



**THE TRUMPET WEEKLY**

AUGUST 15, 2014

**U.S. returns to Iraq—again** 2

**Ukrainian forces destroy Russian convoy** 7

**Riots—coming to a city near you** 9

**Islamic State supporters hand out leaflets in UK** 10

**As goes Walmart, so goes the economy** 11

# How Long Until the Euro Crisis Flares Up Again?

BY RICHARD PALMER

EUROPE'S ECONOMY is not getting better, and even Germany is struggling, according to the latest reports by Eurostat, the European Union's official statistics agency. The eurozone's economy did not grow at all between

April and June of this year, Eurostat reported August 14. Both Germany and Italy saw their gross domestic products shrink by 0.2 percent. Across the Continent, nations are being forced to reduce their forecasts **see CRISIS page 12**



## U.S. Returns to Iraq—Again

David Vejlil | August 8

UNITED STATES President Barack Obama ordered airstrikes in Iraq against militants from the Islamic State on August 7. The attack, which stopped the jihadists from overrunning the city of Irbil, came 2½ years after the Obama administration pulled U.S. forces out of Iraq.

The Islamic State militants have blitzed cities across northern and western Iraq, including the nation's second-largest city, Mosul, and its largest dam, Mosul Dam. Jihadists were approaching Irbil, which is the regional capital of Iraq's semi-autonomous Kurdish territory. It also contains a U.S. consulate and about three dozen American diplomats, military advisers and civilian consulate personnel. President Obama authorized U.S. forces to "take action if these terrorist forces threaten our personnel or facilities anywhere in Iraq, including our consulate in Irbil ...."

The president also authorized humanitarian airdrops of food, water and medical supplies to help save starving Iraqi civilians who are blockaded and trapped on Mt. Sinjar in northern Iraq.

During the announcement on August 7, President Obama used the example of one dispirited Iraqi who cried to the world for help that wasn't coming. "Well, today," the president said, "America is coming to help."

The onslaught has pushed Iraq into its worst crisis since the 2011 withdrawal of U.S. troops. The airstrikes mark the deepest American engagement in Iraq since that time. However, President Obama said that American combat troops would not be sent back to Iraq. He said "there's no American military solution to the larger crisis in Iraq."

Since the Iraq War began in 2003, America has not had any solution for the Iraqi people.

## Israel Outflanks White House

WALL STREET JOURNAL | August 13

WHITE HOUSE and State Department officials who were leading U.S. efforts to rein in Israel's military campaign in the Gaza Strip were caught off guard last month when they learned that the Israeli military had been quietly securing supplies of ammunition from the Pentagon without their approval.

Since then, the Obama administration has tightened its control on arms transfers to Israel. ...

The [U.S.-Israel] battles have driven U.S.-Israeli relations to the lowest point since President Barack Obama took office. ...

U.S. officials said Mr. Obama had a particularly combative phone call on Wednesday with [Israeli Prime Minister Benjamin] Netanyahu, who they say has pushed the administration aside but wants it to provide Israel with security assurances in exchange for signing onto a long-term deal. ...

While the military-to-military relationship between Israel and the U.S. was operating normally, ties on the diplomatic front were imploding. ...

A top Israeli official said [of the rift:]

"We've been there before with a lot of tension with us and Washington. What we have now, on top of that, is mistrust and a collision of different perspectives on the Middle East," the official said. "It's become very personal."

Related: ["The Tie That Binds America, Britain and Israel"](#)

## Islamic State Joining Gaza Terror War on Israel

ARUTZ SHEVA | August 11

AS OPERATION Protective Edge holds in a temporary ceasefire, evidence has come out revealing the extent of the extremist Sunni group Islamic State's ... involvement in the terror war against Israel from the Hamas stronghold of Gaza.

Terror organizations associated with Islamic State and al Qaeda have been proven to be joining the fight against Israel in Gaza, firing rockets on Israeli civilian population centers and attacking Israel Defense Forces (IDF) troops. ...

Islamic State terrorists have already

been proven to be active in Gaza in a video uploaded by the group in July, showing them firing rockets on Israel. Perhaps more troubling is a *Channel 10* report, which, on Sunday, exposed that in recent months black Islamic State flags have been commonly seen in Arab-Israeli towns in northern and coastal Israel, notably in the cities of Nazareth and Akko.

Since the beginning of Operation Protective Edge on July 8, the Islamic State and al Qaeda-associated organizations in Gaza have announced the deaths of at least 13 of their terrorists in the fighting against the IDF and Israel. ...

## UK to Block Arms Exports to Israel

RUSSIA TODAY | August 13

TWELVE LICENSES for British companies to sell arms to Israel will be suspended if fresh hostilities break out in Gaza, the United Kingdom government announced, following a review of licensed exports to Tel Aviv. ...

"No new licenses of military equipment have been issued for use by the Israel Defense Forces during the review period and as a precautionary

# Why Iran Has Finally Let Go of Maliki

**BBC PERSIAN** | August 13

**L**ESS THAN two months ago, Iran's Supreme Leader, Ayatollah Ali Khamenei, spelled out his position on Iraq.

Iran was against United States intervention, he said, and the world should respect the results of Iraq's April election which saw victory for Nouri Maliki's alliance.

But the ayatollah has been overtaken by events.

The past week has seen the U.S. launch air strikes against Islamic State militants in northern Iraq, while in Baghdad, Mr. Maliki has failed in his bid to return to the prime minister's office.

Although this all goes contrary to Iran's stated wishes, officials in Tehran have said almost nothing.

"Iran's silence shows they are happy with what's happening in Iraq," says Ghassan Attiyah, president of the Baghdad-based Iraqi Foundation for Development and Democracy.

Mr. Attiyah says that Iraq's new Prime Minister Haider al-Abadi has strong ties to Iran, and, for this reason, the Iranians have not tried to block his nomination.

"They were not happy with Maliki from the beginning but they accepted him because the Shia bloc supported him

in parliament," he says. ...

Iran has also confounded expectations that it would issue an angry condemnation of the U.S. air strikes this week on Islamic State positions in northern Iraq.

In fact, in a striking change of tone, an adviser to Iranian Foreign Minister Mohammad Javad Zarif said on Monday that Iran and the U.S. should work together to counter Islamic State in Iraq. ...

"Maliki won't leave easily," says Mohsen Milani, the Iranian-born director of the Center for Strategic and Diplomatic Studies in Florida. "But if both Iran and the U.S. support the new government, he has to go."

Mr. Maliki said Mr. Abadi's nomination was a "violation of the constitution" but for Iran what is important at the moment is to see a unified Shia bloc in Iraq and a new government formed without further delay.

And if Mr. Maliki cannot deliver either of these things, then as far as Iran is concerned, his time is up.

**Related: "Is Iraq About to Fall to Iran?"**

measure this approach will continue until hostilities cease," [Business Secretary Vince Cable said]. ...

But the Campaign Against Arms Trade condemned the UK government's "outrageously weak response to its own review of licensed exports to Israel." ... [The group's spokesman, Andrew] Smith, added that the UK's decision to suspend these licenses only if the violence resumes is "simply not good enough." ... "[The UK] should announce a full embargo on all arms sales to Israel as well as an end to all military-industrial collaboration with Israel," Smith said.

Baroness [Sayeeda] Warsi, who quit as a Foreign Office minister last week over government policy on Gaza, said the UK's position on arms export licenses to Israel was "morally indefensible." ...

Last week, Deputy Prime Minister Nick Clegg, leader of the Liberal Democrats, called for arms export licenses to Israel to be suspended.

**"Then I cut asunder mine other staff, even Bands, that I might break the brotherhood between Judah and Israel."  
—Zechariah 11:14**

## Hamas Riddles Former Spokesman With Bullet Holes

**ALGEMEINER** | August 8

**F**ORMER HAMAS spokesman Ayman Taha was executed by firing squad on Tuesday with bullet holes to his head and chest; his body [was] dumped in front of Gaza's Shifa Hospital, where it laid untouched for an hour, before gunmen returned to remove it from the scene, the *Al Quds* daily reported in Arabic late Thursday, citing unnamed sources.

*Al Quds* said that Hamas banned publication of the story of his death, but then later said the body was at the hospital.

On Friday, Hamas issued a statement, reported by AFP [Agence France-Presse] without mentioning the *Al Quds* version, that Israeli forces had "targeted him in the apartment where he was with several others in Gaza City" in the Sheja'ia neighborhood. AFP cited a medical source as saying that the body was brought to the "hospital in Gaza City before it was transferred to his family's home in the Bureij camp."

In [the] midst of its war with Israel, Hamas executed some two dozen Gazans it alleged were collaborators with Israel in Sheja'ia during a momentary ceasefire. It also blamed those deaths on Israel, though it later admitted to carrying out executions. ...

**Related: "Another Hamas Victory in the Propaganda War" and "Hamas Leader Admits Ceasefire Only a Tactic"**

## Israel's Annihilation Just Started

**ALGEMEINER** | August 13

**P**ALESTINIAN AUTHORITY Envoy to Tehran Salah al-Zawawi told supporters of Gaza on Tuesday that "Israel's annihilation has begun and the new generation in Iran will certainly witness our victory over Israel," according to Iranian semi-official state news agency Fars. "The [United States] and the Western countries have created a fake regime in Palestine to get rid of it and have supplied it with the most advanced weapons and are seeking to create an Israel from the Nile to

the Euphrates,” Zawawi said.

On Monday, Hamas envoy to Tehran Khaled al-Qadoumi told a conference of Gaza supporters that, “The only mechanism for liberating Palestine is resistance and we have no option other than supporting the resistance,” according to Fars, which also cited him as saying “that Hamas will not talk to those who are willing to make compromise and have negotiations with Israel.”

As the Iranian press flouted the regime’s support of Hamas, to which it sent Fajr-5 missiles and Ababil drones for use against Israel, al-Qadoumi recognized Iran’s support, saying, “We hope to be able to make our missiles more advanced with the help of the knowledgeable Iranians.” ...

On Monday the deputy chief of staff of the Iranian Army called for an armed Palestinian intifada in the West Bank.

## Islamic State Funds Caliphate With Mosul Dam

**BLOOMBERG** | August 11

**I**SLAMIC STATE militants, who last week captured the Mosul Dam, Iraq’s largest, had one demand for workers: Keep it going.

Arriving in their Toyota pickup trucks, armed with Kalashnikov assault rifles and wearing a patchwork of military uniforms, robes and turbans,

jubilant militants from the al Qaeda breakaway group told workers hiding in management offices they would get their salaries as long as the dam continued to produce electricity for the region under their control, according to a technician who was at the dam when nearly 500 militants drove off Kurdish troops.

Islamic State’s rampage through northern Iraq has inspired terror as stories spread of beheadings and crucifixions. At the same time, its fighters are capturing the strategic assets needed to fund the Islamic caliphate it announced in June and strengthen its grip on the territory already captured.

“These extremists are not just mad,” said Salman Shaikh, director of the Brookings Institution’s Doha Center in Qatar. “There’s a method to their madness, because they’ve managed to amass cash and natural resources, both oil and water, the two most important things. And of course they are going to use those as a way of continuing to grow and strengthen.”

The dam is the most important asset the group captured since taking Nineveh province in June. The group controls several oil and gas fields in western Iraq and eastern Syria, generating millions of dollars in daily revenue. ...

The group, which used to call itself Islamic State in Iraq and the Levant, is using the dam as a hideout because it knows it wouldn’t be bombed, [a dam technician] said, declining to give his

name out of fear for his safety. ...

Aziz Alwash, an environmental adviser to the Water Resources Ministry, said he’s concerned the militants will use the dam to blackmail the government. The dam needs cement injections as part of its maintenance, he said.

“Mosul city would drown within three hours” if the dam broke, he said August 10 in a telephone interview. Other cities down the road to Baghdad would also be inundated while the capital would be under water within four hours. The dam has a capacity of 20-30 billion cubic meters, he said.

The dam “provides the group with leverage against the Iraqi government and shows that they’re a serious threat to the stability of the Iraqi state,” Natasha Underhill, a political scientist at Nottingham Trent University, wrote in an e-mailed response to questions. “The group is rapidly developing its ideal of creating a caliphate.” ...

Despite their brutal tactics which include mass execution of Shiite Muslims and members of religious minorities, the Islamist militants have been welcomed by some Sunnis in both Iraq and Syria. Some residents hailed the militants because they hadn’t had electricity for days, the technician at the dam said, adding that they blamed the Kurdish fighters for the power failure.

“It’s been a big mistake for some people to think that these guys are some ragtag outfit,” said Shaikh of the Brookings Institution.

## EUROPE

### Europe Is in an Epic Depression

**THE WEEK** | August 15

**E**CONOMIC GROWTH in Europe came in at zero in the second quarter of 2014. That’s better than being in recession. But it’s not the growth that Europe—with its huge unemployment rate of 12 percent, or roughly 19,130,000 people out of work—needs.

The eurozone ... has been in a depression since the financial crisis. That’s because in terms of gross domestic product, the eurozone has not risen back to its pre-financial crisis levels. The U.S. ... on the other hand has gotten out of its slump, and continues to grow at a decent clip:

With industrial production stagnant, mass unemployment still a problem, and inflation on a downward trend, economists such as the *New*

*York Times*’s Paul Krugman worry that Europe is turning into Japan. The former second-largest economy in the world has spent over 20 years in a deflationary depression, a spiral of falling prices which encourage people to sit on cash, causing prices to plunge even further. Europe—with its aging population—has similar demographics to Japan, too, worsening the likelihood that it might end up in the same trap.





## Calling on Germany

**STEPHEN FLURRY** The most underestimated trend in world news



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- ["Britain Turns Against Israel"](#)
- ["ISIS Decapitating, Raping in Iraq and Syria—U.S. Media Silent"](#)

That might be bad, but it's still a lot better than total collapse—which is what was widely feared in 2011 and 2012 .... But by this point it should be pretty clear that simply containing the sovereign debt crisis isn't enough. ... Things are bad, and getting worse ....

### TW IN BRIEF

#### ■ Vatican steps up calls for intervention in Iraq

During his Sunday blessing on August 10, "Pope Francis used *unusually strong language* to condemn the actions of [the Islamic State]," according to the *Guardian* (emphasis added). In two other moves that signal how serious the Vatican and the pope are about the ongoing situation with the Islamic State in Iraq, he is dispatching his close ally, Cardinal Fernando Filoni, Prefect for the Congregation of the Evangelization of Peoples, as a personal envoy to the country; and according to the *Guardian*, the Vatican is also planning to meet with all its envoys from the region sometime

in September. The pope is acting on strong internal and external Catholic support for action. On August 12, the Vatican continued to call for more action, even going so far as to condone military action. Archbishop Giorgio Lingua, the pope's ambassador to Baghdad, told Vatican radio that United States President Barack Obama's decision to bomb the Islamic State militants was "something that had to be done," and Archbishop Silvano Tomasi, the Vatican envoy to the United Nations in Geneva, followed that up by telling Vatican Radio that "military action in this moment is probably necessary." The Islamic State is in the process of making a fatal calculation: It aims to restore a global caliphate, calculating that Europe and America are weak. On this account it is correct—for the time being. But it has *grossly* miscalculated the power and tenacity of the Vatican, and its ability to raise a now-feeble Europe to the unprecedented heights of global military power and *cause* the world to *submit* to its soon-coming superstate.

#### ■ Europe and Russia compete for Latin America's food

Russia announced on August 7 that it would stop importing food from Europe and is turning to South America instead. In response, Europe is launching a diplomatic assault to persuade South America to take Europe's side in the dispute over Ukraine, according to anonymous "senior officials" quoted in the *Financial Times* on August 11. Russia's ban on European food could prove lucrative for Latin American farmers. Russian ambassadors held meetings in Latin American embassies the day before they announced the new round of sanctions, trying to get these alternative sources of food ready before they cut off Europe, the head of Chilean trade body Direcon, Andres Rebolledo, told Reuters. European diplomats want this to stop. "We will be talking to the countries that would be potentially replacing our exports to indicate that we would expect them not to profit unfairly from the current situation," the *Financial Times* quoted one senior EU official as saying at a briefing on Europe. Europe has deep ties with Latin America—*religiously, historically*, culturally, economically and *militarily*—but it does not have an exclusive partnership with the region. Now Europe sees that if it wants to put the maximum pressure on Russia, it needs a closer relationship with Latin America. The crisis in Ukraine will have far-reaching implications. *Trumpet* editor in chief *Gerald Flurry* has already shown how the crisis is *forcing Europe to unite*. It could also force Europe to take its relationship with Latin America *more seriously*.

#### ■ Germany sends aid to Iraq

German Defense Minister Ursula von der Leyen announced plans on August 12 to aid Iraqis fleeing the spreading violence in Iraq. Thousands of people are abandoning everything they own as the Islamic State terrorist group advances in northern Iraq. Germany will provide humanitarian aid and what von der Leyen called "non-lethal" support for Iraq's internally

displaced people. The defense minister said the government is reluctant to provide armaments because it goes against Germany's principles to send weapons into war zones. However, she indicated that this position might be revisited. The current turmoil in Iraq stems from the rapid advance

by the Islamic State and allied Sunni militants across northern and western Iraq. The Islamic State has pressed forward rapidly since stating its goal of creating a caliphate in June. Thousands of people have been killed and more than 1.5 million have been displaced by the violence. Bible prophecy

shows that the German government will more than revisit its principles of sending weapons into war zones. Soon, it will even send soldiers to hot spots around the world. Watch [Gerald Flurry's](#) latest *Key of David* program, "[Fierce King Rising](#)," to learn what's ahead for Germany.

## ASIA

### Russia Takes Preventive Measures Against Protests

**STRATFOR** | August 13

**T**HE KREMLIN has recently become more sensitive to any hint of dissent in the country, including calls for the decentralization of power or any separatist sentiment in Russia's regions. ...

The Kremlin's actions had unintended consequences. Before the Kremlin crackdown, the protest did not have much support. Now, however, opposition and dissident groups in Moscow, along with the National Bolshevik Party, have voiced support for the march. Moreover, websites have been set up outside of Russia to raise funds for the protest, while demonstrators are printing leaflets and stickers to disseminate in Siberia.

Beyond this planned demonstration, the Kremlin is focusing on how to prevent protests across the country after the upcoming September 14 regional elections. Leaks from the presidential administration to media outlet Moskovsky Komsomolets indicate a newly formed committee will hold sessions August 28-30 to prevent local protests from becoming Maidans—a reference to the protests in Kiev's Maidan Square that led to the ouster of Ukrainian

President Viktor Yanukovich. ...

In addition, the committee will organize a localized response to any protests that should erupt. ...

Since the 2011-2012 mass protests, the Kremlin has cracked down on foreign nongovernmental organizations that supported the protest movements, limiting their ability to move money, disseminate propaganda, or even bring in foreigners to help with logistics. ...

The Kremlin failed to accurately gauge the strength of

the protest movements in Ukraine that ousted the government there. The Kremlin cannot misjudge such movements at home, especially at a time when the country is facing multiple difficulties. Russia's economic situation is declining rapidly, international scrutiny of Moscow continues to rise, pro-Russian forces in eastern Ukraine are divided,

**"A more dictatorial Russian government is coming fast .... That power will be able to challenge Europe when nobody else can, including the U.S. ... Russian elections have recently moved President Vladimir Putin much closer to becoming a dictator. This strikes intense fear in Europe. ... The Russian election is triggering a fear that will hasten the uniting of the European Union."**

**—Gerald Flurry, *Trumpet*, January 2004**

and there have even been hints of fracturing within Putin's circle of loyalists in the Kremlin. Thus, the Kremlin is taking steps to prevent dissent from growing and to make sure it has the tools it needs to rapidly crack down if anti-Kremlin demonstrations break out.

### Japan's Plans Worry China

**CNN** | August 12

**J**APAN'S NEW defense white paper has done little to mend fences with Beijing, with the Chinese government complaining that its Asian neighbor is using the "China threat" to justify a

bigger defense budget.

Japan will spend about \$49 billion on defense in the fiscal year to March 2015—up about 3 percent from the previous year—in the face of what it says is a worsening security environment in the region. It cites tensions on the Korean Peninsula and territorial disputes in the sea lanes running south from northern Asia as its key concerns. ...

Japan's annual defense document, approved by the Abe cabinet on August 5, says Chinese ships and aircraft have engaged in "dangerous activities" in disputed areas such as the South China and East China Seas, and these could have "unintended consequences."

China's Defense Ministry quickly rejected the Japanese claim, calling it simply an excuse for Japan's own

# Tensions Soar as Ukraine Destroys Russian Armor

AGENCE FRANCE-PRESSE | August 15

UKRAINE SAID ON Friday it had destroyed part of a Russian military convoy that entered onto its territory in an incursion that has sent cross-border tensions rocketing.

NATO accused Russia of active involvement in the “destabilization” of eastern Ukraine, where pro-Kremlin separatists have been fighting against Kiev for four months.

The two countries have also been wrangling for days over a Russian convoy that Moscow says is carrying humanitarian aid for besieged rebel-held cities but which Kiev suspects could be a “Trojan horse” to provide military help to the insurgents.

Fears that the border clash could spill into all-out war between Kiev and Moscow sent major share markets tumbling across Europe and the United States.

Ukrainian President Petro Poroshenko told British Prime Minister David Cameron that government artillery

had destroyed a “considerable part” of a small military convoy that entered the country, the presidency said in a statement.

The European Union demanded that Russia “put an immediate stop to any form of border hostilities, in particular to the flow of arms, military advisers and armed personnel into the conflict region, and to withdraw its forces from the border.” ...

Moscow’s Defense Ministry dismissed the alleged convoy as a “phantom” [in] its latest denial of Western accusations that it is funnelling weapons to the pro-Russia separatists who launched an insurgency against Kiev in April. ...

Meanwhile Ukraine said it was forging on with an offensive that has sent rebel forces reeling, retaking three small towns overnight.

military expansion. It said it strongly opposed Japan’s “ignorance of facts” and its “groundless accusations” about China’s military development. ...

## China to Send Orbiter to the Moon

INVESTOR’S BUSINESS DAILY | August 12

AS OUR space program, once an example of American exceptionalism, now sits mainly in museums, Beijing’s ambitious program takes another leap forward toward an eventual return of man to the moon.

As the world unravels, efforts to leave it don’t seem very newsworthy, and efforts by our strategic rivals to do what we did decades before seem redundant and almost irrelevant to more immediate concerns. Yet China’s space program does matter, as it’s part of that country’s dream of world leadership and, yes, domination.

It represents a commitment to world leadership that we have lost under this administration.

Beijing sees its multibillion-dollar space program as a symbol of its rising global stature and mounting technical expertise as it builds a military with global reach and flexes its strategic muscle.

Its moon orbiter has been

transported to the Xichang Satellite Launch Center in the southern province of Sichuan for launch later this year. ...

The Chang’e 3 spacecraft and its lunar rover, sent aboard a Long March 3B rocket launched December 2 from southwest China, is the latest triumph of an ambitious military-backed space program. Goals include a manned orbiting space station and landing astronauts on the moon, possibly to plant China’s flag next to the United States flag left there in 1969. ...

In 2011, Beijing launched into space aboard a Long March 2F rocket a space station module weighing 8.5 metric tons that will serve as a prototype for a 60-ton Chinese space lab to be in orbit by 2020.

We may yawn and say “been there, done that” and, besides, we have other things on our plate right now.

But this latest nail in the coffin of American exceptionalism has serious implications for both U.S. leadership and security. China’s space program is intimately connected to its military aspirations, and it views space as a venue for more than tadpole experiments.

Not long ago, Capt. Shen Zhong of the Chinese Navy Research Institute said: “The mastery of outer space will be requisite for military victory, with outer space becoming the new venue for combat.”

China views space as another place for global supremacy and has an active military space program that includes sophisticated anti-satellite weapons.

Meanwhile, the last man to walk on the moon, Gene Cernan, has noted the sad fact that the nation that put the first man on the moon now must hitch rides with the Russians to earth-orbit and the International Space Station, to which Moscow has threatened to deny access over the Ukraine crisis.

“The thing about the Chinese is they know where they’re going and they know when they’re gonna get there,” Cernan said in a recent TV interview. “They have a plan, they have a mission.”

As for us, well, we’re just lost in space.

### TW IN BRIEF

#### ■ Russian military to acquire 200 new aircraft, 50 new naval vessels by year’s end

The Russian Air Force will receive more than 200 new warplanes and helicopters by the end of 2014, Russian Air Force commander in chief Viktor Bondarev said on August 12. The announcement came just weeks after Moscow had announced that its naval force would get more than 50 new vessels by the end of the year. During celebrations of Russia’s Air Force Day, Bondarev said the Russian Air Force



A Russian Su-35S fighter jet

has received more warplanes in the last three years than in the previous 20 years. In late June, the Russian Navy launched a Project 636 diesel-electric ultraquiet submarine, as well as a new-generation Project 12700 mine countermeasures ship. Navy commander in chief Adm. Viktor Chirkov said in a June 21 statement that by the end of the year, the navy will receive five more Project 636 submarines, 4 Raptor patrol boats and over 40 other combat and logistic vessels. Meanwhile, savvy Kremlin watchers say the true breadth of Russia's military budget is unknown, and likely much higher than what Moscow reveals.

## LATIN AMERICA/AFRICA

### Ebola Threatens West Africa

**BLOOMBERG NEWS** | August 14

**T**HE WORLD'S worst-ever outbreak of Ebola will inflict economic damage on the West African countries of Guinea, Liberia and Sierra Leone as companies from Sime Darby Bhd to ArcelorMittal scale back operations.

Commercial and transport disruptions that will probably last for at least the next month, along with increased health expenditure, may put pressure on budgets, jeopardizing the nations' economic growth, Matt Robinson, a senior credit officer at Moody's Investors Service, said in a report [on August 14].

Sime Darby, the world's largest listed palm oil producer, said it is slowing output in Liberia. ArcelorMittal, the world's largest steel producer, said the spread of the virus has delayed expansion plans at its Liberia plant. Sifca Group, the Ivory Coast-based agribusiness, said it halted rubber exports from Liberia. MTN Group Ltd., the largest wireless carrier in sub-Saharan Africa, said five expatriate workers left Liberia as a precautionary measure. ...

While the World Health Organization says the risk of Ebola spreading through air travel is low, international

carriers including British Airways and Emirates have suspended flights to the affected area. Regional carriers including Asky Airlines, which flew a Liberian to Nigeria that died of the disease, have also canceled routes. ...

**Related: "SARS and Rumors of SARS"**

### Libya Crisis: Head of Tripoli Police 'Assassinated'

**BBC** | August 12

**C**OL. MUHAMMAD Suwaysi was shot while leaving a meeting in Tajoura, [Libya] a suburb in the east of the capital. Two of his colleagues were also taken captive, the Interior Ministry said.

Libya has been gripped by violence involving militias that spearheaded the 2011 uprising against Muammar Qadhafi. Thousands have been forced to flee recent fighting in Tripoli.

More than three years after the uprising, Libya's police and army remain weak in comparison to the militias who control large parts of the country. ...

Several hundred people are believed to have died in July and August

in an upsurge of unrest.

The fighting has been centered around the international airport in Tripoli and in the eastern city of Benghazi.

### Mali's Jihadist Leader Targets France

**FRANCE24** | August 8

**F**LANKED BY the requisite Kalashnikov and black Salafist flag, reclusive Malian diplomat-turned-jihadist leader Iyad Ag Ghali targets France and French interests in the region in a rare video statement [last] week.

In a 24-minute clip posted on YouTube on August 5, Ag Ghali sets his sights on France as well as "collaborators" working with "the Crusaders"—particularly "Muslims who help France."

"We will get rid of the Crusaders, led by France," said the reclusive leader of Ansar Dine, a militant Islamist group that came to the world's attention following the 2012 jihadist takeover of northern Mali. ...

Ag Ghali has not been seen in public since August 2012—months before the launch of a French military operation to wrest northern Mali from jihadist control. ...



## Riots—Coming to a City Near You

Daryle Hochstetler | August 14

**R**IOTING. TEAR gas. Looting. Batons. Stealing. Squad cars. Fire.

This was the scene that marred the streets of Ferguson, Missouri, Sunday night, after a vigil for Michael Brown, an unarmed black youth who was shot and killed by a police officer Saturday afternoon.

Michael Brown and Dorian Johnson were reportedly on their way home, walking down the middle of Canfield Drive, when a police officer ordered them to walk on the sidewalk.

According to county Police Chief Jon Belmar, when the officer got out of his car, “Brown pushed the officer back into his car and ‘assaulted’ him in the vehicle.” One shot was fired in the car. The officer then got out of his car and fired at Brown, killing him in the street. Reports say Brown had his hands up, indicating he was unarmed, but was still shot. Many details of what led to the 18-year-old’s death are still unknown.

The community held a vigil for Brown Sunday afternoon, attracting large numbers of people.

Hours later, the looting started. With darkness descending, a QuikTrip convenience store was looted and set ablaze. The looting spread as multiple hundreds of people broke into stores, stealing merchandise, shattering windows and spraying graffiti. At least 15 stores were vandalized.

Eventually, armored police with batons and shields, accompanied by attack dogs, arrived to stop the chaos.

For three nights in a row, people continued to riot!

Ferguson is a predominantly black community with a predominantly white police force. The officer who killed Brown was white.

Many of America’s inner cities are boiling over with racial tension. Hooligans and criminals are quick to exploit the chaos. The mayor of Ferguson noted that “a lot of the people [rioting] aren’t even from our town; but they came in and stole from our businesses and left our town in ruins.”

The riots plaguing Ferguson were prophesied. And more are set to come.



Demonstrators protest the shooting of teenager Michael Brown on August 13 in Ferguson, Missouri.

The book of Ezekiel, for example, has some of the strongest warnings about internal warfare. The first part of Ezekiel 5:12 states, “A third part of thee shall die with the pestilence.” *Trumpet* editor in chief Gerald Flurry referred to this prophecy in his booklet *Ezekiel: The End-Time Prophet*. He wrote:

“The word *pestilence* just means destruction or death (see *Gesenius’ Hebrew-Chaldee Lexicon*). One definition of the root word is ‘to lay snares, to plot against, to destroy.’ So this pestilence could be a plague of violence or burning—not necessarily a physical disease at all! It can be defined as a plague of violence or rioting—such as the Los Angeles riots in 1992 or the Sept. 11, 2001, terrorist attacks! Why would the first third be burned with fire (Ezekiel 5:2), if it refers to a disease epidemic?”

This is talking about race riots prophesied to happen during this end time in Israel, Britain and especially America.

Race riots are coming to America. Many of its inner cities are already seething, ready to explode.

All it took was one death to set off destructive riots in Missouri—and this while America is relatively wealthy; food is still readily available on store shelves and people’s tables. What will happen if something changes that? How many city streets will look like West Florissant Avenue did on the morning of August 11? To learn more about the coming riots, read [“London’s Riots Were Prophesied.”](#)

## Rick Perry: Cartels and Gangs Are Really ‘Narcoterrorists’

CBS NEWS | August 13

**G**OV. RICK PERRY, R-Texas, praised a group of National Guard troops

as the “tip of the spear” in the fight against cartels and gangs as they prepare to deploy to the United States border with Mexico.

Moreover, Perry said that U.S. officials should “stop calling these criminals nice names like cartels and gangs” and start calling them “what

they really are: these are narcoterrorists.”

Perry announced last month that he was activating up to 1,000 National Guard troops to send to the border to assist the Texas Department of Public Safety (DPS) in fighting drug cartels. They are also meant to help bolster the



**GERALD FLURRY**

## What Is the Abomination of Desolation?

We need to know in order to escape the worst suffering ever on Earth.



U.S. presence as Border Patrol agents are overwhelmed with the responsibility of apprehending and holding the more than 60,000 unaccompanied children who have come to the U.S. since last October.

“As the Border Patrol is spread even thinner and thinner with this high influx of the illegal aliens, the gaps in the border have become bigger” .... Perry told troops at Camp Swift Army National Guard training center in Bastrop, Texas. “They are spreading their tentacles of crime and fear, so your message and your mission is very clear: To be that visible presence, to deter the criminal activity, contribute those additional eyes and ears to assist law enforcement and Border Patrol agents along the border.”

## U.S. Wages Down 23 Percent Since 2008

**BRIETBART** | August 11

**U**NITED STATES jobs pay an average 23 percent less today than they did before the 2008 recession, according to a new report released on Monday by the United States Conference of

Mayors. ...

Jobs lost during the recession paid an average \$61,637. As of 2014, jobs in the same sectors paid an average of \$47,171 annually.

“Under a similar analysis conducted by the Conference of Mayors during the 2001-2002 recession, the wage gap was only 12 percent compared to the current 23 percent—meaning the wage gap has nearly doubled from one recession to the next,” stated the Conference of Mayors in a statement.

The report also found that 73 percent of metro area households earn salaries of less than \$35,000 a year.

## CIA Arms Kurds

**NBC NEWS** | August 11

**T**HE UNITED States is directly arming Kurdish fighters in their battle against Islamist militants in northern Iraq, security officials told NBC News on Monday. In the past, the U.S. had channeled all weapons—including ammunition—through the Iraqi government in Baghdad. Revelations that the Central Intelligence Agency is sending arms directly to Kurdish forces, known as the peshmerga,

come as the U.S. continues to carry out airstrikes in northern Iraq against [Islamic State] installations.

The peshmerga have been battling the heavily-armed [Islamic State]—whose arsenal includes U.S.-made weapons, tanks and artillery seized from the Iraqi military as the insurgents blazed a path across northern Iraq. ...

## Islamic State Supporters Hand Out Leaflets in London

**DAILY MAIL** | August 13

**I**SLAMIC STATE supporters have been handing out leaflets to Oxford Street shoppers encouraging them to leave Britain for its new Islamic state.

The radicals stood in front of posters declaring “the dawn of a new era has begun” in reference to the caliphate and their literature praised the “sacrifices” made in the Middle East.

Scotland Yard has said today it is investigating whether the men were breaking terror laws. ...

One Muslim woman who confronted the men, believed to be from Luton and linked to hate preachers Anjem Choudary and Omar Bakri, said she was racially abused. ... “Promoting death of innocent people, telling me to die because of my faith and race and insulting me is not Islamic behavior.”

The literature describes the “glad tidings” that “Muslims, with the help of Allah, have announced the re-establishment of the Khilafah (sic) and appointed an imam as a Khaleef (sic).”

It also sets out seven rules for supporters, including to “obey” the leaders of [the Islamic State], Sharia law, “migrate” from the UK to the caliphate and “expose lies” about the extremist group.

Today, [the Islamic State] has become a powerful military force that now has control of an area larger than Great Britain.

Its extremists—which include hundreds of [Britons]—have carried out such acts of such extreme brutality that al Qaeda has severed all links with them. ...

# Is America Embracing Socialism?

Kiall Lorenz | August 14

UNITED STATES Sen. Bernard Sanders introduced legislation on June 2 that could radically change the economy. This legislation, the U.S. Employee Ownership Bank Act, is ostensibly an attempt to strengthen the U.S. economy by retaining and increasing jobs *through socialistic measures*.

How does the bill propose to accomplish this? By collectivizing the economy.

A new, taxpayer-funded, government bank will provide loans and loan guarantees to employees to form collectives to purchase the business they work for through an employee stock ownership plan, or a worker-owned cooperative.

“Simply put, when employees have an ownership stake in their company, they will not ship their own jobs to China, they will be more productive, and they will earn a better living,” Senator Sanders stated when explaining why the legislation would increase jobs. “When employees own their own companies, when they work for themselves, when they are involved in the decision-making that impacts their jobs, workers become more motivated, absenteeism goes down, worker productivity goes up, and people stay on the job for a longer period of time.”

Unfortunately, the history of collectivism does not support Sanders’s enthusiasm. Socialism has never led to greater lasting prosperity.

The late economist Milton Friedman stated, “When everybody owns something, nobody owns it, and nobody has a direct interest in maintaining or improving its condition. That is why buildings in the Soviet Union—like public housing in the United States—look decrepit within a year or two of their construction.”



U.S. Sen. Bernard Sanders

Later Friedman said, “So that the record of history is absolutely crystal clear. That there is no alternative way, so far discovered, of improving the lot of the ordinary people that can hold a candle to the productive activities that are unleashed by a free enterprise system.”

The biggest problem with socialism is the disregard for the role of the private property rights in creating incentives, which stimulate economic growth. When a business is owned by the public—who decides its own wages—incentives to promote wise stewardship are eroded. Private property encourages responsibility, while communal property fosters irresponsibility, waste, neglect and mismanagement.

Kentucky Sen. Rand Paul commented in February about America’s trend toward socialism: “It’s that arrogance from Washington that, really, the whole country ought to rise up—Republican, Democrat, Independent—and say, look, this is a free country and we want our freedom back.”

Continuing down this socialist tract will only further exacerbate America’s gargantuan economic problems.

Ghaffar Hussain, managing director of the anti-extremism foundation Quilliam, said ..., “This is a very disturbing development but one that should not come as a surprise since we are aware that around 500 British nationals have joined up with [the Islamic State] already.” ...

## As Goes Walmart, So Goes the Economy

Mike Larson, MONEY AND MARKETS | August 14

YOU KNOW the old saying: “What’s good for General Motors is good for America?”

Today, investors are phrasing things in a slightly different way. They’re asking: “As goes Walmart Stores, so goes the American economy?”

I say that because the giant retailer’s lousy second-quarter report has Wall Street concerned. The company managed to eke out a 0.6 percent year-over-year rise in profit, to \$4.09 billion from \$4.07 billion. ...

But sales inched up just 2.8 percent to \$119.3 billion, and on a “same store” basis (meaning, only looking at stores that have been open at least a year) they were flat as a pancake. Overall traffic fell for the seventh quarter in a row. ...

On top of that, Walmart slashed its full-year [earnings per share] forecast to a range of \$4.90 to \$5.15 from up to \$5.45 previously. Walmart not only cited lackluster sales, but also rising healthcare costs. The firm said its healthcare bill jumped \$500 million from a year ago. That only underscores further how the Obamacare program and healthcare inflation in

general is causing real problems for American businesses and consumers alike!

It’s not like Walmart is alone, either. As I mentioned yesterday, the department store giant Macy’s ... failed to live up to expectations in its most recent quarter. ... Overall [United States] retail sales also flatlined last month.

So what’s the lesson here? While the job market is improving in the U.S., wages aren’t picking up at a rate that everyday Americans would like to see. What extra money they’re earning in their paychecks is being swallowed up by rising prices, leaving lower- and middle-income consumers with less ability to spend.

The solution ... isn’t more easy money from the Federal Reserve. That’s making the 1 percent happy as pigs at a trough, but doing [nothing] for the other 99 percent. ...



## CRISIS from page 1

for economic growth.

Meanwhile, Greece, Portugal and Spain are officially in deflation, with Italy on the brink.

Both these trends could dramatically weaken the economy of southern Europe.

The fall in economic growth is a major cause of Italy's debt crisis. Since the start of the euro crisis in 2008, Italy's economy has shrunk by \$44 billion, a fall of about 10 percent. In terms of economic growth, the past 10 years have been worse for Italy than the Great Depression that began in 1929.

This has caused its government debt to rise to 136 percent of its GDP—the third-highest level in the world after Japan and Greece. This means that for Italy to pay off its debt would require all of the country's economic output for about 16 months. As Italy's economy shrinks, the amount of time needed to pay off its debt climbs, even if the amount of debt stays the same.

Italy's debt is so great that some experts are calling for the nation to give up trying to pay it. Ashoka Mody, who once worked for the International Monetary Fund (IMF) designing some of Europe's earlier bailouts, says that Italy "should get on" with restructuring its debt "right away." Italy cannot pay back its debt on the current terms, so it should start negotiating before there's a crisis, he advises.

Long-time Italian journalist Eugenio Scalfari said, "I must speak a bitter truth because we can all see the reality before our eyes. Perhaps Italy should put itself under the control of the troika of the [European] Commission, the [European Central Bank] and the IMF."

Deflation poses similar dangers. If you don't have debt, then deflation isn't a big deal. The debt is what makes deflation dangerous. When prices start falling, you have to make or sell more in order to pay back the debt.

When this plays out on a national scale, it becomes a trap that is hard to escape. Portugal appears to be in the early stages of this trap that could spring on the whole eurozone.

Faced with these dangers, France is threatening to break ranks with Germany.

"It is hard to exaggerate the trouble that François Hollande, France's president, now finds himself in," *Telegraph* deputy editor Allister Heath wrote. "It is not just that his popularity has collapsed and that his misguided stewardship of the French economy has crippled his country, helping to deliver a second consecutive quarter of zero growth. The real problem is that France is slowly but surely emerging as the eurozone's weakest link, together of course with Italy, and, if that were not bad enough, there is no meaningful prospect of either of the two countries extricating themselves from their appalling predicament."

At Germany's insistence, the eurozone has adopted rules on how much each nation can borrow each year. Struggling to bring in enough cash, French Finance Minister Michel Sapin announced August 14 that France would break these rules.

Meanwhile unemployment is the crisis that refuses to

disappear. Across the eurozone, unemployment is at 11.5 percent, compared to 6.2 percent in the United States. However, this figure hides a huge amount of regional variation. In both Spain and Greece, it is around 25 percent—one in four people who want to work can't find a job. Portugal and Cyprus have about 15 percent unemployment. In Germany, however, the unemployment rate is relatively low at 5.1 percent.

Youth unemployment is even worse. Across the eurozone, the average rate is 23.1 percent. In Spain and Greece, most young people between 16 and 25 who are willing and able to be in full-time work can't find a job. Italy is almost as bad.

Also, the banks are still causing problems. Portugal announced it would have to bail out its Banco Espírito Santo (Bank of the Holy Spirit), August 3, after some dodgy behavior at the company was exposed. The bailout cost \$6.5 billion. The government insists that when it sells off the profitable part of the bank, there will be no cost to the taxpayer. Few believe it.

"The losses could be much larger than people think," Megan Greene, chief economist at Maverick Intelligence, said. "This is eerily similar to what happened in Ireland, and I think taxpayers will end up footing the bill."

"Portugal is following in Ireland's footsteps," Mody warned. "They are identical situations."

"The economic impact is gigantic," the former head of Portugal's Banco Privado Português, João Rendeiro, warned. "It could lead to a contraction of GDP by 7.6 percent. I don't know of any parallel to this in our economic history."

The fact that a bank like this was able to hide its deep problems from Europe's regulators makes investors nervous that the collapse could be repeated.

Meanwhile, Austria's largest bank, Erste Bank, was forced to issue a profit warning on July 4, causing its share price to plunge 16 percent. Another Austrian bank, Hypo Alpe Adria, had to be split up by the government earlier this year after sucking up billions of Austrian taxpayers' money.

Europe's economy is awash with problems. So far, its leaders have responded to the euro crisis with temporary fixes, which have bought a few quiet months.

German Chancellor Angela Merkel didn't want to deal with the crisis until after she had successfully weathered the German election in the autumn of 2013. The EU is currently in the process of replacing its top leaders, so it's trying to put off making major changes until all the new leaders are in place.

But the euro is still fundamentally flawed. A block of countries cannot successfully share a single currency in the long term without a single government. The euro was designed to force European nations to come together into a superstate. Economic crises will keep exploding until these nations are forced to unify under a single government.

For more on the design behind this crisis, read *Trumpet* editor in chief Gerald Flurry's article "[Did the Holy Roman Empire Plan the Greek Crisis?](#)"

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