

Trumpet Weekly

MARCH 27, 2015



America's Alice-in-Wonderland Economy

THE PHRASE “MAD AS A HATTER” REFERS TO THE 19TH-century use of mercuric-nitrate in the making of felt hats. Long-term exposure to mercury caused hatmakers to experience mood swings, tremors and emotional imbalances that made them appear *mad*.

We live in a world gone *mad*. Money printing—today’s mercury—has poisoned the whole financial system.

Trusted relationships have broken down. Fundamental *truths* appear suspect, and economic laws no longer seem to hold true. In America especially, it’s as if the whole economic system fell down a rabbit hole into a world where up is down, debt is good, and people exuberantly celebrate unbirthdays every day of the year but one.

“The world of today is not the same world it was 50 years ago,” writes Agora Financial’s Bill Bonner. “We have a new kind of money. We have a new economy. And we have a different kind of government. *All have been transformed* over the last 40 years in ways that few people have noticed and fewer still have understood” (emphasis added throughout).



ROBERT MORLEY

Consider debt. Most people’s grandparents viewed debt as immoral. Most people’s parents viewed debt as a tool to be used sparingly, in “emergencies,” or perhaps for a mortgage.

Today, most people *can’t live* without debt.

Total United States debt is nearly \$60 trillion. According to the Federal Reserve, total debt soared by \$658 billion during the fourth quarter of 2014 to a record high of \$58.7 trillion. Federal government, agency, domestic and mortgage debt are all rising. Corporate debt jumped from \$23.5 trillion in 2010 to \$36.4 trillion as of 2014. That’s up an astounding 54 percent in less than five years!

Forty-seven percent of Americans save zero dollars or go further into debt each year, according to Deutsche Bank analyst Torsten Slok.

Credit is everywhere and inexpensive. *Debt is now good?*

We ate the magic mushroom.

You can trace this *nonsense* back to 1971, when the dollar became credit-based instead of gold-based. Bankers didn’t like gold-backed money because it is impossible to create more from nothing. In the new system, credit was theoretically unlimited. Dollars could be conjured out of thin air. According to Bonner, “Credit raced ahead 50 times in about 50 years.”

America hosted a never-ending tea party. People substituted

credit cards and bank loans for earnings and savings. They were able to buy more and more stuff they couldn't afford.

In 2008, when the financial crisis struck, commentators thought consumers had finally eaten one too many cupcakes. It was obvious they couldn't pay for all their giant houses and gas-guzzling pickup trucks. The housing market collapsed. Wall Street banks went insolvent. General Motors and Chrysler had to be bailed out.

But then something *extraordinary* happened.

Central banks did something they promised they would never do—because it was potentially so destructive to confidence in their currencies that the whole system might implode. They said they would create “*unlimited*” amounts of money by *fiat* to bail out the financial system.

They pumped trillions into the markets to keep the debt bubble inflated. Seven years later, they haven't stopped. First it was the Federal Reserve, which expanded its balance sheet from a couple hundred billion to almost \$4.5 trillion. That is \$4.5 trillion created from nothing to buy things like mortgages and U.S. government bonds. For a time, around 95 percent of all mortgages in America were provided via the Fed's funny money. Then, in October, when the Fed finally said it would stop creating money out of thin air, the money-creating baton was picked up by the Europeans, and then by the Japanese.

The Bank of Japan has created so much money to prop up its markets by buying assets that in September it became the biggest shareholder in the country—owning 1.5 percent of all domestically listed companies. And it plans to triple what it has spent so far. It is also the biggest bond holder in Japan now too.

All the major banks are creating money out of nothing to buy *real* things—and the world accepts it like it is nothing out of the ordinary.

Just another day in Wonderland.

But the money-printing mercury has poisoned the feedback loops. It is distorting the economic indicators.

For example: In times past, investors bought stocks when the economic outlook was improving. The extra demand pushed up the price of stocks. *Contrariwise*, when economies deteriorated, companies earned less, making them less valuable—pushing markets down.

But today stocks go up when bad news hits the wires.

Bad news increases the odds that the Federal Reserve will suppress interest rates. Consumers will therefore, theoretically, have greater access to debt and spend more. Investors pile in to stocks. The market goes up.

Bad is good.

And when positive news is released, a stronger-than-expected jobs report for example, the stock market, more often than not, falls. Investors worry the Fed will cut off the funny money.

Good is bad.

Then there is the bond market. Over the past seven years, central banks created so much money to lend to their respective governments that for the first time in history *we live in a world of negative interest rates*.

What are negative interest rates? That's when investors pay the government for the privilege of lending it money.

Impossible, you say? Investors would never do it!

Alice laughed: “There's no use trying [to] believe impossible

things.”

“I daresay you haven't had much practice,” retorted the Red Queen. “When I was your age, I always did it for half-an-hour a day. Why, sometimes I've believed as many as six impossible things before breakfast.”

You might be tempted to side with Alice. Who in his right mind would buy a government bond knowing he will only get a portion back? Yet the European Central Bank has cut its rates to -0.2 percent. Denmark, Sweden, Switzerland, Japan and Germany all have negative interest rates. In these countries, as a depositor, *you pay interest to the bank*.

It's an upside-down world. “Negative interest rates are a weird and alarming symptom of profound economic dysfunction,” Forbes's Mark Hendrickson wrote on March 6. “In a healthy economy, interest rates coordinate production between the present and the future according to people's composite time preferences. Today, those vitally important market signals are mangled, broken, shattered.”

These investors appear to think an economic crash is on the way. They are willing to accept a small known loss as the alternative to what could be much greater losses in other investments.

In America, interest rates are not yet negative, but they are about as close as you can get. The Federal Reserve's rate is currently set between zero and 0.25 percent. But here again, the bigger point is that central bank interference has warped market signals and is causing massive distortions.

The biggest distortion of which is probably the soaring value of the U.S. dollar.

The U.S. dollar index, which tracks the dollar's strength against a basket of major currencies, hit a 12-year high on March 13. It has risen nine consecutive months—the longest streak since record-keeping began.

Even more impressive is the pace of its rise. According to Citigroup, it is rising at its fastest pace in 40 years. Over the past eight months, it has strengthened dramatically against every single major currency in the world. It is up more than 14 percent since January alone—a huge move for the world's most used currency.

“Speed does matter,” says Steven Englander at Citi. “What's going to stop the dollar from continuing to make these gains?”

The charts say the dollar will rise at least another 10 percent some analysts claim. Some predict another 20 percent rise or more.

Hey, why stop there? Why not 50 percent? A double by Independence Day! Surely it can be found in the charts.

You might think a strengthening dollar is a good thing, but remember, you live in Wonderland now.

The dollar's value used to be a sort of scorecard measuring the economic health of the nation. When America did well, producing and selling more goods and products to the world, the dollar's value would rise. When it ran trade deficits, importing more than it exported, the dollar would weaken.

Not so anymore. America's manufacturers struggle to survive. In January, the U.S. trade deficit was \$41.8 billion, down from \$45.6 billion in December. Both imports and exports fell due to trade shrinkage.

It is indicative of a world on the brink of crisis.

Take a look around. Europe is leaderless. Greece threatens

to destroy the euro. The Japanese central bank is counterfeiting money at a rate that makes the Federal Reserve seem conservative. Russia, Canada and Australia are being pummeled by low oil and commodity prices. China has a debt bubble that may rival America's. Iran is on the way to nuclear weapons. The Saudis, Egyptians and Jordanians say they want whatever Iran gets. Brazil and South Africa are facing massive budget issues of their own. Argentina and Venezuela face hyperinflation.

In some ways, America could look like an island of sanity in an insane world. But don't be deceived. As you have already guessed, in Alice's land, nothing is what it appears.

Why is the dollar rising in value? Mostly because it is the best-looking street in a crummy neighborhood. If you prefer: It is the healthiest horse in the glue factory. Some might say it has the seat with the best view on the Titanic.

That's all *nonsense* of course.

The reason the dollar is rising is because the dollar crash is LATE. The dollar crash is coming. It just isn't TIME yet. Debt collapse and deflation first; then the money-printing-induced currency destruction later. But it is coming.

The negative interest rates are luring savers, pension fund holders and other investors into alternative markets. Hence, in America, house prices in many areas are back to their old highs and stock markets are at records—even as corporate profits struggle and companies and consumers hold record debt. Meanwhile,

the job market is anemic, wages are back at levels first seen a decade ago, and the rich are becoming richer while the middle and poorer classes are becoming poorer. Near record numbers of Americans are on food stamps and government assistance, and the federal government's ability to aid them diminishes in proportion to the increase in its debt load.

But wait. Didn't you hear? According to the *Week Magazine*, "Fed hints at June interest rate hike amid improving economy." And Bloomberg: "Wedding Budgets at \$31,213 Show Improving U.S. Economy."

Is that good news or bad news for America's Wonderland economy? Does anyone know?

As Alice said: "If I had a world of my own, everything would be nonsense. Nothing would be what it is, because everything would be what it isn't. And contrariwise, what it is, it wouldn't be, and what it wouldn't be, it would. You see?"

You see?

The clearest thing I see is Alice got her wish. We increasingly live in a world void of logic.

The economy may look well dressed, and the headlines may say so, but underneath the coat and top hat is a mercury-poisoned mad hatter dancing a gleeful *futterwacken* that can only end one way.

With a masterful flop.

 Follow [Robert Morley](#)

MIDDLE EAST



Can You Guess Which Nation the UN Condemned for Women's Rights Violations?

Jeremiah Jacques | March 25

THE UNITED NATION'S MAIN WOMEN'S RIGHTS GROUP, THE Commission on the Status of Women, published a document on March 19 singling out [one UN member nation for women's rights violations](#).

It wasn't Saudi Arabia, where a strict view of sharia law says that women of all ages are the property of a male relative.

Nor was it Somalia, which holds the world record for the percentage of girls and women subject to genital mutilation—98 percent.

The country was not Pakistan, where at least 1,000 women are killed by male relatives in "honor killings" each year.

Nor was it Afghanistan, where more than half of all brides are 15 years old or younger, and 87 percent of women suffer abuse by their husbands. Afghanistan is the only nation where more women commit suicide than men.

It was not Sudan, which has no minimum age for consensual sex, and no law against domestic violence.

The nation was not Yemen, which is "the world's worst country for women," according to the World Economic Forum. There is no minimum age for marriage in Yemen, and 14 percent of its girls are married before age 15.

The report said nothing of these nations' treatment of women.

Of all 193 UN member nations, the only one named and condemned in the document was Israel. The document, called the

"Situation of and Assistance to Palestinian Women," doesn't mention that 20 percent of Knesset members are women, or that Israeli women enjoy the same rights as those of any Western democracy. It doesn't say that Israel was the third country in history to elect a female head of state, or that the current Chief Justice of Israel's Supreme Court is a woman.

Instead, it denounces Israel for causing "[h]igh levels of unemployment and poverty" among Palestinians, especially women. It doesn't mention the dozens of Palestinian women in the West Bank and Gaza who are killed by Palestinian men every year in "honor killings" sanctioned by the Palestinian Authority. Nor does it discuss PA leader Mahmoud Abbas's 2012 statement, saying he had no plans to outlaw these killings.

The UN holds the Jews of Israel responsible for all problems Palestinian women face.

Rather than use its authority to work toward positive change, the UN childishly scapegoats one country—a country that should actually be upheld as a model of women's rights. Meanwhile, the plight of millions of girls and women in other countries remains ignored.

This report goes beyond the typical anti-Israel, anti-Semitic bias we've come to expect from the UN. It ventures past the typical absurdity into a new level of insanity: saying black is white, and white is black.

 Follow [Jeremiah Jacques](#)

U.S. Declassifies Document Revealing Israel's Nuclear Program

Israel National News | March 25

IN A DEVELOPMENT THAT HAS LARGELY BEEN MISSED BY MAIN-stream media, the Pentagon early last month quietly declassified a Department of Defense top-secret document detailing Israel's nuclear program, a highly covert topic that Israel has never formally announced to avoid a regional nuclear arms race, and which the U.S. until now has respected by remaining silent.

But by publishing the declassified document from 1987, the U.S. reportedly breached the silent agreement to keep quiet on Israel's nuclear powers for the first time ever, detailing the nuclear program in great depth.

The timing of the revelation is highly suspect, given that it came as tensions spiraled out of control between Prime Minister Benjamin Netanyahu and U.S. President Barack Obama ahead of Netanyahu's March 3 address in Congress, in which he warned against the dangers of Iran's nuclear program and how the deal being formed on that program leaves the Islamic regime with nuclear breakout capabilities.

Another highly suspicious aspect of the document is that while the Pentagon saw fit to declassify sections on Israel's sensitive nuclear program, it kept sections on Italy, France, West Germany and other NATO countries classified, with those sections blocked out in the document.

The 386-page report titled "Critical Technological Assessment in Israel and NATO Nations" gives a detailed description of how Israel advanced its military technology and developed its nuclear

infrastructure and research in the 1970s and 1980s. ...

The revelation marks a first in which the U.S. published in a document a description of how Israel attained hydrogen bombs.

The report also notes research laboratories in Israel "are equivalent to our Los Alamos, Lawrence Livermore and Oak Ridge national laboratories," the key labs in developing America's nuclear arsenal.

Israel's nuclear infrastructure is "an almost exact parallel of the capability currently existing at our national laboratories," it adds. ...

Declassifying the report comes at a sensitive timing as noted above, and given that the process to have it published was started three years ago, that timing is seen as having been the choice of the American government.

U.S. journalist Grant Smith petitioned to have the report published based on the Freedom of Information Act. Initially the Pentagon took its time answering, leading Smith to sue, and a District Court judge to order the Pentagon to respond to the request.

Smith, who heads the Institute for Research: Middle East Policy, reportedly said he thinks this is the first time the U.S. government has officially confirmed that Israel is a nuclear power, a status that Israel has long been widely known to have despite being undeclared.

RELATED: "BREAKING THE BROTHERHOOD"

Saudi Arabia, Allies Open Air Campaign Against Yemen Rebels

Associated Press | March 26

SAUDI ARABIA BOMBED KEY MILITARY INSTALLATIONS IN YEMEN on Thursday, leading a regional coalition in a campaign against Shiite rebels who have taken over much of the country and drove out the president. The dramatic military assault turns impoverished, fragmented Yemen into a new front in the conflict between Saudi Arabia and Iran.

Egyptian military and security officials told the Associated Press that the military intervention will go further, with a ground assault into Yemen by Egyptian, Saudi and other forces, planned once airstrikes have weakened the capabilities of the rebels, known as Houthis, and their allies, military forces loyal to former president Ali Abdullah Saleh.

The strikes before dawn barraged an air base near the airport in the capital, Sanaa, as well as anti-aircraft positions and military bases—and flattened a number of homes near the airport, killing at least 18 civilians. ...

U.S. Secretary of State John Kerry expressed support for the strikes

Iran, which is allied to the Houthis, denounced the bombing, noting the civilian deaths. Iran "considers this action a dangerous step," Foreign Ministry spokeswoman Marzieh Afkham said in a statement. "This invasion will bear no result but expansion of

terrorism and extremism throughout the whole region."

The sudden internationalization of the Yemen conflict brewing for months throws a new convulsion in the twisted threads of conflict in the Middle East. The new tension puts the United States, a traditional ally of Saudi Arabia, in a precarious situation with Tehran as it tries to negotiate a nuclear deal before the end of this month.

In Iraq, the U.S. and Iran are implicitly on the same side—both helping the Shiite-led government in Baghdad battle Islamic State group militants, though Tehran and Washington are intently avoiding any actual contacts. In Yemen, the U.S. is backing the Gulf and its allies against Shiite rebels allied to Iran—while at the same time, al Qaeda's branch in the country is also fighting the Shiite rebels. ...

Over the past months, the Houthis have swept out of their northern strongholds to take over the capital and much of the north. The U.S.- and Gulf-backed president, Abed Rabbo Mansour Hadi, was forced to flee to the southern port of Aden, hoping to cling to authority with the backing of some police and military units and allied militiamen. But as the Houthis and their allies bore down on Aden, Hadi left the country by boat on Wednesday afternoon, according to security officials.

Hadi reappeared Thursday evening, arriving by plane at an airbase in the Saudi capital Riyadh, Saudi state TV reported. ...

The Houthis have succeeded in their advance in large part because of help from Saleh, the autocrat who ruled Yemen for more than 30 years until he was ousted following a 2011 Arab Spring popular uprising. However, he remained in the country and some of the strongest military units remained loyal to him, undermining Hadi. Those units have now fought alongside the Houthis. ...

In the air assault that began Thursday—codenamed Operation Decisive Storm—Saudi Arabia deployed some 100 fighter jets, 150,000 soldiers and other navy units, Saudi-owned Al-Arabiya TV reported. Also involved in the air operation were aircraft from the United Arab Emirates, Bahrain, Qatar, Kuwait, Jordan, Morocco, Sudan and Egypt, though it was not clear which carried

out actual strikes.

At the Arab summit on Saturday, Arab leaders are aiming to approve a new joint Arab defense force to intervene in regional crises, including possibly Yemen. The Egyptian security and military officials said the force is planned to include some 40,000 men backed by jet fighters, warships and light armor. ...

“Psalm 83 of the Bible is an end-time prophecy of Germany allying with several moderate Arab nations. It shows that these nations are about to get control of the Middle East! What they do after that is going to be the ultimate shock to America, Britain and the Jewish nation.”
Gerald Flurry, Trumpet, May-June 2011

Iran-Backed Rebels Loot Yemen Files About U.S. Spy Operations **LA Times | March 25**

SECRET FILES HELD BY YEMENI SECURITY FORCES THAT CONTAIN details of American intelligence operations in the country have been looted by Iran-backed militia leaders, exposing names of confidential informants and plans for U.S.-backed counterterrorism strikes, U.S. officials say.

U.S. intelligence officials believe additional files were handed directly to Iranian advisers by Yemeni officials who have sided with the Houthi militias that seized control of Sanaa, the capital, in September, which led the U.S.-backed president to flee to Aden.

For American intelligence networks in Yemen, the damage has been severe. Until recently, U.S. forces deployed in Yemen had worked closely with President Abed Rabbo Mansour Hadi's government to track and kill al Qaeda operatives, and President Obama had hailed Yemen last fall as a model for counterterrorism operations elsewhere. ...

Yemeni intelligence officers still loyal to Hadi's besieged government burned some secret files, one official said. But they couldn't destroy all of them before the Houthi fighters, whose leaders have

received some weapons and training from Iran, moved in.

The loss of the intelligence networks, in addition to the escalating conflict, contributed to the Obama administration's decision to halt drone strikes in Yemen for two months, to vacate the U.S. Embassy in Sana last month and to evacuate U.S. special operations and intelligence teams from a Yemeni air base over the weekend. ...

“It was a train wreck that anyone who knows anything about Yemen could see happening. It seems we put our head in the sand, and the train wreck has happened and now we are saying, ‘How did this happen?’” said Ali Soufan, a former senior FBI agent who worked on terrorism cases and now heads the Soufan Group, a security firm in New York.

“We pulled out from any meaningful control of the situation in the country and now I think it is too late, because every decision is a bad decision,” he said.

RELATED: “IN DRONES WE TRUST”

Iran Accused of Sending 30,000 Troops to Fight in Iraq **Al Jazeera | March 23**

KURDISH AUTHORITIES IN IRAQ HAVE ACCUSED IRAN OF SENDING 30,000 soldiers and military experts to fight the [Islamic State] group.

Shakhawan Abdullah, the head of the Iraq's parliamentary security and defense committee, told Al Jazeera on Sunday that Iranian soldiers were operating in a number of Iraqi cities and fighting on Iraqi soil.

Abdullah said Iran's presence went beyond military advisers and experts, and that Iranians were fighting under the banner of the Popular Mobilization Forces. The Popular Mobilization Forces is an umbrella organization of Shia armed groups composed of around 100,000 fighters.

Iran has repeatedly denied sending soldiers to Iraq despite claims by the U.S. ...

Iranian Ship Unloads 185 Tons of Weapons for Houthis at Saleef Port **Al-Arabiya News | March 20**

AN IRANIAN SHIP UNLOADED MORE THAN 180 TONS OF WEAPONS and military equipment at a Houthi-controlled port in western Yemen, Al-Arabiya News Channel reported [March 20],

quoting security sources. ...

The Houthi militias reportedly closed the port and denied entrance to employees there. Al-Saleef port is considered the

second-most vital in Yemen.

The news follows last week's economic partnership agreements between Iran and the Houthis, including a deal that promises a year's worth of oil supply from Iran.

Iran has also agreed to provide Yemen with a 200-megawatt

power plant, according to Yemeni news agency Saba.

Yemen is torn by a power struggle between the Iranian-backed Houthi militias in the north, and the internationally recognized President Abed Rabbo Mansour Hadi, who has set up a rival seat in the south with the backing of Sunni-led Gulf Arab states. ...

Iran Insists on Lifting All Sanctions in Any Nuclear Deal

Reuters | March 25

ANY DEAL OVER IRAN'S NUCLEAR PROGRAM MUST INVOLVE THE immediate lifting of all sanctions, Iran's foreign minister said on Wednesday, showing no sign of compromise on a major hurdle in world power negotiations.

"This is the position that the government has insisted on from the start," Mohammad Javad Zarif was quoted by the official IRNA news agency as saying.

Iran wants all the sanctions imposed by the United Nations, European Union and United States on its energy and financial sectors removed at once if there is a deal, while Western powers want them dismantled gradually.

The speed of lifting sanctions is one of the elements being discussed by Iran and the six major powers—the United States, Britain, France, Germany, Russia and China. Their talks over Iran's

disputed nuclear ambitions are due to resume this week.

Supreme Leader Ayatollah Ali Khamenei, who has the last word on all matters of state in the Islamic Republic, said last week that the immediate lifting of sanctions must be a part of any nuclear accord. ...

The major powers are pushing for a political framework agreement by March 31 that would pave the way for a comprehensive deal with Iran by June 30 under which it would curb sensitive nuclear activities for at least a decade in exchange for an end to sanctions that have crippled its economy. ...

"It's not going to be a situation where the sanctions are first stopped and then we talk about other issues," the semi-official Fars news agency quoted [a senior Iranian nuclear negotiator, Hamid] Baidinejad as saying. "Everything must be resolved together."

Jordan, Russia Sign \$10 Billion Deal on Nuclear Power Plant

Associated Press | March 25

JORDAN SIGNED A \$10 BILLION DEAL WITH RUSSIA ON TUESDAY TO build the kingdom's first nuclear power plant, with two 1,000-megawatt reactors in the country's north.

The deal, signed in the Jordanian capital, Amman, with Russia's state-owned Rosatom company caps efforts of the energy-poor kingdom to increase energy sufficiency and reduce imports.

Jordan lacks any local energy sources and imports 96 percent of its electricity. The violence in neighboring Iraq and Egypt's Sinai Peninsula has threatened and in many cases, completely cut off supplies.

The kingdom's Petra news agency said Jordan plans to finish construction of the plant in Amra in the country's north by 2022. There are also hopes it will be fueled with uranium mined in Jordan. ...

Earlier this year, Rosatom signed an agreement, the details of which are secret, to build two reactors in Hungary. And last month, during Russian President Vladimir Putin's visit to Egypt, the two countries signed a memorandum of understanding to build Egypt's first nuclear power plant at an existing nuclear site in Dabaa, on the Mediterranean coast where a research reactor has stood for years.

EUROPE

T EU Foreign Policy Chief Visits Cuba

Daryle Hochstetler | March 24

EUROPEAN UNION FOREIGN POLICY CHIEF FEDERICA MOGHERINI visited Cuba from March 23-24. This was the first visit to the nation by an EU high representative.

This was one of a few recent visits from Europe, and others are planned. In May, French President François Hollande will visit the island.

Mogherini's visit came nearly three weeks after European chief negotiator Christian Leffler and Cuban Deputy Foreign Minister Abelardo Moreno's third round of talks. The 11-month



European Union Foreign Policy Chief Federica Mogherini

dialogue—which started last April in Havana, followed by an August meeting in Brussels—is meant to strengthen ties between the two.

“Cuba is facing a very interesting period, and the European Union is keen to see how we can take the relationship forward with strong momentum,” Mogherini said. Europe shows an increasing desire to cultivate a relationship in hopes of helping Cuba, leading to more European investment and aid for the island. At the same time, Europe is trying to sway Cuba’s stance on government and human rights.

The EU has worked years to develop a relationship with Cuba. Germany, France, Spain, Poland and Italy already have embassies in Havana.

Cuba is an investment opportunity for Europe in a

geopolitically strategic location between North and South America. It allows Europe a close access to America (the reason for the Soviet Union’s close ties to the island during the Cold War). Europe’s developing relationship with South America adds to its interest in Cuba. Investment opportunities in Cuba include: forestry, the sugar industry, tourism, the energy sector, mining and others.

Cuba’s predominantly Roman Catholic religious base, at 85 percent, is another influential factor bringing Europe and Cuba together.

As the relationship between Europe and Cuba grows, expect repercussions for America. To learn more about what to expect, read editor in chief Gerald Flurry’s March *Trumpet* article, “[The Deadly Dangerous U.S.-Cuba Deal](#).”

Suspected Nazi Hideout Found Deep in Argentine Jungle **NewsCom.au | March 2**

ARCHAEOLOGISTS IN ARGENTINA BELIEVE A COLLECTION OF ruins found deep in a remote jungle region may be the remains of a secret hideout built by German Nazis to flee to after World War II. ...

The University of Buenos Aires researchers have found five German coins minted between 1938 and 1941 and a fragment of porcelain plate bearing the inscription “Made in Germany.”

“Apparently, halfway through the Second World War, the Nazis had a secret project of building shelters for top leaders in the event of defeat—inaccessible sites, in the middle of deserts, in the mountains, on a cliff or in the middle of the jungle like this,”

the archaeologists’ team leader, Daniel Schavelzon, told *Clarín*.

Ultimately, though, the hideout wasn’t needed.

Thousands of Nazis, Croatian Ustasha fascists and Italian fascists arrived in Argentina with the blessing of president Juan Peron, who led the nation from 1946 to 1955 and again briefly in the 1970s, according to the Nazi-hunting Simon Wiesenthal Center.

In 1960, Nazi Adolf Eichmann, who helped organize the Holocaust, was captured in Buenos Aires by an Israeli commando team and tried in Israel where he was executed. ...

RELATED: [HE WAS RIGHT](#)

Europe Once More Sleep Walks Toward the Abyss **Jeremy Warner, Telegraph | March 24**

NOT FOR THE FIRST TIME, EUROPEANS ARE DELUDING THEMSELVES.

In Berlin, it is believed that Europe’s currency union is now sufficiently well bulletproofed to withstand a Greek default, and even exit, with only a bare minimum of adverse consequences for everyone else. A similarly naive mind-set rules in Athens, where it is believed that Greece can both default and still remain in the euro.

Both positions are fantasy, and therefore greatly increase the chances of disastrous mishap. Europe is once again sleep walking towards the abyss.

There comes a moment in all real life tragedies when the action turns to farce. The never-ending economic road crash of the eurozone debt crisis is no exception; that moment arrived last week with the now infamous “stinkefinger” episode—a video purporting to show the Greek finance minister, Yanis Varoufakis, giving the middle finger to the Germans.

Whether he made the gesture or not—despite mounting evidence to the contrary, Mr. Varoufakis still claims the video was doctored—scarcely seems to matter; it has become comically symbolic of the way the single currency is once again tearing

Europe apart.

[N]ext thing the Greeks will be demanding reparations for wartime atrocities. Oh, wait. They already are.

Greek overtures to Russia in the north and Iran to the east provide further evidence of the potentially disastrous geopolitical consequences of Europe’s ongoing currency crisis. The implied threat of turning away from Europe for succor is possibly just a negotiating ploy. Yet the potential for events to spiral out of control and end in irrational, destructive outcomes have been badly underestimated.

Both sides have deluded themselves into thinking they can get what they want; without compromise, they are in for a very rude awakening. ...

You’d need a heart of stone not to have some sympathy with the Greek position. Mr. Varoufakis is correct; the Greeks were stitched up in the first Greek bailout of 2010. Rather than getting the debt write-off they needed, they were burdened with even more debt, which was substantially used merely to pay off existing banking and other private sector creditors. ...

Whatever the rights and wrongs of the present impasse, the bottom line is that the new Syriza-led government has proved an

utter disaster for Greece. Just as the economy was showing signs of stabilization, it has been plunged back into turmoil, with every chance that the new government will run out of money in the next couple of weeks and be forced into crippling default. In such circumstances, it is still theoretically possible to stagger on as a member of the euro, but in practice it is hard to see how.

Without access to European Central Bank liquidity, the Greek banking system would soon collapse, forcing the Bank of Greece to act as lender of last resort in its stead. De facto, Greece would then be out of the euro. Messrs. Tsipras and Varoufakis cannot play the default card unless they are prepared to take Greece out

of the euro. In this sense, they have been elected on a false prospectus

Markets seem sublimely unconcerned by this high stakes game of poker. ...

In the face of an uncompromising Germany, Mr. Tsipras has no alternative if he wants to stay in the euro but to buckle under. ...

Great result. Greeks thought they were voting for salvation; at best, they will get just more of the same. It's all part of the price of being in monetary union with an economy as dominant and competitive as Germany's. Live by the rules, or die by them, but do not expect to change them.

Anti-Semitism in Europe Akin to 1930s: Jewish Leader Telegraph | March 24

A PROMINENT JEWISH FIGURE URGED THE UNITED STATES ON Tuesday to beware surging anti-Semitism in Europe and warned that seven decades after World War II Jews on the Continent are having to look over their shoulders once more.

World Jewish Congress (WJC) president Ronald Lauder told a congressional committee in Washington that the United States could not sit by quietly, with events such as the recent attack in France underlining the growing threat.

"Once again, like the 1930s, European Jews live in fear," said Lauder, a billionaire businessman who inherited a fortune from his mother Estee Lauder's cosmetics empire.

"The United States can and must speak loudly and clearly to condemn this evil for what it is—the radical Islamic hatred of Jews."

"To defeat this new flame of radical Islamic terror and survive ... the United States must lead," stressed Lauder, whose mother was

Jewish and in whose faith he was raised.

The WJC represents Jewish communities in 100 countries. ...

[French Jewish leader Roger] Cukierman added: "This is a war against Western modern civilization. And the Jews are seen by these jihadists as a privileged target.

"We Jews are the sentinels at the forefront of this war. But we are not the only victims. Military forces, policemen and women, journalists were also targeted and killed."

Since the attacks in Paris in January that left 17 dead, France has been on the highest possible alert with thousands of police and troops deployed at sensitive sites, such as media headquarters and synagogues.

But counterterrorism officials say this will do little to prevent an attack like the one on the satirical *Charlie Hebdo* magazine in Paris.

ASIA

T Chinese Building Island Forts in the South China Sea Callum Wood | March 23

TENSIONS AND ANXIETIES ARE ONCE AGAIN ON THE RISE IN SOUTHEAST Asia as nations make power grabs for territory, wealth and influence. Currently at least six nations are fighting over the hotly disputed South China Sea: China, Vietnam, the Philippines, Taiwan, Malaysia and Brunei. Some want a small slice, others want more. Of the six, China is claiming the most, and is aggressively working to safeguard that claim

The South China Sea is crucial to all parties involved for a number of reasons. For one, it is one of the world's busiest shipping lanes. Also, last year China discovered a new oil reserve in the sea. Combined with a thriving fishing industry, the South China Sea can be a great source of wealth to whoever controls it—hence the ongoing disputes.

However, the Chinese are going to new extremes to exploit the region for its strategic military significance.

China is building up a scattering of islands and reefs in the sea. These dumping and dredging projects in the Spratly Islands are creating island fortresses for the Chinese military.



Navy frigate BRP Ramon Alacraz anchored at the mouth of the South China Sea on June 7, 2014.

The man-made island strongholds contain airstrips, helipads, fuel depots, docks, anti-aircraft towers, and channels. This makes them perfect forward bases for Chinese military operations in the region—giving it access far beyond its current reach.

The intention behind the islands is obvious: China is using typical bullying tactics on its Asian neighbors.

Consider: The buildings won't bolster China's legal claims to the region. Under the United Nations Convention on the Law of the Sea, only natural features can allow a country to claim rights. This means that China's sea forts are for another purpose. China will back its claims with aggression rather than legal right.

The construction of the islands extends China's reach deeper into the heart of disputed Southeast Asia. It is an aggressive move that is just the latest in China's all-too-common efforts to dominate the region.

This spat in the East China Sea shows Chinese policy on

claiming land. According to the United States Naval Institute, China has been conducting military drills to prepare it for a war against Japan to control the region. China is also preparing to enforce its claims in the South China Sea with similar military aggression.

The *Trumpet* has warned of China's rise in the region for years. Now we see island fortresses literally rising from the seabed. What was once a soft power effort to boost China's regional influence is morphing into a more belligerent approach.

China's expansion into the South China Sea is just one aspect of its rising dominance and placement in the international community. Read "[The Kings of the East](#)" for more detail.

Pact Brings South Ossetia Closer to Russia

Wall Street Journal | March 18

RUSSIA SIGNED A TREATY WITH THE BREAKAWAY GEORGIAN region of South Ossetia on Wednesday that seals almost full integration, raising pressure on an ex-Soviet neighbor that has sought closer ties with the West.

The European Union warned that the move could threaten regional security, and Georgia has said it could be a potential prelude to full annexation of the territory.

Moscow has essentially controlled South Ossetia and the neighboring breakaway territory of Abkhazia since it defeated Georgia's army there in a brief war in 2008. Russia recognized the impoverished territories as independent states and handed their governments millions in subsidies, but stopped short of full annexation. Only a handful of countries have recognized South Ossetia, a tiny region of some 50,000 people.

Russian President Vladimir Putin and South Ossetia's President Leonid Tibilov signed the treaty at the Kremlin as thousands gathered in Moscow's streets to celebrate the anniversary

of Russia's annexation of Crimea.

Speaking in front of reporters before their meeting, Mr. Tibilov described Russia as "the only guarantor for our people, for our republic," and thanked Mr. Putin "for everything that you do for us." ...

"Russia's attack on Georgia in August marks the beginning of a dangerous new era in history. This was the first military strike of a rising Asian superpower—and there will be more! ... Today, you have [Western leaders] trying to also bring Georgia and Ukraine into NATO. I don't believe Russia will ever allow that to happen. ... Will a crisis occur over Ukraine? That area is the breadbasket of Russia, and surely it is willing to wage war over that as well."
Gerald Flurry, *Trumpet*, October 2008

Russia 'Pouring' Arms Into Ukraine

EU Observer | March 23

TWO DAYS AFTER EU LEADERS TIED RUSSIA SANCTIONS TO respect of a ceasefire accord, NATO and the U.S. say Russia is still "pouring" arms into Ukraine.

The allegations were made by Philip Breedlove, a U.S. general who is NATO's military commander, and Victoria Nuland, the U.S. State Department's top diplomat on Ukraine, at the Brussels Forum, an annual symposium held over the weekend.

"We continue to see disturbing elements of air defense, command and control, resupply and equipment coming across a completely porous border," Breedlove told the Brussels event.

Nuland said: "We have seen, month on month, more lethal weaponry of a higher caliber, of more sophistication, poured into Ukraine ... the number one thing is for Russia to stop sending

arms over the border so that we can have real politics, have a real ceasefire."

The so-called Minsk ceasefire pact, agreed by the EU with Russia last month, stipulates a "pullout of all foreign armed formations, military equipment" and restoring "full control" to Ukraine of its border with Russia.

EU leaders at a summit last Thursday (March 19) decided to keep economic sanctions on Russia in place until the Minsk deal is implemented.

But they opted to legally extend the measures, which expire in July, closer to the expiration date in order to encourage Russia to fall in line. ... The Mogherini and Nuland panel at Brussels Forum also included NATO Secretary General Jens Stoltenberg

and Konstantin Kosachev, a Russian M.P.

Kosachev claimed there are no Russian forces in Ukraine, but was contradicted by Stoltenberg, who noted that Russia itself admitted to using special forces to invade Crimea. ...

Russia over the weekend also caused alarm by saying it will

point nuclear weapons at Danish ships if Denmark hosts parts of a NATO anti-missile system.

"If that happens, Danish warships will be targets for Russian nuclear missiles," Russia's ambassador to Denmark, Mikhail Vanin, told Danish daily *Jyllands-Posten*. ...

'One Country, Two Systems' for Taiwan Will Cement Status Quo: Chinese Scholar **Want China Times | March 9**

ZHANG NIANCHI, DIRECTOR OF THE SHANGHAI INSTITUTE FOR East Asian Studies, recently wrote an article in which he commented on cross-strait ties.

Zhang said the rapid development of relations between Taiwan and the mainland and acceleration of their integration in recent years has scared people in Taiwan. ...

Zhang also said that although unification is the bottom line of Chinese President Xi Jinping's policy toward Taiwan, Xi has proposed a version of the "one country, two systems" model used in the governance of Hong Kong and Macau specifically tailored for Taiwan. Zhang believes such a version will allow the two sides of the strait to maintain the status quo and he urged Taiwan not to worry about the turmoil triggered by recent political reform in Hong Kong.

We agree with Zhang. Taiwan should get rid of its stereotypical perception of "one country, two systems" and work jointly with the mainland to create a new vision for "peaceful unification" under "one country, two systems."

He said that the "one country, two systems" structure had been unfairly criticized, adding that a catchphrase used during Hong Kong's recent democracy protests, "Today's Hong Kong, tomorrow's Taiwan," has distorted the image of the system and created panic among the Taiwanese people, according to Zhang.

The two sides of the Taiwan Strait should work to build a link between "one country, two systems" and Taiwanese consciousness, as the two concepts are not mutually exclusive, he said. ...

"How could anyone fail to see that Taiwan is destined to become a part of mainland China? These 21 million people are going to be forced into the Chinese mold; and it is going to happen for one reason: because of a pitifully weak-willed America."
Gerald Flurry, Trumpet, August 1998

Japan's Biggest Warship Since World War II Enters Service **Bloomberg | March 25**

JAPAN'S ARMED FORCES TOOK CONTROL OF THEIR BIGGEST WARSHIP since World War II, underscoring Prime Minister Shinzo Abe's drive to strengthen the nation's military.

The Izumo, a 19,500-ton helicopter carrier, will improve the Self-Defense Force's capacity to deal with submarines, Defense Minister Gen Nakatani told reporters after inspecting the ship at the Japan Marine United Corp. shipyard in the port city of Yokohama, near Tokyo. The 248-meter (814-foot) vessel can carry 470 personnel and as many as nine helicopters.

Since taking office in 2012, Abe has reversed a decade-long decline in defense spending, lifted a ban on arms exports, and reinterpreted the pacifist constitution to allow Japan to defend other countries. The defense push is adding to tensions with

China over a territorial dispute that threatens the trade relationship between Asia's two largest economies.

"As well as having the capacity to search for submarines itself, it will be able to deal with submarines over a larger area as it's equipped with a lot of helicopters," Nakatani said, adding that he wasn't referring to any specific country. ...

The government is seeking to toughen the measures Japan can legally take under its pacifist constitution in the event of a "gray zone" situation that doesn't amount to an armed attack on the nation.

A second ship of the same size and specifications is set to be introduced in early 2018. ...

LATIN AMERICA

Obama's Rift With South America Grows **Miami Herald, March 21**

THE WHITE HOUSE ANNOUNCEMENT OF PRESIDENT BARACK Obama's agenda for the upcoming April 10-11 Summit of the Americas in Panama, stating that he will meet with Caribbean and Central American leaders, raises a big question: Has the United States given up on South America?

According to a White House statement, Obama will travel to Jamaica on April 8 to meet with leaders from the 15-country Caribbean Community and hold a bilateral meeting with Jamaican Prime Minister Portia Simpson Miller.

From there, Obama will go to Panama to attend the 35-country

Summit of the Americas, which for the first time will include Cuba. At the summit, Obama is scheduled to meet with leaders from the eight-country Central American Integration System, and with Panama's President Juan Carlos Varela.

But what about Brazil and other South American nations that make up the bulk of Latin America's economy? I asked U.S. officials in recent days.

So far, no group or individual meetings with South American countries are planned

South America's ties with the United States have deteriorated badly over the past decade, as China became the leading buyer of

the region's exports, and Brazil, Venezuela and other leftist-ruled countries—emboldened by their booming commodity exports—created their own sub-regional organizations such as UNASUR to exclude the United States from regional decisions. ...

Michael Shifter, head of the Washington, D.C.-based Inter-American Dialogue think tank, says the absence of an Obama-UNASUR meeting at the upcoming summit in Panama “is a recognition of reality.” He added, “Reality is that the U.S. influence in South America has become marginal, and that if the United States has any influence in Latin America, it's in Central America and the Caribbean.” ...

ANGLO-AMERICA



After Passover, Then What?

Gerald Flurry,

The Key of David | March 25

TRUE CHRISTIANS DO MUCH MORE THAN SIMPLY ACCEPT JESUS Christ's sacrifice.



Are Smartphones Making Our Children Mentally ill?

Telegraph | March 21

JULIE LYNN EVANS HAS BEEN A CHILD PSYCHOTHERAPIST FOR 25 years, working in hospitals, schools and with families, and she says she has never been so busy.

“In the 1990s, I would have had one or two attempted suicides a year—mainly teenaged girls taking overdoses, the things that don’t get reported. Now, I could have as many as four a month.”

And it's not, she notes, simply a question of her reputation as both a practitioner and a writer drawing so many people to the door of her cozy consulting rooms in west London where we meet. “If I try to refer people on, everyone else is choc-a-bloc too. We are all saying the same thing. There has been an explosion in numbers in mental health problems amongst youngsters.” ...

The floodgates of desperate youngsters opened, she recalls, in 2010. “I saw my work increase by a mad amount and so did others I work with. Suddenly everything got much more dangerous, much more immediate, much more painful.”

Official figures confirm the picture she paints, with emergency admissions to child psychiatric wards doubling in four years, and those young adults hospitalized for self-harm up by 70 percent in a decade.

“Something is clearly happening,” she says, “because I am seeing the evidence in the numbers of depressive, anorexic, cutting children who come to see me. And it always has something to do with the computer, the Internet and the smartphone.” ...

She is pointing a finger of accusation at the smartphones—“pocket rockets” as she calls them—which are now

routinely in the hands of over 80 percent of secondary school age children. Their arrival has been, she notes, a key change since 2010.

“It's a simplistic view, but I think it is the ubiquity of broadband and smartphones that has changed the pace and the power and the drama of mental illness in young people.”

With a smartphone ... youngsters can now, she says, “access the internet without adult supervision in parks, on street, wherever they are, and then they can go anywhere. So there are difficult chat rooms, self-harming websites, anorexia websites, pornography, and a whole invisible world of dark places. In real life, we travel with our children. When they are connected via their smartphone to the web, they usually travel alone.” ...

Mums and dads who allow young teenagers to have smartphones ... must also take a more active role in policing the use of them, she says, however unpopular it will make them with their offspring. ...

“When they are 15, you don’t, for example, let them go to pub, or stay out in the local park at 4 in morning, yet they’ll get into much less trouble physically there than they will on their smartphones on the internet. ...”

Parents also need to think about what example they set their children by their own attachment to their smartphones. “We know all about the importance of childhood attachment and good healthy childhood relationships with parents. Yet, if you look in the local park, you see children at a very early age not getting

the tender, intense love they used to because their parents are always on their smartphones. Put them down, and be with your kids from day one. They're not getting what they need from us to build up their core sense of self and that can create the problems I see down the line." ...

She is emphatically not anti-internet, but rather anti- the negative side effects of it on our young. "It is battering our children's brains. They have no times for the goodies in life—kindness,

acceptance, conversation, face-to-face, nature, nurture. They need to find a sense of purpose by connecting with other people, not being on the Internet all the time."

If parents and schools engage with it openly and together, this can be tackled, she urges. "If we can grab what's going on by the horns, and do something about it, then I am optimistic. I'm not optimistic, though, if we just say it's the government's fault and we've got to have more money."



Which Annual Festivals Should We Observe?

Stephen Flurry,
Trumpet Daily | March 23

HERE IS WHAT THE BIBLE SAYS ABOUT GOD'S ANNUAL HOLY DAYS.

Follow [Stephen Flurry](#)



Undocumented Immigrants Failing to Appear at Hearings Increasing

ABC News | March 20

THE FEDERAL GOVERNMENT SAID THE NUMBER OF UNDOCUMENTED immigrants failing to appear at deportation hearings is on the rise.

According to the Executive Office of Immigration Review, the number of people who did not show after being released on bond

or on their own recognizance grew by 153 percent in the last four years.

Immigration judges ordered deportations for those no-shows.

About 30 to 40 percent of undocumented immigrants failed to appear at their hearings last year. ...

Why It's So Hard to Learn English in Boston

Boston.com | March 25

WALK UP MASS AVE. AND YOU MIGHT HEAR A DIFFERENT LANGUAGE on every block. More than a quarter of Boston's residents are foreign born, and nearly half of all kids in Boston have at least one foreign-born parent, according to city figures.

But learning English isn't so easy. More than half of those in need of English-language classes end up on wait lists. ...

"Boston has always been a city of immigrants," [Alejandra St. Guillen, director of the city's Office of New Bostonians] said. "You can't find a place in Boston that doesn't have a growing immigrant population." ...

St. Guillen said that funding for ESOL [English for Speakers

of Other Languages] classes comes from the school system, federal funds, and state and private grants. It costs Boston Public Schools about \$500,000 to teach 200 ESOL students, or about \$2,500 for each student.

[City Councilor Ayanna Pressley] said when immigrants speak better English, they can get better jobs, earn more money, and provide for their kids. That boosts the whole city's economy. ...

Boston can't benefit from its diversity if everyone can't communicate.

"The best way to honor that diversity is to make sure there's inclusion," she said. "And we're leaving so many people out."