revenue that otherwise would have flowed to Visa and Mastercard. In 2020, the payments system earned 8.2 billion rubles in net profit, or about $94 million at current exchange rates, according to its annual report.

Issuance of Mir cards has boomed in recent weeks after the exit of the foreign card giants. Russian lender Rosbank has reported that demand for debit cards that run on Mir's network more than doubled between January and March from the same period last year.

"There is simply a huge, frenzied demand for Mir cards," Ms. Obayeva said. "There is a long queue."

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Russia Built Parallel Payments System That Escaped Western Sanctions

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THE WALL STREET JOURNAL.

CLM Commentary (U.S.)

SE Opinion

HD **Be Afraid of Nuclear War, Not Climate Change; Russia's war in Ukraine shows that global warming has distracted us from more important threats.**

BY By Bjorn Lomborg

WC 1,066 words

PD 30 March 2022

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LP

Weeks before thermobaric rockets rained down on Ukraine, the chattering classes at the World Economic Forumdeclared "climate action failure" the biggest global risk for the coming decade. On the eve of war, U.S. climate envoy John Kerry fretted about the "massive emissions consequences" of Russian invasion and worried that the world might forget about the risks of climate change if fighting broke out. Amid the conflict and the many other challenges facing the globe right now, like inflation and food price hikes, the global elite has an unhealthy obsession with climate change.

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This fixation has had three important consequences. First, it has distracted the Western world from real geopolitical threats. Russia's invasion should be a wake-up call that war is still a serious danger that requires democratic nations' attention. But a month into the war in Ukraine, United Nations Secretary-General António Guterres—whose organization's main purpose is ensuring world peace—was focused instead on "climate catastrophe," warning that fossil-fuel addiction will bring "mutually assured destruction." His comments come at a time when nuclear weapons are posing the biggest risk of literal mutually assured destruction in half a century.

Second, the narrow focus on immediate climate objectives undermines future prosperity. The world currently shells out more than half a trillion dollars annually in private and public funds on climate policies, while spending from the governments of countries in the Organization for Economic Cooperation and Development on innovation that underpins growth in areas such as healthcare, space, defense, agriculture and science has been declining as a percentage of gross domestic product over recent decades.

Education performance in developed nations is stagnant or declining, and real income growth among OECD countries has almost stalled this century. By contrast, in China, where innovation-related spending is up 50% from where it was in 2000 and education is rapidly improving, average incomes have increased fivefold since the start of the 21st century.

Third, in the world's poorest countries, the international community's focus on putting up solar panels coexists with a woeful underinvestment in solutions to massive existing problems. Infectious diseases like tuberculosis and malaria kill millions; malnutrition afflicts almost a billion people; more than three billion lack access to reliable energy.

These and other issues plaguing the developing world are solvable, but get far less funding from wealthy countries than climate change. Giving the developing world affordable access to consistently available energy—which often requires fossil fuels—is the key to lifting most of the world out of poverty. Yet before the invasion of Ukraine, the developed world was racing to make fossil fuel energy more expensive and less accessible for the world's poorest.

What underpins this climate fixation? The false and irresponsible idea that global warming poses an immediate existential risk for the world. Climate change is real and man-made; have no doubt about that. But the best economic estimates used by the Obama and Biden administrations, as well as those created by the only climate economist to ever win the Nobel Prize in economics, all show that the total

impact of unmitigated climate change—not just on the economy but overall—would be equivalent to less than a 4% hit to global GDP annually by the end of the century.

The U.N. estimates that the average person in 2100 will be 450% as rich as today. If climate change continues unabated, the average person will be "only" 434% as rich—a far from catastrophic outcome.

A world scared witless doesn't make smart decisions—so it should be no surprise it hasn't managed to make a dent in climate change. Globally, last year saw the most CO2 emissions ever, despite $5 trillion spent over the past decade on climate policies. The U.N. admitted in 2019 that there has been "no real change in the global emissions pathway in the last decade" despite the global Paris agreement.

The European Union has tried to shift to renewables but still gets more than 70% of its energy from fossil fuels. Much of the rest is generated by burning wood chips from trees chopped down in America and transported on diesel ships. Solar and wind produce only 3% of the European Union's energy, and the technology is unreliable, often requiring backup from gas when the sun doesn't shine or the wind doesn't blow. Europe's refusal to embrace shale gas—which can be found throughout the Continent but remains untapped—has left it at the mercy of Russian gas. The past two months show how dangerous this is.

Well-meaning politicians across the world have been proposing policies to reach net-zero emissions in coming decades. According to McKinsey, the policies will cost $9.2 trillion every year until net zero is supposed to be achieved in 2050. This is equivalent to half the global tax take. Such extremely costly policies are unlikely to be enacted by emerging economies such as India or Africa, whose emissions will skyrocket as their populations and economies grow. Net zero is also likely to fail in the developed world, where its high costs will erode prosperity and thus political support. Achieving net zero would cost every American family $19,300 a year, according to the McKinsey study.

To respond to climate change effectively, the world needs to spend more on green-energy innovation and develop renewables that are reliable and cost-effective. To address their immediate energy problems, Europe and America need to embrace fracking—despite Russian-funded propaganda discrediting it—and help the rest of the world access the oil and gas it needs. There are many serious threats in the world today, but most won't get the attention they deserve until the political classes drop their hyperbole about climate change and treat it like what it actually is—only one of the many problems to be solved in the 21st century.

Mr. Lomborg is president of the Copenhagen Consensus and a visiting fellow at Stanford University's Hoover Institution. His latest book is "False Alarm: How Climate Change Panic Costs Us Trillions, Hurts the Poor, and Fails to Fix the Planet."

Be Afraid of Nuclear War, Not Climate Change

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THE WALL STREET JOURNAL.

CLM	Commentary (U.S.)
SE	Opinion
HD	**Biden's 'Integrated Deterrence' Fails in Ukraine; The buzzy term is being used to justify cuts to conventional hard power that please progressives.**
BY	By Mike Gallagher
WC	921 words
PD	29 March 2022
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PHOTO: David Klein

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Perhaps desperate for a win after their failures in Afghanistan, senior Pentagon officials are bragging to the Washington Post about the success of "integrated deterrence" in Ukraine. This buzzy new phrase serves as the intellectual foundation of President Biden's forthcoming National Defense Strategy, combining diplomacy, alliances and new technology with conventional hard power to deter bad guys from doing bad things.

That may sound reasonable, but the administration's embrace of integrated deterrence is an abandonment of the Pentagon's previous strategy of deterrence by denial. That required the U.S. to maintain enough military strength to turn back an adversary's aggression, particularly in Taiwan and Eastern Europe. In April 2021, Defense Secretary Lloyd Austin justified the new approach under the premise that allies and "galloping advances in technology" can pick up the slack.

Innovative technologies and allied cooperation are important, but deterrence ultimately rests on an adversary's assessment of existing U.S. military power and Washington's willingness to employ it. That's why integrated deterrence failed its first big test in Ukraine, where the Biden administration relied on the threat of nonmilitary punishment to deter Vladimir Putin. The administration delayed lethal assistance to Kyiv for months and repeatedly signaled that military force was off the table for fear of provoking Mr. Putin. Instead, the White House threatened to punish Mr. Putin with sanctions and diplomatic isolation if he invaded. Even though the Ukrainians have since inspired the world through their courage and the Russians have shocked the world with their incompetence, integrated deterrence didn't work.

Nevertheless, anonymous Pentagon officials are spiking the football and moving the goal posts, arguing that integrated deterrence is working because Mr. Putin hasn't expanded his war into North Atlantic Treaty Organization territory. This is a low bar for geopolitical success and ignores the obvious reality that a NATO-Russia war is more, not less, likely since the invasion of Ukraine.

Moreover, the war isn't over, and while certain Pentagon officials are celebrating, others in the Biden administration are warning of Russian cyberattacks on U.S. domestic infrastructure. Many

are concerned that Mr. Putin could use tactical nuclear weapons. The confidently anonymous Pentagon officials are crowing "that the model of integrated deterrence comes out smelling pretty good from this" should go to Kyiv or Mariupol, take in the smell, and spend some time looking at the bombed-out city blocks and bodies lying in the street. If this is the success of integrated deterrence, what would failure look like?

Not content to confine their hubris to Eastern Europe, anonymous Pentagon officials are also suggesting that integrated deterrence is working in the Western Pacific, where Xi Jinping may be rethinking a Chinese invasion of Taiwan. If Ukraine turns out to be Mr. Putin's graveyard, perhaps Mr. Xi will abandon his ambitions. But there is little evidence to support this wishful thinking, especially since China may yet provide Russia with military assistance in Ukraine. It is also possible Mr. Xi senses an opportunity and will decide to expedite his timeline for Taiwan, especially since Mr. Biden has consistently signaled a desire to avoid direct military confrontation with a nuclear-armed adversary.

Defending Taiwan in the event of a Chinese invasion would require the U.S. to engage directly a nuclear-armed state. Deterring such an invasion in the first place, which the destruction on display in Ukraine reminds us is a far preferable outcome, will require America to integrate more conventional hard power into deterrence as quickly as possible. Sanctions, diplomacy and promising but unproven technologies can't substitute for hard power. Nor will they substitute for arming Taiwan to the teeth with asymmetric capabilities before Mr. Xi launches an invasion.

The Pentagon, while taking an anonymous victory lap, appears to be moving in the opposite direction. Its new defense budget fails to keep pace with inflation. Rather than growing the Navy, the budget proposes to purchase four fewer ships than the 13 that Congress funded in the current fiscal year. It also includes no plan to arm Taiwan to deny a Chinese invasion. This lack of urgency confirms that the Biden administration is using the academic jargon of "integrated deterrence" to justify cuts to conventional hard power and avoid the hard work of fielding combat-credible forces capable of denying our enemies their objectives.

It isn't hard to understand why. The administration is cutting corners on defense because of pressure from progressives who view it as a distraction from their domestic spending agenda. Even after the dismemberment of Ukraine, a $2 trillion Covid stimulus bill and a $1 trillion so-called infrastructure bill, Democrats are still talking about building back better. They've gone so far as to project these preferences onto Mr. Putin. "The Russian people don't need another foreign adventure," an anonymous senior administration official said, rebuking the Russian dictator. "What they need is better health care, build back better, roads, schools, economic opportunity."

Unfortunately, integrated deterrence didn't sway Mr. Putin. It failed, at great cost to the Ukrainian people and at great risk to the world. That is nothing to brag about, even anonymously.

Mr. Gallagher, a Republican, represents Wisconsin's Eighth Congressional District and is a member of the House Armed Services and Intelligence committees.

Biden's 'Integrated Deterrence' Fails in Ukraine

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THE WALL STREET JOURNAL.

CLM Politics & Ideas
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HD **The Hard Truth in Biden's Gaffe; The U.S. can't resume normal relations with Russia while Putin partitions Ukraine.**

BY By William A. Galston
WC 864 words
PD 29 March 2022
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LP

The journalist Michael Kinsley famously proposed that "a gaffe is when a politician tells the truth—some obvious truth he isn't supposed to say." By this standard, the ad libbed final sentence of President Biden's Warsaw speech may be a gaffe for the ages. Administration officials scurried to walk back the suggestion that regime change in Russia was among the objectives of U.S. assistance to Ukraine. America's NATO ambassador, Julianne Smith, suggested (plausibly enough) that Mr. Biden's words represented "a principled human reaction" to his encounter earlier in the day with hundreds of desperate Ukrainian refugees.

Mr. Biden's impromptu remark, which dominated coverage of an otherwise strong speech, raises a larger question: Is it conceivable that the rest of the world can return to business as usual with Vladimir Putin as Russia's president, or must he and his country be treated as international pariahs so long as he remains in power?

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Much depends on how the war ends. It is now clear that Mr. Putin cannot achieve his initial objective: swiftly overthrowing Volodymyr Zelensky's government and installing a compliant regime in Kyiv. Although it is too early to know for sure, recent statements by Russian officials suggest that Mr. Putin is pivoting to Plan B—securing the Donetsk and Luhansk regions as well as the coastal land bridge to Crimea. Gen. Kyrylo Budanov, head of intelligence for Ukraine's Defense Ministry, agrees with this assessment.

It is conceivable but unlikely that if the West expands the scope and accelerates the pace of arms deliveries, Ukraine's forces could completely expel Russian invaders from their land. At this point, however, the most likely outcome is that both sides fall short of total victory and that a stalemate sets in, with Ukraine governing the west and Russian forces occupying the east. This would create what Gen. Budanov calls "North and South Korea in Ukraine." Then what?

One possibility is that a version of the pre-invasion status quo might resume, with Russian and Russian-backed forces occupying much more Ukrainian territory than before the invasion. Fighting would probably continue at a lower intensity along the new informal line of demarcation between the contending forces.

Sanctions would continue, as would arms shipments to Ukraine and Europe's effort to decouple from Russian energy. The U.S. and its allies would intensify their efforts to isolate Russia diplomatically.

There is a somewhat more optimistic scenario in which the negotiations hosted by Turkey between Russia and Ukraine continue to progress and the intensity of the fighting gradually subsides. Even so, the most Mr. Zelensky could offer without sparking domestic opposition would fall far short of the least Mr. Putin could accept without jeopardizing his survival as Russia's leader. This matters because any draft agreement would be subject to approval by popular referendum in Ukraine.

Before the most recent Russian invasion, Ukraine refused to accept Russia's annexation of Crimea, and it is less likely to do so after so much bloodshed and destruction at the hands of Russian forces. In

a similar vein, if Ukraine did not accept the territorial gains that Russian forces achieved in the Donbas in 2014, why would it accept the larger gains Russia has made this year? Ukraine seems willing to abandon its long-held aspiration to join NATO and discuss some form of neutrality, but only in return for security guarantees from a Western coalition of the willing that Russia would find no more palatable.

The most likely outcome, I believe, is an armistice along the lines of the agreement that ended the shooting phase of the Korean War, leaving the large issues unresolved. Mr. Zelensky would tell his people that he had refused to cede an inch of Ukrainian territory, while Mr. Putin would say that he had achieved his principal objective—protecting the Ukrainians who identify with Russia linguistically and culturally from an oppressive "Nazi" government.

I do not see how the U.S. and its allies can resume normal relations with Russia while Vladimir Putin's army enforces a de facto partition of Ukraine. Mr. Putin cannot be rewarded for naked aggression.

It is possible that over time Western sanctions will interact with the costs of occupation (including a guerrilla war against the invaders) to force Russia to withdraw, as the Soviets did from Afghanistan. But having paid such a heavy price for his invasion, Mr. Putin will not readily reverse it. Besides, a reversal would violate the pan-Russian ideology that—as much as any cost-benefit calculation—shapes his stance toward Ukraine.

In the meantime, there would be a frozen conflict—and a ticking time bomb—in the heart of Europe.

Could the kind of creative statesmanship that peacefully ended the Cold War succeed in these circumstances? Then, the West was dealing with Mikhail Gorbachev, with whom (as Margaret Thatcher famously opined) the West could do business. Now it would have to shake a bloody hand.

The Hard Truth in Biden's Gaffe

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BARRON'S

SE Daily

HD **Online Ad Revenue Growth Slowed By Ukraine War: Analyst**

BY By Eric J. Savitz

WC 492 words

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LP

Slowing economic activity in Europe related to the Russian invasion of Ukraine is likely to hurt online ad spending, Morgan Stanley analyst Brian Nowak asserted in a new research note.

"The macro winds of uncertainty–in particular around Europe and Russia–continue to swirl," writes Nowak, who trimmed his 2022 revenue estimates for online advertising players by between 1% and 2%. "We remain on macro data point watch for any signs of further weakening in Europe or the U.S."

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As part of the call, Nowak tweaked his price targets on four stocks. For Twitter (ticker: TWTR) he keeps his Equal Weight rating, and trims his target by $1 to $58. For Overweight-rated Snap (SNAP), he likewise snips his target by a buck, to $58, while for Nextdoor Holdings (KIND), still Equal Weight-rated, his target drops to $6.50, from $7. For Criteo (CRTO), a digital advertising platform, he maintains his Equal Weight rating, while cutting his target to $57, from $60.

Nowak notes that several companies at a recent Morgan Stanley tech conference spoke of potential or actual weakness in Europe.

"Part of this may be due to some branded advertisers pausing spend to avoid advertising next to negative content, while part of this may also be driven by some incremental weakness from the European consumer," he writes. Nowak notes that European contribution to Internet ad platform sales range from 8% for Pinterest (PINS) to 34% for Facebook-parent Meta Platforms (FB), with Russia alone about 1%-2% of the total. He notes that many companies have pulled back or shut down advertising in Russia.

Nowak adds that for now he is leaving his 2023 estimates in place–and that the new forecast doesn't factor in any further weakening of the U.S. consumer or ad markets.

Meanwhile, Nowak repeats his Overweight ratings on Alphabet (GOOGL), Meta and Snap.

For Alphabet, he sees "outsize" ad revenue and free cash flow growth, driven by improved results in travel and autos, among other categories.

For Meta, he thinks the headwinds from the company's investment in the TokTok competitor Reels will eventually become a tailwind. We acknowledge it may be a couple of quarters for the company to deliver revenue acceleration and Reels monetization that can instill confidence in the long-term cash flow potential but [we] remain bullish from a 12-month perspective," he writes.

And for Snap, he says that the company has a smaller measurement gap to close relative to Facebook on responding to Apple's ad targeting changes, and he expects improve ad efficacy, targeting and measurement to boost ad spend per advertiser and ad unit pricing. He thinks the company is "closer than appreciated" to returning to 50%-plus growth rates.

Write to Eric J. Savitz at eric.savitz@barrons.com

Online Ad Revenue Growth Slowed By Ukraine War: Analyst

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IN i838 : Advertising Services | i3302 : Computers/Consumer Electronics | i330202 : Software | i8385 : Digital Marketing | iadv : Advertising/Marketing/Public Relations | ibcs : Business/Consumer Services | icph : Computer Hardware | iint : Online Service Providers | imed : Media/Entertainment | itech : Technology | icomp : Computing | imark : Marketing | i3302021 : Applications Software | icmsw : Communications Software | isocial : Social Media Platforms/Tools

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BARRON'S

SE Daily

HD **Chubais's Exit Ends a Contradictory Effort to Build a New Russia**

BY By Andrei Kolesnikov

WC 1,251 words

PD 29 March 2022

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SN Barron's Online

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LA English

LP

About the author: Andrei Kolesnikov is a senior fellow at the Carnegie Endowment for International Peace. He is author of several books, including a biography of Anatoly Chubais.

Ever since Russia invaded Ukraine last month, sending the ruble plummeting and prompting a mass exodus of shocked middle-class residents of the big cities, the sight of Russians lining up to empty ATMs has become a familiar one. On March 23, according to the newspaper Kommersant, the man spotted doing just that in Istanbul was Anatoly Chubais, a special envoy to Russian President Vladimir Putin for relations with international organizations on the energy transition, and the architect of Russia's privatization in the 1990s.

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This once influential deputy prime minister for economic and financial policy, the man who secured Boris Yeltsin's victory in the 1996 presidential election and went on to reform the electric power sector and then found Russia's nanotechnology industry, has apparently become a political refugee like so many other Russians right now. If the reports of his departure are true, he has joined the ranks of those who have fled Russia because they feel life there is intolerable while their country is waging war on neighboring Ukraine. That their country has not only destroyed its own future with its "special military operation," but also lost part of its past: several decades of contradictory efforts to build a new Russia. Anatoly Chubais, a pragmatic romantic—or romantic pragmatist—who built a market economy in a land without any market traditions, was directly linked to that past.

He also played a direct role in Vladimir Putin's political career, though he likely gave it little thought at the time. In 1996, Putin's boss Anatoly Sobchak, the first democratically elected mayor of St. Petersburg following the Soviet collapse, failed to be re-elected. His colleagues asked Chubais, back then also at the start of his career as an official in the municipal administration of Leningrad, as St. Petersburg was known, to help find a new position for Putin.

Chubais knew Putin in passing from the work at the St. Petersburg mayor's office. Such requests were commonplace, and Chubais, as head of President Boris Yeltsin's administration, got Putin a minor position within the Kremlin apparatus. Putin, a precise and diligent bureaucrat, soared quickly to dizzying heights, and by 1998 he was head of the FSB, the secret police, the organization in which he had begun his career (and which, perhaps, he had never left), taking up a position of which he could once only have dreamed.

In August 1999, Yeltsin unexpectedly fired his prime minister, Sergei Stepashin, and replaced him with Putin. By then, Chubais had left the government to work on reforming the electrical energy sector, but he retained enormous informal influence, and had direct access to the president. He met with Yeltsin specifically to torpedo Putin's appointment. Chubais did not consider Putin a worthy heir to the first leader of post-Soviet Russia. But this was one of the rare occasions on which Yeltsin did not listen to Chubais.

Chubais, ever politically practical, went on to support Putin in his political career, despite the warnings of many of his associates. At that time, the liberals assumed they would have complete control over Putin as the new presidential candidate, who had become popular as a result of his tough actions in Russia's breakaway republic of Chechnya.

The relationship between Chubais and Putin was full of contradictions. The future Russian dictator was barely able to forgive Chubais's opposition to his appointment as Yeltsin's successor, but at the same time, he knew full well that it was Chubais who had set in motion—however indifferently—his rise to the top. In addition, Putin and Chubais shared a close mutual friend from their time at the St. Petersburg mayor's office: Alexei Kudrin. He later became a respected finance minister and the informal leader of Russia's liberals. Thanks to this friendship, Putin forgave in Kudrin a lot that he would not have forgiven in anyone else. (Kudrin is now head of Russia's Accounts Chamber, and has not taken the risk of expressing any public doubt over Putin's actions.)

Chubais played strictly by the rules, never criticizing Putin. He believed that Russia's political and economic systems could be improved even under an authoritarian regime. The most important thing was not to protest, but to make a contribution to the country's development. This stance was controversial within the democratic camp. Chubais was accused of appeasement, and of being naïve or cynically opportunistic.

One of Chubais's gentle opponents was his close friend Yegor Gaidar, the main architect of Russia's post-Soviet economic and political reforms, and a moral authority for many democratic-minded intellectuals in Russia. Gaidar died in 2009, and in recent times, Chubais often said that he would have disagreed with his friend, who categorically did not believe that authoritarian modernization was possible.

On Gaidar's birthday, March 19, Chubais wrote on social media that his late friend had, after all, turned out to have been "strategically correct." This was a signal that Chubais had lost hope in the possibility of any development in Russia under Putin. It was an admission of defeat: the defeat of a more than 40-year mission by young Soviet economists, first to draw up reforms, and then to implement them under Yeltsin.

Chaubis's actions indicate that as well as no longer believing in Russia's future, he feared for his own safety. He has many enemies within Russia's security services, who see him as a symbol of Russia's liberal development and would like nothing better than to destroy him.

What we are seeing is not a schism within Russia's elites. The elites are united in their support of Putin. They are essentially trapped in a submarine with him, and will either sink or swim together with the president. A case in point is that of Elvira Nabiullina, the respected head of Russia's central bank, as reported by the The Wall Street Journal: She handed in her resignation, but Putin simply refused to accept it. No conspiracy against the dictator is possible, either within the state apparatus, or in political circles, or by the oligarchs. There is too little unity among these people. They do not trust each other, and—most importantly—they are paralyzed with fear, just like Stalin's associates in the final years of his life.

Putin once said that liberalism in Russia was obsolete. Now that theory has been put into practice. Naturally, the disappearance of the last few liberals from government coincides with the most nightmarish course of action the Putin regime could have possibly embarked upon. An act that has destroyed all the achievements of the Yeltsin era and put an end to the Russia that Chubais, Gaidar, and their colleagues had tried to build. We must accept the fact that the compromises made by Russia's liberals with regard to Putin have led the country into a dead end.

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Chubais's Exit Ends a Contradictory Effort to Build a New Russia

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IPD Commentary

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THE WALL STREET JOURNAL.
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HD **Leak Reveals Secret World Of Pro-Russia Hacking Gang**

BY By Robert McMillan, Kevin Poulsen and Dustin Volz

WC 2,233 words

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PG A1

LA English

LP

In a secret chat room run by a group of Russian-affiliated cybercriminals, a hacker expressed excitement about a plan to attack and disable more than 400 U.S. hospitals. "There will be panic," the hacker wrote, in Russian.

It was 2020, at a severe point in the pandemic, and the gang planned to hold hostage the computer systems of the hospitals, many of which were fighting to save Covid-19 patients.

TD

U.S. authorities and cybersecurity researchers foiled large parts of the plan, warning hospitals before the hackers' ransomware could be installed, but the hackers shrugged off the setback, according to a cache of data and documents leaked online in recent weeks.

The hacking enterprise, called the Trickbot Group by federal prosecutors, and its affiliates had already collected hundreds of millions of dollars by shutting down emergency rooms, city governments and public schools since 2018.

"I find it all funny," wrote a Trickbot hacker who used the pseudonym "target," in a message, after the plan was thwarted, to "stern," the group's leader and paymaster.

This wide-open view of the inner workings of what is perhaps the world's biggest and most dangerous organized cybercrime group is a surprising consequence of the war in Ukraine. An anonymous researcher who had infiltrated the group's servers, and who identified himself as Ukrainian, posted the data on Twitter on Feb. 27. "Ukraine will Rise!" he then wrote in a March 2 tweet.

Security researchers and U.S. officials say the internal conversations amount to the most complete and candid public look yet at the operations of a criminal ransomware enterprise. U.S. authorities have been tracking the Trickbot group, but little was known publicly about its operations and internal deliberations before the cache of documents surfaced.

More than 200,000 messages exchanged by 450 Trickbot managers, staff and business partners since June 2020 reveal a well-organized criminal syndicate with possible connections to Russian intelligence agencies. They show an organizational resilience that allowed the group to rapidly recover from counterattacks by law enforcement, and grand ambitions to diversify and develop a cryptocurrency.

Life inside the group swings wildly between the dangerous and the mundane, with managers at once hatching extravagant plans, such as opening a pro-Russian espionage division, while also budgeting vacation time and smoothing over workforce conflicts.

Russia's invasion of Ukraine last month prompted the researcher to leak the information, according to two people who know him and can verify the work he did to capture Trickbot communications and pass them on to Western cybersecurity professionals. The researcher didn't respond to requests for comment sent to him via an intermediary.

U.S. law-enforcement officials haven't publicly verified the materials. Cybersecurity researchers and former security officials say the chat logs and other leaked documents appeared to be authentic. The Federal Bureau of Investigation declined to comment.

The data include technical details that align with attacks using ransomware called Conti that Trickbot has previously claimed, as well as a breach previously attributed by security experts to another strain of ransomware developed by the group called Ryuk, according to an analysis of the data by The Wall Street Journal.

A malware developer participating in the chats used a nickname previously identified in a federal indictmentas a coder for Trickbot. And gaps in the logs coincide with periods when the group's computer infrastructure was known to have been disrupted, according to security researchers and the security blogger Brian Krebs.

Ransomware locks up a target computer network's files until payment is made for their release. It has ballooned as a criminal enterprise in recent years. The U.S. Treasury Department said last fall that ransomware payments by American companies that were flagged by U.S. banks in the first six months of 2021 had nearly doubled to almost $600 million from the previous year's period.

President Biden began putting pressure on Russian President Vladimir Putin last summer to take action to limit ransomware originating in Russia. Much of the world's cybercrime -- including ransomware -- originates there or in Eastern Europe, say security researchers and government officials.

Russia has denied U.S. accusations its state security apparatus is involved with cybercrime or tolerates it. Russia's embassy in Washington didn't respond to requests for comment.

Officials say cybercriminal groups could target the U.S. as a form of retaliation for the West's support for Ukraine against Moscow's invasion. Gen. Paul Nakasone, the head of the National Security Agency and U.S. Cyber Command, warned during a Senate hearing this month that Russia could become more likely to lash out with ransomware or other aggressive cyberattacks as the Ukraine conflict drags on.

On Monday, a Ukrainian internet service provider used by the country's military suffered a massive cyberattack, disrupting its services. Officials didn't say who was responsible.

Mr. Biden last week said evolving intelligence indicated the Kremlin was looking to target the U.S. with cyberattacks in response to economic sanctions.

U.S. officials are weighing whether to sanction the Trickbot group, according to sources familiar with the Treasury Department's thinking. Such a move would make it illegal for U.S. companies to pay its ransomware demands.

Trickbot is one of the most prolific and widely feared of the ransomware groups, and its Conti ransomware was the most used in 2021, according to cyber-threat researchers at Unit 42, at Palo Alto Networks. Trickbot runs an affiliate program that allows other criminals to sign up as partners and wield the group's ransomware, servers and ransom negotiators in exchange for payment.

The group's Conti ransomware strain was used in 16 targeted attacks on U.S. emergency responders last year, including hospitals and 911 call centers, according to the FBI. It was also used in attacks on Ireland's national healthcare system that forced doctors to cancel stroke and cancer treatments. The group's other ransomware code, Ryuk, has been used in attacks on at least 235 general hospitals and other healthcare facilities in the U.S. since 2018.

On Feb. 27, the anonymous researcher posted nearly two years of data -- private chat messages, financial information, source code and other technical details -- which he described as belonging to the operators of the Conti ransomware.

The leaks depict a highly professional and ruthless ransomware organization at the top of its game, said John Fokker, head of cyber investigations with the security firm Trellix. "They don't care if they go after a hospital," he said. "It's all about making money."

The anonymous source of the leak is one of a handful of cybersecurity analysts who have been secretly infiltrating Trickbot's electronic infrastructure, according to Alex Holden, a security analyst whose company, Hold Security, monitors Eastern European cybercrime and Trickbot. The researchers have recorded private chats undetected and undermined some of the group's plans.

In September 2020, U.S. officials at U.S. Cyber Command and elsewhere were successful in freeing thousands of computers from the hackers' control, according to current and former officials and others familiar with the operation. The network of machines had been infected for the purpose of conducting cyberattacks, they said.

At around the same time, Microsoft Corp. worked with a world-wide coalition of technology companies to block servers at eight U.S. hosting companies that Trickbot rented to run the back-end of its operations.

The chat messages show flashes of frustration with the counterattack. "[T]hese offline bots will demoralize everyone," one Trickbot manager complained, referring to the hacked PCs that abruptly stopped accepting orders from the group.

The group began rebuilding its network of compromised computers immediately, and within weeks had returned to full strength and started a dangerous revenge plot, the messages show. The hackers began methodically penetrating U.S. hospitals, intent on simultaneously crippling hundreds of them as they struggled with rising Covid infections.

Cybersecurity researchers who had been tracking the group warned U.S. authorities, and the Department of Homeland Security warned hospitals. Cybersecurity experts worked to minimize the damage. "I don't think I've ever been as scared as I was that week," said Joshua Corman, former chief strategist with the Cybersecurity and Infrastructure Security Agency's Covid Task Force, a Homeland Security group set up to protect the healthcare sector during the pandemic.

After the hospital attack plan was countered, the messages show Trickbot managers searching for how their plans leaked. "Checked everything back and forth, there's nothing on the PC, no traffic leaks," one of the group reported to "stern."

Though the coordinated hospital attacks didn't work out, funds were flowing in from desperate victims in other corporate sectors. The group's Conti ransomware business received payments of $70 million in 2020 and more than $200 million in 2021, according to blockchain analytics firm Chainalysis. As of early March, it had taken in $13.5 million, Chainalysis said.

The chats offer a number of references to possible connections between the Trickbot gang and Russian security officials.

"We can see conversations that are very suggestive that at least a small portion of these threat actors might have some sort of relationship with Russian intelligence or the Russian government apparatus," where the hackers may work to obtain intelligence for the government, said Kimberly Goody, director of cybercrime analysis with the security firm Mandiant.

In October, a member called "kagas" passed along word of a newly reopened investigation in Russia into the group spurred by a request from U.S. officials.

"[T]he investigator said why it was renewed -- the Americans officially requested information on Russian hackers. . .We were summoned by the investigator next Tuesday for a talk, but sort of as witnesses for now."

Earlier last year, members of the group discussed specifically targeting "people who work against the Russian Federation," instead of limiting their attacks to large corporations that can afford sizable ransom payments, their previous strategy.

One of the hackers claimed to have breached the email of a reporter at the open-source investigations organization Bellingcat, and scoured for information on an investigation implicating Russia's FSB, its civilian intelligence agency, in the 2020 nerve agent poisoning of Russian opposition leader Alexei Navalny. "Of course we are patriots," another group member wrote.

Russia's invasion of Ukraine stirred patriotic sentiments in some group members. "Happy holidays, cyber troops!" wrote one group member on Feb. 23, Defender of the Fatherland Day in Russia and the day Russian troops entered Donbas, a day before the broader invasion. "Let's beat the Americans!"

At other times, group members resemble the nerds and schemers on the HBO television series "Silicon Valley." The logs show some members pitching senior managers on pet projects and new monetization strategies. "While I was sleeping, I came up with a very cool idea," wrote a midlevel manager called "Mango," who then proposed a micropayment auction system to sell uncooperative victims' stolen data in dribs and drabs.

The group maintained offices in Moscow, which it used to recruit new talent, but, like other businesses, switched to a work-from-home model during the Covid outbreak, according to Vitali Kremez, the chief executive with the security company AdvIntel, who reached those conclusions based on his own intelligence gathering.

Hackers took breaks to visit the dentist, the chats show, and appeared to have human-resources staff. The hackers talk about the struggle to recruit technical talent, tell jokes, grouse about vacation and even muse about launching their own cryptocurrency blockchain.

Last year, the FBI arrested Alla Witte, a Latvian national accused of serving as one of the cybercrime group's key developers. The hackers worked to hire a lawyer for Ms. Witte, and discussed using their ransom profits to fund her defense. Their strategy would be to portray Ms. Witte as an unwitting accomplice to the group's crimes, wrote "Mango": "We will try to make a victim out of her, got a job on the Internet, didn't see who she was working with."

The group tried to steer victims toward preferred ransomware negotiating companies and pressure victims to submit to escalating extortion demands. In one of the chats, Trickbot's operators claim to have a journalist, whose name and organization wasn't revealed, on the payroll who would take a 5% commission on extortion payments in exchange for pressuring victims by threatening critical coverage of breaches.

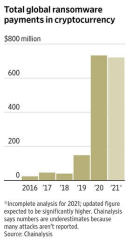
In late February, Trickbot announced it was supporting the Kremlin and threatened to respond forcefully to any cyberattacks against Russia.

That prompted the researcher to release megabytes of logs, code and documents he had compiled from his time monitoring the group, according to Mr. Holden, the security analyst at Hold Security.

"The gang itself is in shambles," said Mr. Holden, indicating the leak disrupted the group's operations. "We've seen them try to reassemble a little bit, but they're not rebuilding in any meaningful way."

The large leak was followed in early March by a smaller dump by the same researcher of chat logs capturing the hackers' response to the leak. The logs show Trickbot scrambling to rip down infrastructure and destroy evidence. "Who leaked?" one member demanded.

Mauro Orru contributed to this article.



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THE WALL STREET JOURNAL.
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HD **The Ukraine Crisis: Ruble Rebounds With Bank's Help**

BY By Caitlin Ostroff
WC 700 words
PD 29 March 2022
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PG A7
LA English

LP

The ruble is in a central-bank-induced coma.

While Russia's currency can still see sharp swings in a day, it has trimmed its steep losses and begun to stabilize. It is now trading at about 99 rubles to the dollar, roughly 17% weaker than it was before Russian troops invaded Ukraine on Feb. 24 but stronger than its record low of 151 on March 7, according to FactSet.

TD

Rising currency prices often reflect a general strengthening of a country's economic outlook. Not so in Russia.

Rather, central bank moves to limit ruble selling and force ruble buying have effectively manufactured demand for the currency.

Russia capped the amount of dollars that residents can withdraw from foreign-currency bank accounts and barred banks from selling foreign currencies to customers for the next six months.

Russian brokerages also aren't allowed to let foreign clients sell securities. These measures have made it more difficult to sell the ruble, thereby limiting its losses.

Western sanctions against Russia left carve-outs for exporters of energy upon which Europe is particularly dependent, which kept dollars and euros flowing into the country. Russia ordered those exporters to sell 80% of their foreign-currency revenues and buy rubles, helping the currency appreciate.

"It is fair to say that the ruble is not a market price," said Robin Brooks, chief economist at the Institute of International Finance. "If there were a free flow in both directions, we would see a far weaker ruble."

Russian President Vladimir Putin recently said he wants European nations to begin buying Russian gas with rubles rather than dollars and euros. That would reverse the current flow of money, making sanctioning nations support Russia's currency and ensuring that all funds from energy sales support its value, said Christian Kopf, head of fixed income at asset manager Union Investment. Such a move is unlikely, but it signals Russia's desire to boost demand for the ruble.

Currencies often move with the ups and downs of a country's economy. Investors want to put money into economies they think will thrive, buying stocks and bonds denominated in that country's tender.

It is harder to take such insights from the ruble.

Hundreds of companies have announced a withdrawal from Russia, meaning imports are likely to contract. At the same time, Russia is continuing to sell its oil, meaning exports and money gained from those will more than make up for the money necessary for imports.

Oil prices above $100 a barrel are also adding a boost to revenue, even as Moscow's inventories trade at a discount. The imbalance could strengthen the ruble, though it doesn't make Russia's economy any stronger.

"There's so much stuff you're not allowed to buy or sell," said George Pearkes, a macro strategist at Bespoke Investment Group. "The ruble could strengthen a lot from here, and it wouldn't mean anything."

After the war broke out, the ruble market split to have one value within Russia and another on international markets. In onshore trading, Russia's currency was valued at 94 rubles to the dollar on Monday, while it traded at 98 in international markets. That gap has narrowed from early March.

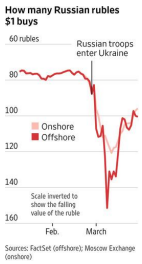
Russian banks offered slightly fewer rubles for customers' dollars than the Moscow Exchange on Monday. Sberbank PJSC offered about 89 rubles for a dollar while the Russian website of Austria's Raiffeisen Bank quoted 86.

Many Western banks are no longer providing electronic quotes to buy and sell the ruble. Clients instead must call the bank and ask if it is willing to process a trade and at what rate.

Banks, worried about running afoul of Western sanctions, are having to clear every ruble transaction with their legal and compliance departments, traders say.

European countries have announced plans to shift away from Russian energy in the coming years, which also would weaken the ruble over the long term.

"We're looking at a Russian ruble that is longer-term significantly weakened," said Jane Foley, head of foreign-exchange strategy at Rabobank.



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THE WALL STREET JOURNAL.
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HD **The Ukraine Crisis: Credit Suisse Probed Over Compliance With Sanctions**

BY By Margot Patrick

WC 541 words

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LP

U.S. lawmakers asked Credit Suisse Group AG to hand over information related to the bank's compliance with sanctions over Russia's invasion of Ukraine.

In a letter to Credit Suisse Chief Executive Thomas Gottstein on Monday, Rep. Carolyn B. Maloney (D., N.Y.), chairwoman of the Committee on Oversight and Reform, and Rep. Stephen F. Lynch (D., Mass.), chairman of the Subcommittee on National Security, asked the bank to hand over information on its financing of yachts and aircraft owned by potentially sanctioned individuals.

TD

They are seeking the information following reports that Credit Suisse instructed investors in a recent debt deal to destroy and erase information related to its dealings with wealthy clients.

The debt deal, reported by the Financial Times in February, reduced some of the bank's exposure to $2 billion loans it made to rich clients to finance yachts and jets.

The FT reported that a presentation for the deal said there were four loan defaults in the 2017-18 period because of U.S. sanctions against Russian oligarchs. It later reported investors had been asked to destroy deal documents.

"This report raises significant concerns about Credit Suisse's compliance with the severe sanctions imposed by United States and its allies and partners on the architects and enablers of Russia's brutal and unprovoked invasion of Ukraine, including Russian President Vladimir Putin and oligarchs in his inner circle," the committee chairs wrote.

A Credit Suisse spokesman declined to comment on the letter and pointed to the bank's earlier remarks on the deal and sanctions. On March 3 the bank said it had asked investors who hadn't participated in the deal to destroy documents, citing market practice, and that it had nothing to do with recent sanctions. It said no data was erased within Credit Suisse.

The lawmakers said they were particularly concerned that the instruction to destroy documents coincided with Switzerland saying it would join other countries in applying sanctions.

There were also questions about whether investors in the deals had adequate information to comply with sanctions if any of the loans had been made to sanctioned people.

Earlier this month, Mr. Gottstein said Credit Suisse follows all U.S., U.K. and European Union sanctions as binding, and that Switzerland applying them Feb. 28 was "almost irrelevant."

Credit Suisse has acknowledged freezing $5 billion in client assets in 2018 to comply with earlier sanctions imposed over Russia's aggression in Ukraine. It disclosed up to $1.1 billion in exposure to Russia earlier this month and said exposure to sanctioned individuals was minimal.

The committee wants to review a list of the investors in the deal, as well as documents pertaining to Credit Suisse's due diligence on the deal and its underlying assets in relation to sanctions.

The committee requested all communications and documents relating to any instructions to destroy the deal-related information, as reported by the FT. The lawmakers also are seeking any bank communications with the owners of the underlying assets.

In the letter, the committee asked Credit Suisse for documents dating back to Jan. 1, 2017, by April 11.

CO sk : Credit Suisse Group AG

IN i814 : Banking | i81402 : Commercial Banking | ibnk : Banking/Credit | ifinal : Financial Services | iibnk : Integrated Banks

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THE WALL STREET JOURNAL.
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HD **The Ukraine Crisis: Ukraine Military's Internet Provider Attacked**

BY By Robert McMillan and Dustin Volz
WC 247 words
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LP

A Ukrainian internet service provider used by the country's military suffered a massive cyberattack on Monday.

The attack on Ukrtelecom PJSC was described by some experts as among the most harmful cyberattacks since the Russian invasion of Ukraine on Feb. 24. About 3:30 p.m. ET on Monday, Ukrainian officials said they repelled the attack, and that the company could restore services, according to Ukraine's State Service of Special Communication and Information Protection, which is responsible for cybersecurity.

TD

The Ukrainian cyber agency didn't say who was responsible for the attack. Security experts have said Russian-linked hackers launched cyberattacks against financial-services companies, internet-service providers and government agencies in the run-up to the Feb. 24 invasion and after. Russia has denied involvement.

Ukrtelecom's ability to connect to the internet to provide services to customers began dropping about 5 a.m. ET and gradually fell off throughout Monday, show data from the Georgia Institute of Technology's Internet Outage Detection and Analysis project, which monitors internet blackouts.

As of 4:30 p.m. ET, about 8% of the Ukrtelecom networks that the Georgia Tech project measures were online. Ukrtelecom didn't return messages seeking comment, but the company acknowledged service outages in a post Monday to its Facebook page, and said it was working to restore stable service.

CO urktel : Ukrtelecom | epiczz : EPIC Financial Consulting GmbH

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THE WALL STREET JOURNAL.
U.S. EDITION

HD **The Ukraine Crisis: War Divides Russian Speakers in Latvia --- More young people reject older relatives' allegiance to Moscow as conflict deepens**

BY By Sune Engel Rasmussen

WC 838 words

PD 29 March 2022

SN The Wall Street Journal

SC J

PG A6

LA English

LP

RIGA, Latvia -- For years, the Kremlin thought it had a toehold in the Baltic states that were once part of the Soviet Union. Large numbers of Russian speakers, many of whom were left behind after the fall of the Iron Curtain, provided Moscow a way to sway public opinion and undermine the West's expansion toward Russia's borders, security officials say.

Now those old allegiances are being tested and generational divides exposed by President Vladimir Putin's war on Ukraine.

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In Latvia, many young ethnic Russians say they try to sidestep what is happening there when talking with older family members, fearing it might damage their relationships.

"I try to avoid the topic," said Sophia Dubova, a 16-year-old fruit seller in a central market of Riga. She said her parents watched Russian state media until those channels were blocked, but she gets her news from Ukrainian citizens and journalists on Telegram, the messaging site. Nearly 100 Russia-based television networks and websites have been blocked in Latvia since the invasion began and at least five activists were arrested this month for their allegedly pro-Russian sympathies as security forces try to limit the Kremlin's reach.

Other young people are trying to change the minds of the older generation by gently feeding them with information that doesn't come from Moscow.

Journalist Anna Leitland-Grigorjeva and her husband, Arturs, an engineer, run a YouTube channel where she interviews experts about the war in Russian. The couple have only carefully broached the subject of the war with her parents back in Russia, and his in Riga.

"It's important to speak to them without aggression," said Ms. Leitland-Grigorjeva, who was born in Russia and was a Putin supporter when she arrived in Latvia in 2017 but soon changed her views. "We're trying to help people find their own way to the truth."

Whether they and others like them succeed could determine Russia's future influence among its aging pockets of sympathizers, for whom the wounds of the Cold War had never fully healed.

A 2017 report by Rand Corp., a U.S. think tank, said Russia might try to mobilize loyal groups in Latvia and Estonia to declare independence and invite Russian troops to annex territory, akin to what breakaway groups did in the Ukrainian Donbas region in 2014.

"The leadership in the Kremlin very much wants to use Russophone minorities outside Russia for their political purposes," said Janis Kazocins, national security adviser to the Latvian president. "It's a way to weaken the country by creating splits in society."

Normunds Mezviets, director-general of the Latvian domestic intelligence agency, agreed, saying Moscow's goal was to chip away at Latvia's membership in the European Union and the North Atlantic Treaty Organization.

Other European countries have enclaves of Russian support. The rifts run deepest in Latvia, where 37% of the population are Russian speakers and 25% of the population are ethnic Russians.

After Latvia gained independence in 1991, many Russians, Belarusians, Ukrainians and other ethnicities stayed in the country. But in 1995, hundreds of thousands of them were effectively made second-class citizens, said Elizabete Krivcova, a lawyer in Riga who focuses on minority rights. A new law placed noncitizen status on ethnic minorities from the former Soviet Union whose ancestors didn't have citizenship from Latvia's first period of independence from 1918 to 1940.

Noncitizens can't vote or work as civil servants, police or practice law. Gaining citizenship requires passing a language exam that many aren't able to pass. About 10% of Latvia's population remain noncitizens, according to the Latvian Office of Citizenship and Migration Affairs.

Many Russian speakers have pro-European social views but lean toward the Kremlin on geopolitical issues, said Martins Kaprans, an expert on Russian-speaking minorities in post-Soviet states at the University of Latvia.

However, the war in Ukraine could change views among Russian speakers, he said, weakening Moscow's leverage in the community.

"This is an existential tipping point for Russophone Latvians," Mr. Kaprans said. "Russia is the source of their collective identity and language, and the image of Russia as a peaceful country will be very hard to maintain."

For some, but not all.

Although traditionally pro-Russian political parties have condemned Mr. Putin's war, public-opinion polls suggest loyalties are more divided. An independent opinion poll conducted in March for Latvian television showed only 22% of Russian speakers supported Ukraine in the current war, compared with 90% of ethnic Latvians. Some 21% of Russian speakers supported Russia and 57% declined to take sides or found it difficult to answer.

The clampdown on Russian state media and pro-Russian activists has prompted some critics to say Latvia could be worsening the disaffection many Russian speakers feel.

NS gvexe : Executive Branch | gdip : International Relations | gcns : National/Public Security | gsec : State Security Measures/Policies | gvio : Military Action | nmajev : Major News Events | ntop : Top Wire News | gcat : Political/General News | gpir : Politics/International Relations | gpol : Domestic Politics | grisk : Risk News | gvbod : Government Bodies | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis

RE russ : Russia | latv : Latvia | riga : Riga | ukrn : Ukraine | asiaz : Asia | baltst : Baltic States | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eecz : European Union Countries | eeurz : Central/Eastern Europe | eurz : Europe | ussrz : CIS Countries

IPC IGV

PUB Dow Jones & Company, Inc.

AN Document J000000020220329ei3t0000i

THE WALL STREET JOURNAL.
U.S. EDITION

HD **The Ukraine Crisis: Israel Grapples With Refugee Wave**

BY By Dov Lieber and Yardena Schwartz

WC 974 words

PD 29 March 2022

SN The Wall Street Journal

SC J

PG A6

LA English

LP

TEL AVIV -- Israel is bracing for one of the biggest waves of non-Jewish refugees in its history, as incoming Ukrainians force the country to balance its historic desire to help people fleeing war with its responsibility as a haven for Jews.

About 18,000 Ukrainian refugees have arrived in Israel but two-thirds of them don't have Jewish roots. While most of the 3.7 million Ukrainians who have fled the war are headed to neighboring European countries, the influx has jolted Israel, which has a population of 9.3 million.

TD

Some Israeli officials fear that an unchecked wave of refugees could undercut the country's Jewish majority. Israel's Central Bureau of Statistics said in 2021 that 74% of Israel's population identify as Jewish, and 21% are Arab. A further 5% are largely non-Arab Christians, most of whom were among or born to the nearly one million immigrants from the former Soviet Union who came to Israel during the 1990s.

Israeli Interior Minister Ayelet Shaked on March 8 announced a policy to cap non-Jewish refugees from Ukraine at 5,000 while permitting an additional 20,000 Ukrainians residing in Israel largely without legal status before the war to remain during the hostilities.

Five days later, Ms. Shaked changed course after she was condemned from centrist and left-wing members of her government. The issue has similarly divided the country largely along political lines, according to polls, with left-wing Israelis supporting a more-open policy to absorbing non-Jewish refugees. The revised policy keeps the non-Jewish refugee quota at 5,000 but allows an uncapped number of Ukrainians with family in Israel to stay until the hostilities cease. It also requires Ukrainians to apply for approval from Israel before being allowed to board a plane to Tel Aviv.

Israel's current quota for Ukrainians entering the country and the requirement that they receive prior approval while abroad effectively suspended a visa-waiver agreement Israel has with Ukraine. The nearby United Arab Emirates took a similar step in early March before quickly backtracking.

On Monday, Israeli officials said they were approaching the quota, with 4,975 non-Jewish Ukrainian refugees without family in Israel here.

Ms. Shaked has said her policy is meant to give priority to Ukrainians with Jewish roots who are eligible for citizenship. "We have to remember that the state of Israel is a national homeland of the Jewish people," Ms. Shaked said. She has argued that, relative to the size of its population, Israel is expected to take in and naturalize more Ukrainian refugees than any other country that doesn't border Ukraine.

Ukraine President Volodymyr Zelensky has criticized Israel's refugee policy in a Zoom-hosted speech to Israeli lawmakers. "Why isn't Israeli help, or even entry permits, forthcoming," he said.

Mr. Zelensky, who is Jewish, compared Ukrainians fleeing the war to Jews escaping Nazi persecution during the Holocaust. That specific appeal drew outrage from a largely Jewish audience, who considered the comparison incorrect and unnecessary.

Israel's Supreme Court had given the government until Monday to revise the current policy before ruling whether the quota of Ukrainian refugees and the requirement for entry approval from abroad is legal. On Monday, Ms. Shaked notified the court that the existing quota would remain in place.

The petition to the court is backed by Ukraine's embassy in Tel Aviv. Israeli officials have argued the visa-waiver program is for touristic purposes, while those fleeing war would be more likely to remain in the country.

"We showed that the law relates to any visitor from Ukraine and to any purpose, not only tourism, and the Supreme Court hinted that indeed this is how they see it," said Tomer Warsha, who filed the petition challenging the current refugee policy.

Israel has sought to balance its close relationship with the U.S. and Europe with diplomatic and security ties it has developed with Moscow in recent years.

Israel's position is that it opposes Russia's invasion of Ukraine but can provide only humanitarian -- not military -- aid to maintain its ties with Russia. Moscow has forces in Syria, where Israel has been conducting a long-running aerial campaign against Iranian-backed militants. Israel has a deconfliction line of communication with Russia to prevent the possibility of unintended clashes over Syrian skies. Israel has established a field hospital in Ukraine and Israeli Prime Minister Naftali Bennett is one of a handful of state leaders mediating between Kyiv and Moscow.

Ukrainian officials say some non-Jewish refugees have been mistreated as they tried to enter the country, in contrast to the relatively easy process for refugees with Jewish roots.

Yulia Tomin, a 25-year-old refugee who fled her hometown of Ivano-Frankivsk with her two young children and her grandmother, isn't Jewish but has Israeli relatives. She said she slept on the floor in the airport from March 8 to March 11 while nursing her 1-month-old son and trying to take care of her 4-year-old daughter. She was transferred to a hotel and slated for deportation before an immigration lawyer took up her case and won. Israel's immigration authority hasn't responded to a request for comment on Ms. Tomin's case.

Alla Misiuk and her daughter are among about a dozen non-Jewish families being brought to Israel with the help of Jerusalem's Yad Vashem Holocaust Museum because their families saved the lives of Jews during World War II. She doesn't know if they will be allowed to stay in Israel permanently. "My home is destroyed. There is no place to go back to," she said.

CO cbos : Israel Central Bureau of Statistics

NS gimm : Human Migration | grel : Religion | nmajev : Major News Events | ntop : Top Wire News | gcat : Political/General News | gcom : Society/Community | gpir : Politics/International Relations | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis

RE israel : Israel | ukrn : Ukraine | eurz : Europe | tela : Tel Aviv | asiaz : Asia | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | meastz : Middle East | medz : Mediterranean | wasiaz : Western Asia

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THE WALL STREET JOURNAL.
U.S. EDITION

HD **The Ukraine Crisis: Brewers Heineken and Carlsberg to Dispose of Their Assets in Russia**

BY By Alistair MacDonald and Saabira Chaudhuri

WC 447 words

PD 29 March 2022

SN The Wall Street Journal

SC J

PG A7

LA English

LP

Heineken NV and Carlsberg A/S, the world's second- and third-largest global brewers, respectively, said they would exit Russia, joining a growing list of major Western companies leaving the country.

The moves by the beer giants further narrow the pool of big global companies still doing business in Russia. Hundreds of businesses, including fast-food chains, auto makers, oil giants and banks, have said they are pausing or ending operations in Russia in the wake of the invasion of Ukraine.

TD

Heineken and Carlsberg previously had halted new investments in Russia and scaled back some operations, while continuing to do business there. On Monday, they said they had reviewed their operations and decided to dispose of their assets in the country. Upon completion of the moves, neither will have a presence in Russia.

The decision is particularly significant for Carlsberg, which is among the Western companies with the biggest exposure to Russia. The Danish brewer generates about 10% of its annual revenue and more than 6% of its operating profit from Russia, where it owns eight breweries and has about 8,400 employees.

"We have taken the difficult and immediate decision to seek a full disposal of our business in Russia, which we believe is the right thing to do in the current environment," Carlsberg Chief Executive Cees 't Hart said.

The company warned of a "substantial" noncash impairment charge related to the disposal. It said any profit generated from its Russian business during the war would be donated to relief organizations.

Dutch rival Heineken said it decided to leave Russia after a review concluded that ownership of its business there was "no longer sustainable nor viable in the current environment."

Heineken said it would continue to pay its 1,800 staff in Russia until the end of the year and that it wouldn't profit from any transfer of ownership of its operations there. It added that the move would result in a one-off charge of 400 million euros, equivalent to $440 million.

The exits leave Budweiser brewer Anheuser-Busch InBev SA as the last remaining major global brewer to retain a presence in Russia. The world No. 1 beer company has asked joint venture partner, Turkey's Anadolu Efes, to suspend brewing Bud in Russia and has said it would forfeit its profits from the joint venture. AB InBev doesn't disclose how much revenue it earns through the Efes joint venture in which it has a noncontrolling stake. A spokeswoman previously described it as immaterial.

CO dfobry : Carlsberg A/S | hh : Heineken NV | hhhold : Heineken Holding NV

IN i427 : Brewing | i41 : Food/Beverages | ibevrge : Beverages/Drinks | ialco : Alcoholic Beverages/Drinks | icnp : Consumer Goods

NS c181 : Acquisitions/Mergers/Shareholdings | neqac : Equities Asset Class News | nmajev : Major News Events | ntop : Top Wire News | c18 : Ownership Changes | cactio : Corporate Actions | ccat :

Corporate/Industrial News | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfcpin : C&E Industry News Filter | redit : Selection of Top Stories/Trends/Analysis

RE russ : Russia | ussrz : CIS Countries | den : Denmark | ukrn : Ukraine | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eecz : European Union Countries | eeurz : Central/Eastern Europe | eurz : Europe | nordz : Nordic Countries | scandz : Scandinavia

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THE WALL STREET JOURNAL.
U.S. EDITION

HD **The Ukraine Crisis: Japan's Leader Knows the Local Need for Russian Gas**

BY By Peter Landers
WC 819 words
PD 29 March 2022
SN The Wall Street Journal
SC J
PG A7
LA English

LP

TOKYO -- The global crisis over Russia's invasion of Ukraine is also a hometown one for Japanese Prime Minister Fumio Kishida, because constituents in his Hiroshima district rely on Russian gas to cook their dinners.

Japan and European nations have excluded Russian natural gas and oil from the sanctions they imposed after President Vladimir Putin started the Ukraine war, allowing Mr. Putin to keep his principal source of foreign currency. Mr. Kishida says Japan's energy security would be imperiled by a sudden cutoff.

TD

The situation is particularly acute in Hiroshima prefecture, part of which Mr. Kishida represents in parliament. Hiroshima Gas Co. gets about half its gas from Russia, a much higher proportion than the rest of Japan.

It is one example of how the web of connections between Russia and the global economy make it hard for leaders of democracies to punish Mr. Putin for the Ukraine invasion without blowback at home. German Chancellor Olaf Scholz has ruled out canceling its Russian energy deals for now, saying that would plunge all of Europe into recession.

Western companies continue to sell products like cosmetics and ice cream in Russia, while Japan Tobacco Inc., one-third owned by the Japanese government, is keeping its large Russian cigarette business.

Japan imports most of its energy, including natural gas from the Russian island of Sakhalin in the Far East just north of Japan. At a news conference on March 16, Mr. Kishida was asked about the Sakhalin gas field and responded, "In terms of stable supply of energy, I view this as an important project for our nation."

Overall, Japan gets about 9% of its natural gas from Russia. But Hiroshima Gas committed itself more deeply to Moscow in a 2006 deal under which it is importing up to 210,000 tons of liquefied natural gas from Sakhalin every year from 2008 to 2028. The company says that contract accounts for about half the gas it needs annually.

A Hiroshima Gas spokesman said supplies from Sakhalin were coming in normally. The company is watching the situation and planning for alternatives should Russian gas be cut off, he said.

Hiroshima Gas is based in the central Hiroshima city district represented since the 1990s by Mr. Kishida. Starting in 2009, Hiroshima Gas executive Hideki Fukayama, then president and subsequently chairman, donated 240,000 yen, equivalent to $2,000, each year to the ruling Liberal Democratic Party's political organization in the district, which is headed by Mr. Kishida.

After Mr. Fukayama retired as chairman in June 2017, he halted his donations and the new chairman, Kozo Tamura, started donating at the same $2,000-a-year pace through 2020, the most recent year for which records are available. Mr. Tamura was one of only three individuals in that year to donate more than $500.

Hiroshima Gas and a representative of Mr. Kishida said the donations were personal and had nothing to do with the company's business. The donations were within legal limits and reported as required by the ruling party. The company declined to make Mr. Tamura available to comment, and calls to numbers listed for him and Mr. Fukayama weren't answered.

Japan paid more than $3 billion for Russian gas in 2021. If it had to replace that with supplies purchased at current sky-high spot prices, it would cost many more billions, analysts say.

"The economic consequences would be forbidding," said Rystad Energy analyst Kaushal Ramesh. He observed that Sakhalin gas is also convenient, taking just two days to get to Japanese ports, compared with more than a month for many American shipments.

Already, a typical household in Tokyo is paying about 30% more for electricity than in early 2021 because of high prices for natural gas and other fuels.

The prime minister's aides rejected the notion that Japan's purchases from Russia amounted to significant support for Mr. Putin's war machine. One aide said the Japanese money is less than a 10th of what European nations are paying. The aide said if Japan canceled its contracts, other buyers such as China would step in to buy the gas, perhaps at a higher price than Japan had locked in.

"It would be more like sanctions on Japan than sanctions on Russia," he said.

The energy trade has been one of the few areas of cooperation between Japan and Russia amid a long-running dispute over islands seized from Japan by Soviet troops at the end of World War II. Former Prime Minister Shinzo Abe met Mr. Putin more than two dozen times in a fruitless effort to strike a deal. On March 21, Russia's Foreign Ministry, citing Japan's sanctions, said it was ending the talks.

Chieko Tsuneoka contributed to this article.

CO hirgs : Hiroshima Gas Co., Ltd.

IN i1 : Energy | i162 : Gas Utilities | i16 : Electricity/Gas Utilities | iutil : Utilities

NS gvexe : Executive Branch | gcat : Political/General News | gpol : Domestic Politics | neqac : Equities Asset Class News | nmajev : Major News Events | ntop : Top Wire News | reqren : Suggested Reading Energy | gpir : Politics/International Relations | gvbod : Government Bodies | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | redit : Selection of Top Stories/Trends/Analysis | reqr : Suggested Reading Industry News

RE jap : Japan | russ : Russia | eurz : Europe | ukrn : Ukraine | fukus : Fukushima | okaya : Chugoku | apacz : Asia Pacific | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia | eeurz : Central/Eastern Europe | iwat : Tohoku | ussrz : CIS Countries

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WSJ Podcasts

CLM WSJ Podcast Minute Briefing

HD **Ukraine Aims to Roll Back Some of Russia's Gains**

WC 334 words

PD 28 March 2022

ET 15:28

SN WSJ Podcasts

SC WSJPOD

LA English

LP

President Biden plans to propose a new minimum tax on the wealthiest Americans. The Apple TV+ movie “CODA” becomes the first streaming-service film to win best picture at the Academy Awards. Keith Collins hosts.

Click here to listen to the podcast

TD

Keith Collins: Here's your Morning Brief for Monday, March 28th. I'm Keith Collins for the Wall Street Journal.

Ukrainian forces say they drove Moscow's troops out of a northeastern town near the Russian border, potentially opening a road to the provincial capital of Sumy, which is encircled by the Russians. Western officials say they see signs that Russia is consolidating its position to regain the offensive as it shifts its military strategy to focus efforts on controlling territory in the south and east. In Turkey, the Office of the President said Russian and Ukrainian negotiators will meet for talks in Istanbul this week.

President Biden plans to propose a 20% minimum tax on the income and rising asset values of households worth more than $100 million. According to the White House, the plan would generate roughly $360 billion over 10 years. Biden is expected to reveal his full annual budget proposal today.

The Apple TV Plus movie Coda last night became the first streaming service film to win Best Picture at the Academy Awards. Jessica Chastain won the Best Actress Oscar for The Eyes of Tammy Faye. Will Smith won Best Actor for King Richard. In his acceptance speech he apologized to the motion picture academy after he smacked Chris Rock on stage following a joke the comedian made about Smith's wife, Jada Pinkett Smith.

Markets in Asia ended mostly higher and European shares rose in early trading.

We have a lot more coverage of the day's news on the WSJ's What's News podcast. You can add it to your playlist on your smart speaker or listen and subscribe wherever you get your podcasts.

CO applc : Apple Inc.

IN i3302 : Computers/Consumer Electronics | itech : Technology

NS gmovie : Movies | naudvl : Audio-visual Links | ntra : Transcripts | gpir : Politics/International Relations | ncolu : Columns | gcat : Political/General News | gent : Arts/Entertainment | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter | nfcpex : C&E Executive News Filter | niwe : IWE Filter

RE ukrn : Ukraine | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | russ : Russia | uk : United Kingdom | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD SYND

IPC N/GEN

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AN Document WSJPOD0020220404ei3s000p1

THE WALL STREET JOURNAL.

CLM Europe News
SE World
HD **Internet Provider to Ukrainian Military Hit With Major Cyberattack; Attack fuels fears that Russia, with ground war stalling, could launch destructive cyber campaign**
BY By Robert McMillan and Dustin Volz
WC 605 words
PD 29 March 2022
ET 03:20
SN The Wall Street Journal Online
SC WSJO
LA English

LP

A Ukrainian internet service provider used by the country's military suffered a massive cyberattack on Monday, Ukrainian officials said, fueling fears that Russia intends to wield more dangerous digital weapons as the war drags into its second month.

The attack on Ukrtelecom PJSC was described by some experts as among the most harmful cyberattacks since the Russian invasion of Ukraine on Feb. 24. About 3:30 p.m. ET on Monday, Ukrainian officials said that they had repelled the attack, and that the company could restore services, according to a statement from Ukraine's State Service of Special Communication and Information Protection, which is responsible for cybersecurity in the country.

TD

The Ukrainian cyber agency's statement didn't say who was responsible for the cyberattack. Security experts have said Russian-linked hackers have launched a variety of cyberattacks against financial services companies, internet service providers and government agencies since this February, in the run-up to the Feb. 24 invasion and after.

Russia has denied involvement in cyberattacks.

Ukrtelecom says it is the largest provider of landline telephone service in Ukraine. It is the seventh-largest internet service provider in the country, said Doug Madory, director of Internet analysis with network-monitoring firm Kentik Inc.

Ukrtelecom's ability to connect to the internet to provide services to customers began dropping about 5 a.m. ET and gradually fell off throughout the day Monday, according to data from the Georgia Institute of Technology's Internet Outage Detection and Analysis project, which monitors internet blackouts. Within five hours, the company was almost completely offline, Mr. Madory said.

After the attack began, the company began limiting service to the majority of its business and consumer customers to preserve capacity for its military customers, the SSSCIP said.

As of 4:30 p.m. ET, about 8% of the Ukrtelecom networks that the Georgia Tech internet outage project measures were online.

Ukrtelecom didn't return messages seeking comment, but the company acknowledged service outages in a post Monday to its Facebook page, and said it was working to restore stable service as soon as possible.

The disruption was confirmed by multiple groups that monitor internet traffic. Netblocks, an internet observatory that has tracked previous outages in Ukraine, said on Twitter that network data showed "an ongoing and intensifying nation-scale disruption to service, which is the most severe registered since the invasion by Russia."

Cybersecurity experts and U.S. officials have been surprised by the lack of major disruptive or destructive cyberattacks during the Ukraine conflict, as Russia is widely viewed to have some of the most capable state-sponsored hacking groups in the world, and Moscow has previously been blamed for launching cyberattacks that disrupted Ukraine's government, electricity grid and financial services.

The malicious cyber activity has largely been confined to service disruptions of websites and the limited deployment of so-called wiper malware, which can destroy computer files. Still, U.S. officials have grown increasingly concerned that Moscow could lash out either in Ukraine or against the West in response to its struggles on the battlefield and punishing sanctions enacted by the U.S. and Europe.

Last week, President Biden said there was evolving intelligence that suggested Russia was exploring options to target the U.S. with cyberattacks.

Write to Robert McMillan at Robert.Mcmillan@wsj.com and Dustin Volz at dustin.volz@wsj.com

Internet Provider to Ukrainian Military Hit With Major Cyberattack

CO urktel : Ukrtelecom | epiczz : EPIC Financial Consulting GmbH

IN i3302 : Computers/Consumer Electronics | i7902 : Telecommunication Services | i79021 : Wired Telecommunications Services | icph : Computer Hardware | iint : Online Service Providers | icomp : Computing | itech : Technology | i79026 : Integrated Communications Providers

NS ghack : Cybercrime/Hacking | gvio : Military Action | cpsrdi : Product/Service Disruptions | c32 : Advertising | ccat : Corporate/Industrial News | ncolu : Columns | gcat : Political/General News | c31 : Marketing | cexpro : Products/Services | gcns : National/Public Security | gcrim : Crime/Legal Action | grisk : Risk News | ncat : Content Types | nfact : Factiva Filters | nfcpex : C&E Executive News Filter | nfcpin : C&E Industry News Filter

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IPD Wires

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THE WALL STREET JOURNAL.

CLM	U.S. News
SE	US
HD	**Biden's Budget Calls for Increase in Defense Spending, Including Funds for Ukraine; Spending proposal also emphasizes efforts to reduce deficit and fund law enforcement**
BY	By Amara Omeokwe and Andrew Duehren
WC	1,652 words
PD	29 March 2022
ET	03:07
SN	The Wall Street Journal Online
SC	WSJO
LA	English
CY	

LP

WASHINGTON—President Biden called for the largest-ever level of military spending and increased funding for law enforcement in a $5.8 trillion budget, playing down his proposals for expanding social programs in favor of backing initiatives generally favored by centrist lawmakers.

The budget, released Monday, also seeks higher taxes on businesses and the wealthiest Americans, part of an emphasis on reducing the federal deficit that departs from last year's budget that laid out ambitious spending increases.

TD

The shift comes as Mr. Biden has struggled to move much of his agenda through Congress. The Russian invasion of Ukraine, Mr. Biden's decline in opinion polls, and decades-high inflation have combined to pull many Democrats toward issues they see as better resonating with voters.

"Here's what this all adds up to: Historic deficit reduction, historic investment in our security at home and abroad by modernizing our capabilities in both areas and an unprecedented commitment to building an economy where everyone has a chance to succeed," Mr. Biden said of his budget in remarks Monday.

Democrats have narrow control of the House and the 50-50 Senate, and Republicans have lined up against many of the Biden administration's proposals. Democrats are bracing to lose control of either or both chambers of Congress in the fall's midterm elections.

The administration is seeking $813 billion for military spending in fiscal year 2023, which begins Oct. 1, a roughly 4% increase from the $782 billion enacted for this fiscal year. Budget figures aren't adjusted for inflation.

The requested increase is more than double than the 1.6% boost the administration sought for military spending in last year's budget. The proposal calls for $682 million in funding to go to Ukraine for efforts to counter Russiaand shore up its security and economic interests.

The proposed military spending would be the largest ever, if enacted, but it wouldn't be the biggest one-year increase when compared with some previous years during the wars in Iraq and Afghanistan. The U.S. ended its 20-year war in Afghanistan in August, but is now working to address the crisis in Europe.

SHARE YOUR THOUGHTS

What items would you like to see included in or removed from the budget request? Join the conversation below.

U.S. military spending also will likely require additional long-term investments, particularly in the Navy, to stay focused on China as the larger, more strategic threat facing the U.S. Officials say investments in hypersonic missiles, machine learning, artificial intelligence and other military capabilities appropriate for confronting China will require billions of dollars in new investments over time.

While top Democrats cheered the Biden administration's request, some lawmakers were critical, including Sen. Bernie Sanders (I., Vt.), the chairman of the Senate Budget Committee who caucuses with Democrats.

"At a time when we are already spending more on the military than the next 11 countries combined, no we do not need a massive increase in the defense budget," Mr. Sanders said.

Senate Minority Leader Mitch McConnell (R., Ky.) said the administration's proposed increase in military funding was inadequate because it doesn't keep up with the rate of inflation, which rose nearly 8% from a year earlier in February.

"The White House is desperately spinning to call this budget centrist, but there's nothing remotely moderate about what's in it," he said, pointing to the funding increases for nondefense agencies such as the Environmental Protection Agency.

In an interview, Deputy Secretary of Defense Kathleen Hicks said the assumptions about inflation might not be accurate in the next several months. "We built this budget on the absolute best inflation information that we had at the time we built it back in the end of '21," she said, adding that some provisions were built into the budget that would make it "resilient to inflation." The budget, she said, also reflects planning since Russia invaded Ukraine the first time, in 2014.

Mr. Biden's budget also seeks more money for law enforcement. It proposes $17.4 billion for law enforcement at the Justice Department, including $1.7 billion to fight gun trafficking and for other firearm-related efforts, and provides funding for the U.S. Marshals and the Federal Bureau of Investigation to address violent crime. It also calls for funding 300 additional border patrol agent positions.

Overall, the proposal seeks $769 billion for non-defense spending and the medical care program at Veterans Affairs in fiscal 2023, compared with the $691 billion Congress enacted for those items in the current year.

The administration forecasts a yearly drop of roughly 50% in the U.S. deficit during fiscal 2022, to $1.4 trillion, as spending on Covid-19 relief programs wanes and a stronger economy generates more tax revenue.

The budget plans would narrow the deficit by more than $1 trillion relative to where it would stand over a decade under current law. The budget projects debt held by the public would fall to 101.8% of U.S. GDP in fiscal 2023, compared with the White House's forecast of 102.4% in the current year. Debt is expected to rise in subsequent years to 106.7% of GDP by 2032.

The budget projects "even by their own numbers, that the debt held by the public, which is historically at a high level right now at close to 100%, will continue to grow," said William Hoagland, senior vice president at the Bipartisan Policy Center and a former senior Republican congressional budget aide.

Mr. Biden and other top Democrats have in recent weeks talked up the party's work to trim the deficit as they seek to win the support of Sen. Joe Manchin (D., W.Va.) for their stalled economic agenda.

The new budget proposal includes $17.4 billion for law enforcement and provides funding for the FBI to address violent crime. PHOTO: Ariel Zambelich/The Wall Street Journal

Democrats remain in the early stages of figuring out how to resurrect that agenda—initially called Build Back Better—in a way that can win the support of centrists such Mr. Manchin, who scuttled the House version of the legislation in the Senate. Mr. Manchin has said that he would only support legislation that reduces the deficit, a step that he sees as a way to fight inflation.

Rather than lay out possible ways to overhaul the legislation, the White House budget broadly reiterates the Biden administration's goals for the bill, listing a series of policy ideas—including free community college—that died during talks among Democrats last year. The tax increases most likely to pass Congress soon, including a surtax on top earners, a 15% minimum tax on corporations and higher taxes on U.S. companies' foreign earnings, would be part of the revived bill.

Administration officials said they had segmented ideas related to the economic bill away from the broader budget to give space for Democrats on Capitol Hill to continue talking.

Ben Ritz, director of the Center for Funding America's Future at the Progressive Policy Institute, said the budget missed an opportunity to provide more direction to Congress about what the bill should look like.

"I can understand why the administration would want to have some distance from the negotiations to let them play out, but the decision to not have detailed policies on Build Back Better creates this big blind spot," he said "That makes it very difficult to analyze the aggregate fiscal impact of his agenda."

The budget includes a proposal for a 20% minimum tax rate on income, including unrealized gains in assets, for American households worth more than $100 million. This would apply to the top 0.01% of households, the White House said. That is likely under 20,000 households.

Under current law, capital gains are taxed only when they are realized—when assets are sold—and long-term gains are taxed at lower rates than ordinary income. The White House said that over the next decade the new tax would lower the U.S. deficit by about $360 billion.

The tax, which is unlikely to advance in Congress, could have its biggest impact on billionaires such as Jeff Bezos and Mark Zuckerberg, whose fortunes are largely composed of unrealized capital gains in the companies that they founded. Other people might have enough wealth to potentially be subject to the tax but not pay it. That could happen for athletes, entertainers and executives who pay high income-tax rates on their annual earnings.

The Biden administration would also earmark almost $82 billion over five years on preparing for another pandemic and for biodefense, including investing in the making of vaccines.

The budget would start a program to provide uninsured adults access to all recommended vaccines. It also includes $9.9 billion in discretionary funds to build capacity at the Centers for Disease Control and PreventionCenters for Disease Control and Prevention and at the state and local levels, an increase of $2.8 billion over the 2021 enacted level.

The White House is proposing cutting the nation's immigration detention capacity by more than 25%, from the 34,000 detention beds Congress funded for this year, down to a proposed 25,000 for next year.

The proposal reflects the administration's desire to please immigration advocates after a year of maintaining several Trump administration immigration policies, and reflects its goal of releasing more immigrants in the country illegally with ankle bracelets rather than jailing them.

Richard Rubin, Gordon Lubold, Nancy A. Youssef, Stephanie Armour, Michelle Hackman contributed to this article.

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THE WALL STREET JOURNAL.

CLM Finance
SE Markets
HD **Lawmakers Launch Probe of Credit Suisse Compliance With Russia Sanctions; House Oversight Committee seeks documents related to deal to reduce exposure to yacht, aircraft loans**
BY By Margot Patrick
WC 571 words
PD 28 March 2022
ET 19:17
SN The Wall Street Journal Online
SC WSJO
LA English

LP

U.S. lawmakers asked Credit Suisse Group AG to hand over information related to the bank's compliance with sanctions over Russia's invasion of Ukraine.

In a letter to Credit Suisse Chief Executive Thomas Gottstein Monday, Rep. Carolyn B. Maloney (D., N.Y.), chairwoman of the Committee on Oversight and Reform, and Rep. Stephen F. Lynch (D., Mass.), chairman of the Subcommittee on National Security, asked the bank to hand over information on its financing of yachts and aircraft owned by potentially sanctioned individuals.

TD

They are seeking the information following reports that Credit Suisse instructed investors in a recent debt deal to destroy and erase information related to its dealings with rich clients.

The debt deal, first reported by the Financial Times in February, reduced some of the bank's exposure to $2 billion loans it made to wealthy clients to finance yachts and jets. The FT reported that a presentation for the deal said there were four loan defaults in the 2017-2018 period because of U.S. sanctions against Russian oligarchs. It later reported investors had been asked to destroy deal documents.

"This report raises significant concerns about Credit Suisse's compliance with the severe sanctions imposed by United States and its allies and partners on the architects and enablers of Russia's brutal and unprovoked invasion of Ukraine, including Russian President Vladimir Putin and oligarchs in his inner circle," the committee chairs wrote.

A Credit Suisse spokesman declined to comment on the letter and pointed to the bank's earlier comments on the deal and sanctions. On March 3 the bank said it had asked investors who hadn't ended up participating in the deal to destroy documents, citing market practice, and that it had nothing to do with recent sanctions. It said no data was erased within Credit Suisse.

The lawmakers said they were particularly concerned that the instruction to destroy documents coincided with Switzerland saying it would join other countries in applying sanctions. There were also questions about whether investors in the deals had adequate information to comply with sanctions if any of the loans had been made to sanctioned people.

Earlier this month, Mr. Gottstein said Credit Suisse follows all U.S., U.K. and European Union sanctions as binding, and that Switzerland applying them Feb. 28 was "almost irrelevant."

Credit Suisse has acknowledged freezing $5 billion in client assets in 2018 to comply with earlier sanctions imposed over Russia's aggression in Ukraine. It disclosed up to $1.1 billion in exposure to Russia earlier this month and said exposure to sanctioned individuals was minimal.

The committee wants to review a list of the investors in the deal, as well as documents pertaining to Credit Suisse's due diligence on the deal and its underlying assets in relation to sanctions. The

committee requested all communications and documents relating to any instructions to destroy the deal-related information, as reported by the FT. The lawmakers also are seeking any bank communications with the owners of the underlying assets.

In the letter, the committee asked Credit Suisse for documents dating back to Jan. 1, 2017, by April 11.

Write to Margot Patrick at margot.patrick@wsj.com

Lawmakers Launch Probe of Credit Suisse Compliance With Russia Sanctions

CO sk : Credit Suisse Group AG

IN i814 : Banking | ibnk : Banking/Credit | ifinal : Financial Services | i81402 : Commercial Banking | iibnk : Integrated Banks

NS gesanc : International Sanctions | gpir : Politics/International Relations | ncolu : Columns | gcat : Political/General News | gdip : International Relations | ncat : Content Types

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THE WALL STREET JOURNAL.

CLM Russia News

SE World

HD **Putin's War in Ukraine Tests Allegiances of Russian Speakers in Former Soviet Latvia; A large minority in the country looked to Moscow after the Cold War. Some are now reassessing their allegiance, but not all**

BY By Sune Engel Rasmussen | Photographs by Katrina Kepule for The Wall Street Journal

WC 1,350 words

PD 28 March 2022

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SN The Wall Street Journal Online

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LA English

LP

RIGA, Latvia—For years, the Kremlin thought it had a toehold in the Baltic states that were once part of the Soviet Union. Large numbers of Russian-speakers, many of whom were left behind after the fall of the Iron Curtain, provided Moscow a way to sway public opinion and undermine the West's expansion toward Russia's borders, security officials say.

Now those old allegiances are being tested and generational divides exposed by President Vladimir Putin's war on Ukraine.

TD

In Latvia, many young ethnic Russians say they try to sidestep what is happening there when talking with older family members, fearing it might damage their relationships.

"I try to avoid the topic," said Sophia Dubova, a 16-year-old fruit seller in a central market of Riga.

Sporting a tongue stud and wearing a black hoodie under a puffer jacket, Ms. Dubova said her parents watched Russian state media until those channels were blocked, but she gets her news from Ukrainian citizens and journalists on Telegram, the messaging site. Nearly a hundred Russia-based television networks and websites have now been blocked in Latvia since the invasion began and at least five activists were arrested this month for their allegedly pro-Russian sympathies as security forces try to limit the Kremlin's reach.

Other young people are trying to change the minds of the older generation by gently feeding them with information that doesn't come from Moscow.

Journalist Anna Leitland-Grigorjeva and her husband, Arturs, who has a day job as an engineer, run a YouTube channel where she interviews experts about the war in Russian. The couple have only carefully broached the subject of the war with her parents back in Russia, and his in Riga.

"It's important to speak to them without aggression," said Ms. Leitland-Grigorjeva, who was born in Russia and was a Putin supporter when she arrived in Latvia in 2017 but soon changed her views. "We're trying to help people find their own way to the truth."

Whether they and others like them succeed could determine Russia's future influence among its aging pockets of sympathizers, for whom the wounds of the Cold War had never fully healed.

A 2017 report by the Rand Corp., a U.S. think tank, said Russia might try to mobilize loyal groups in Latvia and Estonia to declare independence and invite Russian troops to annex territory, akin to what breakaway groups did in the Ukrainian Donbas region in 2014.

"The leadership in the Kremlin very much wants to use Russophone minorities outside Russia for their political purposes," said Janis Kazocins, national security adviser to the Latvian president. "It's a way to weaken the country by creating splits in society."

Normunds Mezviets, director general of the Latvian domestic intelligence agency, agreed, saying Moscow's goal was to chip away at Latvia's membership in the European Union and the North Atlantic Treaty Organization. "The overall aim of Russia's propaganda activities is to secure the support for the Kremlin worldview and to erode trust in Latvia's statehood," he said.

Other European countries have enclaves of Russian support, whether based on language or religious and cultural ties. In Moldova, Russian troops are present alongside pro-Russian separatists in the breakaway region of Transnistria, which borders Ukraine. In Serbia, where NATO bombardments during the Kosovo war are keenly remembered, protesters recently mobilized a mass protest in support of Mr. Putin.

The rifts run deepest in Latvia, where 37% of the population are Russian speakers, including half of the capital Riga, and 25% of the population are ethnic Russians.

Many feel alienated, marginalized by successive votes against including Russian as an official language, and the use of Russian in schools has long been a political lightning rod, with nationalist parties seeking to ban it entirely.

"We have no rights," said Sergey, a Russian speaker and retired cartoonist in western Riga. "Is this democracy?"

After Latvia gained independence in 1991, many Russians, Belarusians, Ukrainians and other ethnicities stayed in the country. But in 1995, hundreds of thousands of them were effectively made second-class citizens, said Elizabete Krivcova, a lawyer in Riga who focuses on minority rights. A new law placed noncitizen status on ethnic minorities from the former Soviet Union whose ancestors didn't have citizenship from Latvia's first period of independence from 1918 to 1940.

Noncitizens can't vote or work as civil servants, police or practice law. Gaining citizenship requires passing a language exam that many aren't able to pass. About 10% of Latvia's population remain noncitizens, according to the Latvian Office of Citizenship and Migration Affairs.

Many Russian speakers have pro-European social views but lean toward the Kremlin on geopolitical issues, said Martins Kaprans, an expert on Russian-speaking minorities in post-Soviet states at the University of Latvia.

However, the war in Ukraine could change views among Russian speakers, he said, weakening Moscow's leverage in the community.

"This is an existential tipping point for Russophone Latvians," said Mr. Kaprans. "Russia is the source of their collective identity and language, and the image of Russia as a peaceful country will be very hard to maintain."

For some, but not all.

Although traditionally pro-Russian political parties have condemned Mr. Putin's war, public opinion polls suggest loyalties are more divided. An independent opinion poll conducted in March for Latvian television showed only 22% of Russian speakers supported Ukraine in the current war, compared with 90% of ethnic Latvians. Some 21% of Russian speakers supported Russia and 57% declined to take sides or found it difficult to answer.

The clampdown on Russian state media and pro-Russian activists has prompted some critics to say that Latvia could be worsening the disaffection many Russian speakers already feel.

"There must be space for different opinions," said Yuri Alekseev, a prominent pro-Moscow journalist who runs a Russian-language opinion website that Latvian authorities allege spreads ethnic hatred. "When Big Brother tells you to only have one opinion, that's when such a thing as fascism starts."

He was sentenced to 14 months in prison for some of the content he posted online, and for possession of ammunition and child pornography. He appealed the sentence, saying the bullets found in his apartment were planted during a search, and the photos considered pornographic by the court were of his grandchildren bathing.

In an interview in his small studio apartment in western Riga, old cigarette smoke in the air and Soviet memorabilia adorning the walls, Mr. Alekseev echoed Kremlin views that Russia had intervened in Ukraine only to suppress an armed conflict in the Donbas region where separatists in 2014 declared independence.

SHARE YOUR THOUGHTS

How will Russia's attack on Ukraine alter its relations with other Baltic nations? Join the conversation below.

"For eight years there was a civil war, and Russia intervened," Mr. Alekseev said, feeding a piece of banana to Irishka, his albino rat running across his desk. "This is called peacekeeping."

Sergey, the retired cartoonist, also appears unlikely to change his views.

He was born in Siberia in 1940 to parents who were both construction workers and came to Latvia in 1950 to help rebuild a destroyed shipyard. Sergey has never become a Latvian citizen. "My parents and I worked to build this country," he said. "This is how they thank us."

Over black coffee at his small kitchen table in a Soviet era housing block in western Riga, he said Western media helped divide Latvia by stoking hatred of Mr. Putin.

"If it's raining in London, Putin is to blame," he said.

Write to Sune Engel Rasmussen at sune.rasmussen@wsj.com

Putin's War in Ukraine Tests Allegiances of Russian Speakers in Former Soviet Latvia

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THE WALL STREET JOURNAL.

CLM World News
SE World
HD **Ukraine and Russia Prepare for Talks in Turkey as Russian Missiles Hit Cities; Ukrainian forces fight to recapture territory and brace for renewed Russian attacks as Moscow shifts its focus to Ukraine's east and south**
BY By Thomas Grove,Evan Gershkovich and Brett Forrest
WC 1,679 words
PD 29 March 2022
ET 01:49
SN The Wall Street Journal Online
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LA English

LP

KYIV, Ukraine—Russia and Ukraine prepared to hold cease-fire talks in Turkey to try to end more than a month of war while intense fighting continued, with Ukrainian forces pressing to retake territory north of the capital Kyiv after Russian forces fired missiles at several Ukrainian cities overnight.

TD

Russian negotiators were due to arrive in Istanbul late on Monday, followed by a Ukrainian delegation during the night, for cease-fire talks scheduled for Tuesday morning. Ukrainian President Volodymyr Zelensky over the weekend outlined the conditions under which Ukraine might accept neutral status as part of a peace settlement with Russia, saying his country could hold a referendum on neutrality, but only after Russian occupation forces leave Ukraine's territory.

Read live updates on Russia's invasion of Ukraine

The Kremlin said negotiations so far haven't yielded any breakthroughs, and Western officials have expressed doubts about whether Russia is ready to halt hostilities in Ukraine.

At the White House on Monday, President Biden said his comment suggesting Russian President Vladimir Putin shouldn't continue to hold power reflected moral outrage he was feeling, and he said it didn't hurt attempts to end the war in Ukraine.

"I'm not walking anything back," Mr. Biden said of his remarks on Saturday, in which he said of Mr. Putin: "For God's sake, this man cannot remain in power." The White House said shortly after he made the comment that he wasn't calling for regime change.

"I wasn't then nor am I now articulating a policy change," Mr. Biden said Monday. "I was expressing the moral outrage that I feel and I make no apologies for it."

Earlier this month, Russian oligarch Roman Abramovich, who has become involved in attempts to end the war, and Ukrainian peace negotiators suffered symptoms of suspected poisoning after a meeting in Kyiv, people familiar with the matter said.

The Russian government previously has been accused of using poison to punish enemies. The Kremlin has denied involvement in such attacks and didn't respond to a request for comment on Monday.

Ukrainian forces on Monday continued to counterattack Russian positions around Kyiv. Ukrainian troops took back the strategically important town of Irpin, north of Kyiv, which fell under Russian control earlier this month, according to Irpin's mayor, Alexander Markushin. A senior U.S. official said Monday that the U.S. couldn't independently verify that Irpin was back in Ukrainian hands.

Russian missiles struck Kyiv and the cities of Kharkiv, Lutsk, Rivne and Zhytomyr, according to Ukrainian officials. Russian forces continued to try to push toward Kyiv from the east and northwest, attempting to control key roadways.

Ukraine's Emergencies Ministry said the strike on Lutsk hit fuel-storage facilities and authorities were still trying to extinguish the blaze. The head of the provincial military administration, Yuriy Pohuliaiko, said the attack had been carried out with cruise missiles launched from neighboring Belarus. There were no immediate details about casualties.

Russian forces also appeared to push farther into Mariupol, a strategically important city linking Russian-controlled parts of the eastern Donbas region with territory Moscow has captured in the south.

In an interview with Russian journalists over the weekend, Mr. Zelensky said Ukraine could make a formal statement renouncing its aim of joining the North Atlantic Treaty Organization, in return for binding security guarantees from foreign partners.

Ukraine's neutrality would need to be ratified in a referendum, Mr. Zelensky said, since the country's constitution currently sets out its aspirations to join NATO and the European Union.

Mr. Zelensky said Russian troops would have to withdraw from Ukrainian territory before a referendum could be held, since a fair vote wasn't possible under foreign military occupation.

"No one will ever recognize the results of a referendum if there are troops or illegal armed formations on the territory of the country," he told the journalists.

Mr. Zelensky said that countries acting as guarantors of Ukraine's security would need to make legally binding commitments that are ratified by their parliaments. He pointed to the 1994 Budapest memorandum, in which Ukraine renounced nuclear weapons in return for security guarantees from Russia, the U.S. and the U.K., noting that Russia had invaded Ukraine anyway and Western countries hadn't prevented it.

He reiterated that Ukraine's government won't step down, nor accept demilitarization of the country, rejecting two of Russia's war aims.

The office of Turkish President Recep Tayyip Erdogan said he urged Mr. Putin in a phone call Sunday to accept a cease-fire with Ukraine.

However, Western officials see few signs that Russia is willing to see a peaceful resolution to the conflict. "No one thinks there is the chance of a diplomatic solution in the next few days or even few weeks," said a senior European Union official.

Kremlin spokesman Dmitry Peskov told reporters on Monday that there had been no significant breakthroughs in negotiations, and no progress on a potential meeting between the Russian and Ukrainian presidents. Russian Foreign Minister Sergei Lavrov said Monday that a meeting between the two presidents now would be counterproductive.

Authorities in Kyiv said they were bracing for renewed attacks by Russian forces. "They are preparing for a major push, it is always like this ahead of big negotiations with Russians," said a Ukrainian official close to the talks.

The official said the chances of success in cease-fire talks had grown in recent weeks, "from 10% two weeks ago to 50%."

Turkish Foreign Minister Mevlut Cavusoglu said over the weekend that, to his knowledge, there was a diplomatic back channel between Mr. Putin and Mr. Zelensky.

"I don't want to go into the details of this process. It seems that they have been negotiating serious issues, serious items," Mr. Cavusoglu said.

Both Russian and Ukrainian sides had explored several options regarding the venue and format for the next round of talks, people close to the negotiations said, but agreed that Turkey would be the optimal location.

Ahead of Tuesday's talks, Ukrainian Deputy Prime Minister Iryna Vereshchuk said humanitarian corridors for evacuating civilians wouldn't be open Monday after Ukrainian intelligence reported possible Russian attacks. Recent efforts have focused on evacuating civilians from the southeastern cities of Melitopol and Mariupol through Berdyansk and into Zaporizhzhia.

Several minutes before Mr. Zelensky's interview was to be published by the Russian outlets, the country's communications censor issued a statement forbidding its publication. The interview was still accessible on the Latvia-based news website Meduza.

"If there is such a reaction, it means we are doing everything right. They are nervous," Mr. Zelensky said in a speech on the Telegram messaging app.

He added that the cease-fire talks in Istanbul were important and that Ukraine was still pushing for the West to impose further sanctions on Russia, including the blacklisting of all Russian public officials as well as law-enforcement and military elites.

Ukraine is seeking to roll back Russian gains as Moscow shifts its focus to controlling a swath of the country's south and east.

Ukrainian forces said Sunday they drove Russian troops out of Trostyanets, in the northeast near the Russian border, potentially opening a road to the provincial capital of Sumy, which is encircled by the Russians.

The retaking of Trostyanets comes after Moscow, having faced stiff resistance from the Ukrainians in its initial, multifront offensive, said Friday that it would refocus its campaign on the Donbas region, where Russian forces hold a position of strength.

In the southeast of the country, Ukrainian troops blocked the Russian advance east of Zaporizhzhia and on positions north of Donetsk, according to the Ukrainian General Staff.

In the south, Ukrainian forces are concentrated on the defense of Kryvyi Rih and Mykolaiv.

Ukrainian air-defense systems repelled attacks in the Kyiv-area districts of Boryspil and Vasilkov, according to a Ukrainian Interior Ministry adviser. Russia's Defense Ministry said its forces had shot down Ukrainian jets near the city of Chernihiv, north of Kyiv.

Russia has continued making advances in Donbas, Russian Defense Ministry spokesman Maj. Gen. Igor Konashenkov said Monday, claiming its forces had taken control of two villages.

Russian forces have dug into defensive positions in the north and around Kyiv, which they have failed to seize. Russia's firepower is currently concentrated on Mariupol.

Western officials believe that Russia is now reinforcing in Donbas with fresh troops from the Wagner Group, a Russian mercenary organization, with the goal of encircling Ukrainian forces.

It isn't clear how well trained these new Russian troops will be and whether they will have access to enough high-grade weaponry to make quick gains against battle-hardened Ukrainian troops there. The new battalion tactical groups come from Russia's eastern military district, which experts say is the least battle-trained and well equipped. However, refocusing the attack on a narrower front could solve some of the logistical problems that have dogged Russian forces and allow their dominant air power to assert itself.

Western officials estimate that as much as a fifth of the Russian force is no longer combat-effective and that morale is low. But they warn that the war is far from won for Ukraine.

"What we are not seeing is turning the tide, what we are seeing is some individual success," one official said. The creation of new Russian battalion tactical groups indicates that Mr. Putin is still going "all in," the official said.

Isabel Coles and Jared Malsin contributed to this article.

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Ukraine and Russia Prepare for Talks in Turkey as Russian Missiles Hit Cities

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THE WALL STREET JOURNAL.

CLM National Security

SE Politics

HD **Pentagon Seeks Higher Military Spending to Keep Pace With China, Russia; Officials cite threat of Beijing's expanding forces and Ukraine war in budget request that focuses on space and nuclear capabilities**

BY By Doug Cameron

WC 692 words

PD 29 March 2022

ET 02:44

SN The Wall Street Journal Online

SC WSJO

LA English

LP

The White House requested an initial $773 billion budget for the Pentagon in fiscal 2023, up 4% from the prior year and the starting point for discussions with Congress, elevated by the continuing war in Ukraine.

The request, released Monday, continues the Pentagon's focus on what the White House called the "pacing" threat of China, which has rapidly expanded its military forces with more advanced weaponry.

TD

Pentagon leaders on Monday called Russia a secondary "acute" threat, though the request was finalized before Russia's invasion of Ukraine last month and allocated just $300 million in military support, on top of the $3.6 billion recently agreed by Congress.

The Biden administration's military budget request focuses on development of new weapons systems, especially refreshing America's arsenal of long-range nuclear missiles delivered from bombers, land-based silos and submarines.

The request will be sent to Congress, which typically changes the amounts spent on individual weapons systems, such as the F-35 combat jet made by Lockheed Martin Corp. Analysts said they don't expect a final budget to be approved before the midterm elections in November.

The overall request for military spending of $813 billion, which includes departments outside the Pentagon, is also up 4% from the prior year. However, inflation left the budget request up just 1.5% in real terms from funding in the 2022 budget, Pentagon Comptroller Mike McCord said at a briefing.

The U.S. spends more by far on defense than any other country, with watchdogs such as the Project on Government Oversight estimating an annual budget of over $1 trillion on national security. That estimate includes the Department of Veterans Affairs and the cost of servicing debt from previous defense spending.

Shares in military contractors such as Lockheed Martin and Northrop Grumman Corp. have been trading around all-time highs in recent weeks. Analysts attributed the gains to investor expectations of higher global military spending following Russia's invasion of Ukraine, especially among European governments such as Germany.

Northrop Grumman is developing a new U.S. bomber and intercontinental ballistic missiles, while General Dynamics Corp. is building new submarines. Planned U.S. purchases of Lockheed Martin F-35 combat jets were trimmed from recent years, while Boeing-made fighters and refueling tankers secured more funding.

Boeing in recent years lost out to Northrop Grumman on deals to build the B-21 long-range bomber and new nuclear missiles. On Monday, Boeing said Leanne Caret would step down in April as head of its defense business, succeeded by Ted Colbert, who currently leads its services unit.

Shares in Lockheed Martin settled 1.9% lower Monday, while Northrop Grumman fell 2.5%. Boeing and Raytheon Technologies Corp., which have large commercial aerospace businesses as well as defense, had smaller declines on Monday.

The Air Force and the Navy received the biggest increases in proposed funding.

The increase over the recently enacted military-funding bill for fiscal 2022 doubles the pace of the White House request for last year. Defense stocks underperformed the broader market in 2021 after companies forecast a flat or shrinking budget this year in real terms, when inflation was taken into account.

Spending on procurement in the new request is little changed from last year, but the Pentagon's Mr. McCord said more could be allocated to support Ukraine and European allies. There is more planned spending on research into new weapons and systems, especially in space.

The budget also has to cover inflation-driven increases in pay—including a 4.6% rise for the department's civilian and military personnel next year—and materials such as fuel. Inflation is forecast at around 2% in the next fiscal year, though Mr. McCord said this would be revisited closer to the budget's start on Oct. 1.

Write to Doug Cameron at doug.cameron@wsj.com

Pentagon Seeks Higher Military Spending to Keep Pace With China, Russia

IN i1 : Energy

NS gweap : Weapons Programs | gvio : Military Action | e1108 : Budget Figures | gvdef : Defense Department | gnuclw : Nuclear Weapons Programs | e11 : Economic Performance/Indicators | e211 : Government Budget/Taxation | ecat : Economic News | gpir : Politics/International Relations | gpol : Domestic Politics | ncolu : Columns | npred : Economic Predictions/Forecasts | gcat : Political/General News | e21 : Government Finance | gcns : National/Public Security | gdef : Armed Forces | grisk : Risk News | gvbod : Government Bodies | gvexe : Executive Branch | ncat : Content Types

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AN Document WSJO000020220328ei3s003e9

THE WALL STREET JOURNAL.

CLM Free Expression

SE Opinion

HD **Biden at the Improv: Ukraine and the Dangers of Foreign Policy by Open Mic; What if someone takes seriously his talk of U.S. troop deployments or regime change in Russia?**

BY By Gerard Baker

WC 917 words

PD 28 March 2022

ET 23:11

SN The Wall Street Journal Online

SC WSJO

LA English

LP

At what point does Joe Biden's verbal incontinence start to become a mortal threat to Americans?

Until now we've mostly had the luxury of observing the president's many rhetorical infelicities with a mixture of mild puzzlement and gentle concern, as one might watch an aging relative struggle to remember the name of one's children.

TD

But some words have larger consequences than others—especially when you're the president of the United States. It's one thing to misidentify your vice president as the first lady, quite another to call for the ouster of an autocratic and bellicose leader of a nation with nuclear weapons. That is the kind of thing that can trigger wars that could result in the annihilation of much of humanity.

It's a sign of the rising alarm the presidential blunders must be causing in diplomatic circles that the White House communications shop has stopped attempting to correct the gaffes that come flying like grapeshot from a cannon. Instead they take the Humpty Dumpty approach. Instead of issuing corrections or clarifications of Mr. Biden's words, they simply invoke Humpty's philosophy on the president's behalf: "Whenever I use a word . . . it means just what I choose it to mean—neither more nor less."

This exercise in through-the-looking-glass semantics was on display last week throughout the president's trip to Europe, where he sought to rally allies in support of Ukraine and against Russian aggression.

At North Atlantic Treaty Organization headquarters in Brussels on Thursday, Mr. Biden was asked what the U.S. would do if Vladimir Putin used chemical weapons in Ukraine. He said the West would respond "in kind." You might think, deploying commonly understood definitions, that he meant to convey the somewhat shocking threat that NATO would retaliate against use of a weapon of mass destruction with a like attack. But you'd be wrong. Later, Jake Sullivan, the president's national security adviser, said that while Russia would pay a heavy price if it used such weapons, the U.S. had "no intention of using chemical weapons, period, under any circumstances."

The next day in Poland, the president casually remarked to American troops stationed there that some of them had already been in Ukraine and others would be going soon. Soon another administration Humpty was on the line to reporters, insisting that Mr. Biden's words were in no way inconsistent with the fact that the U.S. had no forces in Ukraine and no plans to send any.

On Saturday we had the most arresting breach between presidential words and improvised official definitions. At the end of an impassioned speech that denounced Vladimir Putin's aggression and framed the struggle as a battle between democracy and tyranny, Mr. Biden threw down a gauntlet: "For God's sake, this man cannot remain in power."

This apparent call for regime change in Moscow, was, we were instantly told, nothing of the sort. "The president's point was that Putin cannot be allowed to exercise power over his neighbors or the region,"

according to an unnamed White House official. "He was not discussing Putin's power in Russia, or regime change."

We can't go on like this. Credibility is essential to the effective and safe conduct of national security. No amount of hasty cleanup will erase the words that come from the lips of a commander in chief. And no, it is not a defense of the president to note—accurately—that his immediate predecessor was as notorious for his verbal indiscipline as Mr. Biden is.

For now, we have an immediate and escalating problem with this presidency. We can certainly hope that Russians understand as well as we do that, at 79, Mr. Biden is prone to saying things he doesn't mean. But we can't be sure. What we can be sure of is that Mr. Putin, who has already whipped up his compatriots into a frenzy of paranoia about the "real" intentions of the U.S. in arming Ukraine—to wit, an attempt to weaken and destroy Russia itself—will seize on every piece of evidence he can find to bolster his case.

Diplomacy is a subtle activity that combines artful deception with necessary candor. States convey to each other only what they want or need to convey; they willfully mislead each other about some aspects of their objectives and capabilities while drawing bright red lines around their nonnegotiable truths. Strategic ambiguity helps induce in allies and adversaries alike a distinct uncertainty about intentions. But clarity is essential when the stakes are existential. Decoding these complex messages, sifting the signal from the noise, is the essence of successful statecraft.

Mr. Biden's penchant for reckless language simply bludgeons through this delicate diplomatic infrastructure. It compromises the ability of the U.S. and its allies to achieve our objectives, while significantly increasing the risk of a miscalculation on either side.

John F. Kennedy said that during World War II, Winston Churchill "mobilized the English language and sent it into battle." Mr. Biden seems intent on doing the same—only he may be sending it into battle on the wrong side.

Biden at the Improv: Ukraine and the Dangers of Foreign Policy by Open Mic

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IPD Opinion |

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THE WALL STREET JOURNAL.

CLM Commentary (U.S.)
SE Opinion
HD **Ukraine War Shows the 'Rules-Based International Order' Is a Myth; There are no global threats or standards, only regional equilibria requiring constant maintenance.**
BY By Jakub Grygiel
WC 950 words
PD 28 March 2022
ET 23:12
SN The Wall Street Journal Online
SC WSJO
LA English

LP

PHOTO: David Gothard

TD

The Biden administration has been vocal in defending what it calls the "rules-based international order," but there is no such thing. An Earth-spanning security space governed by global rules or a few key powers doesn't exist, as the war in Ukraine should remind us. There is also no "global threat" facing all states equally but, rather, regional revisionist powers threatening nearby states. Temporary regional equilibria with their own power dynamics are driven by local historical competitions. They are unstable and prone to wars. They require persistent attention and management.

Over the past three decades these regional orders—in Europe, the Middle East and Asia—have been relatively stable and the local competitions subdued. The resulting impression was of a world order. Liberals saw this global stability as the product of international rules, a growing number of democracies, and greater international trade—a "rules-based order" enhanced by democracies and commercial peace. Realists saw a world order underwritten by a rough equilibrium between the great powers—the U.S., Russia and China—with nuclear weapons as an effective pacifying equalizer.

Both visions of world order put too much emphasis on the global nature of this stability. If we look at the world through the lens of regional orders, the picture is more worrisome.

Russia's wars in Georgia in 2008 and Ukraine since 2014, as well as Iran's actions in Iraq, Yemen and Syria, and China's military expansion in Asia, were signs of growing local volatility. But until now these had been tentative pushes, conducted by hesitant revisionist powers and checked by American power. Russia's war in Ukraine is the first full-fledged military offensive that aims to change the local balance of power drastically. Russia seeks to be the decisive power in Europe, and for that it needs to dominate Ukraine.

Regional orders are fragile for two reasons. First, military force is more likely to be used in local contests than in disputes between distant rivals. The stakes are high for the local parties, the perceived risks limited. A revisionist power is likely to pursue its goals, such as conquest of territory or control over a neighboring state's political life, through war more than through

negotiations. And the revisionist power's targets won't accept a hostile takeover without a fight. In the end, both sides are interested less in preventing war than in making war usable for their own objectives. War is an enduring regional reality.

The U.S. tends to think of stability as a broad goal of its grand strategy. As President Biden has said, the goal is to "strive to prevent" World War III. But regional revisionists in Eurasia aren't afraid of putting pressure on their own frontiers to extend their influence. The states they threaten will also choose war over submission, regional disorder over lost independence. The U.S. will have to figure out how to navigate, even embrace, instability and war in regions that are important to its national interests.

The second reason regional orders are unstable is that local contests are geographically limited but last a long time. Local conflicts are based on, or justified by, historical claims. Perceived or real offenses committed in the past generate desires for revenge; aspirations to grandeur spur territorial demands; and national self-confidence motivates a stubborn hostility to aggressive neighbors. When the roots of a political action lie in national claims to greatness, diplomatic compromise becomes difficult. Lengthy conflict begins to look preferable to a negotiated settlement. It is more legitimate to dig trenches than to sit at negotiating tables.

Local antagonists are willing to incur high costs both when attacking (like Russia) and when defending (like Ukraine). The expectation is that the high risk will be rewarded with a high payoff: The aggressor anticipates greater influence or a larger territory, while the defender expects independence and greater security.

For a distant power such as the U.S., the enduring nature of regional conflicts in Eurasia is a political challenge. Managing such conflicts requires consistent involvement and a permanent presence. But the U.S. approach is to participate in regional geopolitical dynamics only when necessary to restore an equipoise, and then to move to a different region. Thus we hear talk of "uniting" Europe and "pivoting" to Asia.

It is historically rare for a local contest to come to a permanent end—usually only when a devastating war redraws the map in blood. The Franco-German conflict of the 19th and early 20th centuries turned into friendship only after two gruesome world wars. The end result was good for Europe, but getting there was tragic and something to be avoided.

The current war between Russia and Ukraine will end at some point, but the contest between the two nations won't. The best that can be hoped for is a delicate local equilibrium demanding constant maintenance through Western economic and military support of Ukraine.

If Ukraine survives Russian aggression as an independent state, the Biden administration's liberal temptation will be to call it a victory for world order based on rules and democracies. That would be a mistake. The victory will be Ukraine's, resulting in a moment of fragile regional stability and not in a renewed world order.

Mr. Grygiel is a professor at the Catholic University of America, a senior fellow at the Marathon Initiative, and a visiting fellow at the Hoover Institution.

Ukraine War Shows the 'Rules-Based International Order' Is a Myth

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IPC	N/GEN
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THE WALL STREET JOURNAL.

CLM Letters

SE Opinion

HD **Vladimir Putin Will Win in Ukraine Because He Has No Other Choice; Given how he has treated his political opponents, he knows he can expect no mercy.**

WC 166 words

PD 28 March 2022

ET 22:08

SN The Wall Street Journal Online

SC WSJO

LA English

LP

I disagree with your editorial "Ukraine Can Win With Enough Help" (March 24) mainly because Vladimir Putin can't afford to lose. I'm sure he sees Mussolini's fate in his future should he scuttle out of Ukraine with his tail between his legs.

Given how he has treated his political opponents, he knows he can expect no mercy. Consequently, he will do whatever it takes to win, pouring men and materiel into the fight until Ukraine submits. All the West can do is raise the cost of that victory. But when has a dictator ever cared about his cannon fodder? In the end, Mr. Putin will declare a great patriotic victory, and NATO will have Russian tanks on its eastern flank.

TD

Stan Connell

Charlotte, N.C.

Vladimir Putin Will Win in Ukraine Because He Has No Other Choice

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IPD Opinion |

IPC N/GEN

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THE WALL STREET JOURNAL.

CLM Global View

SE Opinion

HD **Russia's War With Ukraine Unifies Europe; The conflict positions Germany to be the military and economic powerhouse of the EU.**

BY By Walter Russell Mead

WC 838 words

PD 29 March 2022

ET 03:59

SN The Wall Street Journal Online

SC WSJO

LA English

LP

Vladimir Putin hoped to break up the European status quo with his attack on Ukraine. Increasingly, it appears that the chief consequence will be to reinforce it. President Biden may have gaffed his way across Europe last week, but Mr. Putin's unhinged behavior has removed any doubts European policy makers may have had about the value of the trans-Atlantic alliance. Worse for Russia, Mr. Putin's war is making Germany more powerful, more activist and more Atlanticist, a combination likely to support American power and undercut Russian influence in Europe for many years to come.

TD

To describe Germany as a winner in Mr. Putin's war against Ukraine would go too far. The war upended the assumptions on which German energy and security policy has long rested and forced Germany to make harsh decisions it preferred to avoid. Angela Merkel's Germany dreamed that its companies could prosper indefinitely while a great green energy transition rippled painlessly through an ever-democratizing, ever-disarming world. Thanks to the war, German business is reassessing its relations with China as well as Russia. The military plans spending increases, and energy policy is shifting from "climate first" to "security first" to reduce dependence on Russian imports.

The consequences of these changes for Germany's place in Europe and Europe's role in the world will be profound. Assuming Berlin follows through with its pledge to raise defense spending to 2% of gross domestic product, Germany is on course to become the military as well as economic powerhouse of the European Union. France will remain the only nuclear-armed EU member and will likely remain better placed to engage outside the EU than Germany, but Berlin's growing conventional military power will inevitably tip the balance further toward Germany in the internal politics of the EU.

There is more. Managing a massive refugee program, supporting Ukraine economically in the wake of a devastating war, and building up the strength of frontline states are generational tasks that will engage European policy makers and soak up European economic resources for years. The EU expansion process had ground to a halt in recent years as some member countries fretted over the cost of including new members and others worried that a growing membership could make it harder to reach timely decisions and limit the prospects for a deeper and stronger union. Those concerns remain, but the need to promote economic and political stability on the EU's eastern flank will likely make the case for expansion harder to resist as more EU money flows east.

All this makes Germany's role as the EU's central powerbroker—balancing the conflicting agendas of the Frugal North, the Endangered East and the Indebted South—more crucial to Europe's future than ever. This will likely be good news for American strategists who have long hesitated between two scenarios for Europe's future. On one hand, almost everyone in the world of American foreign policy wants Europe to become stronger militarily, as that would help stabilize the region while reducing the cost to the U.S. of European security. On the other hand, a Europe so powerful that it would no longer need American protection might become a political and economic rival in ways that Americans would not always welcome. The German awakening suggests that we are about to see a Europe that is both stronger and less Gaullist than most thought possible before Mr. Putin's invasion.

Germany's attitudes about European independence and American power are complex. Germans do not always see the world as Americans do, and the election of Donald Trump significantly reinforced German skepticism about American reliability and strategic competence. But strong trans-Atlantic ties help solidify Germany's place in Europe. The American military presence in Europe calms countries like Poland that might otherwise fear a rearming Germany even as the NATO security guarantee provides much more confidence than EU security guarantees alone ever could.

Germany won't, however, turn its back on Brussels or Paris. For both economic and security reasons, Germany needs the EU, and the commitment to a deep relationship with France remains embedded in German political culture and strategic thought. Berlin will deepen defense cooperation with Paris even as it bolsters its Atlantic ties. Presumably one aspect of this will be that much of its new defense budget ultimately will involve joint ventures with French and other European weapons makers.

Mr. Putin wanted a weaker Europe, increasingly separated from the U.S. It looks as if he's going to get exactly the opposite. Mr. Putin's war, so far at least, looks set to promote the emergence of a Europe that is militarily stronger and more deeply engaged with the U.S. than at any time since the end of the Cold War.

Russia's War With Ukraine Unifies Europe

CO euruno : European Union

NS gcat : Political/General News | gvexe : Executive Branch | gdip : International Relations | gpir : Politics/International Relations | gvio : Military Action | ncolu : Columns | nedc : Commentaries/Opinions | gcns : National/Public Security | gpol : Domestic Politics | grisk : Risk News | gvbod : Government Bodies | ncat : Content Types | nfact : Factiva Filters | nfcpex : C&E Executive News Filter

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THE WALL STREET JOURNAL.

CLM Markets Main
SE Markets
HD **Oil Prices Fall as Lockdowns in China Weigh on Demand; Reduction in demand from China could ease pressure on global markets after prices surged following Russia's invasion of Ukraine**
BY By Matt Grossman
WC 574 words
PD 29 March 2022
ET 01:30
SN The Wall Street Journal Online
SC WSJO
LA English

LP

New Covid-19 restrictions in China dragged oil prices further below recent highs on Monday, with the prospect of reduced fuel demand easing some pressure on global crude markets.

U.S. oil prices slid 7% to $105.96 a barrel, continuing their fall from a recent closing high of $123.70 reached earlier this month. Oil prices remain sharply higher since Russia invaded Ukraine in February, as Western sanctions and boycotts against Russia have effectively cut world-wide supply. Brent crude, the global price benchmark, dropped about 6.8% to $112.48.

TD

China's aggressive approach to containing Covid-19 is likely to dent the country's demand for oil, analysts at Commerzbank wrote in a Monday note to clients, after rising cases sent half of Shanghai into lockdown. Public-transit lines were suspended and some manufacturers paused operations. Tesla Inc. said it would close production there for four days.

"There was some hope that China this time around would not go through a lockdown, but the message from the country is that that's out of the question," said Natasha Kaneva, J.P. Morgan's head of global commodities research. "I think the market is definitely afraid of what is coming next."

A reduction in demand from China could ease pressure on global markets after prices surged to multiyear highs following Russia's invasion of Ukraine. Traders, banks, insurers and shipping companies have shunned Russian oil and shortfalls have begun hitting the market, with many predicting more ahead. The rise in prices has translated into more expensive gasoline—now averaging over $4.20 a gallon in the U.S. according to AAA—denting consumers' wallets and contributing to persistent inflation.

Western drillers such as BP PLC and Shell PLC have pulled out of Russia, as have companies including Halliburton Co. and Baker Hughes Co. that provide technical services in oil fields. Russia's exporters have turned to selling crude at steep discounts in off-market transactions that allow buyers to shield their identities from the stigma of trading with Russian firms.

Meanwhile, U.S. oil producers face bottlenecks hampering their ability to respond to higher prices by expanding their output. Ramping up drilling takes time—especially after many domestic drillers already tapped a large portion of their ready-to-go wells as fuel demand recovered since the start of the pandemic. Disappointing returns on oil drilling during the 2010s have also reduced investors' appetite for big capital outlays to expand production.

Investors will look for more clarity on the supply outlook from Thursday's meeting of the Organization of the Petroleum Exporting Countries. The group of oil-rich states will most likely modestly increase supply in accordance with its long-term plan, without adjusting to make up for the fall in Russian exports, analysts at Ritterbusch & Associates wrote.

Robert Howell, a portfolio manager at Gresham Investment Management, said his fund has kept a relatively neutral stance on oil recently, but is looking for opportunities to sell.

"This is a bull market that has traveled a long way very quickly and it may now be on borrowed time," he said.

Write to Matt Grossman at matt.grossman@wsj.com

Oil Prices Fall as Lockdowns in China Weigh on Demand

CO teslmi : Tesla, Inc.

IN i35101 : Passenger Cars | iaut : Automotive | i351 : Motor Vehicles | i35104 : Alternative Fuel Vehicles

NS gsars : Novel Coronaviruses | ghea : Health | m14 : Commodity Markets | mcat : Commodity/Financial Market News | mcroil : Crude Oil Markets | ncolu : Columns | gcat : Political/General News | gcold : Respiratory Tract Diseases | gmed : Medical Conditions | gspox : Infectious Diseases | m143 : Energy Markets | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter

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IPD Wires

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THE WALL STREET JOURNAL.

CLM Media & Marketing

SE Business

HD **Rival Networks Aided Fox News After Ukraine Tragedy, Highlighting War-Zone Collaboration; Journalists are coordinating on an array of challenges, including travel routes, evacuation plans and access to supplies**

BY By Alexandra Bruell and Benjamin Mullin

WC 1,164 words

PD 29 March 2022

ET 00:58

SN The Wall Street Journal Online

SC WSJO

LA English

LP

In the hours after three journalists working for Fox News in Ukraine took fire on March 14, staffers from rival news organization CNN stepped up to assist the cable network.

Clarissa Ward, chief international correspondent for CNN, and Trey Yingst, a foreign correspondent for Fox News, worked in CNN's makeshift newsroom in a Kyiv hotel suite, calling morgues and hospitals to track down Fox News cameraman Pierre Zakrzewski and Oleksandra "Sasha" Kuvshynova, a consultant for the network, according to people familiar with the situation.

TD

Ms. Ward and Mr. Yingst called Ukrainian military officials and passed along information about their last known whereabouts, the people said. Security personnel from NBC and Sky News also offered to help Fox News during that period, they said. Later, Fox News's security team received a tip that their remains had been located, some of the people said.

A third Fox News journalist, foreign-affairs correspondent Benjamin Hall, survived and had already been taken to the hospital with severe injuries.

The tragedy underscored the tremendous risks journalists face in covering Russia's invasion of Ukraine, a conflict that has resulted in the deaths of five media workers in the past month, according to the Committee to Protect Journalists. The event also demonstrated the teamwork and coordination among news organizations with staffers on the ground.

Such coordination is common in war zones, but the Ukraine conflict has exposed news organizations to different types of threats compared to some other conflicts of recent years. The security risks for journalists in Afghanistan and Iraq were also severe—among them, the threat of improvised explosive devices, kidnappings or suicide bombers. In Ukraine, there is a heightened concern about missiles and artillery fire raining down on civilian areas, news executives and security experts said.

"Here, death comes out of the sky indiscriminately," said a head of global newsgathering at a large U.S.-based news network.

David Rohde, a former New York Times reporter who was kidnapped by the Taliban in Afghanistan in 2008 while working on a book, said in an interview that the information shared among news organizations helps journalists in the country avoid danger.

"We should compete aggressively against each other in terms of stories but shouldn't compete when it comes to safety," said Mr. Rohde, who is now executive editor for news at the New Yorker's website.

In the event a journalist is injured or killed, the U.S. military doesn't have a presence in Ukraine to offer help. In the case of Mr. Hall, Fox News national security correspondent Jennifer Griffin worked with an organization called Save Our Allies to transport the injured journalist and get him access to medical care, Fox News has reported.

Mr. Hall was evacuated to Poland and was eventually transported back to the U.S.

Elena Cosentino, the director of the International News Safety Institute, which supports outlets covering hazardous situations, said she began organizing daily safety calls in the weeks before the war with news executives from organizations including the Associated Press, Reuters, Agence France-Presse and Dow Jones & Co., which publishes The Wall Street Journal. The frequency of the calls and amount of information being shared—regarding safe travel routes, hard-to-navigate military checkpoints and access to supplies—is unprecedented, she said.

"Ultimately, the aim is to raise the bar for safety and have the best mitigations in place while doing the best-possible journalism," Ms. Cosentino said.

The Associated Press and other news outlets, including Reuters, are sharing information that can help them shape individual decisions, such as about where to send correspondents, according to people familiar with the matter. Some news organizations are teaming up to identify ways to evacuate their personnel, secure lodging and transport journalists into the country. Recently, outlets with correspondents on the ground began exploring ways to handle medical emergencies together, one of the people said.

Journalists are also facing risks on the other side of the Ukrainian border. Early this month, Russia passed a law that threatens as much as 15 years of prison time for anyone publishing what authorities consider to be false information about the country's invasion of Ukraine, which the Kremlin refers to as a special military operation.

A number of news outlets, including CNN and Bloomberg News, suspended the work of their journalists in the country. New York Times Co. also decided to pull its editorial staff from Russia, and the Washington Post at the time said it would remove bylines from articles reported in Russia. Dow Jones said in a statement that being in Moscow is key to its mission of covering the Ukraine-Russia story.

After news organizations communicated their plans in response to the new law, Russia's Ministry of Foreign Affairs summoned several correspondents to discuss the matter, according to people familiar with the situation. In the meeting, a Russian official grilled some correspondents about their justification for being in Russia, with their companies' operations suspended, one of the people said. Russia's Ministry of Foreign Affairs didn't respond to a request for comment about the meeting.

"There were challenges living and working as a journalist in Russia, but this new law essentially made it impossible by criminalizing independent fact-based reporting," said Michael Slackman, assistant managing editor for international at the Times.

The British Broadcasting Corp. suspended its broadcasts from Russia and sought legal advice from specialists, including lawyers based in Russia, said Richard Burgess, interim head of news content for BBC News. Days later, the BBC said its correspondents could resume reporting in English from Russia, as long as they used specific language that complied with the BBC's interpretation of the law. Instead of calling the invasion of Ukraine a war, for example, BBC News Russia Editor Steve Rosenberg uses language such as, "what the Kremlin refuses to call the war," said Mr. Burgess.

"Nobody knows definitively the way that the Russian government will interpret this new law, but we made a judgment call," he said.

The level of risk was too great to continue coverage in Russian, he said.

BBC World News coverage that aired in English in Russia was banned, and BBC News websites were blocked in Russian and English, said a BBC spokeswoman. To distribute its news content, the BBC launched an account on TikTok in Russian and English and has been broadcasting over shortwave radio in Ukraine and parts of Russia to locals, said Mr. Burgess.

"We are doing what we can to get news to people," he said.

Ann M. Simmons contributed to this article.

Write to Alexandra Bruell at alexandra.bruell@wsj.com and Benjamin Mullin at Benjamin.Mullin@wsj.com

Rival Networks Aided Fox News After Ukraine Tragedy, Highlighting War-Zone Collaboration

CO twcenf : Fox Entertainment Group Inc | dsnyw : The Walt Disney Company | newsc : 21st Century Fox Inc.

IN i97411 : Broadcasting | imed : Media/Entertainment | ipubl : Publishing | i475 : Printing/Publishing

NS gvbod : Government Bodies | gvio : Military Action | ncolu : Columns | nmajev : Major News Events | reqrme : Suggested Reading Media | gcat : Political/General News | gcns : National/Public Security | gpir : Politics/International Relations | gpol : Domestic Politics | grisk : Risk News | ncat : Content Types | ndj : Dow Jones Top Stories | ntop : Top Wire News | redit : Selection of Top Stories/Trends/Analysis | reqr : Suggested Reading Industry News

RE ukrn : Ukraine | eurz : Europe | russ : Russia | uk : United Kingdom | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | ussrz : CIS Countries | weurz : Western Europe

IPD Wires

IPC BBC.YY

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220328ei3s004jx

THE WALL STREET JOURNAL.

CLM World News
SE World
HD **Ukraine War Increases Risk of Debt Defaults by Developing Countries; World Bank economist says countries that import a lot of wheat in Mideast and Africa are under extra pressure**
BY By Yuka Hayashi
WC 562 words
PD 29 March 2022
ET 00:40
SN The Wall Street Journal Online
SC WSJO
LA English

LP

WASHINGTON—Up to a dozen developing countries face increased risk of debt defaults in the coming year as the war in Ukraine boosts commodity prices and adds to existing Covid-19 pandemic-related pressures, a top World Bank economist said.

Even before Russia invaded Ukraine, highly indebted emerging and developing economies were on shaky ground, said Marcello Estevao, the World Bank's global director for macroeconomics, trade and investment, in a blog post on Monday. The pandemic had pushed up total indebtedness of the countries to a 50-year high, or the equivalent of more than 2.5 times government revenues.

TD

"The Ukraine war immediately darkened the outlook for many developing countries that are major commodity importers or highly dependent on tourism or remittances," he said, adding that the world could experience the "largest spate of debt crises in developing economies in a generation."

While Mr. Estevao didn't mention specific countries at risk, economists say countries that rely heavily on wheat imports, particularly those in Africa and the Middle East, face severe risks of economic hardship and social instability because of sharp increases in prices of wheat, a major export product of Ukraine and Russia.

Egypt, the world's largest importer of wheat, has already felt economic stress from the war. Last week, it sought financial support from the International Monetary Fund.

"The rapidly changing global environment and spillovers related to the war in Ukraine are posing important challenges for countries around the world, including Egypt," said Celine Allard, the IMF's mission chief for Egypt.

Sri Lanka, struggling with more than $20 billion in debts owed to international bondholders, separately said it would seek IMF financial help.

The finances in some emerging economies were already deteriorating as rising interest rates, prompted by the U.S. Federal Reserve plans to tighten monetary policy, pushed up debt-servicing costs.

Interest rates on debt by African countries have already risen relative to rates for U.S. Treasury securities, according to Capital Economics, a London research firm, with Ghana and Ethiopia experiencing the widest spreads.

During the Covid-19 pandemic, the Group of 20 major economies set up an initiative to allow developing countries to suspend debt servicing through a $13 billion fund available to nearly 50 countries.

After that program expired at the end of 2021 the G-20 established another framework on restructuring of debts. Three countries have applied but progress has been slow.

"It can be and must be improved in time to provide meaningful relief to countries that need it," Mr. Estevao said.

Mr. Estevao said crises could develop rapidly once they start, though he ruled out the possibility of a global crisis similar to the Latin American debt crisis in the 1980s. That is because much of the sovereign debt is owed to private-sector creditors, rather than the governments of richer countries, with variable interest rates that react immediately to rises in global interest rates.

"The main global mechanisms available today to tackle debt crises weren't designed for these conditions," he wrote. "They must be updated."

Write to Yuka Hayashi at yuka.hayashi@wsj.com

Ukraine War Increases Risk of Debt Defaults by Developing Countries

CO imonf : International Monetary Fund | twban : The World Bank

IN i8150106 : Development Banking | i0 : Agriculture | i814 : Banking | ibnk : Banking/Credit | ifinal : Financial Services

NS gsars : Novel Coronaviruses | gout : Outbreaks/Epidemics | ecat : Economic News | ghea : Health | magric : Soft Commodity Markets | mgrain : Grain Markets | mwheat : Wheat Markets | ncolu : Columns | gcat : Political/General News | gcold : Respiratory Tract Diseases | gmed : Medical Conditions | gspox : Infectious Diseases | m14 : Commodity Markets | m141 : Agricultural Commodity Markets | mcat : Commodity/Financial Market News | mgroil : Grains/Edible Oils Markets | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter

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IPD Wires

IPC G/FED

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THE WALL STREET JOURNAL.

CLM CFO Journal

SE C Suite

HD **Trentmann's Take: CFOs Adopt Different Approaches to Profits Made in Russia; The question of whether Western businesses should book profits from Russia is becoming more pressing with the upcoming quarterly close at the end of March**

BY By Nina Trentmann

WC 986 words

PD 28 March 2022

ET 19:32

SN The Wall Street Journal Online

SC WSJO

LA English

LP

Finance chiefs at Western companies that continue to operate and sell products in Russia have to decide what to do with the profits generated from those businesses.

A month into the war, several companies have said they will donate profits derived from Russia to aid humanitarian-relief efforts in Ukraine, while others continue to book those profits as part of their global earnings.

TD

Such considerations are likely to become pressing questions ahead of the quarterly close at the end of this month as these measures will likely face scrutiny from shareholders and outside stakeholders. The war also has exposed how many global companies—both large and small—have business ties to Russia.

"This is something that each company needs to decide," said Amit Khandelwal, a professor for global business at Columbia Business School, referring to the question around Russian profits. "A company has obligations to its employees—both Russian and non-Russian—shareholders and customers," he said.

A roster of international companies, including Bayer AG, Nestlé SA, Danone SA, Kimberly-Clark Corp., Unilever PLC and PepsiCo Inc. say they keep selling in Russia to provide essential supplies, including cancer medication, baby food and diapers. Also among those products are potato chips, laundry detergent and air fresheners.

Nestlé said it is limiting products sold in the country to baby food, specialist veterinary meals and other nutrition products, adding it would donate any profit to humanitarian-relief organizations. The company said it doesn't know yet how it will report these donations to investors.

Consumer-goods giant Procter & Gamble Co., which continues to sell products in Russia, said it is donating money and products to aid Ukrainians. A spokesman, when asked about the company's plan for profits from Russia, said, "We don't disclose or discuss profits by business unit (geographical or product line)."

Pharmaceutical giant Pfizer Inc. will continue to supply medication to Russia but will donate all profit to support Ukraine's relief efforts, Chief Financial Officer Frank D'Amelio said. "Maintaining the supply of medicines to Russia does not mean we will continue doing business as usual in Russia," the company said.

Unilever, PepsiCo and Kimberly-Clark didn't respond to requests for comment, while Bayer pointed to an existing statement that doesn't mention its profits from Russia. Danone said it isn't taking any cash, dividends or profits out of its business in Russia and that any profits made locally would be directed to humanitarian aid. AstraZeneca PLC declined to comment on what it plans to do with profits from its medication sales in Russia.

Some businesses said they have ring-fenced their Russian operations, meaning that proceeds won't flow into global profit-and-loss statements. Dutch brewer Heineken NV earlier this month said it would no longer accept any net financial benefit from its Russian operations and would stop the flow of royalties and dividends out of Russia. The company on Monday said it would transfer its Russian business to a new owner without disclosing more details. Heineken said operations will continue during the transition period.

Other companies may find it harder to give up revenue and profits generated in Russia, especially if they have large business interests in the country.

Metro AG, a German wholesaler that generated about €2.4 billion in sales—equivalent to $2.64 billion—or 10% of its total revenue from its Russian business during the latest fiscal year, said it will continue its operations there. The company declined to comment on whether it would consider donating the profits generated in Russia. "Salaries and bills are processed by well-established international banks that aren't subject to sanctions," a spokesman said.

A few companies say they don't break down revenue and profit by geography and that it would be challenging to separate profit derived from sales in Russia.

A German agricultural-equipment maker that asked not to be named said all of its revenue flows into one pot, including sales in Russia. The company continues to sell machine parts to its Russian customers, with German custom authorities reviewing every shipment.

The company is transferring Russian revenue to Germany "as quickly as possible," a person familiar with the transactions said. Despite the extensive Western sanctions against Russia, some financial-transaction lines remain open, allowing companies to transfer funds out of the country, lawyers said.

The depreciation of the ruble—which has declined more than 20% against the dollar since Feb. 24—and other currencies has made the decision easier for some companies that say it isn't worth the effort or the reputational risk to keep booking profits from Russia.

Lush Ltd., the Poole, England-based maker of soaps, said will continue to sell in Russia until its supplies run out and plans to keep any revenue or profit from those sales in the country to pay employees. "The decline in the ruble has made these decisions easier for companies," Chief Executive Officer Mark Constantine said.

Investors likely will hear more about how companies treat their Russian profits in the coming weeks, but responses will be determined in some part by factors outside of the profit-and-loss statement.

"It very much depends on the sector a company is active in, how large the business in Russia is compared to the rest, its attitude and whether the company is being scrutinized by the media," said Richard Wellmann, a partner at audit firm BDO who leads the company's Russia desk in Germany.

Saabira Chaudhury and Sharon Terlep contributed to this article.

Write to Nina Trentmann at Nina.Trentmann@wsj.com

Trentmann's Take: CFOs Adopt Different Approaches to Profits Made in Russia

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IN ibaby : Baby Products | icnp : Consumer Goods | idurhg : Durable Household Products

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IPD WSJ

IPC AZN

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THE WALL STREET JOURNAL.
U.S. EDITION

HD **A Mother Risks All to Get Her Son --- Olena Sirotiuk, in Poland when war broke out, returned to Ukraine for her 12-year-old**

BY By Matthew Luxmoore and Natalia Ojewska
WC 1,795 words
PD 28 March 2022
SN The Wall Street Journal
SC J
PG A1
LA English

LP

USTRONIE MORSKIE, Poland -- Olena Sirotiuk was on the night train moving east toward the front lines in Ukraine when she got a call from her 12-year-old son. "Don't come Mummy," he said. "They're shooting."

Ms. Sirotiuk, a cleaner living in western Poland, was one of the few women on a train packed with men headed back to fight the Russians. She wanted to retrieve her son, Nazariy, from behind what had suddenly become enemy territory.

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"You go because your child is there," said Ms. Sirotiuk, 50. "In that moment, there is no fear."

The lights on the train were turned off to avoid alerting Russian army patrols, Ms. Sirotiuk later recalled. Instead, the corridors were illuminated by the glow of cellphone screens detailing news about the war and messages from relatives stuck in bomb shelters or negotiating their way to safety abroad. The train trundled along at about 30 miles an hour, and slowed more when artillery fire or shelling could be heard.

It was the start of what would be a five-day, 2,100-mile journey for Ms. Sirotiuk to the industrial city of Zaporizhzhia and back, by light rail and bus from Gryfino, on Poland's border with Germany, to Lviv, in Ukraine's west, and then by train deep into areas pummeled by advancing Russian forces.

Since Russian President Vladimir Putin launched his invasion on Feb. 24, around 3.8 million people have fled, prompting what the United Nations has called the fastest and largest displacement in Europe since World War II. A significant number are going the other way. Among them are mothers trying to save their children.

The government of President Volodymyr Zelensky has banned men aged 18 to 60 from leaving Ukraine to help fend off Russia's full-scale assault. Ukraine's State Border Guard Service said more than 317,000 Ukrainians have returned to the country since Russia invaded, mostly men going to fight.

Ms. Sirotiuk had no plan. Her own mother, who had been caring for her son while she worked in Poland, said the trip, four days into the war, was too risky, and warned her it wouldn't work out. Wait in Poland until things calm down, she said: "Nazariy is relatively safe with us."

In one of the train's middle carriages, Ms. Sirotiuk sat in the darkness by the window with her hands folded over the backpack placed on her knees, and thought about Nazariy, a boy who never sat still. Like the majority of Ukrainians, Ms. Sirotiuk dismissed warnings in Western media that Mr. Putin was preparing to attack. "We had gotten used to Putin's crazy statements about Ukraine," she said. "But until the last moment, no one believed this could happen."

As she traveled closer, Nazariy got busy packing his things. He said he found a large bag and placed his documents, clothes and toys in it, including his beloved computer, ending up with something weighing around 45 pounds.

"I felt happy, because she was coming," he said later. "But I also felt scared for my mum."

Ms. Sirotiuk moved to Poland in October 2019 after the death of her second husband, Nazariy's father. She was part of a wave of Ukrainians who immigrated to the EU member state after the 2014 conflict with Russian-backed forces in eastern Ukraine. Now she lives in Ustronie Morskie, in northwestern Poland, and cleans guesthouses there and in the neighboring town of Gryfino and across the border in Germany. During time off she trains to be a nurse.

Her son, her third and youngest child, lived with her in Poland for half a year. He temporarily moved back to Ukraine to live with his grandparents, but had been wanting to return to Poland to be with his mother. Ms. Sirotiuk has two adult children who have remained in Ukraine, her son to fight and her daughter to be with her husband.

Ms. Sirotiuk was on the phone with Nazariy after the war started when he witnessed Russian tanks, she said. Her worries about her son's safety quickly mounted. Ms. Sirotiuk's parents live around 12 miles from Enerhodar, home to a vast nuclear power station that Russian forces would begin shelling seven days into the war. An administrative building directly beside the reactor complex would be hit, prompting urgent calls for a cease-fire from the International Atomic Energy Agency. "It was a close call," the agency director Mariano Grossi would later say.

Russia ultimately took control of Enerhodar, ending the fighting but prompting rallies by residents shouting "Go home!" at the troops. In towns taken over in Ukraine's south, soldiers who had been led to believe they would be met with cheers instead faced angry crowds.

Ms. Sirotiuk reached Zaporizhzhia on the morning of March 1, having slept for several hours on a hard bunk in the train using her backpack as a makeshift pillow.

"Everything will be fine," she told her son in a text message. "I love you."

"I also love you very very very very much," he replied.

A few hours later -- "Mum they blew up a bridge yesterday in Ivanivka," a town 5 miles from his home.

Zaporizhzhia is a two-hour drive from her parents' village near the nuclear power plant. The road she would have to use -- there and back -- skirts the Dnipro River and passes through towns under heavy assault from Russian forces.

She spent the day frantically calling taxi companies and searching for bus and cabdrivers who might go get her son or bring her to him, but none were willing to make the journey.

One man ultimately agreed and asked about $100 in payment. She gave him the money, the lion's share of the cash she had with her, and never saw him again. He switched off his phone and stopped responding to her calls.

"I sat at the train station and waited for him the entire day," she said.

Her mother would check in with her constantly, trying to persuade her to leave. On a phone call toward the evening, she heard the sound of air-raid sirens in Zaporizhzhia and screamed at her daughter.

"Leave, Olena! God forbid they fire on Zaporizhzhia and kill you too," Ms. Sirotiuk recalled.

At the train station, she overheard two Ukrainian soldiers who had just bid farewell to their wives and children. They were talking about intense fighting around Vasylivka, a town she would need to pass through to collect her son.

It was in that moment that she decided to leave.

She traveled back toward Poland on a carriage full of fleeing mothers and children. "All I remember from the train trip was the never-ending sound of a crying infant," she said.

When Nazariy found out his mother had turned around, he cursed Mr. Putin and wept for hours until he fell asleep. "Your mother can't just fly over like a bird," his grandmother told him, in an effort to calm him down.

Ms. Sirotiuk arrived back in Lviv early the following morning and stayed in the city for 24 hours, sleeping at a friend's house. The following day, as she was en route to the train station, she met

a Polish man who had been traveling between Poland and Lviv, bringing humanitarian aid. He offered her and a Ukrainian mother with two children a ride to the border, where she crossed on foot into Poland.

On March 3, at the Medyka border crossing in southeastern Poland, five days after the start of her trek, an exhausted Ms. Sirotiuk sat on a plastic chair in a concrete parking lot filled with Ukrainian women and children who were rifling through cardboard boxes containing food and clothing brought by Polish volunteers.

She was paralyzed with grief. "I had no other choice," she said at the time.

Her regret was compounded by happy news from another Ukrainian mother who had succeeded. Olena Opilat, who had befriended Ms. Sirotiuk on the train going to Zaporizhzhia over a 3 a.m. cigarette break, was able to retrieve her children, who lived in the city.

Back in Ustronie Morskie, Ms. Sirotiuk is struggling to cope with her son's absence. She has taken leave from work, is taking anti-anxiety medication and has deep feelings of guilt. Without Nazariy, she said, "there's just emptiness."

Nazariy, under Russian occupation, spends his days playing computer games and helping his grandparents plant onions and other vegetables in their sprawling garden. He visits his uncle and his 19-year-old cousin, who live nearby. In the evenings, he watches the Ukrainian TV news with his grandmother. School has been suspended indefinitely.

He sometimes sees Russian military trucks emblazoned with a white Z, which has become a pro-war symbol in Russia. He echoes his mother's advice about the soldiers. "If we don't touch them, they won't touch us."

A brief cease-fire and humanitarian corridor were announced on social media on March 9 for people to leave the area that day for Zaporizhzhia, but with their internet connection down, Ms. Sirotiuk's family never knew about it.

Nazariy has taken to telling his mother about ingenious escape plans. Maybe he can hide inside a box and strap wheels to it? Or hitch a ride? Recently, he asked: "Could you send me over as a parcel?"

He told his mother he plans to attempt the journey out of Ukraine on his own.

"I'm terrified that he may do this," Ms. Sirotiuk said. She has been pressing her mother to keep better watch over him.

The area around her parents' village is calmer, with Russian forces in control. But Zaporizhzhia has become more treacherous. It is a major destination for thousands of Ukrainians fleeing the bombardment of Mariupol, a port city to the southeast. On March 16, officials in Zaporizhzhia said it had been struck by Russian shelling for the first time, with the railway station and the area around the botanical garden hit.

Ms. Sirotiuk said she has exhausted her contacts in Ukraine in a futile effort to arrange safe passage for her son. She is considering another trip to try to retrieve him as early as this week. She's been told prices to go into the hot zone start at $1,000.

"How can you go on? What for?" she said. "I just don't know where I can find joy when I am without my child."

NS	gvexe : Executive Branch | gvio : Military Action | nimage : Images | nmajev : Major News Events | npag : Page One Stories | ntop : Top Wire News | gcat : Political/General News | gcns : National/Public Security | gpir : Politics/International Relations | gpol : Domestic Politics | grisk : Risk News | gvbod : Government Bodies | ncat : Content Types | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis
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CLM Heard on the Street

HD **Russia's Internet Giant Struggles to Dodge Geopolitics**

BY By Stephen Wilmot

WC 589 words

PD 28 March 2022

SN The Wall Street Journal

SC J

PG B9

LA English

LP

[Financial Analysis and Commentary]

If you thought Silicon Valley had a problem with politics, look at Russia's top internet company.

TD

Nasdaq-listed Yandex, which runs the largest Russian search engine and ride-hailing service, is caught between its local customers and regulators on the one hand, and U.S. technology and finance on the other. The latest flashpoint is the potential sale of its media interests, which consist of a news-aggregation service and a social platform called Zen.

Since Russia's invasion of Ukraine, the Kremlin cracked down on dissident voices. Yandex's aggregator, which under local regulations is only allowed to show licensed content, displays news that hews ever more closely to the official line.

One casualty is Yandex's former executive director and deputy chief executive, Tigran Khudaverdyan, who recently was sanctioned by the European Union. The EU cited the news service, as well as Mr. Khudaverdyan's attendance of a Kremlin meeting on the day of the invasion, as reasons for putting him on the sanctions list. He resigned from his Yandex roles.

Before his sanctioning, Mr. Khudaverdyan wrote a Facebook post arguing that, although "war is a monstrous thing," Yandex needed to keep its head below the parapet and carry on offering tech solutions to the Russian people. The company now seems to be taking a similar view by "exploring strategic options" for its news aggregator and Zen. It is trying to position itself as an apolitical technology provider.

Fast-growing Zen is much more valuable than the aggregator and hasn't yet come in for criticism. As pressure increases on the likes of Facebook to take more responsibility for the content on their platforms, Yandex appears to see a risk that its social-media channel could also become a problem.

One of the biggest challenges the company faces is a brain drain if its well-educated staff see its apolitical stance as little better than complicity in President Vladimir Putin's repressive rule. Until now, the company kept at the cutting edge of consumer technology by retaining bright Russian computer scientists who could easily get jobs in the U.S. Some will leave; the only question is how many.

This is by no means the company's only problem. Imports of vital technology hardware are on pause as vendors wait to see how sanctions play out. Trading in its stock is suspended, which triggered an obligation it can't readily meet to redeem a $1.25 billion convertible bond. Russia's economy is under intense pressure, which will hit the company's growth.

Yandex's search business is highly profitable, which should provide some financial security while it is cut off from Western capital. That stands in contrast to the situation at Ozon, a cash-burning e-commerce company pitched as Russia's Amazon.com in a Nasdaq initial public offering less than 18 months ago. Still, Yandex will need to tighten its belt: Its strategy of plowing search profits into less-developed markets such as food delivery is no longer viable.

In November, the company hit a peak market value of about $31 billion. Its shares are now literally uninvestable with an aggregate value below $7 billion. Such dramatic falls from grace usually follow corporate scandals, not geopolitical ones companies can do little to resolve. Yandex's refuge in a studied neutrality just shows how few good options it has.

RF page,5043

IN i8395464 : Internet Search Engines | iint : Online Service Providers | itech : Technology

NS ccat : Corporate/Industrial News | ncolu : Columns | neqac : Equities Asset Class News | nhrd : Heard on the Street | npda : DJ Exclusive Analysis - All | npqda : DJ Exclusive Analysis - Equities | c1521 : Analysts' Comments/Recommendations | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter

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THE WALL STREET JOURNAL.
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HD **Ukraine Forces Advance As Russia Regroups --- Western officials see Moscow consolidating its position as Kyiv seeks to reverse gains**

BY By Isabel Coles, Max Colchester and Yuliya Chernova

WC 1,313 words

PD 28 March 2022

SN The Wall Street Journal

SC J

PG A1

LA English

LP

KYIV, Ukraine -- Ukrainian forces are seeking to roll back Russian gains as Moscow shifts its focus to controlling a swath of the country's south and east.

Ukrainian forces said on Sunday they drove Russian troops out of Trostyanets, in the northeast near the Russian border, potentially opening a road to the provincial capital of Sumy, which is encircled by the Russians.

TD

Western officials saw signs that Russia is consolidating its position to regain the offensive, and President Volodymyr Zelensky of Ukraine urged the West to provide his army with the heavier weapons it needs to fight the better-armed Russian military.

The retaking of Trostyanets comes after Moscow, having faced stiff resistance from the Ukrainians in its initial, multifront offensive, said on Friday that it would refocus its campaign on the eastern Donbas region, where Russian forces hold a position of strength.

Russian forces have dug into defensive positions in the north and around the capital, Kyiv, which it has failed to seize.

Russia's firepower is currently concentrated on Mariupol, a strategically important city linking Russian-controlled parts of the Donbas with territory Moscow has captured in the south.

Retaking Trostyanets "demonstrates that the Ukrainians are able to counterattack, which means Russia can't assume that once they hold ground they have secured it," said Jack Watling, an expert on land warfare at the Royal United Services Institute, a British think tank. "That limits the amount of resource they can apply to the place they are trying to take at any one time."

However, Western officials believe Russia is now reinforcing in the Donbas region with fresh troops from the Wagner Group, a Russian mercenary organization, with the goal of encircling Ukrainian forces.

It isn't clear how well-trained these new Russian troops will be and whether they will have access to enough high-grade weaponry to make quick gains against battle-hardened Ukrainian troops there.

The new battalion tactical groups come from Russia's eastern military district, which experts said is the least battle-trained and well-equipped.

However, refocusing the attack on a narrower front could solve some of the logistics problems that have dogged Russian forces and allow their dominant air power to assert itself.

Western officials estimated that as much as a fifth of the Russian force is no longer combat-effective and that morale is low.

But they warn that the war is far from won for Ukraine.

"What we are not seeing is turning the tide, what we are seeing is some individual success," one official said. The creation of new Russian battalion tactical groups indicates that President Vladimir Putin of Russia is still going "all in," the official said.

Kyrylo Budanov, Ukraine's head of military intelligence, said on Sunday that Russia sought to partition the country by merging territories in the east and south under its control into a single statelet.

"This is an attempt to create North and South Korea in Ukraine," Mr. Budanov said.

In territories under its control, Russia is seeking to establish parallel authorities and forcing people to reject the Ukrainian currency, the hryvnia, Mr. Budanov said.

Russian and Ukrainian negotiators will hold their next face-to-face meeting in Istanbul this week, Turkey said on Sunday. The office of President Recep Tayyip Erdogan of Tukrey said he urged Mr. Putin in a phone call on Sunday to accept a cease-fire with Ukraine.

Western officials said they saw little sign that Russia is willing to see a peaceful resolution to the conflict.

"No one thinks there is the chance of a diplomatic solution in the next few days or even few weeks," a senior European Union official said. Mr. Putin is "going to keep on pushing and trying to overhaul" the Ukrainian government.

U.K. Prime Minister Boris Johnson said last week that even if a cease-fire is agreed to, the West must further arm Ukraine to strengthen "the quills of the Ukrainian porcupine as to make it in future indigestible to the Russian invaders."

"This is just the beginning," he said. "We must support a free and democratic Ukraine in the long term."

During a visit to Warsaw on Saturday, President Biden said Mr. Putin's invasion of Ukraine had ignited a "new battle for freedom" between democracies and autocracies.

Mr. Biden also called Mr. Putin "a butcher" and appeared to call for his ouster. A White House official later walked back Mr. Biden's remark, which was dismissed by the Kremlin.

Mr. Biden's remark drew criticism, with some saying it undermined diplomatic efforts. Ukrainian officials, though, praised Mr. Biden.

Asked about Mr. Biden's remark on CNN, Ukraine's ambassador to the U.S., Oksana Markarova, said, "It is clear to us that Russia is a terrorist state, led by a war criminal."

While Mr. Biden was in Warsaw, Russian missiles struck a site about 210 miles away, near the western Ukrainian city of Lviv, which has become a hub both for people displaced by the fighting and for arms and other materiel the West is sending to support Ukrainian forces.

The Russian strikes on Lviv damaged a plant used to repair and modernize Tor missile systems, radar systems and other equipment for the Ukrainian army, according to a Sunday briefing by Defense Ministry spokesman Maj. Gen. Igor Konashenkov of Russia.

The mayor of Lviv, Andriy Sadovyi, said the strikes had hit a fuel-storage facility and other infrastructure, and that military infrastructure had been removed from the city around the time the war began.

In a speech late Saturday, a visibly irritated Mr. Zelensky renewed his plea for tanks, planes and missile-defense systems. "This is what our partners have. This is what is covered with dust at their storage facilities," he said.

"It cannot be acceptable for everyone on the Continent if the Baltic states, Poland, Slovakia and the whole of Eastern Europe are at risk of a clash with the Russian invaders," he said. "At risk only because they left only one percent of all NATO aircraft and one percent of all NATO tanks somewhere in their hangars. One percent. We did not ask for more. And we do not ask for more. And we have already been waiting for 31 days."

NATO members have sent Kyiv large quantities of military, nonlethal and humanitarian assistance, but it still falls short of what Mr. Zelensky has publicly requested.

The U.S. and NATO allies have sent portable antitank and antiaircraft weapons, as well as lethal drones.

Mr. Zelensky has requested fighter planes, tanks and antiaircraft systems capable of hitting Russian warplanes at high altitude, but said Ukraine hasn't received what it needs.

A NATO spokeswoman cited on Sunday comments by alliance Secretary-General Jens Stoltenberg on the same issue following a summit on Thursday.

"We all listened very carefully to President Zelensky," Mr. Stoltenberg said, declining to give details of systems being supplied. "But what I can say is that allies do what they can to support Ukraine with weapons so Ukraine can defend" itself.

Meanwhile, in a video, Taras Savchenko, the deputy head of the Sumy regional administration, showed the destroyed Russian tanks left behind in Trostyanets.

On Sunday, the brigade involved in retaking the town said Russian forces had left behind weapons, equipment and ammunition that they would use to recapture other Ukrainian cities under Russian control.

Many facilities in the town, including a hospital, remain studded with mines, said Dmytro Zhyvytskyi, head of the Sumy regional administration. Deliveries of medical supplies, food and other aid are being arranged, he said.

Daniel Michaels, Warren P. Strobel and Laurence Norman contributed to this article.

CO nato : North Atlantic Treaty Organization

NS gdef : Armed Forces | gvio : Military Action | nmajev : Major News Events | npag : Page One Stories | ntop : Top Wire News | gcat : Political/General News | gcns : National/Public Security | grisk : Risk News | ncat : Content Types | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis

RE russ : Russia | ukrn : Ukraine | usa : United States | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | namz : North America | ussrz : CIS Countries

IPC EXE

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AN Document J000000020220328ei3s00018

THE WALL STREET JOURNAL.
U.S. EDITION

HD **The Ukraine Crisis: A Kyiv Hospital Becomes Front Line for the Wounded**

BY By Alan Cullison
WC 909 words
PD 28 March 2022
SN The Wall Street Journal
SC J
PG A9
LA English

LP

KYIV, Ukraine -- The thud of a Russian missile shook the glass of the hospital windows shortly after dawn last week. An hour later, the ragged clump of elderly civilians with bloody faces tottered into an emergency entrance, looking top-heavy with piles of bandages on their heads.

When nurses helped them shed their padded jackets, shards of glass from the folds of their clothing sprinkled to the floor like confetti. Nurses wheeled them to operating rooms on steel gurneys, where doctors spent more than an hour using tweezers to pull more shards out of their faces, hands and the buttocks of one man who lay on his stomach clenching his fists.

TD

Then doctors stitched their wounds shut.

Kyiv's Clinical Hospital #8 was a center of excellence for scheduled surgeries on problems like hernias and heart valves. Then Russia's invasion swept up to the edge of Kyiv, turning it into a front-line medical facility.

Dermatologists and cardiologists now help triage patients. Staff no longer duck for cover when there are air raid warnings. "Of course we are not what we used to be, but neither is the rest of the country," said Igor Khomenko, director of the hospital.

Along with millions of Ukrainian men aged 18 to 60 who are mobilized for service, Dr. Khomenko has abridged his hopes for normalcy. For 30 years, he worked as a military surgeon, and earlier this year quit the military to try civilian life as head of Hospital #8.

Like many Ukrainians, Dr. Khomenko was aware of threats from Russia but didn't expect a full-scale war.

Two weeks after he quit the military, the invasion began. Since then he has been sleeping on a couch in his office, while his wife has taken refuge far in western Ukraine. As patients arrive, he paces the hallways of the emergency wing of the hospital, barking orders to move patients along.

"I tried civilian life and it didn't last long," he said.

He canceled scheduled surgeries and dismissed half of the staff, so that now only 200 of the hospital's beds are ready for occupancy. Whole floors of the hospital stand empty and dark, conforming to a citywide blackout at night to make Kyiv a harder target for Russian bombing.

The types of wounds that the hospital encounters have evolved, Dr. Khomenko said. In the first week, the hospital received a tide of gunshot wounds. Soon more patients arrived with shrapnel wounds and concussions.

The hospital's easy proximity to the fighting saved some lives, Dr. Khomenko said. Normally, battlefield wounded are treated on the field and then at mobile field hospitals before they are moved to larger facilities. But Hospital #8 is so close to the fighting that some wounded move directly from battle to the operating room.

Dr. Khomenko operated on one man early in the invasion who was shot through the heart. The hospital was able to save him because staff had time to crack open his chest and sew the hole shut before he bled to death.

Like front-line hospitals in any war, controlling bleeding is the most important function of its emergency room, and massive blood transfusions are common, surgeons at the hospital said. Dr. Khomenko said that has made the hospital's leading vascular surgeon, Makhmud Akmad, a leader in trauma treatment.

Born in Gaza, Dr. Akmad came to Ukraine to study medicine and decided to stay after meeting a fellow student who became his wife. Until last month he mostly performed scheduled heart surgeries. After Russia's invasion, he and his wife moved into one of the hospital's rooms with their daughter and son, who is studying to be a vascular surgeon like him.

Together, he and his son are on 24-hour call, running to the emergency room whenever several wounded patients appear there.

While Kyiv has suffered few civilian casualties compared with other Ukrainian cities, the human carnage is becoming more common.

The missile strike that sent patients to the hospital last week with glass cuts landed near an apartment block in the early morning. Anatoly Grytsan, 64, was watching a newscast in his living room while his mother, 92, sat next to the television.

Mr. Grytsan said he doesn't remember hearing an explosion -- only a flash outside and the windows to the apartment blew inside. One shard of glass ripped his hand and another across his forehead. The blood coming down his face made it impossible to see what happened next. "We didn't know what to think," he said.

He said he fumbled across the room to his mother, who wasn't cut by flying glass because she was shielded by the television. He guided her to their front door, but it wouldn't budge because the blast had bent the door frame. Some rescue workers arrived and broke down the door.

He spoke to his mother by phone and learned she wasn't seriously hurt. Doctors cleaned and stitched his own wounds and wound a bandage around his head and gave him a set of secondhand clothes.

Sitting in his hospital room, he said he doesn't know yet where he and his mother will live after doctors release them. "But maybe I will be here for a while," he said.

IN i951 : Healthcare/Life Sciences

NS ghea : Health | gvio : Military Action | nmajev : Major News Events | ntop : Top Wire News | reqrhc : Suggested Reading Healthcare | gcat : Political/General News | gcns : National/Public Security | grisk : Risk News | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis | reqr : Suggested Reading Industry News

RE ukrn : Ukraine | russ : Russia | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | ussrz : CIS Countries

IPC HCR

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AN Document J000000020220328ei3s0000x

THE WALL STREET JOURNAL.
U.S. EDITION

HD **The Ukraine Crisis: CFOs Wrestle With What to Do With Profits Made in Russia**

BY By Nina Trentmann
WC 527 words
PD 28 March 2022
SN The Wall Street Journal
SC J
PG A7
LA English

LP

Finance chiefs at Western companies that continue to operate and sell products in Russia have to decide what to do with the profits generated from those businesses.

A month into the war, several companies have said they will donate profits derived from Russia to aid humanitarian-relief efforts in Ukraine, while others continue to book those profits as part of their global earnings.

TD

Such considerations are likely to become pressing questions ahead of the quarterly close at the end of this month as these measures could face scrutiny from shareholders. The war also has exposed how many global companies -- both large and small -- have business ties to Russia.

"This is something that each company needs to decide," said Amit Khandelwal, a professor for global business at Columbia Business School, referring to the question around Russian profits. "A company has obligations to its employees -- both Russian and non-Russian -- shareholders and customers," he said.

A roster of international companies, including Bayer AG, Nestle SA, Danone SA, Kimberly-Clark Corp., Unilever PLC and PepsiCo Inc. say they keep selling in Russia to provide essential supplies, including cancer drugs, baby food and diapers. Among those products are potato chips, laundry detergent and air fresheners.

Nestle said it is limiting products sold in Russia to baby food, specialist veterinary meals and other nutrition products, adding it would donate any profit to humanitarian organizations. The company said it doesn't know how it will report the donations to investors.

Consumer-goods giant Procter & Gamble Co., which continues to sell products in Russia, said it is donating money and products to aid Ukrainians.

Pharmaceutical giant Pfizer Inc. will continue to supply medication to Russia but will donate all profit to support Ukraine's relief efforts, Chief Financial Officer Frank D'Amelio said. "Maintaining the supply of medicines to Russia does not mean we will continue doing business as usual in Russia," the company said.

Unilever, PepsiCo and Kimberly-Clark didn't respond to requests for comment, while Danone and Bayer pointed to existing statements that don't mention their profits from Russia. AstraZeneca PLC declined to comment on what it plans to do with profits from its medication sales in Russia.

Other companies may find it harder to give up revenue and profits generated in Russia, especially if they have large business interests in the country.

Metro AG, a German wholesaler that generated about 2.4 billion euros in sales -- equivalent to $2.64 billion -- or 10% of its total revenue from its Russian business during the latest fiscal year, said it will continue its operations there. The company declined to comment on whether it would consider donating the profits generated in Russia.

The depreciation of the ruble -- which has declined more than 20% against the dollar since Feb. 24 -- and other currencies has made the decision easier for some companies that say it isn't worth the effort or the reputational risk to keep booking profits from Russia.

Saabira Chaudhury and Sharon Terlep contributed to this article.

CO cbuhoo : Columbia Business School

IN ibaby : Baby Products | icnp : Consumer Goods

NS nmajev : Major News Events | ntop : Top Wire News | c151 : Earnings | c15 : Financial Performance | ccat : Corporate/Industrial News | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfcpin : C&E Industry News Filter | redit : Selection of Top Stories/Trends/Analysis

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IPC ESG

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THE WALL STREET JOURNAL.
U.S. EDITION

HD **The Ukraine Crisis: War Upends Arctic Climate-Change Research**

BY By Nidhi Subbaraman
WC 629 words
PD 28 March 2022
SN The Wall Street Journal
SC J
PG A7
LA English

LP

Russia's invasion of Ukraine has delayed or derailed international collaborations studying climate change in the Arctic, with many Western scientists and scientific organizations cutting ties with Russian research institutions and canceling planned meetings or expeditions in Russia or Russian waters.

International tensions over the conflict could cripple research focused on a region that -- along with the Antarctic -- helps regulate climate across the globe, scientists say. Russia is one of eight countries that control land and ocean territories in the region north of the Arctic Circle.

TD

"The Russian territorial waters and Russian coastline comprise a huge part of the region. We really need to know the full Arctic," said Matthew Shupe, a University of Colorado Boulder atmospheric scientist. "If we're limiting access to those regions, we're going to miss out on some key knowledge to better understand how and why the Arctic system is changing."

The U.S. National Oceanic and Atmospheric Administration, which conducts ecological and weather monitoring in the Arctic, says war-related tensions haven't affected its activities there. "All NOAA projects and observations are proceeding in the Arctic," an agency spokesperson said.

That isn't the case with other key players in Arctic research.

Dr. Shupe is a co-leader of an international Arctic research initiative to study climate change known as MOSAiC, for the Multidisciplinary Drifting Observatory for the Study of Arctic Climate. As part of the project, scientists aboard the German research ship Polarstern recently spent a year collecting data in the region. Fieldwork for the expedition, which ended in October 2020, involved hundreds of crew, support staff and scientists, including up to 10 researchers from Russia, Dr. Shupe said.

But now Russian scientists aren't expected at an April meeting when MOSAiC researchers will discuss the expedition's data, said Markus Rex, MOSAiC expedition leader and head of atmospheric physics at the Alfred Wegener Institute, the German organization that led the project.

"We're looking at this big pile of data, and they bring a lot of expertise to the table," Dr. Shupe said of his Russian collaborators.

The Russian Embassy in Washington didn't respond to requests for comment about the exclusion of Russian scientists and interruptions to other scientific collaborations.

Local organizers barred Russian scientists this month from the Arctic Science Summit Week, an Arctic-research meeting taking place in Tromso, Norway, hosted by the International Arctic Science Committee, or IASC. The group is a coordinator of international research in the Arctic and includes scientists from 23 countries.

"In Arctic research, our ability to understand these rapid changes that are unfolding is like putting parts of the puzzle together -- and without Russia you're missing a big part of that picture," said Matthew Druckenmiller, the U.S. delegate to the IASC council and a geophysicist at the National Snow and Ice Data Center at the University of Colorado Boulder.

The organizers acknowledged that barring researchers from Russian institutions and organizations would complicate research efforts. Monitoring in Russian territories and working with Russian experts are essential to fully understanding Arctic climate and the global consequences of changes in the region, Jorgen Berge and Geir Gotaas, chair and vice-chair, respectively, of the local organizing committee for the conference, said in an email. But the conflict required them to take action, they said.

"We are -- as ever -- strong supporters of scientific collaboration, but in the current situation the scientific benefits of maintaining official links with Russian institutions are outweighed by the need to take a clear stand against the actions of the Russian government," Drs. Berge and Gotaas said. Russian scientists from non-Russian organizations could still attend, they said.

CO bldcuv : University of Colorado Boulder

NS gclimt : Climate Change | gsci : Sciences/Humanities | nmajev : Major News Events | ntop : Top Wire News | gcat : Political/General News | genv : Natural Environment | gglobe : Global/World Issues | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis

RE russ : Russia | arct : Arctic | ukrn : Ukraine | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | ussrz : CIS Countries

IPC NND

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THE WALL STREET JOURNAL.
U.S. EDITION

HD **The Ukraine Crisis: Biden's Shift on Fossil Fuel Lifts Gas Sector**

BY By Timothy Puko in Washington and Collin Eaton in Houston

WC 490 words

PD 28 March 2022

SN The Wall Street Journal

SC J

PG A7

LA English

LP

President Biden's pledge to boost U.S. liquefied natural-gas exports to Europe marks a further retreat from his hard-line stance against fossil fuels, sending share prices surging for natural-gas companies.

The president, who campaigned on a platform to transition the U.S. to cleaner energy, on Friday said the U.S. is working to ship 50 billion cubic meters of LNG to Europe annually through at least 2030 to help the continent wean itself from dependence on Russian supplies.

TD

The announcement came a day after Democrats on the Federal Energy Regulatory Commission backtracked on new environmental policies, suspending implementation of heightened requirements on reviews that industry officials and Republicans said would impede gas-pipeline development.

Shares of large U.S. natural-gas companies rose 9% on average Friday as major stock indexes were mixed. Shares of EQT Corp. and Southwestern Energy Co., two large producers, shot up to close about 12% and 16% higher.

Cheniere Energy Inc., the top U.S. exporter, was up about 5.5%. Tellurian Inc., which is seeking financing for an LNG project, soared 21%.

The gas industry's prospects have been a concern among the sector's executives because of Mr. Biden's stance against fossil fuels. But the president has softened some of his positions in the wake of rising energy costs, which have been driven in part by the economic rebound from Covid-19, and more recently by Russia's invasion of Ukraine.

The White House pivot has also put the U.S. and its vast oil and gas reserves in shale rock back at the center of a global scramble for energy resources as a bulwark against petrostates and authoritarian regimes. The U.S. is the world's largest oil and gas producer.

Daniel Yergin, the vice chairman of S&P Global and a noted oil-industry historian, called recent developments "a huge turn."

"There's a recognition now that shale -- and particularly LNG -- is a real geopolitical asset," he said.

Mr. Biden and his advisers have said they are still committed to ending the world's reliance on fossil fuels, including gas, and will continue to fund renewable energy as part of their work with European allies. But they also acknowledged the need to deal with the reliance that exists today.

"While gas is still a substantial part of the energy mix, we want to make sure that the Europeans do not have to source that gas from Russia," national-security adviser Jake Sullivan told reporters on Friday.

Toby Rice, chief executive of top U.S. natural-gas producer EQT, said the Biden administration's shift is an extremely encouraging political signal that natural gas will play a key role in the world's future energy mix.

CO bexyc : Cheniere Energy Inc | eqt : EQT Corp | swenpo : Southwestern Energy Co

IN ifosfl : Fossil Fuels | i1 : Energy | i13 : Crude Oil/Natural Gas Upstream Operations | i1300003 : Crude Petroleum Extraction | i1300004 : Liquefied/Compressed Gas | i14 : Downstream Operations | iexplo : Natural Gas/Oil Exploration | iextra : Natural Gas/Oil Extraction | iindstrls : Industrial Goods

NS c15 : Financial Performance | c1522 : Share Price Movement/Disruptions | c13 : Regulation/Government Policy | gpol : Domestic Politics | nmajev : Major News Events | ntop : Top Wire News | ccat : Corporate/Industrial News | gcat : Political/General News | gpir : Politics/International Relations | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfce : C&E Exclusion Filter | nfcpin : C&E Industry News Filter | redit : Selection of Top Stories/Trends/Analysis

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IPC MEN

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THE WALL STREET JOURNAL.
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HD **The Ukraine Crisis: Crowdsourcing Finances Supplies**

BY By James Marson and Ian Lovett
WC 731 words
PD 28 March 2022
SN The Wall Street Journal
SC J
PG A7
LA English

LP

Serhiy Prytula recently posted a video requesting help for Ukraine's military. Beside him was a man in a balaclava and another holding a piece of shrapnel.

The shrapnel, he said, came from a Russian warplane shot down by a Ukrainian fighter who is part of a unit hunting enemy vehicles and aircraft in pickup trucks.

TD

"Our guys are working, burning enemy vehicles," said Mr. Prytula in the March 8 Facebook post. "If you have an off-road pickup truck, please give it to us or let us buy it off you."

Mr. Prytula said his initiative, dubbed "Hell Rides," has since provided more than 50 vehicles to Ukraine's military.

The 40-year-old comedian and TV host is a leading figure in the grass-roots effort to equip Ukraine's armed forces to fight Russia.

The U.S. and its allies are providing Ukraine with weapons such as missiles to target tanks and aircraft. The likes of Mr. Prytula, who said his organization has raised the equivalent of around $8.5 million in the month since the conflict started, are trying to quickly fill gaps in nonlethal equipment, from body armor to drones with thermal imaging.

The effort has helped Ukraine halt the advance of Russia's better-equipped invading force in many parts of the country. In Ukraine's war of skirmishes and ambushes, where small, nimble teams are inflicting costly damage on Russian troops, basic gear can make a big difference.

The Ukrainian resistance, ranging from the thousands of volunteers who joined the military to those staffing the ad hoc supply network, suggests the defensive effort is durable.

Mr. Prytula started his fund in 2014, when Russia seized the Crimean Peninsula and invaded eastern Ukraine. He trucked body armor, drones and other equipment to the front lines, posting videos on social media and winning the trust of soldiers and donors.

With an online following of more than one million, donations poured in when the war started in February. On the second day of the war, Mr. Prytula posted a photo of 100 drones bought for the equivalent of $250,000.

From a new headquarters in central Kyiv, Mr. Prytula has put out a call for supplies from medications to tourniquets and winter boots.

At first, they were buying whatever they could as fast as possible. "We need radios," he posted on Feb. 27. "At any price!"

Mr. Prytula's connections with the military soon helped him focus his efforts. Artillery units need drones with thermal imaging so they can target enemy supply trucks at night. He has sent dozens of pickup trucks to mobile groups that ambush enemy vehicles. Special-forces snipers have received thermal-imaging scopes.

Mr. Prytula has received funds from more than 30 foreign countries, including the U.S. and Europe, but also China and Africa. He recently added a PayPal account. Orders are often delivered to towns in Poland on the border with Ukraine, where they are trucked to a logistics center in the western Ukrainian city of Lviv. On Saturday, Russian strikes targeted the city.

Lida Koval, a Ukrainian Railways staff member, has become a vital cog in the informal system moving supplies into Ukraine.

Ms. Koval, 36, has spent all but four days of the war aboard a passenger train packed with materiel for the war effort -- some boxes destined for Kyiv, others for Lviv -- that has shuttled constantly between Ukraine and Poland.

The trip takes a full day in each direction. On the way out of Ukraine, the train is filled to double its capacity, packed with women and children, Ms. Koval said. She keeps snacks for the children, who sometimes ask her for food. Once, she slept in the outdoor smoking area between train cars, so that six children could stay in the cabin that is usually hers.

At the end of the line, she has an hour to rest. She showers using a bucket in the bathroom at the end of the train car. Then she heads back to Ukraine, her carriage full of medical and military supplies. "The only difference is we're going with people one way and we're going with the help the other way," she said. "We're helping people in both directions."

IN i364 : Aerospace Products/Parts | iindstrls : Industrial Goods | iaer : Aerospace/Defense

NS gvio : Military Action | nmajev : Major News Events | ntop : Top Wire News | reqrad : Suggested Reading Aerospace/Defense | gcat : Political/General News | gcns : National/Public Security | grisk : Risk News | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis | reqr : Suggested Reading Industry News

RE ukrn : Ukraine | russ : Russia | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | ussrz : CIS Countries

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THE WALL STREET JOURNAL.
U.S. EDITION

HD **The Ukraine Crisis: Putin's Warnings Amplify Nuclear Fears --- U.S., allies worry Kremlin could turn to atomic weapon in Ukraine war**

BY By Thomas Grove

WC 817 words

PD 28 March 2022

SN The Wall Street Journal

SC J

PG A6

LA English

LP

When Russia unveiled previously secret details of its nuclear-weapons doctrine for the first time in 2020, it confirmed something U.S. war planners had long suspected: Moscow would be willing to use atomic arms to keep from losing a conventional war.

Since Russian President Vladimir Putin invaded Ukraine in February, he has repeatedly raised the specter of nuclear war, invoking his country's atomic arsenal in an effort to deter the U.S. and the North Atlantic Treaty Organization from getting involved in the conflict.

TD

But as Mr. Putin's army has faced fierce resistance from Ukrainian forces strengthened by large infusions of Western weaponry, concerns have grown in Washington and allied capitals that Russia could consider using a so-called tactical nuclear weapon to gain the upper hand on the battlefield.

Such weapons, which generally have a less-powerful warhead than a strategic nuclear weapon carried on an intercontinental ballistic missile, were part of Cold War military thinking, though they never figured into arms-control agreements between the U.S. and Russia or the Soviet Union.

The move would be aimed at crushing Ukraine's will to fight, turning the tide of the war or signaling that current levels of Western support -- including transfers of antitank and air-defense systems -- are intolerable, Russian and Western analysts say.

The first use of an atomic weapon since the U.S. bombing of Hiroshima and Nagasaki would likely cause major damage and radioactive contamination to any Ukrainian city hit -- and perhaps beyond, depending on wind and other factors. It would also confront Washington and Europe with a major security test.

"We don't know exactly where it is, the red line where the Russian leadership considers using tactical nuclear weapons," said Petr Topychkanov, a researcher at the Stockholm International Peace Research Institute. "The Russian leadership knows the value of ambiguity."

Further complicating efforts to predict Mr. Putin's actions, Mr. Topychkanov said, is that it is difficult to gauge the nature of Kremlin decision-making. "The biggest question is how rational the Russian leadership is right now," he said. "I don't know what kind of information he is getting."

In the days before the invasion, Mr. Putin led an exercise of Russia's strategic forces, launching some of the country's most cutting-edge missiles, like the hypersonic Kinzhal. At the start of the invasion, he warned of consequences "the likes of which you have never seen in history" if the West intervened.

Days later, he stirred concern, ordering his military to ensure the "special combat readiness" of his nuclear forces.

While those threats were an overt nod to nuclear warfare, they failed to define where exactly Russia's red lines are, observers of Russia's nuclear policy say, giving Mr. Putin more latitude to escalate threats if he feels the need or even strike.

The point of a tactical nuclear strike to end a conventional conflict, based on doctrine known as "escalate to de-escalate," is to change the rules on the battlefield while shifting the burden of escalation onto your opponent, said Elbridge Colby, co-founder of The Marathon Initiative, a policy initiative focused on great-power competition.

"Putin could use a smaller warhead to protect what his conventional forces are doing," he said. "The Ukrainians may be the target, but the real target politically would be the U.S. and the West."

Despite active signaling, Russia has demurred at the idea of using nuclear weapons. Mr. Putin's spokesman said on CNN that Moscow would use them only under existential threat, and Russian Deputy Foreign Minister Sergei Ryabkov said on state television: "We have a very responsible approach to that issue. We never escalate anything."

While the U.S. on one hand has made it clear it has no plans to cross any nuclear red lines in Ukraine, Washington has signaled the presence of its nuclear-capable forces in Europe this month. Weeks before the invasion, the U.S. sent B-52 strategic bombers to exercise with British and European air forces.

"There's already some kind of signaling going on in Europe," said Hans Kristensen, director of the Nuclear Information Project at the Federation of American Scientists.

NATO Secretary-General Jens Stoltenberg warned against letting the war in Ukraine slip into a nuclear conflict and told Russia to stop its nuclear rhetoric.

"Russia must stop its nuclear saber-rattling," Mr. Stoltenberg said last week ahead of a summit of the Western military alliance's leaders in Brussels. "Any use of nuclear weapons will fundamentally change the nature of the conflict, and Russia must understand that a nuclear war should never be fought and they can never win a nuclear war."

CO nato : North Atlantic Treaty Organization

NS gnuclw : Nuclear Weapons Programs | gvexe : Executive Branch | ecat : Economic News | gdip : International Relations | gcat : Political/General News | gvio : Military Action | gweap : Weapons Programs | nmajev : Major News Events | ntop : Top Wire News | gcns : National/Public Security | gdef : Armed Forces | gpir : Politics/International Relations | gpol : Domestic Politics | grisk : Risk News | gvbod : Government Bodies | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis

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THE WALL STREET JOURNAL.
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HD **Inside View: Ukraine's Asymmetric War**

BY By Andy Kessler

WC 858 words

PD 28 March 2022

SN The Wall Street Journal

SC J

PG A15

LA English

LP

Reports from Ukraine are filled with stories of Javelin antitank missiles and Turkish Bayraktar TB2 unmanned aerial vehicles taking out Russian tanks and armored vehicles. The Biden administration has announced $800 million in defensive weapons for Ukraine, including Javelins, Stinger antiaircraft weapons and Switchblade drones. More amazing is what Ukraine has also been doing on the cheap. And I don't mean Molotov cocktails.

Wars are increasingly asymmetric -- the lesser-armed side can put up a strong fight. The U.S. learned this in Iraq with insurgent use of improvised explosive devices, basically roadside bombs triggered with cellphones. Similarly, Ukraine has been deploying inexpensive, almost homemade weapons and using technology to its advantage.

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The Times of London reports that Ukraine is using $2,000 commercial octocopter drones, modified with thermal imagers and antitank grenades, to find and attack Russian tanks hiding between homes in villages at night. Ukraine's Aerorozvidka, its aerial reconnaissance team, has 50 squads of drone pilots who need solid internet connections to operate.

When the internet was cut in Syria in 2013, enterprising techies set up point-to-point Wi-Fi connections to bring internet access from across the border in Turkey. You can do this with Pringles potato-chip cans and $50 off-the-shelf Wi-Fi routers. Ukraine may be spared this ad hoc setup as Elon Musk and his firm Starlink have donated thousands of satellite internet-access terminals to Ukraine, including to the Aerorozvidka squads, which come with warnings to camouflage the antennas. They typically cost $499 each and $99 a month for service.

Ukraine also effectively jammed Russia's long-in-the-tooth wireless military-communication technology, which apparently uses a single-frequency channel to operate. Former Central Intelligence Agency Director David Petraeus told CNN that Russians were then forced to use cellphones to communicate until Ukraine blocked the +7 country code for Russia and eventually took down 3G services that Russia uses for secure connections. Russian soldiers were forced to steal Ukrainian cellphones to communicate with one another. That's no way to fight a war.

Ukraine also has taken advantage of crowdsourcing. The Journal told the story of Russian tanks that would fire on the city of Voznesensk and then back up a few hundred yards to avoid return fire. Civilians and Territorial Defense volunteers would then message the tanks' new coordinates via the Viber social-messaging app.

The propaganda war is also being fought on the cheap, from President Volodymyr Zelensky's Zoom call with the U.S. Congress to Ukraine's work spreading news inside Russia. The Russians have blocked Facebook and Twitter, independent media has been shut down, and on Russian television no one is allowed to say "invasion" or "war." But no country can completely filter and firewall real news. The Telegram and WhatsApp messaging apps encrypt their communications. Ukraine has begun using facial recognition to identify killed and captured Russian soldiers, even contacting their families and posting their photos on Telegram channels. Twitter now is using a service to disguise its origin and restore service to Russian users.

Most surprisingly, after much hype and many warnings, Russian cyberwarfare has been deemed fairly ineffective. Hours before the invasion, someone, presumably the Russians, launched a Trojan.Killdisk attack, disk-wiping malware that hit Ukrainian government and financial system computers and took down Parliament's website. Cyberattack tracking firm Netscout called the attack "modest." A Ukrainian newspaper then released a file with details on 120,000 Russian soldiers, including names, addresses, phone and passport numbers. Where the information came from is unknown.

But we have a hint. Ukraine is filled with smart coders, and the government set up an "IT Army of Ukraine" Telegram channel to coordinate digital attacks on Russian military digital systems. As many as 400,000 have volunteered so far. An officer of the Ukraine State Service of Special Communications said they were engaged in "cyber-resistance." This digital flash mob has taken down Russian websites, though I doubt we will ever fully know the damage it may have inflicted. This is definitely a social-network-influenced conflict.

In the fog of war, stories and disinformation swirl. Most are impossible to verify. I've heard of foreign volunteers swarming to Ukraine who then post photos on Instagram. Both Facebook and Instagram strip GPS location coordinates from smartphone photos, but they allow these volunteers to tag nearby locations, potentially giving away refugees' hiding places. These could be targeted by Russian missiles and may have been the reason the Mariupol theater was destroyed.

New technology for use in commerce often emerges after the smoke of battle clears. World War I produced tanks, field radios and improved airplanes. World War II brought radar, penicillin, nuclear power, synthetic rubber, Jeeps and even duct tape. What we are seeing in Ukraine is the asymmetric power of pervasive inexpensive commercial technology, especially citizen-empowering social networks and crowdsourcing. So far these tools have been altering the war's outcome. Welcome to 21st-century warfare.

Write to kessler@wsj.com

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HD **Beijing Gains From the Ukraine Invasion**

BY By Dan Blumenthal
WC 827 words
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LP

Conventional wisdom has it that Beijing miscalculated by supporting Vladimir Putin's Ukraine war. Xi Jinping's partner faces both unexpectedly fierce resistance from the Ukrainian military and surprisingly strong Western punishment. Some in Washington expect China to attempt to extricate itself by brokering a peace deal. This is unlikely to happen. In many ways China has benefitted from the conflict, as Russia tests the international system with disappointing results for the West.

True, Beijing is taken aback by Russian military failures. The war will surely lead Mr. Xi to question his military's ability to attack Taiwan. Yet Mr. Xi has long heralded a new era in international relations that overturns the U.S.-made world order. Mr. Putin signed on to this agenda in the Chinese-Russian Joint Statement of Feb. 4. From Beijing's perspective, a new international politics is emerging.

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Far from backing away from an anti-Western position, top Chinese diplomats are pressing their case. Foreign Minister Wang Yi and Vice Foreign Minister Le Yucheng have made statements since the invasion blaming the U.S. for not considering Russia's security concerns and denouncing the North Atlantic Treaty Organization's eastward expansion. In China's telling, the world should have sympathy for Ukraine not because it was attacked by Russia, but because it is the victim of a reckless U.S. bid to maintain geopolitical dominance.

According to Beijing, the lesson for small countries is don't be used as a pawn. The U.S. will manipulate them into fighting proxy wars against its adversaries.

China's main target is Asia. In its narrative, the region can avoid Europe's fate if it resists Washington's efforts to contain China. The Chinese Foreign Ministry has taken aim at the recently released U.S. strategy for the Indo-Pacific, which envisions a political and economic order free of Chinese coercion. Mr. Le warned that this strategy will "provoke trouble, put together closed and exclusive small circles or groups, and get the region off course toward fragmentation and bloc-based division."

The American strategy "is as dangerous as the NATO strategy of eastward expansion in Europe," he added. "If allowed to go on unchecked, it would bring unimaginable consequences and ultimately push the Asia-Pacific over the edge of an abyss." This is a clear warning that if Washington builds an alliance system in Asia akin to NATO, China reserves the option to resist forcefully. In this view, Russia's case for attacking Ukraine sets a useful precedent.

Yet the world's response to the Ukraine invasion should ease Beijing's worry about the formation of anti-China blocs. Outside the West, America's partners seem to prefer neutrality when confronted with authoritarian aggression. India, a crucial pillar of Washington's Indo-Pacific strategy, hasn't condemned Russia. In Southeast Asia, a region the U.S. views as strategically critical, most have remained neutral. While these countries may feel differently if China starts a conflict, the U.S. cannot count on that.

America's partners in the Middle East, strategically important to the U.S. because of their energy resources, are staying neutral as well. The Syrian war and Iran's regional aggression have made these countries more dependent on China and Russia.

Even more gratifying for Beijing is that Japan's support of Ukraine has caused heightened tensions with Russia. Moscow has called off negotiations to resolve territorial disputes and likely promised Beijing that it would resume joint exercises in the waters around Japan.

It turns out that the Sino-Russian Joint Statement was less an aspiration than a description of the current state of international relations. With so many countries staying on the sidelines in the wake of the Ukraine invasion, China has an opportunity to build greater support for its anti-American vision. Over the past decade, Russia has done much of this work by providing arms and extending its influence. China will also exploit distaste for promiscuous use of U.S. sanctions and American hectoring on human rights.

China hasn't miscalculated. It was right about the geopolitical fundamentals. And since few countries joined the West in resisting Russian aggression against a sovereign nation, Beijing may conclude that fewer still would punish it for an attack on Taiwan, which most of the world doesn't recognize as a country. Washington must urgently make a sustained diplomatic case to its partners that such an attack would devastate international security and prosperity.

China doesn't need allies to support its aggressive plans. It merely needs nations to stay neutral, and Russia's invasion of Ukraine has given China more confidence that most of the world will stay on the sidelines.

Mr. Blumenthal is director of Asian studies at the American Enterprise Institute and author of "The China Nightmare: The Grand Ambitions of a Decaying State."

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HD **Beware a Phony Peace In Ukraine**

BY By Thomas D. Grant
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LP

Russia's war against Ukraine is failing. But serious dangers remain. Among them are "peace" terms that, like those Russia imposed on past victims of its aggression, would set up Ukraine -- and others -- for bloodshed in the years to come. Vladimir Putin, who didn't bargain on a tough fight, is likely to propose terms that look like concessions but are calculated to hobble Ukraine and threaten security far beyond its borders. Ukrainians won't accept such an endgame, and other countries should not try to get them to do so.

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Russia's recent wars illustrate what Mr. Putin likely has in mind for Ukraine. In Georgia, which he invaded in 2008; in Moldova, where Russian troops never left; and in Azerbaijan, where Russia supported Armenian separatists in the early 1990s, fighting subsided but ambiguity followed. Russia's proxies -- a mix of puppets and Kremlin thugs -- proceeded to dig in behind semiofficial armistice lines. With Russia's support, fiefs under these proxies in some cases have lasted to the present day.

Contributing to their persistence are the cease-fire terms. Neither continuing war nor cementing peace, the terms deliberately debilitated the countries Russia had attacked by entrenching its proxies on each country's territory and stipulating "peace processes" that Moscow used not to pursue peace, but to prevent the countries from stabilizing or escaping Russia's shadow.

Hints from the Kremlin suggest that this is how Mr. Putin hopes to gain lasting ground from his botched invasion. Mr. Putin insists that Ukraine accept the permanent loss of the three pieces of the country that Russia already has taken -- the Crimean Peninsula and the provinces of Donetsk and Luhansk.

That might sound like a clean-cut outcome, but it wouldn't be. If Russia wins the terms it demands, then other parts of Ukraine will fall under the shadow of contrived secessions, sham independence movements and whatever other forms of subversion Mr. Putin might improvise. Brutal client outposts, fake referendums and forced population exchanges likely won't be limited to two or three parts of Ukraine. Even if Mr. Putin makes a show of restraint at first, he would have convenient launchpads from which to do more harm. Under the endgame he likely is pursuing, Ukraine can expect no better a fate than Georgia, Moldova or Azerbaijan, which endured coercion by Russia for decades.

The West tolerated Russia's strategy of creating and sustaining "frozen conflicts" against its smaller neighbors. This signaled to Mr. Putin in 2014 that it was safe to seize Crimea and conjure the rebel groups through which Russia has ruled Donetsk and Luhansk and menaced Ukraine. Tolerating such an outcome in Ukraine would be a mistake.

The risks for the security of Europe are clear. Ukraine is larger than earlier victims of Russia's aggression and post-armistice intrigues. It borders four countries -- Poland, Slovakia, Hungary and Romania -- in the North Atlantic Treaty Organization and sets an example for the three NATO countries the U.S.S.R. once directly ruled -- Lithuania, Latvia and Estonia. Permanent ambiguity and destabilization in Ukraine aren't acceptable.

The horrors that Russia is inflicting on civilians in Ukraine add urgency to the search for peace. Ukraine might reasonably consider concessions on the timing or terms of joining NATO or the European Union. But concessions that give Russia permanent leverage over Ukraine will supply no peace. They will only set the stage for future war, and on the terms Mr. Putin prefers.

President Volodymyr Zelensky, affirming that Ukraine won't accept ultimatums, sees the danger of accepting Mr. Putin's terms. If the world wants peace and a secure Europe, then it shouldn't impose a settlement on Ukraine that ignores lessons from places where Russia got the endgames it demanded.

Mr. Grant served as senior adviser for strategic planning in the State Department's Bureau of International Security and Nonproliferation, 2019-21. He is author of "Aggression Against Ukraine: Territory, Responsibility, and International Law."

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