

APRIL 9, 2015



Former Treasury Secretary Larry Summers

Past Month a Radical Turning Point for U.S. Economic Power



ROBERT MORLEY

“wake up call,” he said.

According to Summers, *this is the biggest financial event since the United States led the world off the gold standard in 1971*. Britain, Germany, Italy, Australia—and virtually every major U.S. ally—[have joined the AIIB in direct opposition to U.S. wishes](#).

“This past month may be remembered as the moment the United States lost its role as the underwriter of the global

IT’S “TIME U.S. LEADERSHIP WOKE UP TO new economic era,” wrote former Treasury Secretary Larry Summers in a scathing message posted on April 5. America’s failure to convince *even our closest allies* to oppose China’s new Asian Infrastructure Investment Bank (AIIB)—a bank designed to challenge U.S. economic hegemony—should be a

economic system. True, there have been any number of periods of frustration for the U.S. before, and times when American behavior was hardly multilateralist, such as the 1971 Nixon shock, ending the convertibility of the dollar into gold. But I can think of no event since Bretton Woods comparable to the combination of China’s effort to establish a major new institution and the failure of the U.S. to persuade dozens of its traditional allies, starting with Britain, to stay out of it.”

But after correctly identifying the symptom (the world looking for an alternative to the U.S. dollar) and the cause (failed leadership)—Summers completely misdiagnoses the solution.

The global economy has become characterized by repeating bubbles, each with increasing intensity and destruction. The last one in 2008 took the world to within hours of financial Armageddon.

Seven years later, almost every major country in the world is

broke. They have spent and promised more than they can even hope to repay. Taken together, the world has spent trillions trying to repair broken economies. America, with its \$18 trillion dollar federal debt and more than \$60 trillion in liabilities, is one of the biggest offenders.

Summers sees broken economies and realizes that to solve many of the world's geopolitical problems, it must fix its economic ones.

His solution can be boiled down to this sentence: "In the future, the priority must be promoting investment, not imposing austerity."

Promoting "investment" is code for spending. Since the world is broke and nearly every nation indebted—it really is code for deficit spending. Proponents like Summers believe you can borrow and spend your way to prosperity.

Conversely, "austerity" is a harsh sounding word used by economists to make the concept of living within your means sound bad. Austerity is the idea that you should balance your budget.

In other words, Summers's solution to the world out of control *is more of the exact policies that led to the problem in the first place*. He argues that if we would just spend more, the social problems would abate and geopolitical pressures subside.

At best, Summers's solution of increased borrowing and spending will postpone the coming greater depression. It has no

chance of preventing it.

America has passed the point of no return.

Summers is a policy insider. His views reflect the establishment view ascribed to by the Federal Reserve. So don't expect America's leaders to change course. Expect more of the same.

And that means another bigger economic crash is guaranteed.

Meanwhile, the world is looking for an alternative economic system outside the U.S. dollar.

The dollar's reserve currency status has given America many benefits. When economic trouble strikes, America is able to crank up the printing presses and flood the economy with dollars—and the world has little choice but to keep accepting them and using them. This lets America boost its economy without experiencing many of the negative consequences normally associated with "quantitative easing." The rest of the world bears the burden. This has been called America's "exorbitant privilege," or as U.S. Treasury Secretary John Bowden Connally Jr. famously told a group of European finance ministers, the dollar "is our currency, but it's your problem."

The world is looking for a solution to the dollar problem—even radical ones like embracing a Chinese state-owned international bank.

That says a lot about the state of the global economy and the level of dollar dislike in the world.

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MIDDLE EAST



Jordan and God's Church in Prophecy (2015)

Gerald Flurry,

The Key of David | April 9

THE BIBLE PROPHECIES OF A BATTLE BETWEEN A European king of the north and the king of the south, led by radical Islam. But the nation of Jordan will be protected. We need to know why.



The Unfolding Farce of Obama's Deal With Iran

David Horowitz, Times of Israel | April 8

TIME AND AGAIN, PRESIDENT BARACK OBAMA AND HIS INDEFATIGABLE secretary of state promised that they and their P5+1 negotiating partners would not sign a bad deal with Iran on its nuclear weapons program.

And, lo, they were as good as their word.

They didn't sign a bad framework deal in Lausanne, Switzerland, last week. They just agreed on one in principle, and left it unsigned, allowing for multiple conflicting interpretations. ...

What is becoming increasingly plain is the extent to which the Obama team and their colleagues were played for fools by the Iranians in the talks themselves.

Iran was dragged to the negotiating table by the accumulated

impact of a painstakingly constructed sanctions regime. It was allowed to leave the table with much of its nuclear weapons program intact, and with the promise of those sanctions being removed.

Unsurprisingly, Iran was not required to acknowledge its nuclear weaponization efforts to date. Unsurprisingly, it was not required to halt its missile development program. Unsurprisingly, sanctions removal was not conditioned on its abandonment of terrorism, a halt to its financing and arming of Hezbollah, Hamas and other Islamic extremist groups, or an end to its relentless incitement against Israel. Nobody who had followed the Obama administration's abject handling of the negotiations

prior to Lausanne had expected anything in these areas.

But the deal is far worse than even our relentlessly lowered expectations had given us reason to anticipate. The Arak heavy water plant is not to be dismantled. ... The Fordo enrichment facility, built secretly into a mountain, is not to be shuttered. ... Thousands of centrifuges are to be allowed to keep on spinning. Thousands more will remain intact. ...

All this according to the—so far—undisputed elements of the unsigned agreement.

Less than a week after those sickening scenes of backslapping in Lausanne, however, more and more of the central elements of the framework are being disputed.

Are economic sanctions to be lifted only in phases, dependent on Iranian compliance, or all at once, the moment the deal is signed? It's not clear. Is Iran to be subject to "anywhere, anytime" inspections of all suspect sites, nuclear and military? It's not clear. Will Iran be obligated to ship out of the country almost all of its stockpile of lower-enriched uranium? It's not clear. Will Iran be permitted to continue its R&D on more sophisticated centrifuges, to enable a still-faster breakout to the bomb, come the day? It's not clear.

And not only can we read the starkly conflicting accounts of what was agreed in official American and Iranian fact

sheets—massive discrepancies across the negotiating table. We also have conflicting accounts from the same side of the table, with a French fact sheet adding to the confusion. ...

Doubtless there is more of this travesty to come. That's what you get when you allow a brutal, murderous regime to smell your hesitancy, your weakness, your neglect of your own and your allies' essential interests.

"This is our best bet by far to make sure Iran doesn't get a nuclear weapon," Obama asserted to the *New York Times*. Really, Mr. President? It doesn't look like that from here. From here, it looks like you could have done a whole lot better. ...

"Iran is fighting a war against America and Israel right now, and we don't seem to understand that. That's what the war of terrorism is all about. The Iranians are behind the terrorism—yet nobody has the courage to stand up and confront them. The only way the Iranians will ever be stopped is through confrontation. It will never, ever happen by negotiation."

Gerald Flurry, theTrumpet.com, July 21, 2008

T Egypt and the Yemen Conflict

Jeremiah Jacques | April 2

AFTER CLASHES IN YEMEN EXPANDED INTO A REGIONAL conflict, Egypt threw its lot in with Saudi Arabia and other Sunni countries in a drive to militarily counter the advance of Shiite Houthi militias.

The Houthis are backed by Iran. In recent months, they have overthrown Yemen's Sunni government and gained control over several cities and regions of the country. By solidifying control of Yemen, Iran could advance both its general goal of regional hegemony, and its specific goal of controlling the Red Sea.

"If the Houthis, who are believed to be backed by Iran, win, it means that Iran will get control over the Red Sea," Saeed Sadek, a Cairo-based professor of sociology, told al-Arabiya News. "Egypt and Saudi Arabia will not allow this to happen," he added.

So far, Egypt's role in the Arab alliance against the Houthis has been limited to air and naval support, but Cairo has said it is also prepared to deploy troops in the event of a ground operation.

Some analysts believe such a ground operation in Yemen would weaken Egypt and possibly lead to unrest in Cairo.

On March 26, the Brookings Institution, a think tank based in Washington, D.C., explained this view: "Even with U.S. assistance, the GCC and its coalition partners lack the capacity to break Houthi ground operations the way that American air power has been able to smash [the Islamic State] ground operations in Iraq and Syria."

Brookings called Cairo's willingness to deploy ground troops "curious" in light of Egypt's unsuccessful participation in the Yemeni civil war of 1961-1967. "The Egyptians are not likely to improve the chances of success, and Egypt is also a fragile state



Tribal gunmen loyal to the Houthi movement brandish their weapons in the capital Sanaa on April 1.

struggling to deal with enormous domestic political and economic problems. It does not need a potentially debilitating and divisive foray into Yemen"

If the Yemen conflict drags on, and Egypt and Saudi Arabia become further embroiled in it, one or both powers could emerge considerably weaker. This would represent a success for Iran: If two of the Middle East's primary forces opposing Tehran weaken, Iran's comparative power in the region would be greater.

A weakened and exasperated Egypt could also work to Iran's advantage by ultimately aligning Cairo with Tehran. After Egypt's 2011 revolution toppled the military dictatorship of Hosni Mubarak, the country became an Islamist state. While Mubarak's Egypt had viewed Iran as an archenemy, the new Islamist Egypt—led by the Muslim Brotherhood—positioned itself as Iran's most powerful regional ally. Iran considered Egypt's 2011 revolution an

“Islamic awakening,” and viewed it as a major victory for Iran.

But then came the counterrevolution led by now-president Abdel Fattah al-Sisi.

If Sisi continues focusing on Yemen, and investing Egypt’s precious resources into a potentially protracted conflict, it could be enough to reignite protests. If such protests were to bring about another regime change, the new ruler would likely bear more resemblance to Morsi than to Sisi.

The Yemen conflict could die down, or it could continue expanding into an ever larger regional battle, possibly kicking off a war between the Middle East’s two main blocs. If the latter happens, and if Egypt increases its intervention in the turmoil, it could bring Egypt alongside Iran. To understand why such an outcome would be significant, read [“Iran-Egypt Alliance Prophesied.”](#)

 Follow [Jeremiah Jacques](#)

The Iran Agreement Isn’t Just About Nukes

Michael Weiss, NOW | April 5

FOR THE LAST 30 YEARS, AMERICA HAS HAD A FAIRLY INTELLIGIBLE and historically precedented foreign policy when it came to the Islamic Republic of Iran: containment. The expansion of Khomeinism in the Middle East was something to be resisted as matter of national and international security. If our regional allies could agree on anything it was that it was a bipartisan priority in Washington to deter the world’s leading state-sponsor of terrorism, a regime that chanted “Death to America” at regular intervals and backed up such fulminations with lethal action. ...

Yes, the toppling of Saddam Hussein in 2003 empowered Iran in the terrain vacated by its longtime nemesis, but the mullahs’ influence was nonetheless constrained by a 150,000-strong U.S. garrison and concomitant intelligence footprint. Not for nothing was there a Joint Special Operations Command task force dedicated to “countering Iranian influence” militarily. In one of his more candid moments, David Petraeus stated the case to then-U.S. Defense Secretary Robert Gates: “I am considering telling the president that I believe Iran is, in fact, waging war on the U.S. in Iraq, with all of the U.S. public and governmental responses that could come from that revelation. ... I do believe that Iran has gone beyond merely striving for influence in Iraq and could be creating proxies to actively fight us, thinking that they can keep us distracted while they try to build WMD and set up [the Mahdi Army] to act like Lebanese Hezbollah in Iraq.”

Petraeus wrote that eight years ago. Iran has kept us plenty distracted in the intervening period, while a U.S. president, who campaigned on a platform of engaging with America’s enemies, has made the resolution of Iran’s WMD program the cornerstone of his foreign policy for two successive terms. Barack Obama has pursued this goal with a single-minded determination and more than a little self-regard for his legacy, and nothing—not the Green Revolution, not Arab Revolution, not the collective nervous breakdown now transpiring across the Middle East and North Africa—has made him rethink or deviate from this trajectory. So, whether by accident or design, a quasi-nuclear Iran is no longer seen as something to be contained but rather embraced.

The Islamic Republic, the president solemnly hopes, is to be welcomed into the “community of nations” and take its place as a “very successful regional power,” so long as it does what he asks of it. ...

Several ironies and contradictions are the main yields of this geopolitical transformation. For one, the Mahdi Army is today more concerned with Iranian influence in Iraq than is the

commander in chief, who repeatedly authorized American air cover to many of the proxies

Now, experienced U.S. military officials who advocate further countering Iranian influence—by interdicting weapons flows to Syria or Yemen or by killing IRGC operatives responsible for plotting failed assassinations of allied figures—are not promoted or given strategic portfolios, but rather shown the door.

The U.S. Secretary of State talks openly of a “common interest” with Iran, whose militias are chopping off heads, razing villages to the ground, burning whole families alive in their homes, and threatening to shoot down U.S. warplanes owing to a prominent and Iranian-sold conspiracy theory that the Great Satan is behind demonic Daesh (the Islamic State), too. ...

Last week, a collection of Sunni-led states—including one that is guilty of genocide and led by a fugitive from the International Criminal Court—is waging its first major Arab war in the Middle East since before the Islamic Revolution; not against Israel but against IRGC-backed Houthis in Yemen. Saudi Arabia leads this tenuous coalition and is reported to have assembled it because of what it believes is a significant crisis to its national interest: the disintegration of Pax Americana in the Gulf.

To emphasize the point, the commander of Central Command, Gen. Lloyd Austin, was informed only an hour before Operation Decisive Storm was launched in his area of operations. Saudi officials warn threateningly that any Iran with an active nuclear infrastructure will lead Riyadh to go nuclear, likely with the assistance of Pakistan. Such are the costs of de-proliferation. ... Such is the price for peace in our time. ...

The “framework agreement” struck by the P5+1 and Tehran has been judged on the particulars or ambiguities of uranium enrichment, working centrifuge limitations, possible military dimensions, an inspections regime, and when and how Iran obtains international sanctions relief. ... Iranian Foreign Minister Javad Zarif came right out and accused the Americans of lying mere hours after appearing the happiest man at a joint press conference at the Rolex Learning Center. But a lot has already gone right for Iran.

A decade’s worth of diplomacy and dirty warfare with the world’s only superpower has seen Iranian hegemony metastasize exactly where it was meant to be isolated or diminished. Thus the outcome that typically coincides with the possession of a nuclear weapon and indeed serves as the motive for building or obtaining

one has been achieved by the mere pursuit. ...

Bassam Barabandi is a former diplomat in Assad's embassy in Washington who helped many dissidents and defectors obtain passports in the dark days following the revolution. He does not believe that Iran is on the mend as a result of Obama's "historic" achievement. "A peaceful deal is good, but my country is under Iranian occupation and I did not hear from any Western officials a word or promise that this deal will bring the stability to Syria or to Iraq or to the Middle East," Barabandi told me. "Iranian ideology is more dangerous than its nuclear project." ...

Mohammed Ghanem, a senior adviser to the Washington-based Syrian American Council was less guarded: "It is unacceptable that Iran is being reintegrated into the world community even as it facilitates the worst humanitarian crisis since World War II. ...

Barabandi, Mustafa and Ghanem are all patriotic Syrians. They will no doubt be patted on the head by friendly types at the National Security Council and State Department and reassured by Samantha Power that America will spare no hashtag in defense of their homeland.

Obama Rejects Netanyahu's Call for Iran to Recognize Israel

Breitbart | April 6

ON MONDAY, PRESIDENT BARACK OBAMA CASUALLY rejected Israeli Prime Minister Benjamin Netanyahu's call to force Iran to acknowledge Israel's right to exist as part of any agreement on the country's nuclear program.

In an interview with NPR, Obama stated loftily, "The notion that we would condition Iran not getting nuclear weapons in a verifiable deal on Iran recognizing Israel is really akin to saying that we won't sign a deal unless the nature of the Iranian regime completely transforms. And that is, I think, a fundamental misjudgment." ...

[Last Friday, Israeli Prime Minister Benjamin] Netanyahu said, "Israel will not accept an agreement which allows a country that vows to annihilate us to develop nuclear weapons, period. In addition, Israel demands that any final agreement with Iran will include a clear and unambiguous Iranian recognition of Israel's

right to exist."

Iran supports Hezbollah, Hamas, and Islamic jihad, all of which have sworn to destroy Israel. Iran's own leaders have also done so, as recently as the end of March, when the commander of the Basij militia of Iran's Revolutionary Guards said that "erasing Israel off the map" was "non-negotiable." ...

Obama tried to hammer home his ridiculous argument that he is stopping Iran from going nuclear, adding on Monday, "I want to return to this point: We want Iran not to have nuclear weapons precisely because we can't bank on the nature of the regime changing. That's exactly why we don't want [Iran] to have nuclear weapons. If suddenly Iran transformed itself to Germany or Sweden or France then there would be a different set of conversations."

The Iran Deal and Its Consequences

Henry Kissinger and George P. Shultz, Wall Street Journal | April 7

FOR 20 YEARS, THREE PRESIDENTS OF BOTH MAJOR PARTIES PROCLAIMED that an Iranian nuclear weapon was contrary to American and global interests—and that they were prepared to use force to prevent it. Yet negotiations that began 12 years ago as an international effort to prevent an Iranian capability to develop a nuclear arsenal are ending with an agreement that concedes this very capability

Iran's centrifuges have multiplied from about 100 at the beginning of the negotiation to almost 20,000 today. The threat of war now constrains the West more than Iran. While Iran treated the mere fact of its willingness to negotiate as a concession, the West has felt compelled to break every deadlock with a new proposal. In the process, the Iranian program has reached a point officially described as being within two to three months of building a nuclear weapon. Under the proposed agreement, for 10 years Iran will never be further than one year from a nuclear weapon and, after a decade, will be significantly closer. ...

Negotiating the final agreement will be extremely challenging. For one thing, no official text has yet been published. The so-called framework represents a unilateral American interpretation. Some of its clauses have been dismissed by the principal Iranian negotiator as "spin." A joint EU-Iran statement differs in

important respects, especially with regard to the lifting of sanctions and permitted research and development. ...

Previous thinking on [a global] nuclear strategy ... assumed the existence of stable state actors. Among the original nuclear powers, geographic distances and the relatively large size of programs combined with moral revulsion to make surprise attack all but inconceivable [mutually assured destruction]. How will these doctrines translate into a region where sponsorship of non-state proxies is common, the state structure is under assault, and death on behalf of jihad is a kind of fulfillment? ...

Unless political restraint is linked to nuclear restraint, an agreement freeing Iran from sanctions risks empowering Iran's hegemonic efforts. ...

Some advocates have suggested that the agreement can serve as a way to dissociate America from Middle East conflicts, culminating in the military retreat from the region initiated by the current administration. As Sunni states gear up to resist a new Shiite empire, the opposite is likely to be the case. The Middle East will not stabilize itself, nor will a balance of power naturally assert itself out of Iranian-Sunni competition. (Even if that were our aim, traditional balance of power theory suggests the need to bolster the weaker side, not the rising or expanding power.)

Beyond stability, it is in America's strategic interest to prevent the outbreak of nuclear war and its catastrophic consequences. Nuclear arms must not be permitted to turn into conventional weapons. ...

History will not do our work for us; it helps only those who seek to help themselves.

RELATED: "IRAN WANTS NUCLEAR WAR"

Syria and Iraq Are Awash With Russian, Iranian and Chinese Weapons

Business Insider | April 7

OVER THE ALMOST PAST YEAR OF FIGHTING, ... [THE ISLAMIC State] has gone from fielding large quantities of [looted] U.S. weapons to using a mixture of Iranian, Chinese, Russian, Soviet and Sudanese ammunition.

According to a fact sheet from the Forum on Arms Trade, citing the Conflict Armament Research (CAR) and the Small Arms Survey, [the Islamic State] was largely able to acquire this ammunition from the constantly shifting battle lines of the Syrian civil war.

A large amount of the Russian, Iranian and Chinese ammunition flooding the battle zones were likely looted by [the Islamic State] and other jihadists from Syrian military bases. Iran and Russia both directly provided arms to the Assad regime in 2014

as [the Islamic State was] attacking and looting Syrian military installations. It is also possible that the ammunition was supplied to the war zones in Syria and Iraq through third parties. ...

The Armament Research Services has also noted that looted [man-portable air-defense systems] from Libyan military bases were being sold through social media networks. In some occasions, these weapons have made their way into battlegrounds in Syria and Iraq.

Despite the large quantity of foreign arms in [the Islamic State]'s inventory, the group is reportedly increasingly dependent upon improvised munitions. CAR believes this could signal an overall decline in the "amount of military-grade equipment in their inventories." ...

EUROPE

Vatican Warning: Don't Be Pontius Pilate

Anthony Chibairwe | April 7

WESTERN PEOPLE AND INSTITUTIONS COULD DO MORE TO PREVENT the slaughter of Christians, a Vatican cleric implied on the day after al-Shabaab's Muslim militants besieged a university in Garissa, Kenya, and discriminately killed Christians.

"We risk, all of us, the institutions and the people of the Western world, to be Pontius Pilate who wash their hands of [these events]," warned Raniero Cantalamessa, the Vatican's preacher of the pontifical household. Speaking during the Vatican's Good Friday service in Rome, Cantalamessa referenced the early first-century Roman procurator who failed to use his authority to prevent the crucifixion of Jesus Christ, and urged people not to "ignore that in many countries [Christians] are the most frequently targeted victims." Pope Francis was in Cantalamessa's audience.

In a later Good Friday ceremony, the pope echoed similar concerns. He bemoaned, "We still see today our persecuted brothers, decapitated and crucified for their faith in [Jesus Christ], before our eyes and often with our complicit silence."

On Thursday, the al Qaeda-linked, Islamic al-Shabaab militant group stormed Garissa University and killed nearly 150 people. The attack became one of the worst school shootings ever. The militants laid siege on the university for 15 hours, during which they separated Muslims from Christians. As was the case with the Westgate Mall attack in Nairobi, Kenya, in 2013, the Christians were killed and some of the Muslims were spared.

Until the Westgate Mall attack, al-Shabaab's grievances against Kenya were purely political and indiscriminate. A religious element has since been introduced to its attacks.

Pope Francis addresses the crowd at the Colosseum on April 3 in Rome.



Following the siege at Garissa, al-Shabaab warned: "No amount of precaution or safety measures will be able to guarantee your safety, thwart another attack or prevent another bloodbath from occurring in your cities." Kenyan cities, said the Islamists, "will run red with blood."

Religiously motivated conflict in Kenya and elsewhere is such a complex problem that the Vatican is calling on more people and institutions not only to help prevent radicalization in the first place, but also to prevent its violent manifestations. The Vatican is warning people about the consequences of "complicit silence" and acting like Pontius Pilate toward attacks like al-Shabaab's.

In a message on Monday, Pope Francis added some historical context: "These are our martyrs of today, and they are many. We can say that there are more of them now than there were in the early centuries. I hope the international community does not look on, mute and

inert, at such an unacceptable crime.”

The history of the Roman Catholic Church’s crusades reminds us of the Vatican’s tendency to address its religious grievances

politically *and* militarily—either directly or via proxies.

RELATED: “THE LAST CRUSADE”

Greek Leader Heads to Moscow as Bailout Talks Drag On **Wall Street Journal | April 5**

GREEK PRIME MINISTER ALEXIS TSIPRAS WILL BE WALKING A fine line in Moscow this week, aiming to demonstrate an independent streak to voters at home without irritating the European Union as he negotiates for urgently needed funding.

Greek officials and foreign-policy analysts in Athens say Mr. Tsipras isn’t looking for money from Russian President Vladimir Putin in place of fresh bailout loans from eurozone governments and the International Monetary Fund. Russia’s weak finances and limited interest in Greece mean it isn’t a viable source of alternative funding anyway.

Instead, the visit Wednesday and Thursday is aimed at pleasing Greek voters with a show of defiance toward European creditors, they say.

Mr. Tsipras and other Greek politicians have been critical of EU sanctions against Russia over its aggression in Ukraine, and EU officials are anxious about Greece splitting from its common

position.

Greece and Russia have a long history of warm diplomatic ties, underpinned in part by their shared Orthodox Christian traditions. But Greece also has more pressing issues. ...

The Greek government faces debt default and a possible exit from the euro by this summer unless it can reach a deal with the eurozone and the IMF. ...

The benefits for Mr. Putin are more obvious, since the Kremlin is eager to show cracks in the West’s front against Russia’s policy in Ukraine. Days before the Greek visit, Russian officials were hailing it as a sign that EU leaders want tensions over Ukraine to end. Frants Klintsevich, a pro-Kremlin lawmaker, called the visit part of a “positive trend.” ...

“We don’t agree with sanctions,” Mr. Tsipras said, in comments confirmed by his office. “I believe that this is a road to nowhere.” ...

Russian Politician Proposes Sanctions on Latvia **The Baltic Times | April 8**

ANTI-RUSSIAN STATEMENTS FROM FOREIGN POLITICIANS should not be left without an adequate response from Russia, Alexey Pushkov, the Chairman of the Russian State Duma’s International Affairs Committee told Gorovit Moskva radio station on Monday.

He was speaking about a recent post on Twitter by Latvian Foreign Minister Edgars Rinkevics, who said: “The more I follow modern RU, the more I come to conclusion that she will end up like German Reich after both WWI & WWII & it’ll be too late.”

“I do not think we should let foreign politicians say things like

that without consequences for these politicians ...” the Russian lawmaker said. ...

“When the Latvian foreign minister takes the liberty to come up with such statements (comparing Russia to the Third Reich), he must realize that this may evoke retaliatory measures on the part of Russia, which will deal a serious blow to Latvia’s interests—economic, trade and otherwise,” the Russian lawmaker added. “I think that we must reciprocate, not necessarily by statements, but by steps that show that every word uttered has a price,” he added.

ASIA

Putin: Russian-Chinese Relations Reach Unprecedented High **Vestnik Kavkaza | April 8**

RUSSIAN PRESIDENT VLADIMIR PUTIN SAID AT A MEETING WITH visiting Chinese Foreign Minister Wang Yi that Russian-Chinese relations are at an unprecedented high level.

The president noted that the two countries’ foreign ministries were working in close contact “constantly coordinating their positions on the agenda.” “I am confident you discuss many global problems with your Russian counterpart,” Putin said. ...

He stressed that this proved that everybody understood “the importance of bilateral relations, the role of Russian-Chinese cooperation in international relations.” In this regard, the head of state noted that cooperation between the two countries’ foreign ministries was a major element of such work.

The Chinese foreign minister conveyed “the warmest regards from China’s president” and other Chinese leaders. ...

He drew attention to the fact that in the past two years the two

countries had reached a high level of cooperation and were now entering a “new stage of strategic partnership.” “According to preliminary data, in the past two years you [the two countries’

leaders] have inked 107 joint agreements, of which 55 have already been implemented and 31 are being actively realized,” Wang Yi concluded.

Surging Chinese Investment in European Union Set to Continue **South China Morning Post | April 6**

A SURGE IN CHINESE INVESTMENTS IN THE EUROPEAN UNION IN the first quarter suggests the trend will likely enjoy strong growth this year after an already large increase in 2014.

There were 11 announced Chinese deals in the EU totaling \$9.6 billion during the first quarter, an increase of 31.2 percent from the first quarter last year, which saw seven Chinese deals totaling \$7.3 billion, according to Mergermarket, an international analysis firm that monitors deals.

“We are quite bullish as far as this trend is concerned. The trend of growing Chinese investments in the EU is bound to continue. I’m doing a lot of work on Chinese investments into the EU,” said Thomas Gilles, chairman of the EMEA-China group at Baker & McKenzie. ...

A large chunk of the first quarter’s investments came from China National Chemical Corporation’s (ChemChina) €7.1 billion (\$7.6 billion) acquisition of Pirelli, an Italian tire maker.

Chinese investments in the EU doubled to a record \$18 billion last year, according to a report by Baker & McKenzie, an international law firm. Given that Chinese investment in the EU was roughly \$9 billion in 2013, this means that in the first quarter alone, the value of such investments equaled the whole of those made in 2013 and half of those made last year.

“Chinese investments into Europe are likely to increase again in 2015. The base of investors in China that are willing to enter Europe with large-scale investments is expanding,” Edward

Freeman, a Hong Kong-based partner at international law firm Freshfields Bruckhaus Deringer, said.

Simon Weller, a Hong Kong-based partner at Freshfields, added, “[T]he value proposition for investing in Europe is strong right now. Chinese buyers are in a good position because of current exchange rates.”

The yuan-euro exchange rate has fallen from over 7 yuan per euro in February to 6.7 yuan last Thursday. Currently, China and the EU are negotiating a bilateral investment treaty that Gilles estimated would be signed in 2016. “Currently China faces 26 different bilateral investment treaties with individual EU member states,” he said. ...

“Isaiah 23 warns of an end-time ‘mart of nations’ that acts in economic alliance. This alliance includes the nations of China (Chittim) and Tyre (representing the commercial center of the European Union, also called the king of the north in other prophecies). This chapter, along with other scriptures, makes it evident that these two powerful economies are prophesied to work in confederacy to dominate global trade for a short period of time—at America’s expense.”

Trumpet, December 2010

Ordinary Folk Take Up Military Training Over Russia Threat **Associated Press | April 6**

NATO AIRCRAFT SCREAM ACROSS EASTERN EUROPEAN SKIES AND American armored vehicles rumble near the border with Russia on a mission to reassure citizens that they’re safe from Russian aggression.

But these days, ordinary people aren’t taking any chances.

In Poland, doctors, shopkeepers, lawmakers and others are heeding a call to receive military training in case of an invasion. Neighboring Lithuania is restoring the draft and teaching citizens what to do in case of war. Nearby Latvia has plans to give university students military training next year.

The drive to teach ordinary people how to use weapons and take cover under fire reflects soaring anxiety among people in a region where memories of Moscow’s domination—which ended only in the 1990s—remain raw. People worry that their security and hard-won independence are threatened as saber-rattling intensifies between the West and Russia over the conflict in Ukraine, where more than 6,000 people have died.

In Poland, the oldest generation remembers the Soviet Army’s invasion in 1939, at the start of World War II. Younger people

remain traumatized by the repression of the Communist regime that lasted more than four decades.

It’s a danger felt across the EU newcomer states that border Russia. ...

Poland has been at the forefront of warnings about the dangers of the Ukraine conflict. Just 17 hours by car from the battle zone, Poland has stepped up efforts to upgrade its weapons arsenal, including a possible purchase of U.S.-made Tomahawk missiles. It will host a total of some 10,000 NATO and other allied troops for exercises this year. Its professional army is 100,000-strong, and 20,000 reservists are slated for test-range training. ...

In an unprecedented appeal, Parliament Speaker Radek Sikorski urged lawmakers to train at a test range in May, while Defense Minister Tomasz Siemoniak called on men and women aged between 18 and 50, and with no military experience, to sign up for test-range exercise. ...

“The times are dangerous and we must do all we can to raise Poland’s ability to defend its territory,” President Bronislaw Komorowski said during a recent visit to a military unit.

The Poles believe they have grounds for feeling particularly vulnerable because they have been invaded by Russia repeatedly since the 18th century. Russian leader Vladimir Putin seems to

have singled out Poland, a staunch U.S. ally, as a prime enemy in the struggle over Ukraine, accusing it of training “Ukrainian nationalists” and instigating unrest. ...

Russia, World Leader in Nuclear Technology

World Bulletin | April 7

RUSSIA HAS BECOME A WORLD LEADER IN NUCLEAR TECHNOLOGY, after considerable investment in research and development, experts say.

According to research by the World Nuclear Association released in March 2015, Russia is “moving steadily forward with plans for much expanded role of nuclear energy, including development of new reactor technology.”

“The efficiency of nuclear generation in Russia has increased dramatically since the mid-1990s. Over 20 nuclear power reactors are confirmed or planned for export construction,” the association says.

“Russia is a world leader in fast neutron reactor technology, and exports of nuclear goods and services are a major Russian policy and economic objective,” the association says.

With over \$100 billion worth of international nuclear projects underway, Russian technology is preferred for its cheaper price, safety and willingness to share knowledge.

Rosatom, Russia’s state-owned nuclear company, has 29 nuclear projects around the world and aims to increase the number to 34 through agreements currently being negotiated. The latest deal was struck with Jordan to build its first nuclear plant, worth \$10 billion, on March 24. ...

The U.S. doesn’t want its allies, France, Japan and Canada, to share its nuclear knowledge or technology know-how with developing countries, [head of economics at the Institute for Energy and Finance Sergey] Kondratyev said Whereas Russia follows a policy open to exchanging nuclear knowledge and helps to establish a nuclear industry in desiring countries, he said. ...

There are 437 active nuclear plants in 31 countries around the globe and 68 projects under construction in 14 countries.

Russia has 10 active nuclear plants and 33 power reactors and 7 new plants are under construction. The reactors make up 20 percent of the country’s electricity consumption.

New Defense Rules would Give Japan New Powers to Aid U.S. Military

Washington Post | April 8

THE UNITED STATES AND JAPAN ARE CLOSE TO CONCLUDING A SET of bilateral defense rules that if finalized would give Japan’s military new powers to act when U.S. forces are threatened by a third country, U.S. officials said Wednesday.

Defense Secretary Ashton Carter, speaking during a visit to Tokyo, said the revision of the so-called “defense guidelines” would transform U.S. military ties with Japan, which is now grappling with a missile threat from North Korea and China’s moves to assert control of areas off its coast.

Under a previous bilateral arrangement, Japanese forces could protect the U.S. military only if it was operating in Japan’s direct defense, and solely in areas close to Japan. U.S. officials say the new rules, once given final approval, would broaden the geographic area where this could take place and, significantly, allow Japan to respond to an attack on the U.S. military even if the U.S. forces are not acting in defense of Japan at the time. ...

The revised bilateral rules, which are expected to be unveiled later this month ahead of Prime Minister Shinzo Abe’s visit to Washington, mark an evolution in Tokyo’s military ties with the United States. Under a 1960 treaty, the United States is committed to protect Japan from external aggression. About 50,000 U.S. troops are stationed in Japan.

The changes take place as the conservative Abe continues his effort to overhaul how Japan uses its military power, which has been tightly restricted since World War II. ...

Many in Japan are increasingly alarmed by Beijing’s dramatic military buildup and its efforts to project Chinese power in areas of the South China Sea and East China Sea, such as the disputed islands known to the Japanese as the Senkakus and to the Chinese as the Diaoyu.

The Obama administration, also worried by China’s military rise, has welcomed Abe’s moves. ...

ANGLO-AMERICA



Paul Krugman Says America Doesn’t Have Enough Debt

Robert Morley | April 8

SOMETIMES SMART PEOPLE ARE EXTREMELY DANGEROUS. Blinded by their own brightness, they can’t see what is right in front of them. That’s the lesson of Job—as in Job of Bible fame. He was so talented, smart and good that he couldn’t see he was

guilty of one of the most dangerous sins of all—self-righteousness.

The *New York Times*’s famed economist Paul Krugman is meditating out loud about debt again. Considering America’s fiscal

future, he asks: Does America have enough debt?

Let me answer that. Yes!

Over the past six years, America's national debt has risen from \$11.1 trillion to \$18.1 trillion. That's a jump of more than 63 percent since the last presidency. For perspective, it took America 227 years (1776 to 2003) to accumulate its first \$7 trillion worth of debt.

But adding an additional \$21,000 of debt per man, woman and child, on top of the existing \$34,000 per person debt load is apparently not enough for Krugman.

Historically, governments haven't had enough debt he says. Concurring with economist Brad DeLong's picture of America's fiscal future, Krugman writes: "Brad doesn't just argue that governments should be bigger in the future; he also argues that governments have historically not had enough debt, and should have more."

Governments should have more debt? Really?

When a government engages in deficit spending now, it will have to engage in compensating cutbacks (or increased taxation, which is actually more economically destructive than cutbacks) later, or else its debt will grow beyond its ability to pay.

But according to Krugman, DeLong's research proves growing debt doesn't actually mean you will ever have to cut back. "So you can eat your cake and have it too."

Question: How does this magic happen?

Krugman: It's simple: You grow the economy. A bigger economy means you don't have to tax as much to cover interest payments. A bigger economy means your debt-to-GDP ratio will fall.

Question: So how do you get this magically growing economy?

Krugman: Borrow and spend more! "A bigger debt lets the government do useful things, like invest in infrastructure; it gives investors the safe assets they want; and it need not lead to any future pain as long as you don't do foolish things like join a currency union with no well-defined lender of last resort."

Question: Anybody see a problem here?

Any personal finance adviser will tell you that borrowing money to purchase something that will not produce enough to pay for itself is a great way to get into financial trouble. At the very least, like borrowing money to buy a new vehicle, which is almost

guaranteed to rapidly devalue, it will make you a lot poorer than you otherwise would be.

When the government spends money, it normally does so by taking it from the productive sector of the economy (by taxation) to give to the consumption-oriented sector of the economy. This makes some people wealthier, but at the expense of reducing overall prosperity.

Yet somehow Krugman thinks that borrowing money to build more roads, parks and community centers—things that will require even more money for future maintenance—will make America richer. And how many more bridges does America need anyway? Krugman even mentions defense spending. But spending money on things designed to explode won't lead to greater prosperity either.

But ah, dear reader, you miss the point. Remember? We live in a new economic age where you can eat your cake and have it too.

In today's marvelous [Alice-in-Wonderland world](#), central banks create money out of nothing to give to governments to spend on real things. The government debt bonds simply go back into central bank vaults where they will never see the light of day. And the interest on that debt? It goes to the central bank—which will just turn around and give it back to the government.

See? It's the new thing: prosperity by button. Push a button. Create some bank account digits. Give it to the government. Spread the wealth ... starting at the top. Let it trickle down. Everybody wins. *There is no downside.*

If you believe that, you might have a future as a popular *New York Times* economist.

Sadly, it will take a crisis to wake people up. And a crisis is guaranteed because it is the Paul Krugmans of the world who dominate political thinking and monetary policy. Only this time, it will be a lot worse than the last one because debt levels are so much higher.

God let Job go through a lot of pain and punishment to wake him up. He lost his wealth, his health and his children before he realized where he was wrong. How much will America have to go through before it wakes up to what is coming?

 Follow [Robert Morley](#)

Britain Faces Most Uncertain Election Ever

Richard Palmer | April 7

B RITAIN COULD FACE ITS WEAKEST AND MOST UNSTABLE GOVERNMENT ever after the May 7 general election if the current polling data is accurate.

Britain is not used to a coalition government—the current one being the nation's first in 65 years. Just surviving its full term proved it stronger than many expected. Yet polls imply that a simple two-party collation may not be possible next time around.

The *Times* newspaper concluded that "it is likely neither Labor nor the Conservatives would be able to form a stable government, even with the support of a second party" (April 2).

"Whitehall is preparing for at least three weeks of haggling if it becomes clear that even a tie-up between two parties would leave them short of an overall majority," the paper reported.



Small majorities and multi-party coalitions easily lead to unstable and short-lived governments. For example, in Italy, whose postwar constitution encourages these kinds of coalitions, there have been 62 governments in the last 70 years.

The *Times* cited warnings from economists that this concern could cause major problems. “Political upheaval might serve to draw attention to the [United Kingdom’s] economic, fiscal and financial imbalances,” warned Ross Walker from the Royal Bank of Scotland. “Gaping current account and budget deficits make the UK particularly dependent on the kindness of strangers,” according to BlackRock, a fund manager.

One two-party grouping with the best chance of forming a government is the Labor Party, supported by the Scottish National Party (SNP). In this case, the SNP has indicated that it would allow Labor to form a minority government, and then support it on a vote-by-vote basis. This scenario would make a party that is dedicated to the destruction of the United Kingdom a core part of its leadership. It would also bring back the type of hard-left socialism that the nation hasn’t seen since the ’70s.

This is all, of course, if the polls are accurate.

Regardless, Britain has had a troubled few years, with its place in Europe, and even its very existence—in the form of the Scottish referendum—under question. These trends aren’t going away, and many of these questions seem set to remain unresolved in the next parliament.

“God makes and unmakes nations. ‘He increaseth the nations, and destroyeth them: he enlargeth the nations, and straiteneth them again. ... Behold, the nations are as a drop of a bucket, and are counted as the small dust of the balance: behold, he taketh up the isles as a very little thing’ (Job 12:23; Isaiah 40:15). He made Britain what it once was, and He is unmaking it today.”

Trumpet, April 2009

[Follow Richard Palmer](#)

T Australia Is Addicted to Ice **Callum Wood | April 3**

“[I]F WE DON’T ADEQUATELY ADDRESS THIS PROBLEM, IT’S NOT an overstatement to say that it could bring us to our knees as a nation,” wrote Australian Police Commissioner Andrew Scipione in Australia’s *Daily Telegraph* on March 31. He was referring to the nation’s latest addiction: crystal methamphetamine—also known as “ice.” The drug is ravaging Australian society, and Scipione knows it is beyond his ability to defeat.

Reports estimate that methamphetamine has been used by 1.3 million Australians—more than one out of every 20 people. Usage more than doubled between 2010 and 2013, replacing its close cousin “speed” as the preferred drug.

The police are doing all they can to stop the drug from reaching the streets and ripping lives apart, but there is no end in sight. One captured shipment in November 2014 had a street value of more than \$1.5 billion.

Ice is now considered “the most dangerous and highest risk to our nation” according to Australian Crime Commission Chief Executive Chris Dawson. But not only because it funds the gangs. As Minister for Justice Michael Keenan said, “Our nation’s addiction to this mind-eating, personality-distorting, life-ending drug” is crippling the social fabric of communities. “In recent years, we’ve seen the creep of ice use stretch across the nation, with individuals from all levels of society succumbing to its depravity,” Keenan added.

According to Scipione, ice deals a dire combination—near superhuman strength combined with a mind susceptible to sudden swings of paranoia and aggression. The bloody results are routinely making their way into the news. Fueled by “ice psychosis,” the user has paranoid delusions, hallucinations and sudden bouts of aggression.

Torture, murder and dismemberment are all common occurrences in ice-related violence. Most often it isn’t the user that



Australian Federal Police guard \$525 million worth of crystal methamphetamine, also known as “ice.”

suffers the most horrific kickbacks, but those that come into contact with the addict.

Of course, ice also destroys the life of the user too. While the drug may give sudden strength, it removes hunger, eventually leaving addicts thin and emaciated. It also brings on heart and kidney problems, aches and pains, and dramatically increases the risk of stroke and heart attack.

And producers are finding more chemically effective ways of turning people into addicts—from just one hit.

Law enforcement can’t tackle the problem, as the police commissioner and others are now willing to admit it. They also acknowledge that if the problem is to be dealt with, it must begin at the building block of society—the family. Discussing the problem “must go right across our nation, across education, across industry, and in particular, across our kitchen tables from parents to children,” Dawson said.

T California Mandates Unprecedented Water Restrictions

Anthony Chibairwe | April 2

WHEN CALIFORNIA GOV. JERRY BROWN DECLARED A WATER emergency back in January 2014, he and other state authorities debated the imposition of water restrictions. One water district general manager said, “We want to save the big hammer for when we know it’s really bad.”

That big hammer came crashing down on April 1.

Governor Brown issued an executive order mandating the State Water Resources Control Board to collaborate with local agencies to enforce a 25 percent reduction in water use. These statewide, compulsory water usage restrictions are unprecedented in California’s history. From industries to homes, golf courses to cemeteries, college campuses to highway medians—all aspects of California life will be affected by the state’s new impositions. Infractions will be punished by fines, among other punitive measures. Prohibitive water rates will be introduced to discourage wastage.

“It’s a different world,” Brown said.

According to the United States Drought Monitor, 93.4 percent of California is facing “severe drought,” and 99.9 percent of the Golden State is “abnormally dry.”

“This is the new normal,” Brown said in his historic announcement. “People should realize we’re in a new era. The idea of your nice little green grass getting lots of water every day, that’s going to be a thing of the past.”

The snowpack is a critical source of water—it stores about a



California Governor Jerry Brown speaks to reporters at the site of a manual snow survey on April 1 in Phillips, California.

third of California’s water supply for the summer. The snowpack measurements on April 1—a time when levels are at their peak—were at their lowest in California’s history

But all of California’s major water reservoirs are below their historic averages.

As our free book *The United States and Britain in Prophecy* explains, California has been the home of some of the choicest blessings on Earth. But those blessings are being replaced by curses in dramatic fashion.

Request your free copy of *The United States and Britain in Prophecy* to understand the real cause of California’s curses and how they are soon to end—permanently.

Let’s Talk About Obama’s Blatantly Anti-Semitic Associates Victor Davis Hanson, *National Review* | April 2

JUAN WILLIAMS WROTE AN UTTERLY INCOHERENT ESSAY THIS week alleging that Speaker Boehner is dealing in racism by supporting Bibi Netanyahu, given that his recent victory, Williams apparently feels, was boosted by supposedly racist fear-mongering about efforts of getting out the Arab-Israeli vote en masse.

According to Williams, Boehner is dividing Americans by race over U.S.-Israeli relations by giving his imprimatur to a supposedly racist Netanyahu. ...

But as many commentators have immediately noted, unlike Netanyahu, who apologized if his criticism of community-organizing-type voter turnout efforts was seen as racist ... Obama in general and liberal candidates in particular seem to offer no apologies about racial and ethnic fear-mongering at election time.

The president’s call to “punish our enemies” was a direct call to Latinos to turn out en masse on the basis of collective ethnic fears and resentments. Politicians as diverse as Joe Biden and Loretta Sanchez have all tried out racist tropes to gin up their bases—involving various warnings about scary white would-be slave-holders and clannish Southeast Asians.

But if Williams is sincerely worried ... he might not look to the stars but just as eagerly review a long history of patently anti-Semitic statements from black public figures and celebrities who

have counseled the president and are frequent visitors to the White House (well beyond fringe figures like a Leonard Jeffries or Louis Farrakhan), and who have nothing to do with either Bibi Netanyahu or John Boehner:

Jesse Jackson? (“Hymies” and “hymie-town.”)

Al Sharpton? (“Diamond merchants” and “if Jews want to get it on, tell them to pin on their yarmulkes and come over to my house.”)

Jeremiah Wright? (“Them Jews ain’t going to let him [Barack Obama] talk to me.”)

When Cynthia McKinney lost her congressional election, whom did her father blame? The “J-E-W-S.”

Multimillionaire rappers from Ice Cube to Scarface often peddle the old slur that Jewish lawyers and shifty producers conspire against them.

And scarcely had the new replacement for Jon Stewart arrived than his long history of anti-Semitic crudity surfaced

I don’t know whether this disturbing pattern in part explains what Williams implies is a lack of minority support for Israel during the Obama tenure, but I do know that, if true, divisiveness here in the U.S. over Israel has little to do with a recent Israeli election, or what John Boehner or Bibi Netanyahu may or may not have said. ...