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Cyprus Surrenders to Europe

BY RICHARD PALMER

CYPRUS HAS got no choice but to submit to Europe's Lerms and request a bailout from the European Stability Mechanism (ESM), Cypriot President Demetris Christofias announced December 4. The decision means that Cyprus "will effectively lose its sovereignty," wrote Spiegel Online.

"I need to make it clear that it was not our choice to resort to the European Stability Mechanism," the Cypriot president told the nation in a televised address. But

Cyprus's "dire situation" forced it to turn to Europe. He took the deciasion with "heartfelt pain," he said. He told the public it would mean pain for them too—and exhorted them to face it with the same stoicism "as we did after 1974, when our country was almost completely destroyed by the Turkish invasion and occupation."

"The price for the billions in emergency aid money is high," wrote Spiegel Online.
"The country will effectively lose its sovereignty." The infamous troika—the European Commission, the European Central Bank (ECB) and the International Monetary Fund (IMF)—will soon be in control.

Spiegel warned that in return for the bailout, the troika "will essentially take control of the Mediterranean island."

The troika plans to dictate Cyprus's tax rates, working hours for civil servants and even how officials travel internationally—it's economy class from now on.

Christofias's speech indicates that Cyprus is ready to sign the troika's terms—the Memorandum of

Understanding (MOU). But Europe, moving at its usual glacial pace, hasn't made up its mind on the final terms. That's not expected to happen until late January.

It's been obvious for a while that Cyprus would need a bailout. At first it looked like it would be able to negotiate a good deal. Unlike Greece, it had somewhere else it could turn for aid—Russia. With both Europe and Russia competing for influence, it looked like Cyprus could auction itself off to the lowest bidder.

But that didn't get it far. The terms are slightly better than Greece's. Cyprus will probably retain control of any oil and gas reserves—with a portion of the

revenue going to pay off the debt. It will not be forced to sell off government assets, the way Greece was, unless things get worse.

But ultimately Cyprus has been forced to submit to terms it does not want because to it, the sum of money it needs is vast. The bailout is expected to be roughly equal to the entire annual output of its economy—that is, €17,500 per person. But to Europe's bailout fund, the €17.5 billion needed is little more than pocket change, especially when ompared with potential bailouts in

compared with potential bailouts in Spain and Italy. Now Cyprus seems all but certain to follow

Greece down the road to becoming a European protectorate, or colony. It will be forced to do what Europe, and especially Germany, says—otherwise the funding gets pulled and its economy collapses.

In this respect, it's in an even weaker state than Greece. A Greek collapse could still cause Germany some economic pain. Cyprus is so small that Germany would barely notice any loss.

see SURRENDER page 12

Islamists Are Worse Than Dictators

Daniel Pipes, WASHINGTON TIMES | December 10

Who is worse, President Mohamed Morsi, the elected Islamist seeking to apply Islamic law in Egypt, or former President Hosni Mubarak, the dictator ousted for trying to start a dynasty? More broadly, will a liberal, democratic order be more likely to emerge under Islamist ideologues who prevail through the ballot box or under greedy dictators with no particular agenda beyond their own survival and power?

Morsi's recent actions provide an answer, establishing that Islamists are worse than dictators.

This issue came up in an interesting debate for Intelligence Squared U.S. in early October when Reuel Marc Gerecht of the Foundation for Defense of Democracies and Brian Katulis of the Center for American Progress argued, "Better elected Islamists than dictators," while Zuhdi Jasser of the American Islamic Forum for Democracy and I made the counter-argument. ...

Morsi and the Muslim Brotherhood have followed our script exactly. Since taking power in August, Mr. Morsi sidelined the military, then focused on entrenching and expanding his supremacy, most notably by issuing a series of orders on November 22 that arrogated autocratic powers to himself, and spreading Zionist conspiracy theories about his opponents. Then he rammed through an Islamist-oriented constitution on November 30 and called a snap

referendum on it for December 15. Consumed with these two tasks, he virtually ignored the myriad issues afflicting Egypt, especially the looming economic crisis and the lack of funds to pay for imported food.

Mr. Morsi's power grab led anti-Islamist Egyptians to join forces as the "National Salvation Front" and confront Islamists in the most violent street clashes in six decades. These forced him to retreat partially from his November 22 orders. Ironically, after deftly sidelining the military in August, Mr. Morsi's overreach created circumstances that returned ultimate authority to the generals, who can intervene for or against him. By choosing Islamist sympathizers as top officers and offering the military enhanced privileges in the proposed constitution, he has in all likelihood won their support. Martial law appears likely next.

In just three months, Mr. Morsi has shown that he aspires to dictatorial powers greater than Mr. Mubarak's and that his rule portends to be an even greater calamity for Egypt. He has neatly vindicated Mr. Jasser's and my point: Dictators are better than elected Islamists. As I noted in the debate, Westerners should slam the door hard on ideological dictators like Islamists while pressuring greedy dictators to relax their grip on civil society. This offers the only exit from the false choice between two forms of tyranny.

3,000 Jihadis to Terrorize Opposition

FRONT PAGE MAGAZINE | December 11

News report declares: "Morsi summons 3,000 jihadis from Afghanistan, Chechnya, Bosnia, Somalia and Iran to be an Islamic army to strike the police and army forces" of Egypt.

According to the report, Ibrahim Ali, a lawyer of various Islamic groups, said that 3,000 leaders and members of the Jihad Groups and the notorious Islamic Group—including the brother of Khaled al-Islambouli, the army officer who planned and participated in the assassination of President Anwar Sadat—will arrive in Egypt in a few days.

Ali added that most of these leaders are coming from Afghanistan, Chechnya, Bosnia-Herzegovina, Somalia, Kenya, Iran, and even London. Similar reports had appeared earlier, in November: These seasoned jihadis may already be in Egypt. Moreover, back in August, days after Morsi assumed Egypt's presidency, he released jihadi convicts from the nation's two most notorious terrorist organizations, Islamic Jihad and the Islamic Group—including several held under tight security and on death row for committing especially heinous acts of terror in Egypt.

It is often forgotten that Morsi himself, Egypt's president, was a former convict in Egypt, imprisoned for his designs to impose sharia on the social order—precisely what he is doing now unfettered, including by summoning and releasing jihadis to subdue his fellow Egyptians who oppose the Islamization of Egypt—which has millions of Christians and liberal Muslims. ...

Nor is there any doubt that the Muslim Brotherhood was always

more interested in empowering Islam over improving Egypt—a natural consequence of the Islamist mentality, which sees the triumph of Islam and Muslims, the collective Umma, more important than the triumph of one's nation and immediate neighbors. ...

More Tanks for Egypt Than Marine Corps

EXAMINER | December 7

Brotherhood-dominated government, the Obama administration is ensuring another \$1.3 billion annual shipment of state-of-the-art weaponry. As reported by the *Washington Times*, despite Egypt's new President Mohamed Morsi being a member of the terrorist-related Muslim Brotherhood, the money and arms pipeline from

Jordan's King in Diatribe Against Egypt

COURCY'S INTELLIGENCE SERVICE | December 13

Reports have been emerging about a meeting between Jordan's King Abdallah II and "personalities affiliated with the pan-Arab and leftist trends" held at the house of former deputy prime minister Rajai al-Muashir on December 10. Participants in the meeting have revealed to the pan-Arab *al-Hayat* newspaper that the king launched a strong attack on "two Arab states and a regional country," accusing them of wanting to establish "a new extremist alliance."

The countries forming the "extremist alliance" were not specified in the *al-Hayat* report, but it went on to report some vitriolic comments by the king about Egypt. He accused Egypt's President Morsi of marginalizing Jordan in the negotiations to stop the recent Gaza violence, and he said that Jordan has been "greatly harmed" by recurring interruptions in the supply of Egyptian gas.

The king also threatened Egypt, saying: "Amman has

cards through which it can send messages to Cairo, including the fact that there are 500,000 Egyptians working in Jordan, and the kingdom is the only route for the Egyptian vegetables exported to Iraq, and there are tens of thousands of Egyptians who work in the Gulf states and use the Nuwaybi-Aqaba line in their travel."

According to Jordan's Labor Minister Nidal al-Qatamin, thousands of Egyptian workers have been detained in recent days for violation of residency regulations, and up to 2,000 have been deported to Egypt.

But Egypt is not without its own cards, in addition to the gas weapon. The Hashemite regime in Amman is struggling to dampen down demands for reform—which means a reduction in the power of the king's bedrock Bedouin support in favor of the country's Palestinians and the Islamic Action Front (IAF), which is affiliated to the Muslim Brotherhood now in power in Egypt. ...

Washington to Cairo will remain open and flowing.

Morsi ... recently granted himself virtual dictatorial power in his native land.

To keep Morsi's actions in perspective, many political pundits have described his power grab as if Barack Obama fired every Republican in the U.S. Congress and dissolved the Supreme Court.

This year alone, Obama will be sending the Egyptians 200 M1A1 Main Battle Tanks. Egypt already maintains the world's seventh-largest tank force, numbering in at 4,000. The active-duty Marine Corps has less than 150 M1A1 Abrams tanks in its inventory at any given time.

Under the new Obama budget, the tank force for The Corps, along with the rest of the U.S. Armed forces are facing a \$1 trillion cut over the next decade. ...

The total population of the North African nation is the same as California, Texas and New York State, yet has the fourth-largest F-16 fleet on Earth.

Numbering 240 F-16s, the Egyptian fleet is roughly the fourth of all the Falcons the U.S. Air Force has deployed throughout the entire globe.

A squadron's worth is now on its way to Morsi.

Given the anti-Israeli and

anti-Jewish rhetoric coming out [of] the new Muslim Brotherhood regime, the Jerusalem government is more than a little worried if the new government should go to war with the Jewish State

The Israeli Air Force has approximately 350 fighter/attack jets total in their inventory. The Israelis also have 2,500 total heavy and medium battle tanks in their current inventory, of which 800 are of the already obsolete American M-60 variety.

Church Warns of Islamist 'Dictatorship'

CATHOLIC WORLD NEWS | December 13

THE SPOKESMAN for the Egyptian Catholic Bishops' Conference is calling upon the European Union to press the nation's current government to respect human rights.

"The European Union must make it clear to President Morsi and his government that they have to observe human rights," said Father Rafik Greiche. "The militias of the Muslim Brotherhood have threatened people demonstrating peacefully against the president's policy."

"This is just as unacceptable as the text put forward for the future Egyptian constitution," he added. "Of course, we won't tell the people what to do. But we certainly won't encourage them to vote in favor of the draft constitution."

"Whenever Islam becomes politicized it automatically turns into a fascist dictatorship," he continued. "Then comes the impending threat that the sharia in its most fundamental form will be introduced."

"And this affects not only Christians, but all Egyptians who want freedom and justice."

IW IN BRIEF

■ U.S. formally recognizes Syrian rebels

The United States has now joined Britain, France, Turkey and several Arab states to formally recognize the newly formed coalition of Syrian rebels fighting Bashar al-Assad. Diplomatically, this is "a big step" in the international anti-Assad campaign. This formal recognition of the rebels came on the eve of the Friends of Syria meeting in Morocco, where the U.S. joined 70 other member states in talks to help Syria's opposition. With this much support and the intensifying fight for Damascus, Syria's nearly-21-month civil war, as Reuters noted, "may be nearing a tipping point." While diplomatic

Peres: 'We Have to Forget the Past'

sraeli President Shimon Peres says Israel's historic link to the land—even history itself—is not important. In a recent interview, Peres told Spiegel Online that Israel must "forget the past" and move forward with peace talks with the Palestinian Authority.



STEPHEN FLURRY

"We are not going to deal with Abraham, our father and brother. It's over," he said.

When Spiegel noted that Prime Minister Netanyahu refers to Israel's history almost on a daily basis, Peres responded that: "History is necessary to justify the present. But to go back 2,000 years? [L]eave it to the historians. What happened 2,000 years ago is not being repeated today."

Wow. That's dangerous, nation-destroying thinking. It was almost 2,000 years ago that Jerusalem was besieged by Gentile armies—and finally destroyed. But that couldn't happen again today, could it?

Bible history and secular history repeatedly warn that if we don't learn from the past, we will repeat it! How many disasters must men face before we finally learn that lesson?

Today, a bitter divide lies between Israel and the Palestinians. But there is also a widening divide among Israelis: one side wants to hold on to its history while the other side wants to let it go.

Many Israelis are turning their back on their heritage. As Emmanuel Navon wrote in *Azure*, "In the end, Israeli Jews must make a choice between claiming their Jewish past and relinquishing it altogether. Throughout recent history, some have believed that by choosing the latter option,

they would finally be left in peace. But as history has shown, the opposite is true: Denying our past, as well as our historical mission as a people, is as hopeless an act in our own land as it was in exile. Instead, the time has come to reclaim our past—indeed, to fight for it."

That history is grounded in the Hebrew Bible. Jerusalem is referred to more than 650 times in the Old Testament. Founded by King David, Jerusalem became Israel's capital city 1,000 years before the establishment of Christianity—1,700 years before Islam.

For Arab propagandists to erase that from their history books is one thing. But for Israel's own leaders to separate *themselves* from that heritage?

Columnist Shmuel Schnitzer asked years ago, "[W]hat kind of Jewish people will this be with no attachment to its land, without all the places of the book of Joshua, the wonderful vistas there, without the intensity of the prophetic vision, without the heritage of our fighters who spilt their blood for the country which was promised them and their descendants?"

Surrounded by enemies bent on de-legitimizing its right to exist, Israel's survival depends on winning the fight for its own history. The Bible, Schnitzer pointed out, can't become a historical curiosity, it must be the Jews' calling card. Otherwise, as Schnitzer intoned, they will become a *new* Jewish people—"a nation which *doesn't* belong to its land."

Israel's *enemies* have always believed the Jews don't belong in the Promised Land. By denying their past, many *Jews* are essentially saying the same thing.

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recognition is a potent tool, the rebels desperately need weaponry more advanced than AK-47 assault rifles and shoulder-fired air defense missiles. Syrian Opposition Coalition member Abdelbasset Sida declared to Reuters, "We are nearing the end. Battles in Damascus are drawing very near to the inner sanctum of the regime and I do not expect Bashar to last for long." Another member of the opposition, Riad Seif, said, "We are telling the international community that we don't want their military intervention but we want them to supply us with developed anti-aircraft defense systems" to enforce a no-fly zone in the north. "The Syrian people," he assured, "can finish off the battle within weeks if we get this support." The U.S., however, has explicitly stated that it will not be

providing the Syrian opposition with

arms, like Qatar and Saudi Arabia are. At least not yet. America's recognition of the rebel fighters that are now trying to end the Assad family's 42-year rule is a big step toward regime change in Syria. It may open the way for the U.S. and/or other Western governments to bankroll the rebels to victory. As Trumpet editor in chief Gerald Flurry has been declaring for over a decade, Bible prophecy indicates Syria will switch allegiance from Iran to an alliance of "moderate" Arab states and Germany. News headlines have been showing us precisely how this prophesied alliance could coalesce.

Sharia will win in Egypt

Last weekend Egyptian President Mohamed Morsi annulled his November 22 decree that had granted him totalitarian power and sparked a wave of protests across the nation. The New *York Times* said that by rescinding his decree, Morsi was appeasing his opponents with a "package of concessions." But as columnist Andrew McCarthy wrote December 1, "Morsi grabbed the reins with a shrewd caveat: His dictatorship would end once the draft constitution was approved by Egyptians in a national referendum—which is to say, once the dictatorship had served its purpose." The fact that Morsi has now annulled the decree once the Brotherhood's constitution draft made it through the assembly shows that McCarthy was exactly right. Now that the decree has served its purpose, he no longer needs it. The Brotherhood's strategy, from the beginning, has always been to impose sharia law. The Brotherhood knows if it can just force through its draft and quickly get it to a

A Double-Standard Abstention

Melanie Phillips | December 9

THE DOUBLE standard was breathtaking. The UN vote to give the Palestinians the status of a non-member, observer state has smashed the Middle East peace process to bits.

In bringing this to the General Assembly, Mahmoud Abbas was in unilateral breach of his obligation under the Oslo Accords to proceed by way of bilateral negotiations with Israel.

In response, Israel made a very sharp point of its own by announcing it would now build 3,000 homes in East Jerusalem and the West Bank. It also said it would approve planning and zoning for a more sensitive area called E1 between Jerusalem and the settlement bloc of Ma'ale Adumim.

Israel was thus showing its fury not just with the Palestinians but also with the world. For the UN move not only legitimized an entity that has no legitimacy, thus substituting politics for law, but also punished the permanent victim of its murderous aggression.

Like other EU countries summoning the Israeli ambassador for a dressing-down, [the UK] claimed that the construction "threatened the viability of the two-state solution" and threatened unspecified punishments.

But it is the PA and the UN who have torn up the peace process. There is no longer any agreement to bind Israel to

So why did the UK respond in this obnoxiously perverse way? One explanation that some will favor is its irredeemable hatred of Israel and the Jews.

[M]ore relevant to the row is that Britain obsessively ... believes that the peace process is the only way to achieve the only solution to the Middle East impasse, which is a Palestinian state. In the light of all that has happened, such a belief is totally delusional.

Israel has always accepted a two-state solution. The Palestinians have gone to extreme lengths to demonstrate they will never do so. Instead, they blow up Israeli civilians and indoctrinate Palestinian children to hate and murder Jews. They refused to negotiate with Israel even during a 10-month moratorium on new settlement building.

This is because what they want is not a state of Palestine but the destruction of Israel. ...

Yet here's the really delusional thing about the UK's peace-process obsession. It is precisely because the Palestinians refuse to cooperate with this supposedly vital process that the UK is ever more desperate to get them on

So instead of punishing them for not cooperating, it turns a blind eye to every outrage they commit—while blaming Israel, whose own willingness to negotiate they take for granted, for "provoking" them.

So the UK gives a free pass to racist aggression while punishing its victim. Which is what it and the rest of the so-called "civilized" world have been doing in the Middle East ever since the 1920s. And that, not settlement building, is the real reason why this conflict is the most intractable in the world.

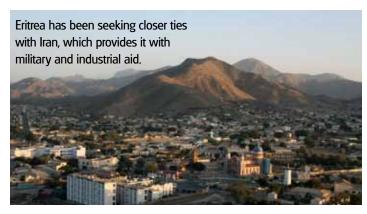
vote, a majority of Egyptians will most likely approve it.

Hamas celebrates 25-year anniversary—and rising international clout

On December 7 in Gaza, thousands of Hamas supporters celebrated 25 years since Hamas's inception. As a part of the celebration, Gazan Prime Minister Ismail Haniyeh and formerly exiled Hamas leader Khaled Mashaal entered center stage by walking out of a large model rocket. Highlights of their speeches that day included such phrases as "not giving up any inch of Palestine" and "We cannot recognize Israel's legitimacy." Despite these and other deplorable actions, there has been little-to-no international outcry. Instead, much of the international community has become sympathetic toward the 25-year-old organization, illustrating

a dangerous new perspective the world has on Hamas. If people were to delve into the last 25 years of Hamas's history, that perspective might be different. In addition to using

suicide bombers to conduct random attacks on Israeli civilians, Hamas has continually bombarded the Israeli cities closest to the Gaza border with rockets. This year alone, 1,697 rockets have fallen on Israel so far-a significant escalation from last year's count of 627. Yet, Hamas has lived in the light of positive public opinion and has been viewed as the underdog in the conflict.



Iran and Israel vie for influence in Eritrea

The small, economically and politically vulnerable country of Eritrea has been accommodating rivals Israel and Iran in exchange for geopolitical support. This has effectively made the East African country yet another prize to be won in their ongoing rivalry. Cooperation with U.S.-allied Israel will help the small, isolated country grow

as a nation and provide support to help prevent an attack from Ethiopia. Israel benefits from this relationship by maintaining intelligence-gathering operations in Eritrea to monitor the Red Sea and Iran. From Iran, Eritrea also receives military support as well as industrial assistance and cash. As Israel is not too keen to jeopardize the good relationship it has with both Eritrea and its nemesis Ethiopia, Israel is thus "less interested in expanding its presence in Eritrea than Iran," Stratfor noted December 11. "As Israel

has expanded its security cooperation with South Sudan and Kenya in recent years, Eritrea has responded by strengthening its ties with Iran." Bible prophecy indicates that both Eritrea and Ethiopia will ultimately fall under the influence of Iran.

EUROPE

Vatican Calls for World Government

ACTIVIST POST | December 10

THE LEADER of the Catholic Church, Pope Benedict XVI, has called for the establishment of world government and a new world order.

In a speech made at the Pontifical Council for Justice and Peace on Monday, December 3, the pope called for the "construction of a world community, with a corresponding authority," to serve the "common good of the human family."

As a means of defending global peace and justice, the pope's vision for the establishment of world government and a new world order is supposedly not to create a new superpower, but a new governing body that offers to those (politicians) who are responsible for making decisions, criteria for judgment and practical guidelines.

The pope was quoted as saying: "The proposed body (world government) would not be a superpower,

concentrated in the hands of a few, which would dominate all peoples, exploiting the weakest."

The pope also described his vision as a "moral force" or moral authority that has the "power to influence in accordance with reason, that is, a participatory authority, limited by law in its jurisdiction."

These latest remarks made by the pope and the Catholic Church come as no surprise considering that in 2010 the Catholic Church sought the establishment of a new central world bank that would be responsible for regulating the global financial industry and the international money supply.

It was reported that the Vatican sought "a supranational authority" which would have worldwide scope and "universal jurisdiction" to guide and control global economic policies and decisions. ...

Fracturing France

GERMAN-FOREIGN-POLICY.COM

December 10

GERMAN-SPEAKING AUTONOMISTS in Eastern France have applauded a decision by French authorities to establish an "Alsatian Regional Council," but are demanding rights of autonomy for the region of Alsace, similar to those for South Tyrol. Strasbourg's recent decision to consolidate important responsibilities for the various regional municipalities in a new "Conseil d'Alsace" (Alsace Council), concords with their objectives, declared supporters of the autonomy movement.

The "Alsace Council" provides, for the first time, an effective political representation for the whole of Alsace, including segments of its Germanspeaking population, thereby fulfilling prerequisites for strengthening an "Alsatian identity."

Other steps are due to follow, for

example the valorization of the German language. The ultimate goal is autonomy, similar to that in the northern Italian South Tyrol province. In South Tyrol, demands for secession from Italy have been growing in intensity. Specialists of German policy toward "ethnic minorities" assume that decisions in Alsace will

give impetus to other French regionalists—for example, Basque separatists.

President of the European Commission Jose Manuel Barroso (left) and European Union President Herman Van Rompuy are pushing a United States of Europe reality.

IW IN BRIEF

United States of Europe 'likely' to be formed by 2020

Most European Union nations will combine together to form a United States of Europe, European Commission Vice President Viviane Reding said in an interview published December 10. "I consider it to be likely that the eurozone states by 2020—then including the Baltic states and Poland—together will found the United States of Europe, while Great Britain in a looser association continues to take part to economic integration," she said. Even in the medium term, Europe needs "clear federal structures, decisionmaking powers in place and strong democratic control where decisions are made," she said. The European

Commission should become a European government, she added. Reding is also commissioner for justice, fundamental rights and citizenship. Her interview was published as European leaders receive the Nobel Peace Prize in Oslo. Europe's leaders are gradually becoming more explicit in their calls for a superstate. It is clear that those at the top see the euro crisis as an opportunity to create the Europe they've wanted all along.

Did Islamic terrorists try to bomb Bonn?

A bomb that could have created a "large fireball" was discovered at

Bonn Central Station December 10. CNN reports that German intelligence believes Muslim terrorists were behind the plot. The Interior Ministry warned that there is an increased risk of an attack on Germany's Christmas markets. A 14-year-old boy alerted police to a blue bag that had been placed beside the train track. The bag contained a pipe bomb made with ammonium nitrate and four containers of propane gas. "The propane gas cartridges would have caused a very large and dangerous fireball," said the head of the investigation for the Cologne police, Norbert Wagner. "The chemicals were highly explosive." Authorities quickly

arrested two men, whom CNN identified as Omar D. and Abdifatah W. Both were released, but CNN reported that Omar is still a suspect. German newspapers report that Omar has links to Islamic terrorists in the area. However, the authorities aren't certain who is behind the bomb. Last year, a leftwing group claimed responsibility for several bombs found on railway lines in Berlin. Terrorist attacks can radically change the direction of a country. The 9/11 attacks upturned American foreign policy. The Madrid bombings probably changed the course of an election. A terrorist attack could have a similar effect on Germany.

ASIA

China's Economy to Surpass U.S.

December 14

CHINA WILL probably surpass the United States and become the largest economy in the world by 2030. That's the finding of a new study, called "Global Trends 2030: Alternative Worlds." The report, which was issued by the United States National Intelligence Council, paints a faded picture of American prominence.

Justin Logan, the director of foreign policy studies at the Cato Institute, said that the report's conclusion was not

necessarily surprising, yet it could impact the nation's future political direction.

"[W]e're a big, powerful country that does a lot of things in the world, so even slight changes in how American policy-makers think can have big consequences," Logan said.

China's economy grew 7.7 percent this year, and is predicted to grow nearly 8.5 percent in 2013.

Meanwhile, America's economy grew at only about 2 percent and is expected to grow at about the same rate next year.

The divergence between America and China can also be measured in debt. According to the Treasury department, the United States owes China about \$1.15 trillion dollars, and it owes Hong Kong another \$135 billion. Analysts suspect that China also owns additional U.S. debt through proxies in the United Kingdom. As America's debt grows, China's

financial position strengthens.

God prophesied in Deuteronomy 28:44 that foreign countries would overtake modern Israel, including the United States financially: "He shall lend to thee, and thou shalt not lend to him: he shall be the head, and thou shalt be the tail."

To understand why the western financial system is failing, read *The United States and Britain in Prophecy.*



U.S. Hesitates to Condemn North Korea

CHRISTIAN SCIENCE MONITOR | December 12

THE OBAMA administration has made it clear the U.S. will not tolerate Iran or Syria's acquisition of

nuclear weapons, but North Korea's missile program is a trickier situation diplomatically.

The Obama administration is drawing no "red line" for North Korea after a successful long-range rocket test, tempering the public condemnation to avoid raising tensions or possibly rewarding the reclusive Communist

nation with too much time in the global spotlight. ...

The U.S. wants to forcefully condemn what it believes is a "highly provocative act," and that was the first public reaction from the White House late Tuesday. But it also is mindful of the turmoil on the Korean peninsula and treading carefully, offering no threat of military action or unspecified "consequences" associated with other hot spots.

Just two years ago, the North allegedly torpedoed a South Korean warship and shelled a South Korean island. Some 50 South Koreans died in the attacks that brought the peninsula to the brink of war.

North Korea already has the deterrent of a nuclear weapons arsenal. The U.S. is bound to protect next-door South Korea from any attack

"No doubt Pyongyang is pleased. It again has unsettled its leading adversaries. And it is in the news around the world," said Doug Bandow, senior fellow at the Cato Institute. ...

Wednesday's surprising, successful launch raises the stakes, taking North Korea one step closer to being capable of lobbing nuclear bombs over the Pacific. As the North refines its technology, its next step may be conducting another nuclear test, experts warn.

The three-stage rocket is similar in design to a model capable of carrying a nuclear-tipped warhead as far as California. The rocket launched a satellite into space. ...

TW IN BRIEF

Chinese plane enters Japan's Senkaku airspace for first time

A Chinese government aircraft entered Japanese airspace on Thursday, over the disputed Senkaku Islands in the East China Sea. It was the first such intrusion by China into Japan, and prompted protests from the Japanese government. Japan's Air Self-Defense Force scrambled F-15 fighter jets to the location after

the Chinese plane was seen 10 miles south of Uotsuri Island, which is also claimed by China. On the same day, four Chinese maritime surveillance ships entered Japanese waters around disputed islands in the Okinawa prefecture, marking the third consecutive day Chinese watercraft have entered those waters. "We are determined to deal firmly with action that violates our country's sovereignty in accordance with domestic laws and regulations," said Japan's Chief Cabinet Secretary Osamu Fujimura. As China becomes more belligerent, many Asian states are moving to expand their military capabilities. The increased defense spending throughout the East is, at present, largely the result of disputes among Asian nations. But all of that military might will soon be pooled together and channeled against a powerful European enemy.

■ North Korean missile strikes its target of worrying the world

On Wednesday, sanctions-battered North Korea placed its first satellite into Earth's orbit, representing a major breakthrough in its strategic ballistic missile development program. Eight months ago, a similar rocket exploded less than 90 seconds after it launched, so the latest successful launch demonstrates the communist nation is making quick advances in rocket technology. Some analysts believe Pyongyang's technological strides are due to assistance from China. North Korea's missile has a range of 6,212 miles, which is sufficient to reach the west coast of the United States. Since the nation also has a nuclear arsenal, the successful

launch presents alarming possibilities to Washington. Daryl Kimball, the Arms Control Association executive director, called the launch "worrisome," adding that it is "another step in the wrong direction." Since Pyongyang has yet to master atmosphere re-entry or precision targeting, its most direct military threat is still toward its Asian neighbors. The North Korean threat is intensifying, and so long as it remains a thorn in America's side, you can expect China to continue to sharpen it.

New law lets China search, board any foreign boat in South China Sea

Starting Jan. 1, 2013, Chinese naval officials will be allowed to board, search, detain or expel all foreign vessels entering the South China Sea region, according to a new law passed last week by the maritime government of Hainan. The law represents the boldest Chinese statement yet in its pursuit of sovereignty over the entire South China Sea. As China's economic heft and military might continue to grow, and as American will fades, watch for Beijing's belligerent behavior to increase. As China rises, weaker Asian nations will be compelled to abandon the sinking U.S. ship. This shift will lead to the establishment of a colossal Asian power bloc.

"Red China insists it has a legal right not only to Tibet but to many parts of India and Southeast Asia. ... Their constant dream for centuries has been ultimate world conquest!"

> — Herbert W. Armstrong Plain Truth, December 1959

ANGLO-AMERICA

U.S. Out as Sole Superpower

POLITICO | December 10

A NEW report by the intelligence community projects that the

United States will no longer be the world's only superpower by 2030. "In terms of the indices of overall power—GDP, population size, military spending and technological investment—Asia will surpass North America and Europe combined," the report concludes.

"Global Trends 2030: Alternative Worlds"—prepared by the office of the National Intelligence Council of the Office of the Director of National Intelligence—projects that the "unipolar" world that emerged after the fall of the Soviet Union will not continue.

Treasury Bubble Grows

BLOOMBERG | December 11

THE RALLY in treasuries that pushed yields on bills below zero percent this week is adding to concerns that the \$5.3 trillion market for government debt is a bubble waiting to burst.

Investors seeking safety from losses in equity and credit markets charged the Treasury zero percent interest when the government sold \$30 billion of four-week bills on December 9, the same day three-month bill rates turned negative for the first time since the U.S. began selling the debt in 1929. Yields on two-, 10- and 30-year securities touched record lows this month.

"Treasuries have some bubble characteristics, certainly the treasury bill does," said Bill Gross, co-chief investment officer of Newport Beach, California-based Pacific Investment Management Co., which oversees the world's largest bond fund. "A treasury bill at zero percent is overvalued. Who could

argue with that in terms of the return relative to the risk?" he said in a Bloomberg Television interview yesterday. ...

Rising supply of government debt to pay for the bailout of the economy and financial system has done little to damp demand. Treasury Assistant Secretary Karthik Ramanathan said in a speech yesterday in New York that the U.S. may introduce new financing methods to meet borrowing needs of \$1.5 trillion to \$2 trillion in the financial year that ends in September. ...

David Rosenberg, the chief North American economist at New York-based Merrill Lynch, said last week that demand for treasuries had reached the "bubble" phase like in technology stocks in 2000 and real estate six years later. ...

"At some point we are going to get some signal, some indication that this massive policy response is getting some traction," said Mitchell Stapley, who oversees \$22 billion as chief fixed-income officer for Grand Rapids, Michigan-based Fifth Third Asset Management. "The flight out of treasuries is something that will be breathtaking."

"With the rapid rise of other countries, the 'unipolar moment' is over and no country—whether the U.S., China, or any other country—will be a hegemonic power," the report argues.

"The United States' relative economic decline vis-a-vis the rising states is inevitable and already occurring, but its future role in the international system is much harder to assess," it argues. ...

"A collapse or sudden retreat of U.S. power would most likely result in an extended period of global anarchy," it argues.

Many Blame Weather on 'End Times'

REUTERS | December 13

NEARLY FOUR in 10 U.S. residents say the severity of recent natural disasters such as Superstorm Sandy is evidence the world is coming to an end, as predicted by the Bible, while more than six in 10 blame it on climate change, according to a poll released on Thursday.

The survey by the Public Religion Research Institute in partnership with the Religion News Service found political and religious disagreement on what is behind severe weather, which this year has included extreme heat and drought. Most Catholics (60 percent) and white non-evangelical Protestants (65 percent) say they believe disasters like hurricanes and floods are the result of climate change.

But nearly two thirds (65 percent) of white evangelical Protestants say they think the storms are evidence of the "end times" as predicted by the Bible.

Overall, 36 percent point to end times and 63 percent to climate change.

PRRI research director Daniel Cox

said that some respondents—including 75 percent of non-white Protestants—believe extreme weather is both evidence of end times and the result of climate change.

The PRRI survey ... also found that 15 percent of Americans believe that the end of the world, as predicted by the New Testament's book of Revelation, will occur in their lifetime. Some 2 percent believe that the end of the world, as predicted by the ancient Mayans, will occur by the end of this year. ...

Government-Created Financial Crisis

Walter E. Williams, NEW AMERICAN | December 12

SUPPOSE YOU saw a building on fire. Would you seek counsel from the arsonist who set it ablaze for advice

on how to put it out? You say, "Williams, you'd have to be a lunatic to do that!" But that's precisely what we've done: turned to the people who created our fiscal crisis to fix it. I have never read a better account of our doing just that than in John A. Allison's new book, *The Financial Crisis and the Free Market Cure*.

Allison is the former CEO of Branch Banking and Trust, the nation's 10th largest bank. He assembles evidence that shows that our financial crisis, followed by the Great Recession, was caused by Congress, the Federal Reserve, Freddie Mac and Fannie Mae and was helped along by the Bill Clinton, George W. Bush and Barack Obama White Houses.

The Federal Reserve, under the chairmanship of Alan Greenspan, created the massive housing bubble by over-expanding the money supply. President Bush and members of Congress, through the Community Reinvestment Act, intimidated banks and other financial institutions into making home loans to people ineligible for loans under traditional lending criteria. They became subprime lenders. Lending institutions made these loans, now often demeaned as predator loans, because they knew they'd be sold to government-sponsored enterprises (GSES) Freddie and Fannie.

The GSES had no problem taking

Connecticut Elementary School Shooter

ASSOCIATED PRESS | December 14

SHOOTER at a Connecticut elementary school that left A27 people dead, including 20 children, was identified as 20-year-old Adam Lanza.

A law enforcement official in Washington said Lanza, who was killed at the scene, had apparent ties to the school and that one of the guns was a .223-caliber rifle. His mother worked at the school and police were search-

ing a location in Hoboken, N.J., where his father lives. Adam's brother, 24-year-old Ryan, is being questioned.

The killings happened at Sandy Hook Elementary School in Newtown, about 60 miles northeast of New York City. ...

The shooting is the latest mass violent incident in a year that in recent days saw a deadly mall shooting in Oregon, and months

ago a gunman opened fire in a suburban Colorado movie theater that killed about a dozen. Both gunmen are in their 20's. The Oregon shooter killed himself after killing two other people. ...

Speaking at a brief conference, Connecticut state police said that the shooter is deceased and remains inside the school. ...

Stephen Delgiadice said his 8-year-old daughter heard two big bangs and teachers told her to get in a corner. His

> daughter was fine. "It's alarming, especially in Newtown, Connecticut, which we always thought was the safest place in America," he said. ...

Richard Wilford's 7-year-old son, Richie, is in the second grade at the school. His son told him that he heard a noise that "sounded like what he described as cans falling." ... "There's no words," Wilford said. "It's sheer

terror, a sense of imminent danger, to get to your child and be there to protect him."

this risky path, because they knew that Congress would force taxpayers to bail them out. Current Fed Chairman Ben Bernanke is following in the footsteps of his predecessor by massively expanding the money supply by purchasing Treasury debt. He is creating prime conditions for a calamity by the end of this decade.

Then there were the crony capitalists, among whom are Goldman Sachs, Citigroup, Countrywide, Bear Stearns, JPMorgan Chase, General Motors and Chrysler. These and many other companies, through the thousands of Washington lobbyists they hire, are able to get Congress to shortcut market forces. ... That's why they descend upon Washington calling for government bailouts, subsidies and special privileges. ... With a campaign contribution here and a gift there, they get Congress and the White House to act against the best interests of consumers and investors. ...

Allison says that crony capitalism should not be our only concern. The foundation for economic collapse ... has already been set. Social Security and Medicare deficits, unfunded state and local pension liabilities,

government operating deficits, baby boomer retirement and a failed K-12 education system have eaten out our substance.

Ezekiel 7:23-25 describes America today: "Make

a chain: for the land is full of bloody crimes, and

the city is full of violence. Wherefore I will bring

the worst of the heathen, and they shall possess

their houses. ... Destruction cometh; and they

shall seek peace, and there shall be none." The

Bible prophesies that so many bloody, violent

crimes will occur that they will be like links in a

chain—one right after another.

What I take away from Allison's highly readable book is that our biggest problem lies in the Federal Reserve's ability to manipulate our monetary system to accommodate big government and use inflation to rob Americans. ...

TW IN BRIEF

UK to allow homosexual 'marriage'

Britain's Conservative government unveiled plans to allow homosexuals to "marry," December 13. The legislation will be passed next year, allowing homosexual "marriage" by 2014. Britain already allows homosexuals to form civil partnerships that give them the same legal rights as married couples. Few in power seem to think that allowing homosexual "marriage" is wrong. The debate in Britain focuses around such things as whether allowing it would lead to those who refuse to conduct a homosexual ceremony being taken to court for discrimination. So the law is designed to provide

"watertight" protection to any religion that does not want to conduct these new ceremonies. Scotland has a separate legal system and is drawing up its own plans. But the homosexual "marriage" debate is about much more than whether someone is allowed to follow their conscience or not. For more information on why this subject is vital to the future of Britain, read our article "Why Same-Sex Marriage Will Always Be Illegal" from the September 2008 print edition of the *Trumpet*.

UK Census: Christianity falling, Islam rising as immigrants flood in

The number of Christians in England and Wales has fallen by 12.5 percent from 72 percent to 59 percent—since 2001, while all other major religious groups are increasing, according to data released December 11 from Britain's 2011 Census. By far the fastest growing religion is "none"—the percent of those with no religion has gone from 15 to 25 percent. The nextfastest growing religion was Islam, rising from 3 percent to 5 percent. The census also showed that 13 percent, or 7.5 million, of the population of England and Wales was not born in

the UK. Of that number, 3.8 million arrived between 2001 and 2011. The data also revealed in 2001, 51 percent of residents over the age of 16 were married. Now that figure is 47 percent. In the meantime, the proportion of adults who had never married rose from 30 percent to 35 percent. Overall this data paints a clear picture of a changing Britain. The traditional is in decline and the secular is growing. For a deeper look at the rise in people without religion, read Dennis Leap's feature article from the January 2013 Trumpet, "America's New Religion: None."

Forty percent of babies born to single women

Marriage in America is on the way out. According to one study from the Pew Research Center, "The number of American adults who are married has fallen from 72 percent in 1960 to barely 51 percent, and the number of new marriages fell 5 percent between 2009

and 2010." With 95 percent of Americans engaging in premarital sex, it's no wonder so many babies are born out of wedlock—a whopping 40 percent. The increase in babies conceived out of wedlock also leads to higher abortion rates: About 85 percent of women who seek an abortion are single. These distressing statistics are the inevitable result of the total breakdown of the family. The Apostle Paul prophesied of our epidemic selfishness, preoccupation with material things, disobedient children, loss of natural familial affection (such as is manifest in the appalling abortion rate), and other rampant problems (2 Timothy 3:1-5).

Canadian housing bubble to pop

Canada is on the verge of a real-estate crisis similar to the one that crippled the U.S. economy in 2008. Robert Shiller, an economist who predicted the infamous U.S. housing bubble, said he worries that what is happening in Canada right now is "kind of a

slow-motion version of what happened in the U.S." For starters, Canada is neck deep in debt. Since 1990, the average household debt has risen from 75 percent of household income to 150 percent. Any break in the economy could spell disaster. Canadians are falling for the deception that housing prices will never decline. The false sense of security that comes from believing that the Canadian government will be able to protect the populace from such a disaster has blinded many homeowners. Recently, Moody's Investors Service warned that it may cut the credit ratings of six of Canada's largest banks. Moody's is concerned over the growth in debt outpacing the growth in income, and the high-risk involvement that several of the banks have with the volatile American and European markets. A few years ago, the U.S. had the same symptoms Canada has now: heavy debt, credit downgrades, rising housing prices, misplaced confidence in the system.

OTHER NEWS AND NOTES

The Easiest, Cheapest Way to Stay Healthy

HEALTHLINE | December 14

N EASY action that takes just 20 seconds can cut your Arisk for catching a cold, flu or other contagious diseases by up to 51 percent, recent studies show. And if everyone made it a regular habit, one million deaths a year would be prevented, according to the Centers for Disease Control, which calls this habit the single most important way to avoid spreading infection.

Frequent hand washing with soap and water can save you money—and misery—by helping you avoid medical bills, missed workdays, or having to stay home with a sick child. And you'll also protect your friends and family: A CDC survey found that 40 million Americans a year fall prey to illnesses spread by hands, which can harbor up to 500,000 bacteria per square centimeter.

Not only does lathering up protect you from respiratory illnesses like colds, but it also helps ward off more serious conditions, including hepatitis A, meningitis, and potentially life-threatening superbug infections, such as MRSA. Overall, 80 percent of all infectious diseases are spread by

Here are just a few research findings that illustrate the protective power of clean hands:

Kids who washed their hands four times a day had 25

percent fewer school absences due to contagious diseases and 57 percent fewer sick days due to GI bugs.

When 40,000 Navy recruits were instructed to wash their hands five times a day, their rate of respiratory infections fell by 45 percent, according to a study published in American Journal of Preventive Medicine

Washing with soap and water lowers risk for diarrhea and severe or fatal intestinal infections by up to 59 percent, a systematic review published in *Lancet* reported.

Ninety-one percent of Americans say they wash their hands after using a public toilet, but an observational study conducted in six U.S. airports found that only 26 percent of men and 17 percent of women actually did. And here's something to ponder before you shake someone's hand during cold and flu season: A recent survey also found that only 24 percent of men and 39 percent of women always wash their hands after they cough or sneeze.

Hand hygiene among doctors is even worse, with 73 percent of pediatric ICU physicians claiming that they soaped up between patients, but when the MDs were secretly observed, only 10 percent actually washed. If doctors and nurses were more diligent about hand hygiene, up to 80,000 Americans lives would be saved each year.

SURRENDER from page 1

And remember, Greece is on its second—and by some counts third—bailout. The troika will have plenty of opportunities to extract more concessions from Cyprus.

With radical Islam on the march, European strategists will be more interested in Cyprus than ever. Under Britain, the island was a vital base for projecting power into Egypt and the Levant. But Cyprus has been used as a military base long before the British Empire. King Peter 1 of Cyprus used his fleets to lead European armies to victory in Egypt and Lebanon.

As radical forces that could threaten Europe rise in these same areas, you can be sure Cyprus is on Europe's radar.

Cyprus is a key radar station for monitoring the Middle East. "It has been joked that 'a mosquito can't take off in Tehran without the radar watchers in Cyprus knowing," wrote James Leigh and Predrag Vukovic in an article for the GLORIA Center. "Cyprus is also a listening post from which to monitor electronic communication media, very helpful for signals intelligence. With the surveillance technology installed in Cyprus, for decades, Britain has been able to share intelligence data with the United States, and now, no doubt, with the EU, as a member state."

The United States also highly values the island. A confidential note from America's embassy in Cyprus published by WikiLeaks shows that while Cyprus itself is "too small, too distant, and too lacking in natural resources to affect U.S. interests," the intelligence apparatus is not. If America lost access to the British bases there, and their radar and signal intelligence, it "would pose a threat to our national

security interests in the eastern Mediterranean," the embassy said.

Trumpet editor in chief Gerald Flurry has often pointed out the geographic importance of Cyprus. "More than one crusade has been launched from Cyprus," he wrote last year. "Will we see the last crusade launched from there as well? Is history about to repeat itself?"

"Cyprus is now a member of the EU," he continued. "Are European leaders already thinking about Cyprus as a launching pad from which to protect their Jerusalem interests? You can be certain that they are thinking about how to protect the holy places in and around Jerusalem. The Europeans have thought like this for almost 2,000 years!"

It is now common knowledge that EU elites created the euro knowing it would cause a crisis. This crisis, they hoped, would force Europe to integrate further—something that had so far been unacceptable to Europe's public.

It worked. EU elites are now talking about creating a European federation, and even a "United States of Europe." Greece became a German protectorate. And now the crisis has dropped Cyprus into their lap too—just as radical Islam takes over Egypt.

Mr. Flurry has also shown how Iran's strategy revolves around controlling the Red Sea and pushing at Europe in the Mediterranean. Where better to push back from than Cyprus? Britain used the island nation to cover the mouth of the Sinai canal. And it is simply the best place from which to project power around the eastern Mediterranean.

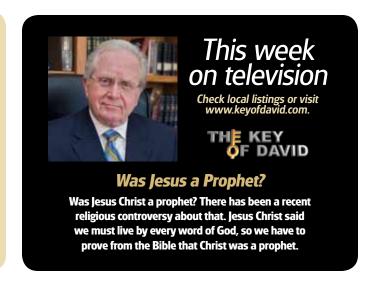
Watch for the European Union to take full advantage of its newly acquired real estate.

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