

Trumpet Weekly

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German Chancellor Angela Merkel (left) and French President Francois Hollande arrive for a briefing after a summit aimed at ending 10 months of fighting in Ukraine in Minsk on February 12.



Is Angela Merkel Germany's Chamberlain?

Richard Palmer | February 13

EASTERN EUROPEANS AREN'T HAPPY WITH GERMAN CHANCELLOR Angela Merkel's Russian policy, and they're taking to one of the most public platforms to show it—Twitter.

Donald Tusk, former prime minister of Poland and current president of the European Council, implied Merkel was guilty of "appeasement" in a tweet last month.

Then on February 7, one day after Ms. Merkel and French President François Hollande met Russian President Vladimir Putin in Moscow, Lithuanian Minister of Foreign Affairs Linas Linkevičius tweeted "'Sudetenland' in 1938 was supposed to appease aggressor. We know the results," in another thinly veiled criticism of Ms. Merkel.

Most direct was the chess-grandmaster-turned-anti-Putin-advocate Garry Kasparov, who said toward the end of last year, "My problem is today you have so many politicians lining up to become a new Chamberlain. Where are the Churchills?"

Several more hawkish writers and thinkers have labeled Putin as this generation's Hitler. As Angela Merkel returned from Minsk on February 12 with a piece of paper guaranteeing peace after negotiating all night with Putin, it is worth asking the question: Is she this generation's Chamberlain?

Germany's Strength and Weakness

The fact that this question is being asked at all is, by itself, significant. For the past few decades, no German leader could have been called "a new Chamberlain" simply because no one looked to Germany to lead the free world in negotiating with a dictator.

In the 1930s, the West looked to Neville Chamberlain to take the lead in negotiations with Adolf Hitler. America was too self-absorbed and had no interest in leading anything; and France, with its decades-long enmity with Germany, was seen as incapable of being impartial.

"In Europe, Germany is playing a leading but aggressive role," wrote *Stratfor's* George Friedman earlier in the week. "In Ukraine, it is playing a leading but conciliatory role. What is most important is that in both cases, Germany has been forced—more by circumstance than by policy—to play leading roles. This is not comfortable for Germany and certainly not for the rest of Europe."

But how valid is the comparison between Putin and Hitler? First it's important to see that, though there are similarities to the 1930s, the situation is not identical. Hitler was a brutal dictator; Putin may be an authoritarian dictator, but he is not a genocidal maniac like Hitler was. While Putin's ambitions in Ukraine

do have some roots in a belief in pan-Slavic unity and perhaps even in an inherent superiority of the Russian race, they are more firmly grounded in more rational concepts of strategic necessity—the heartlands of Russia are simply indefensible without Ukraine. That's not to justify Russia's actions—the morality of the situation is a separate discussion. But it does make them more understandable than Hitler's ideological and irrational pursuit of *lebensraum*.

The Advantages of Appeasement

The comparison between Merkel and Chamberlain is similar—they have their parallels, along with some important differences. Like Chamberlain, Merkel's relatively soft treatment of Russia is very popular at home.

But this time there is a strong case that Merkel's policy of negotiation is more than just the popular course of action, but actually the correct one, at least for Germany. One argument often made by apologists for Chamberlain is that his appeasement bought time for Britain to rearm. In Chamberlain's case, this argument is easy to dismiss. When he returned from Munich in 1938, he spoke of "Peace in our time," not "I bought us some time." And even if this had been Chamberlain's policy, it was not a good one—it would have been far easier to confront Hitler sooner, rather than later.

But Merkel's case is different. Time is against Russia. Its population is in decline and its working-age population is forecast to fall 25 percent by 2050. Its economy relies on oil and gas that will at some point run out, or at least become harder and more expensive to extract. Its military relies heavily on aging Soviet hardware—the bulk of Russia's large ocean-going warships, for example, are Soviet vessels soon due for decommissioning, with few new ships in the pipeline to replace them.

In other words, if Russia wants to conquer a few Eastern European countries to give itself some strategic depth, now is the time to do it.

For Germany, the situation is reversed. It too has its demographic problems, but nowhere near the scale of Russia's. Europe has spent the last 20 years since the Cold War disarming. Only now is it starting to turn that around.

Europe's Unique Vulnerability

Perhaps an even bigger reason Germany may be right to play for time is the euro crisis. The unity of the eurozone is especially vulnerable right now. A bit of cash from Russia, in the right place, could fracture the whole currency union and buy Russia some key allies embedded in the heart of Europe.

Greece is openly threatening Germany that if its demands are not met, it will turn to Russia. "We want a deal. But if there is no deal, and if we see that Germany remains rigid and wants to blow Europe apart, then we will have to go to Plan B," Greek Defense Minister Panos Kammenos said on February 10.

"We have other ways of finding money. It could be the United States at best, it could be Russia, it could be China or other countries," he said.

"There have been proposals, offers I would say, from Russia, recently after the election, for economic support, as well as from China regarding help, investment possibilities," Greek Deputy Foreign Minister Nikos Chountis said the same day. "We have not asked for it," he continued. "It's on the table. We're discussing it"

Cyprus, meanwhile, is offering to allow Russia expanded access

to its military bases, though it denies the rumors that surfaced earlier in the week that it would allow Russian bases on its territory.

If Greece or Cyprus quit the eurozone and, with Russian help, made a successful recovery, not only would it give Russia a significant new ally, but it would prompt a slew of southern European countries to follow suit. The eurozone, so vital for Germany's export-based economy, could collapse.

The financial sanctions on Russia mean it has less spare cash to use for such an economic assault, which could be why Germany supported the sanctions in the first place. But if it can find the money, Russia has the opportunity to do irreparable damage to Germany. Now, of all times, Germany does not want to make Russia an enemy.

There is another World War II parallel here. Currently, Germany does not want Russia to disrupt the economic union it heads in Europe—more out of economic self-interest than out of a desire to dominate other nations. At the same time, Russia does not want Germany to disrupt its attempts to regain influence in Ukraine and other Eastern European nations.

Prior to World War II, the two nations were in a roughly similar predicament. Germany wanted to take Poland and other Central and Eastern European nations. It knew Russia could stop or at least heavily disrupt this. So both nations signed the famous Molotov-Ribbentrop pact.

Appeasing a Bully

If Merkel is right in her course of action, what about those who say that appeasing a bully only makes him more aggressive.

They too are probably right. The West's response to Russia's invasion of a sovereign country and unilaterally changing Europe's postwar borders, something usually regarded as sacrosanct, has been mild to say the least. Britain, America and France are even bound by treaty to defend Ukraine.

As noted earlier, time is against Russia. No matter how hard it is for Russia to expand now, it will be much harder in five or 10 years' time. Putin has every reason to go all-out to give Russia a defensible frontier now, while he still can.

This sets Germany up for another potential parallel with 1930s Britain. During the '30s, Winston Churchill was very unpopular. When he spoke out against Chamberlain's Munich agreement with Hitler, he was booed down in the House of Commons. He struggled to get newspapers to print his warnings. That changed dramatically once he was proven right; to this day, he is one of Britain's most-loved leaders.

A similar dynamic is possible in Germany. A conciliatory approach may be very popular now, but if and when that does not stop Putin, public opinion would swing rapidly behind someone more aggressive. Here lies the biggest danger in Putin's aggression in Ukraine. The result will not simply be a more aggressive Russia, but a similarly assertive Europe.

Europe is a mess right now. Some nations' militaries are barely better than a joke. The eurozone seems so fragile that at times it looks like a robust sneeze from Putin would destroy it. But Putin's actions in Ukraine have put Europe on notice. This can't continue much longer. In negotiating with Putin, Merkel may have just bought the Continent the time it needs to get its act together. For more on how this could happen, read our article "[Russia: Triggering Europe to Unite.](#)"

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Iran Now Controls Four Middle Eastern Capitals

Robert Morley | February 10

IRAN NOW CONTROLS THE CAPITAL CITIES IN FOUR MIDDLE EASTERN nations. The *Jerusalem Post* reported February 8 that Yemen fell to Iran in its regional proxy war, via the Houthi militant group. The *Post* added: “Yemen is perfectly set to become a sectarian war that will see millions more in foreign funds transferred to various proxy forces in the country”

Since 2009, America, unwilling to commit ground troops to fight al Qaeda in Yemen, has been conducting an aggressive drone warfare campaign over the nation. In the 120 attacks reported by the media, over 800 people were killed, including 83 civilians.

Yemen was supposed to be the role model for how to fight wars without having to get your hands dirty. It was supposed to work by pairing American airpower *with a campaign of building local allies* to fight on the ground.

In Yemen, America’s ground allies lost.

Yet what makes this defeat doubly disastrous isn’t that the drone warfare campaign probably contributed to the local government’s waning support, but that it was America who put the final nail in the coffin of the supposedly “U.S.-backed” Yemeni government.

Effectively, America worked with an Iranian-backed militant group to overthrow America’s ally. America has worked with the Iranian-sponsored Houthis from as far back as at least November—long before the Houthis overthrew the American allied government in Yemen.

So it appears as if the decision to let the Yemeni government fall was a strategic one. But one that will leave America’s other allies to wonder how trustworthy America is. In Yemen, America was the kind of ally you don’t want.

Sadly, America will see little benefit from its loss of prestige and reputation in Yemen. The whole situation could quickly turn into a disaster—especially if America continues to support the Houthis’ war.

The Houthis are pushing south and west in an effort to eliminate al Qaeda from the Red Sea/Bab el-Mandeb strait coastal area. If they gain control, the geopolitical consequences could be very far reaching.

Trumpet editor in chief Gerald Flurry reported on the significance of the Houthi takeover of Yemen. The Houthis, and by extension Iran, are about to gain control over one of the world’s most strategic waterways. Mr. Flurry explains the implications on oil markets, global trade, European security and more in his *Key of David* program “[The Yemen Crisis](#).”

The *Jerusalem Post* concluded by quoting Uzi Rabi, a Yemen expert and director of the Moshe Dayan Center for Middle Eastern Studies at Tel Aviv University: “Iran sees itself as the rising power in the region, Rabi told the *Post* in December, adding that an Iranian Revolutionary Guard official was quoted as saying that the Islamic Republic of Iran now controls four Middle Eastern capitals: Sanaa, Beirut, Baghdad and Damascus.”

Watch as Iran looks to add more capital cities to that list. A couple of candidates: Cairo and Tripoli. Iran is working hard to exploit the chaos in Libya, and it almost got its way in Cairo when the Muslim Brotherhood initially overthrew Egypt’s military leaders. To understand why these nations are destined to fall into Iran’s orbit read “[Egypt and Libya to Join Iran’s Terror Network](#).”

 Follow [Robert Morley](#)



Rise of the New Persian Empire

Callum Wood | February 12

UNDER THE MAGNANIMOUS RULE OF CYRUS THE GREAT, THE PERSIAN Empire extended from the foothills of the Himalayas to the banks of the Nile River. It was a vast conglomeration of peoples, creeds, religions and languages tied together in large part by the governing policies of King Cyrus. Cyrus believed that the empire would remain stable if its subjects were allowed to keep their own customs while still paying homage to Persia.

Today, Iran—the progeny of that dynasty—is once more vying to carve out an empire. But unlike ancient Persia, Iran relies on fear, extortion, intimidation and bloodshed—conversion by the sword.

As such, it is vital to see where Iran’s empire is expanding and the threat it poses internationally.

Iraq

The installment of Shiite, pro-Iranian officials in Iraq’s government has been one of the key ways Shiite Iran has gained

influence. A Sunni-Shia fissure emerged in Iraq as a consequence. Violence further widened the rift.

Then came the [fall of northern Iraq to Islamic State terrorists](#). Under the guise of peacekeeper and concerned neighbor, Iran has used the battle with the Islamic State to gain even more influence and popularity in Iraq.

Iran now boasts unprecedented military involvement in the nation. And the side benefit of this is the fact that Iran’s actions are condoned and even aided by the United States.

Syria

The civil war in Syria long ago morphed into a proxy war between the regional powers of Saudi Arabia and Iran. And Iran is winning that war.

Much like in Iraq, the Syrian regime has been propped by the finances, weapons and guidance from Iran. Without Tehran’s

military aid, Bashar Assad would have fallen to the rebel troops long ago.

Yemen

Until September last year, Yemen was divided into two key power blocs. One was the U.S.-backed government; the other was al Qaeda in the Arabian Peninsula (AQAP). But that all changed when Iranian-backed Houthi rebels stormed the capital, took the presidential palace and demanded more control of the government. The result was the resignation of the Yemeni government.

Pre-Yemen, Iran already controlled the Strait of Hormuz, through which flows 40 percent of the world's oil. Tehran has historically threatened to shut the strait down, sending oil prices skyrocketing and weak economies skydiving. Now Iran has control of the Bab el-Mandeb too—the vital sea gate on the southern end of the Red Sea.

Libya

What interest does Iran have with Libya? In the April 2011 *Trumpet*, editor in chief [Gerald Flurry](#) explained, “All you need to do is get a good map of the Middle East, with the emphasis on the Mediterranean Sea and the Red Sea. ... They are the two seas that comprise the most important trade route in the world. ... If Iran gets control of that trade route, it could create enormous damage and chaos in America and Europe almost overnight.” Control or influence in Libya would grant Iran access to 1,100 miles of Mediterranean coastline—posing a significant danger to Europe and any shipping through the crucial seaway.

Bahrain

Bahrain has experienced Iranian-fueled infighting since the “Arab Spring” of 2011. The ruling royal family in Bahrain is Sunni, while the majority of the population is Shiite.

This tiny nation can dually serve Iran's purposes. If taken by Iran, it could lead to the ouster of America's 5th Fleet—giving more control of the Persian Gulf to Iran—and it could also pose a significant threat to Iran's lone counterweight, Saudi Arabia.

Saudi Arabia

The Saudis are wary of the encircling Iranians. If Iran is to take unchallenged control of the Middle East—as is its aim—Saudi Arabia must be confronted. While well equipped, the Saudi Army has rarely had to prove its mettle in conflict. Iranian forces on the other hand are both well armed and well trained. If conflict looms, the Saudis will need reliable allies. The *Trumpet* has forecast such an alliance for decades. Watch the *Key of David* episode “[The Psalm 83 Prophecy](#)” for more on this exciting Bible prophecy.

Lebanon

Southern Lebanon is the home of Iran's most effective terrorist group, Hezbollah. Funded, trained and armed by Iran, Hezbollah has been used to carry out attacks around the globe, most recently in Syria and northern Israel. The terrorists provide a key ally for Bashar Assad and are Iran's closest and most effective way of attacking Israel. Hezbollah's existence ensures Iran has immediate access to Syria and northern Israel. It is the latter of these two that Iran will undoubtedly work to exploit next.

**“[T]hanks to [Mr.] Obama, Iran is the one country
in the Middle East that is becoming increasingly powerful
as a result of the unrest in the region.”
[Melanie Phillips, Jerusalem Post, February 6](#)**

Obama Is Pursuing Regime Change in Israel

Foreign Policy | February 12

THE WHITE HOUSE, SECRETARY OF STATE JOHN KERRY AND assorted U.S. officials have repeatedly made clear that Washington will not intervene in Israeli politics and elections. And, indeed, under normal circumstances, nonintervention is the rule.

But what if Israel suddenly and blatantly intervened in America's politics? Would an administration already fed up with Israeli Prime Minister Benjamin Netanyahu—and very much hoping for a new leader to come out of Israel's March 17 elections—use such an intervention to try to tip what promises to be a close vote to a rival?

Welcome to regime change, Obama style. There are few opportunities to change the mullahcracy in Tehran. But Jerusalem may be another story. By accepting Speaker John Boehner's invitation

to address a joint meeting of Congress—now widely seen as a real bungle, the prime minister has given the Obama administration an opening. ...

The White House has already made clear there will no meeting with President Obama, assuming that Netanyahu sticks to his word and actually shows up in early March. The good news for Netanyahu is that the two won't have another bad meeting. The not-so-good news is that the White House door will be closed to a sitting Israeli prime minister—that doesn't happen often. ...

Administration officials won't be meeting with Netanyahu. But they are meeting with his key Labor Party rival, Isaac Herzog. The Israeli press has reported Herzog's informal meetings with Biden and Kerry on the margins of the Munich Security Conference this

weekend and gave prominent coverage to his remarks. ...

[Y]ou'd better believe that the White House is aware of that fact. Both Obama and Kerry would love to see Netanyahu out and Labor's duo of Herzog and Tzipi Livni in. And they're doing

everything they reasonably can—short of running campaign ads—to bring that about.

RELATED: "IS PRESIDENT OBAMA BREAKING THE BROTHERHOOD?"

EUROPE



Herbert Armstrong's Greatest Personal Prophecy

Gerald Flurry, *The Key of David* | February 13

HERBERT W. ARMSTRONG PINPOINTED A SPECIFIC TRIGGER THAT will set off earthshaking events that will change Europe and the United States permanently.



Greece's Leaders Stun Europe With Escalating Defiance

Ambrose Evans-Pritchard, *Telegraph* | February 9

GREECE'S FINANCE MINISTER YANIS VAROUFAKIS HAS SPELLED out the negotiating strategy of the Syriza government with crystal clarity.

"Exit from the euro does not even enter into our plans, quite simply because the euro is fragile. It is like a house of cards. If you pull away the Greek card, they all come down," he said.

"Do we really want Europe to break apart? Anybody who is tempted to think it possible to amputate Greece strategically from Europe should be careful. It is very dangerous. Who would be hit after us? Portugal? What would happen to Italy when it discovers that it is impossible to stay within the austerity strait-jacket?"

"There are Italian officials—I won't say from which institution—who have approached me to say they support us, but they can't say the truth because Italy is at risk of bankruptcy and they fear the consequence from Germany. A cloud of fear has been hanging over Europe over recent years. We are becoming worse than the Soviet Union," he told the Italian TV station RAI.

This earned a stiff rebuke from the Italian finance minister, Pier Carlo Padoan. "These comments are out of place. Italy's debt is solid and sustainable," he said.

Yet the point remains. Deflationary conditions are causing interest costs to rise faster than nominal GDP in Italy, Spain, and Portugal, automatically pushing public debt ratios ever higher.

Berkeley economist Barry Eichengreen warns that Grexit would be "Lehman squared," setting off a calamitous chain reaction with worldwide consequences. Syriza's gamble is that the EU authorities know this, whatever officials may claim in public.

Premier Alexis Tsipras is pushing this to the wire. Rightly or wrongly, he calculates that Greece holds the trump card—the detonation of mutual assured destruction, to borrow from Cold War parlance—and that all the threats from EMU [Economic and Monetary Union] power centers are mere bluster.

His cool nerve has caught Brussels, Frankfurt, Berlin, and the markets off guard. They assumed that this 40-year neophyte would back away from exorbitant demands in his landmark policy speech to the Greek parliament on Sunday night. Instead they heard a declaration of war.

He vowed to implement every measure in Syriza's pre-electoral Thessaloniki Program "in their entirety" with no ifs and buts. This even includes a legal demand for €11 billion (US\$12.5 billion) of war reparations from Germany, a full 71 years after the last Wehrmacht soldier left Greek soil.

There is no possible extension of Greece's bailout program with the EU-IMF troika, for that would be an "extension of mistakes and disaster," a perpetuation of the debt-deflation trap. "The people have abolished the memorandum. We will not negotiate our sovereignty," he said. ...

He did not row back from his campaign rhetoric. He did not water down anything. The demand for a debt write-down has been switched to a debt-swap, but this is presentational legerdemain. Nothing has in fact changed. ...

Jeroen Dijsselbloem, the Eurogroup's chairman, issued an ultimatum last week that this week's meeting is the final chance for Greece to put its troika program back on track. The implicit threat is clear. Should Greece refuse, over €60 billion (\$68.4 billion) of liquidity support from the European Central Bank for the Greek financial system will be cut off on February 28, forcing the country out of EMU in short order. ...

This showdown has reached the point where it goes beyond the proper authority of finance ministers and central bankers. Austria's Chancellor Werner Faymann has already sought to defuse the crisis, knowing from his country's history how seemingly minor confrontations in the Balkans can spin out of control. "We must save Greece and Europe from a Grexit outcome," he said before meeting Mr. Tsipras in Vienna. ...

Nobody knows how this brinkmanship will end, but it is already clear that the EMU authorities have misjudged the furious determination of the Greeks. Brussels will have to go back to the drawing board and come up with a Plan B. "We will not roll over," said Mr. Varoufakis.

The dispute is escalating to higher authorities, and changing its character. Europe's leaders can no longer delegate this to technical officials. The political stakes are too high. The integrity of monetary union and the security system of the eastern Mediterranean are both hanging from a thin Greek thread.

German Advisers Train Kurdish Troops With Battle Rifles

The Medium | February 7

LAST AUGUST, GERMANY PLEDGED WEAPONS TO KURDISH FORCES fighting the Islamic State. It looks like Berlin made good on its promise.

A small arms batch consisting of G36 and G3 rifles has filtered to the front lines, with Kurdish forces using them around Shingal and Sinjar. Photos released by the Kurdistan regional government in February show Bundeswehr advisers instructing Kurdish forces how to use the weapons.

Germany also supplied MILAN antitank guided missiles and Panzerfaust 3 rockets. We discussed the German weapons deployments last November. As suspected, the missiles proved their effectiveness against armored vehicles during the ongoing campaign around Mosul and Kirkuk. ...

In Germany, the government agreed to step up its aid to the

Kurds. On January 29, the German parliament agreed to set up a training mission consisting of—at maximum—100 instructors who will assist Kurdish troops in the region until Jan. 31, 2016.

To be sure, the German troops can defend themselves, but will not directly involve themselves in combat. The advisers' operational tasks include training and coordinating with allies based at command centers in Iraq and Kuwait.

There's more weapons on the way. On February 6, the German Ministry of Defense released a list of materials it intends to hand over to the Peshmerga. This includes 30 MILAN antitank guided missile launchers with 500 missiles, 200 Panzerfaust 3s with 2,400 antitank rockets, and more small arms with 7.62 x 51 and 5.56 x 45-caliber ammunition. ...

Ukraine Peace Talks Yield Ceasefire Deal

Wall Street Journal | February 12

THE LEADERS OF FRANCE AND GERMANY BROKERED A RENEWED deal to end Ukraine's 10-month conflict with Russia-backed separatists, reviving and amending a failed September ceasefire agreement in marathon talks that lasted through the night.

Leaders said the deal calls for a ceasefire starting on Sunday, with each side pulling back heavy weapons, as well as steps to give greater autonomy to the Russia-backed separatist regions in eastern Ukraine.

Details of the agreement weren't immediately available. The deal came after 17 hours of talks in the Belarus capital of Minsk involving Russian President Vladimir Putin, French President

François Hollande, German Chancellor Angela Merkel and Ukrainian President Petro Poroshenko.

The German and French leaders voiced hope the new agreement would end the violence in Ukraine, but warned a difficult road still lay ahead. The deal would ensure the implementation of the last ceasefire, which was agreed to in Minsk in September but never took hold as fighting flared up on the ground.

"Much, much work is still necessary," Ms. Merkel said after the talks ended. "But there is a real chance that things will turn for the better."

Germany Hits Export Surplus Record in 2014

The Local | February 2

ECONOMICS THINK TANK IFO SAID ON MONDAY THAT THEIR PROJECTIONS show Germany's exports exceeding imports by €220 billion (US\$250.8 billion) in 2014, pushing the country to a new world record.

The current account surplus was a new record for Europe's biggest economy and was the biggest surplus globally.

Second was China with €150 billion (\$171 billion) followed by Saudi Arabia with €100 billion (\$114 billion), Ifo said.

In 2013, Germany exported €190 billion (\$216.7 billion) more in goods than were imported.

Economists said that the increase is due to cheaper oil imports at the end of 2014 thanks to falling prices.

The weakening euro also contributed as it makes German-manufactured goods cheaper in key markets such as the United States and the United Kingdom.

"The largest segment of the annual surplus came from €170

billion (\$193.9 billion) in goods exported to the eurozone,” read the press statement by Ifo.

That’s equivalent to 7.5 percent of Germany’s GDP, putting it in violation of the European Commission’s recommended threshold of 6 percent.

The numbers could also fuel fire to the arguments that

Germany isn’t doing enough to reduce global imbalances.

The Ifo predicts another record year for German exports in 2015 as oil prices continue to stay low and the euro remains weak thanks to uncertainty over the newly-elected Syriza government’s economic plans for Greece and the success of the European Central Bank’s quantitative easing plan.

ASIA

Russia’s Ukraine Tactics Could Inspire China, Iran: Study

Zee News | February 11

RUSSIA’S ALLEGED TACTICS IN THE UKRAINE CONFLICT INCLUDING covert military action and social media campaigns could inspire other nations such as China and Iran, a top defense think tank warned Wednesday.

Most armies around the world are ill-prepared for this new type of “hybrid warfare,” the International Institute for Strategic Studies said in its annual Military Balance report covering 171 countries.

It said NATO should act with “urgency” to develop responses to such threats, which had the potential to “rapidly destabilize” Western states. The study said Moscow had waged “limited war for limited objectives” in Ukraine while maintaining a “deniability” which had confused the West’s response.

Russia denies supplying troops and weapons to rebels in Ukraine.

As the United States considers whether to send arms to Ukraine, it also detailed how Kiev’s armed forces had been “hollowed out” by low investment and were largely reliant on Soviet-era equipment. ...

Such tactics represent a “grave threat to NATO’s collective security” because they operate “in gray areas that exploit seams in the alliance,” it said.

Their effect could also spread further than Ukraine. “Policy-makers may anticipate that some current or potential state or non-state adversaries, possibly including states such as China and Iran, will learn from Russia’s recent deployment of hybrid warfare,” the report said.

“These lessons might not necessarily be applied in conflicts with Western states but their potential to rapidly destabilize the existing order could, if applied in other zones of political and military competition, mean they have global ramifications.” ...

China’s defense spending now accounts for 38 percent of the total for Asia, up from 28 percent in 2010. The country’s overall defense budget rose 12.2 percent last year. “Beijing’s military ambition is aimed at providing at least regional power projection and a conventional deterrent capacity to discourage external intervention,” the report said. ...

This Is Putin’s Greatest Fear—and It Has Nothing to Do With American Weapons

The Fiscal Times | February 11

AS THE UKRAINE CRISIS HAS GOTTEN WORSE OVER THE PAST FIVE months, its center of gravity has shifted away from Russia. Russia, after all, is a constant. It has continually pushed and instigated in eastern Ukraine, even after MH-17, even after the September ceasefire, and it will push and instigate until it is stopped. The center of gravity depends on who can stop it.

The White House would like to believe that the center of gravity is in Washington, but that’s not quite correct. Washington’s response has been singularly ineffective—ineffective, meandering and marked by hesitation in three important ways:

The president’s unwillingness to confront threats that are unpopular.

The legacy of the failed Russian “reset” and the rump state of a national security apparatus congenitally indisposed to opposing Russia.

Endemic to the whole is Obama’s inability to make timely national security decisions.

The Obama administration is now reportedly debating sending defensive weapons to Ukraine. They are unlikely to be a game-changer—the last four moderate Syrian rebels could presumably tell Kiev a thing or two about waiting for American arms. In any case, like Syria, the Ukraine problem might soon be moot. The heavily fought-over Donetsk airport is gone. Debaltsevo, an important transportation hub, is almost gone. The Russians are now eyeing a land corridor to Crimea through Mariupol, where 30 people were killed by rocket strikes on Saturday.

Moscow, however, is not really concerned about the American reaction. It’s important, yes, since the United States is still a superpower and could impose some unpleasant sanctions through the global financial system. But the U.S. is also a superpower, and a sucker for Russian help in the rest of the world, like Syria, Iran, and Afghanistan. A stick here, a carrot there, and America would come back to the bargaining table.

There’s only one catastrophic outcome for Russia, and that

would be if Germany threw its full weight behind Ukraine. And not just Ukraine, but Poland, Lithuania and all the other agitator states that have known Russian invasion. A renewed German presence and assertiveness in Eastern Europe would be a calamity for Moscow.

It has been 70 years since Germany last had a sphere of influence in Eastern Europe—that is, since the European continent was “normal”—and the Russians are very anxious to not have it return. The entire purpose of Russia’s aggression in Ukraine is to preserve and expand its borderlands. German dominance of those borderlands would be a disaster.

For now, that’s probably unlikely, since the German state is not yet a state. Which is to say it’s not a normal state, but one that has been stuck in its war guilt halfway house for the better part of a century. ...

Eventually, however, Germany will become normal again. The crux of the Ukraine issue is when, and the crux of that issue is Angela Merkel, who is the Continent’s center of gravity

all by herself. ...

World War II didn’t solve the German problem of a nation too big for Europe and too small for the world. It’s the natural European hegemon—the most people, the most wealth, the most industry, education and science—but not quite a superpower. So Germany emerged from the fiscal crisis as the European center of gravity but reluctant to confront Russia on its own. Hoar shades of the past, don’t you know, and bad for business besides. And so the Ukraine crisis has dragged on and on.

If it is going to stop, and be settled in peace rather than victory, Angela Merkel might be the only person who can stop it. So far, she has committed to sanctions; mindful of the *Sonderweg* and her halfway house, she has ruled out sending weapons. But sanctions alone are probably not going to stop this war, no more than the fitful and belated shipments of American arms. German arms, on the other hand, and a Germany in full support of Ukraine, Poland and the Baltics—a normal Germany, in other words—might make Vladimir Putin think twice.

Russia Signs Deal to Build New Egyptian Nuclear Plant

Asharq Al-Awsat | February 11

RUSSIA WILL HELP EGYPT BUILD ITS FIRST NUCLEAR POWER PLANT, the leaders of both countries said on Tuesday, as Russian President Vladimir Putin wrapped up a two-day official visit to the Egyptian capital.

At a joint press conference, Egyptian President Abdel Fattah al-Sisi said both countries signed a memorandum of understanding to build the plant, along with other agreements signed to boost Russian gas sales and investment in Egypt. ...

The new plant will be built in el-Dabaa, 104 miles west of Alexandria, on the site of an existing research reactor built by the Soviets during the 1950s.

In comments carried by Russian news agencies, Sergei Kiriyenko, the head of Russia’s state-owned nuclear company, said the plant would be equipped with four 1,200-megawatt reactors. ...

The new plant is one of several joint projects that have been announced during Putin’s visit. A deal was also signed between

both countries to create a Russian industrial zone along the Suez Canal, along with other agreements to help boost the number of Russian tourists visiting Egypt.

Deals have also reportedly been signed to supply Egypt with Russian arms, according to the Interfax news agency, with Egypt Russia’s first foreign customers for its Antei-2500 long-range air defense missile systems, although these reports remain unconfirmed by either party.

Russo-Egyptian relations have enjoyed a resurgence since July 2013, after the Egyptian military ousted former president and senior Muslim Brotherhood figure, Mohamed Morsi.

Relations were at their strongest between the two countries during the height of the Cold War in the 1960s, when Egypt’s Arab socialist president Gamal Abdel Nasser courted Soviet leaders keen to secure a key ally in the Middle East at the expense of the United States. ...



Russians More Than Twice as Happy Now, Despite Economic Woes

Jeremiah Jacques | February 11

RUSSIA IS AT ODDS WITH THE WEST OVER THE WAR WITH UKRAINE, its currency has fallen by about 50 percent against the United States’ dollar in the past year, and inflation has sent consumer food costs soaring. But you wouldn’t know any of this, looking at the nation’s happiness index.

At the end of 2014, [Russians were more than twice as happy than they were a year earlier](#), according to a new poll by WIN/Gallup International. The poll calculated Russia’s “happiness index” by subtracting the percentage of respondents claiming to be

unhappy from those reporting to live happy lives. In late 2014, the number climbed to 59 percent—compared to just 24 percent at the end of 2013.

The Moscow-based *Vestnik Kavkaza* newspaper listed several factors contributing to the lift in Russian spirits: “Sociologists suggest that the surge of happiness of Russians was possibly related to a series of events that have raised the mood of many people in the last year, such as the Winter Olympic Games in Sochi, joining the Crimea, and the general rise of patriotism.”

This surge in happiness deflates a common Western view of current events in Russia. As the ruble has faltered, many in the West have speculated that the discomfort on the nation's people would become more than they could withstand. The sliding standard of living would become unbearable, Westerners said, and it could turn the Russians against President Vladimir Putin.

But the *Trumpet* never bought into this view. "Putin will probably remain in office—and even survive politically in the longer term," we wrote in October 2014. In late December, we said: "The Westerners who think the current discomfort will be too much

for Russians have made a mistake: They have assumed that the Russian capacity to endure suffering and sacrifice in the name of the nation is roughly equal to that of the average Westerner. In fact, it is far greater."

The new WIN/Gallup poll shows that the Westerners predicting the end of Putin's popularity have indeed misread the Russian people. Overwhelmingly, the Russians are not upset with him or his leadership of Russia. In fact, the timing suggests that the country's surge in happiness is not in spite of Putin's increasingly aggressive foreign policy, but because of it.

 Follow [Jeremiah Jacques](#)

Abe Pledges to Resolve Island Dispute With Russia **Japan Today | February 8**

JAPANESE PRIME MINISTER SHINZO ABE ON SATURDAY PLEDGED to resolve a row with Russia over an island chain claimed by both nations and sign a bilateral peace treaty delayed since World War II.

Relations between Moscow and Tokyo have been strained for decades over the status of four Pacific islands near Japan's north coast, known as the Southern Kurils in Russia and the Northern Territories in Japan.

"As I have agreed with (Russian President Vladimir) Putin, it is abnormal that Japan and Russia have not concluded a peace treaty," Abe told an annual gathering in Tokyo to demand the return of the territories.

"I am determined to continue working tenaciously on this issue ... in full accordance with the government's fundamental policy of resolving the issue ... and concluding a peace treaty with Russia." ...

The seven-decade dispute over their ownership has kept Moscow and Tokyo from signing a postwar peace treaty.

Foreign Minister Fumio Kishida told the same rally issue is the biggest stumbling block hindering relations between the two nations. ...

"[H]ere is the explanation for Japan's two-faced behavior [regarding the Ukraine crisis]: Japan sided with the West rhetorically because Tokyo is still officially dependent on America for security But Japan refused to take action against Putin because Tokyo sees that the American security blanket Tokyo has long depended on is now like a moth-eaten coat. Prime Minister Abe apparently wants to knit a Japan-Russia alliance before someone applies a little pressure on that U.S. blanket and fully exposes its tattered condition to the world."
theTrumpet.com, March 13, 2014

As U.S. Exits, China Takes on Afghanistan Role **Wall Street Journal | February 9**

IN DECEMBER, REPRESENTATIVES OF THE U.S., CHINA AND Afghanistan met for private talks in London, the first time the three countries convened to seek ways to forge peace in Afghanistan, a senior U.S. official said.

The previously undisclosed meeting, which came within days of a visit by the Afghan Taliban to Beijing, was a step on a path long resisted by China, wary of the U.S. military presence in Afghanistan and reluctant to meddle in its neighbor's affairs. The three countries met again last month at an international meeting on Afghanistan in the United Arab Emirates, one participant said.

China's move toward the role of mediator signals a foreign policy shift in Beijing—for decades focused on domestic issues—that could recalibrate the geopolitics of Central Asia and test China's capacity as a regional leader, Western officials said. ...

Beijing has also pledged \$327 million in economic aid to Kabul through 2017, and now appears to be exploring ways to enhance Afghanistan's security as the U.S. and its allies make their exit. ...

The initiative in Afghanistan reflects [Chinese President] Xi

Jinping's drive to enhance regional diplomacy and China's international standing, experts say, as well as challenge the U.S. as the primary underwriter of regional peace and prosperity. ...

A former senior Taliban commander said another delegation would visit China soon and Russia would join those talks. Russia's Foreign Ministry said only that it supported an Afghan-led peace process.

Despite reservations about China's more assertive foreign policy elsewhere, the U.S. has welcomed Chinese involvement in Afghanistan after a decade of being rebuffed by Beijing, current and former U.S. officials said. Washington is waiting for more details about China's plans, they said.

China has already started training Afghan police, an Afghan security official said, and is considering funding for nonlethal security equipment. ...

"China wants to be a world power. Now it's going to learn how hard that is, how hard it is to exercise influence and achieve the results you want," said Mr. Sedney, the former Pentagon official. "I'm not predicting that they'll fail, but it's an unknown."

The Global Financial System Stands on the Brink of Second Credit Crisis

Telegraph | February 9

THE WORLD ECONOMY STANDS ON THE BRINK OF A SECOND CREDIT crisis as the vital transmission systems for lending between banks begin to seize up and the debt markets fall over. The latest round of quantitative easing from the European Central Bank will buy some time, but it looks like too little too late.

It was the collapse of U.S. house prices back in 2007 that resulted in the seizure of the credit markets and banking crisis of 2008. And it would be easy to lay the blame for the 2008 financial crisis at the doorstep of American homeowners—easy but wrong. The collapse of the U.S. housing market was not the cause of the crisis, it was merely a symptom of the more insidious ills of cheap credit, low risk, and the promise of another bailout round the corner.

The Keynesian pump priming that has taken place on a colossal scale across the world is failing. The Chinese economy was growing at 12 percent in 2010, but that slowed to 7.7 percent in 2013, and 7.4 percent last year—its weakest in 24 years. ...

The second global credit crisis is now already unfolding in China some 6,800 miles away from the epicenter of the first in the U.S. The bonds of Chinese real estate companies are now falling like dominoes. Kaisa, a Shenzhen-based, Hong Kong-listed developer that raised \$2.5 billion on international markets, had to be bailed out by rival group Sunac last week after it defaulted on its debts. The bonds of other Chinese real estate groups such as Glorious Property and Fantasia have also sold off heavily as the contagion spreads.

Chinese authorities have responded to try and contain the situation. The People's Bank of China introduced a surprise 50-point cut in the Reserve Requirement Ratio But this misses the point: The credit system in China is completely unsustainable unless new money is printed every year to refinance the old; simply tinkering to ease liquidity won't cut it.

The strain in its banking system is highlighted by the elevated levels of the Shanghai Interbank Offered Rate (SHIBOR), which shows Chinese banks are worried about lending to each other. ...

The idea that this is an isolated incident is laughable; remember the very same was said of U.S. subprime. The problem is that banks such as Standard Chartered and HSBC have both rapidly increased their lending operations in Asia since 2008.

Loans are very easy to make, it is getting the money back that is tricky. If loans go bad in Asia they will ultimately have

to be recognized on the very same group balance sheet from which finance is extended here in the UK. So the contagion can quickly spread from the Chinese property market to a poorly funded UK bank that has never set foot in Asia. That is because UK banks borrow billions in short-term funding from each other. Loan losses in China can very quickly become a UK problem. ...

It seems nothing has been learned. The response to the underlying causes of the first global financial collapse, namely cheap debt, low risk, and bailouts, has simply been a heroic effort to create cheaper credit, lower risk, and even larger bailouts. It hasn't worked.

A new study reveals the staggering scale of the problem as global debt has ballooned by \$57 trillion since 2007 to reach about \$200 trillion, according to McKinsey & Co. The main culprits of monetary expansion has been China, ... the U.S. Federal Reserve has launched three rounds of QE adding \$3.7 trillion worth of assets to its holdings; the Bank of England has spent about £375 billion (\$577.5 billion); and Japan has increased its asset buying program to 80 trillion yen (\$67.4 billion) a year, up from the previous rate of 60-70 trillion yen.

The money has flowed the path of least resistance into the assets that provide the greatest return. Equities have soared and the stock markets in the UK and U.S. are just shy off record highs. Taking a look across the companies whose shares have benefited it is the new technology stocks that have risen the fastest and sit on the highest valuations.

Like every stock market mania, the most overpriced assets are the ones furthest divorced from any sound valuation. ...

All asset classes are now crumbling. The oil price has collapsed from \$115 per barrel in June last year to about \$52 at the end of last week, iron ore has slumped from \$140 per ton in January last year to \$62 per ton at the end of last week.

It is not only asset classes that are wavering, the key indicators of international economic activity are also flashing red. The Baltic Dry Index, which is seen as a leading indicator for world economic growth, tumbled to a 29-year low at 559 points last week.

The second credit crisis is already unfolding in China and the latest round of European money will struggle to halt the contagion in credit markets.

Sweden Cuts Rates Below Zero as Global Currency Wars Spread

Ambrose Evans-Pritchard, Telegraph | February 12

SWEDEN HAS CUT INTEREST RATES BELOW ZERO AND LAUNCHED quantitative easing to fight deflation, becoming the latest Scandinavian state to join Europe's escalating currency wars.

The Riksbank caught markets by surprise, reducing the benchmark lending rate to minus 0.1 percent and unveiled its first asset

purchases, vowing to take further action at any time to stop the country falling into a deflationary trap. The bank presented the move as a precautionary step due to rising risks of a "poorer outcome abroad" and the crisis in Greece.

Janet Henry from HSBC said the measures are clearly a

“beggar-thy-neighbor” maneuver to weaken the krone, the latest such action in a global currency war that does little to tackle the deeper problem of deficient world demand.

The move comes as neighboring Denmark takes ever more drastic steps to stop a flood of money overwhelming its exchange rate peg to the euro and tightening the deflationary noose.

The Danes have cut rates four times to minus 0.75 percent in a month to combat fallout from the European Central Bank’s forthcoming QE. They have even taken the unprecedented step of halting all issuance of government bonds. ...

The fallout from QE in Europe has already smashed Switzerland’s currency defenses, triggering a 14 percent surge in the franc against the euro and threatening to erase the last safety buffer for struggling Swiss exporters.

Exchange rate mayhem in Europe is matched by a parallel saga in Asia, where Japan’s vast monetary stimulus and barely disguised efforts to drive down the yen are causing heartburn in China.

The Chinese yuan is linked to the U.S. dollar through a “dirty float.” Yet the dollar is rising relentlessly against other Asian currencies as the prospect of monetary tightening by the Federal Reserve lures a flood of capital into the U.S., a replay of the strains that led to the East Asia crisis in 1998. ...

China’s yuan has jumped 50 percent against the yen since early 2012. There are growing fears that China may be forced to drive down the yuan to protect its export base and avert a possible hard landing. This would transmit a deflationary shock worldwide, given the sheer scale of China’s excess capacity.

Manoj Pradhan, Morgan Stanley’s global economist, said the

world is revisiting the “ghosts of the 1930s” as one country after another tries to steal a march on others by getting in devaluation first. “The lesson from the 1930s is that those who do so early benefit at the expense of those who wait too long,” he said.

Mr. Pradhan said it is becoming harder to extract advantage from this ploy now that “everyone is doing it.” China faces strong pressure to defend itself while it still can. “The longer they wait, the harder it will be for China’s policymakers,” he said.

The United States has so far acquiesced in the surging dollar but there are growing calls for a shift in policy on Capitol Hill. Both Republicans and Democrats in Congress back new legislation that introduces binding currency rules for trade deals and imposes punitive import taxes on countries deemed to be “currency manipulators.” The move is explicitly aimed at China and Japan, but might also include Germany given the size of its current account surplus.

Sweden also risks falling foul of Washington.

The Riksbank insists that the only motive is to stave off deflation, but there are widespread suspicions that Sweden is in fact protecting its industrial and export base. It is no stranger to controversy. ...

Stephen Lewis from Monument Securities says the emergency actions are getting out of hand: “The chief threat from a global currency war is that it will lead central banks to take up monetary stances so extreme that they damage the smooth functioning of financial markets. It is remarkable that they should be closing their minds to the possibility that they are undermining the basic motive to save and invest as they blindly wage their currency wars.” ...

The Second-Coming of Jesus Christ

Stephen Flurry, *Trumpet Daily* | February 13

WHAT THE BIBLE SAYS ABOUT CHRIST’S RETURN TO THIS EARTH

[Follow Stephen Flurry](#)



Crusaders and Appeasers

Charles Krauthammer, *Washington Post* | February 12

HIS SECRETARY OF DEFENSE SAYS, “THE WORLD IS EXPLODING ALL over.” His attorney general says that the threat of terror “keeps me up at night.” The world bears them out. On Tuesday, American hostage Kayla Mueller is confirmed dead. On Wednesday, the U.S. evacuates its embassy in Yemen, a country cited by President Obama last September as an American success in fighting terrorism.

Yet Obama’s reaction to, shall we say, turmoil abroad has been one of alarming lassitude and passivity.

Not to worry, says his national security adviser: This is not World War II. As if one should be reassured because the current chaos has yet to achieve the level of the most devastating conflict in human history. Indeed, insists the president, the real source of our metastasizing anxiety is ... the news media.

Russia pushes deep into eastern Ukraine. The Islamic State burns to death a Jordanian pilot. Iran extends its hegemony over four Arab capitals—Beirut, Damascus, Baghdad and now Sanaa.

And America watches. Obama calls the policy “strategic patience.” ...

Take Russia. The only news out of Obama’s one-hour news conference with Angela Merkel this week was that he still can’t make up his mind whether to supply Ukraine with defensive weapons. The Russians have sent in T-80 tanks and Grad rocket launchers. We’ve sent in humanitarian aid that includes blankets, MREs and psychological counselors.

How complementary: The counselors do grief therapy for those on the receiving end of the T-80 tank fire. ...

Why no antitank and other defensive weapons? Because we are afraid that arming the victim of aggression will anger the aggressor.

Such on-the-ground appeasement goes well with the linguistic appeasement whereby Obama dares not call radical Islam by name. And whereby both the White House and State Department spend much of a day insisting that the attack on the kosher grocery in Paris had nothing to do with Jews. It was just, as the president said, someone “randomly shoot[ing] a bunch of folks in a deli.” (By the end of the day, the administration backed off this idiocy. By tweet.)

This passivity ... is, above all, rooted in Obama’s deep belief that we—America, Christians, the West—lack the moral authority to engage, to project, i.e., to lead.

Before we condemn the atrocities of others, intoned Obama at the National Prayer Breakfast, we shouldn’t “get on our high

horse.” We should acknowledge having authored the Crusades, the Inquisition, slavery, etc. “in the name of Christ.”

In a rare rhetorical feat, Obama managed to combine the banal and the repulsive. After all, is it really a revelation that all religions have transgressed, that man is fallen? To the adolescent Columbia undergrad, that’s a profundity. To a roomful of faith leaders, that’s an insult to one’s intelligence.

And in deeply bad taste. A coalition POW is burned alive and the reaction of the alliance leader barely 48 hours later is essentially: “Hey, but what about Joan of Arc?” ...

There is, however, nothing really new in Obama’s selective condemnation of America and its democratic allies. It is just a reprise of the theme of his post-inauguration 2009 confessional world tour. ...

The purpose and the effect of such an indictment is to undermine any moral claim to American world leadership. The line between the Washington prayer breakfast and the Ukrainian grief counselors is direct and causal. Once you’ve discounted your own moral authority, once you’ve undermined your own country’s moral self-confidence, you cannot lead.

If, during the very week Islamic supremacists achieve “peak barbarism” with the immolation of a helpless prisoner, you cannot take them on without apologizing for sins committed a thousand years ago, you have prepared the ground for strategic paralysis.

All that’s left is to call it strategic patience.

OTHER NEWS

Brain, Heal Thyself

Wall Street Journal | February 6

CAN THE BRAIN HEAL AND PRESERVE ITSELF—OR EVEN IMPROVE its functioning—as we get older? For some time, many scientists have tended to think of our brains as machines, most commonly as computers, destined to break down over time under the strain of age and use. In recent years, however, research in neuroscience has begun to show the inadequacy of this metaphor for describing the physiology of the brain. It turns out that our brains, like our bodies in general, are far more likely to waste away from underuse than to wear down from overuse. ...

[A] growing body of research suggests that this older view is wrong. It seems that a more accurate rule for our brains is “use it or lose it.” ...

This capacity is the foundation for the brain’s distinctive way of healing. If an area is damaged, new neurons can often take over old tasks. Nor are we just our neurons. Our memories and experiences are also encoded in the patterns of electrical energy produced by our brain cells, like a musical score. As with an orchestra, when one member of the string section is sick, the show can still go on if a replacement has access to the musical score. ...

Consider dementia, which in some form affects some 15 percent of people in the U.S. over age 70 and advances rapidly as we

age. A brain with Alzheimer’s, the most common form of dementia, turns out, by various measures, to be a brain that is losing its overall plasticity. It shrinks and loses connections. But a growing body of research has found that exercise, both mental and physical, can lower the risk of experiencing dementia. ...

[T]he activity with the biggest impact on risk was walking at least 2 miles a day, biking 10 miles a day or engaging in some other regular, vigorous physical exercise. ...

The basic neuroplastic principle of “use it or lose it” and the benefit of forming new brain connections through intensive learning also apply to people without brain problems. Physical exercise produces some new cells in the memory system, but mental exercise preserves and strengthens existing connections in the brain, giving a person a “cognitive reserve” to fend off future losses and to perfect skills. ...

People who did the brain exercises—called Brain HQ—showed benefits 10 years later. They didn’t just improve on the brain exercises; their cognitive function improved in everyday life. ...

We still have a lot to learn about the brain and its powers of recovery, of course. But increasingly we have the evidence to conclude that we have been seeing our brains the wrong way for too long. ...