# Trumpet Weekly MAY 8, 2015



# **Shock Conservative Victory** in UK Election

#### Richard Palmer | May 8

**PRITISH PRIME MINISTER DAVID CAMERON WILL REMAIN IN power, probably for another five years, after a shock result in Britain's election yesterday.** 

Polls forecast a very tight election, with no party able to form a government alone. Many polls showed that no stable coalition at all would be possible, with some experts forecasting another election by the end of the year.

The polls were wrong—spectacularly wrong. For the past five years, the Conservatives have ruled in coalition with the Liberal Democrats. Now they have enough seats to rule alone.

It's all change for British politics. Labor leader Ed Miliband, whom many expected to be heading toward the prime ministership today, instead resigned shortly after noon.

Nick Clegg, the former deputy prime minister and leader of the Liberal Democrats, has also resigned after the number of seats his party held fell from 57 to fewer than a dozen.

Nigel Farage, the leader of the United Kingdom Independence Party (UKIP), promised that he would resign as party leader if he failed to win a seat in Parliament. He lost, and so has resigned. However, he has said that he will stand for election when UKIP chooses its next leader.

There was a bloodbath of senior figures in all these parties. The most high-profile scalp taken was Ed Balls, the shadow Chancellor of the Exchequer, who failed to enter Parliament.

Now there are two big questions on the new government's agenda: Britain's place in the European Union and Scotland's position in the UK.

Prime Minister David Cameron has promised in the strongest possible language to hold a referendum on Britain's place in the EU in 2017. That referendum will now almost certainly go ahead. For the next two years, Britain's place in the EU will be the one of the biggest issues in British politics.

"Clearly this has HUGE implications for Europe," wrote the think tank Open Europe in its live blog of the election. "We will definitely have an EU renegotiation followed by an In/Out referendum."

It wrote, "it is starting to dawn on the good folk in Brussels that the EU referendum and renegotiation are for real."

Voters clearly expressed strong anti-EU sentiment. UKIP's leader may have resigned; the party did have some bad news, going from having two seats in Parliament to only one. But if you look at share of the vote, it has made huge progress since 2010.

In 2010, UKIP received just under 1 million votes, or 3.1 percent.

This time, it won around 4 million votes, or around 12.5 percent. That's a huge increase and shows a strong dislike of the EU.

The other big story of the election is Scotland. Here the Scottish National Party (SNP) had spectacular success, going from having six seats in parliament to 56 seats. It won 50 percent of the vote in Scotland, and all but three of Scotland's seats. That is a huge change in Britain's politics, and Parliament over the next five years will look very different.

The SNP's success could re-open questions of Scotland's independence. It's not just that a party that wants Scotland to leave the UK has done really well. It is also that England voted very strongly to the right, while Scotland overwhelmingly chose a far-left party. It's clear that Scotland is not on the same page as England politically.

These two big issues may be related. It already looks like the SNP may use the EU referendum as a way to hold another vote on its place in the UK. Scotland is far more pro-EU than England. If the UK as a whole votes to leave the EU, while the Scots vote to stay in, SNP will use this as an excuse to hold another referendum.

But in the meantime, David Cameron and Conservatives now have a majority, with no coalition partners. This may mean a more right-wing government. Mr. Cameron still does not have an easy task. His majority is small; he cannot afford to have his backbenchers rebel against him.

There's still plenty to digest from today's result. But for an overview of *Trumpet* analysis on some of the issues brought up, read our articles "Britain Was Warned!" and "Without Scotland, There Is No Great Britain."

#### **MIDDLE EAST**

# The Marshall Islands' Cautionary Tale

Caroline Glick, Jerusalem Post | May 1

N TUESDAY, THE IRANIAN REVOLUTIONARY GUARD CORPS FORCIBLY commandeered the Maersk Tigris as it navigated its way through the Strait of Hormuz. Iran controls the strategic waterway through which 40 percent of seaborne oil and a quarter of seaborne gas transits to global markets.

The Maersk Tigris is flagged to the Marshall Islands. The South Pacific archipelago gained its independence from the U.S. in 1986 after signing a treaty conceding its right to self-defense in exchange for U.S. protection. According to the treaty, the U.S. has "full authority and responsibility for security and defense of the Marshall Islands."

Given the U.S.'s formal, binding obligation to the Marshall Islands, the Iranian seizure of the ship was in effect an act of war against America.

In comments to Bloomberg hours after the ship was seized, Junior Aini, chargé d'affairs at the Marshall Islands Embassy in Washington, indicated that his government's only recourse is to rely on the U.S. to free its ship.

Immediately after the incident began, the U.S. Navy deployed a destroyer to the area. But that didn't seem to make much of an impression on the Iranians. More significant than the naval movement was the fact that the Obama administration failed to condemn their unlawful action.

If the administration continues to stand by in the face of Iran's aggression, the strategic implications will radiate far beyond the U.S.'s bilateral ties with the Marshall Islands. If the U.S. allows Iran to get away with unlawfully seizing a Marshall Islands-flagged ship it is treaty bound to protect, it will reinforce the growing assessment of its Middle Eastern allies that its security guarantees are worthless.

As the Israel Project's Omri Ceren put it in an e-mail briefing to journalists, "[T]he U.S. would be using security assurances not to shield allies from Iran but to shield Iran from allies."

But President Barack Obama apparently won't allow a bit of Iranian naval piracy to rain on his parade. This week Obama indicated that he feels very good about where his policy on Iran now stands. ...

On the one hand, the Iranians are signaling that they are willing to sign a deal with the Great Satan. And this makes sense. For them the deal has no downside.

First there's the money. Last week the State Department indicated that it won't rule out paying Iran a \$50 billion "signing bonus." The \$50 billion would be an advance on Iranian funds that have been frozen in Western banks under the terms of the sanctions regime that would be lifted in the event a deal is concluded.

Iran can do a lot with \$50 billion.

Iran is spending \$3 billion a month to finance its war in Syria. With \$50 billion in their pockets, the ayatollahs can fight for another year and a half without selling a barrel of oil. ...

Obama's confidence that his deal will go through has freed him up to mark the next target of his foreign policy in what he recently referred to as the "fourth quarter" of his presidency: Israel.

According to a report in Foreign Policy, the administration is now seeking to delay anti-Israel resolutions at the UN Security Council—including a French draft resolution that would require Israel to surrender all of Judea and Samaria and northern, southern and eastern Jerusalem to the Palestinians—until after the deal with Iran is concluded at the end of June. According to the report, the administration doesn't want to upset pro-Israel Democrats while it still needs them to approve the deal with Iran.

But Obama has no problem with marking the target. ...

Three days after a ship sailing under their flag was seized by Iran's Revolutionary Guards, citizens of the Marshall Islands discovered that their decision to place their security in America's hands is no longer the safe bet they thought it was 29 years ago.

Anyone who entertains the belief that Israel will gain diplomatic acceptance or even a respite from American pressure if it makes concessions to the Palestinians is similarly making a highrisk gamble.

## Turkey, Saudi in Pact to Help Anti-Assad Rebels

#### Associated Press | May 7

CASTING ASIDE U.S. CONCERNS ABOUT AIDING EXTREMIST GROUPS, Turkey and Saudi Arabia have converged on an aggressive new strategy to bring down Syrian President Bashar Assad.

The two countries—one a democracy, the other a conservative kingdom—have for years been at odds over how to deal with Assad, their common enemy. But mutual frustration with what they consider American indecision has brought the two together in a strategic alliance that is driving recent rebel gains in northern Syria, and has helped strengthen a new coalition of anti-Assad insurgents, Turkish officials say.

That is provoking concern in the United States, which does not want rebel groups, including the al Qaeda linked al-Nusra Front, uniting to topple Assad. The Obama administration worries that the revived rebel alliance could potentially put a more dangerous radical Islamist regime in Assad's place, just as the U.S. is focused on bringing down the Islamic State group. A U.S. official, speaking on condition of anonymity because of the sensitivity of the issues, said the administration is concerned that the new alliance is helping Nusra gain territory in Syria.

The coordination between Turkey and Saudi Arabia reflects renewed urgency and impatience with the Obama administration's policy in the region. Saudi Arabia previously kept its distance and funding from some anti-Assad Islamist groups at Washington's urging, according to Turkish officials. Saudi Arabia and Turkey also differed about the role of the international Islamist group, the Muslim Brotherhood, in the Syrian opposition. Turkey supports the group, while the Saudi monarchy considers it a threat to its rule at home; that has translated into differences on the ground—until recently.

"The key is that the Saudis are no longer working against the opposition," a Turkish official said. He and other officials spoke on condition of anonymity because they were not authorized to brief the media.

Turkish officials say the Obama administration has disengaged

from Syria as it focuses on rapprochement with Iran. ...

Under Turkish and Saudi patronage, the rebel advance has undermined a sense that the Assad government is winning the civil war—and demonstrated how the new alliance can yield immediate results. The pact was sealed in early March when Turkish President Recep Tayyip Erdoğan flew to Riyadh to meet Saudi's recently crowned King Salman. Relations had been tense between Erdoğan and the late King Abdullah, in great part over Erdogan's support of the Muslim Brotherhood.

The Saudi shift appears to be part of broader proxy war against Iran that includes Saudi-led airstrikes in Yemen against Iran-backed Houthi rebels. The new partnership adds Saudi money to Turkey's logistical support.

"It's a different world now in Syria, because the Saudi pocketbook has opened and the Americans can't tell them not to do it," said Joshua Landis, the director of the Center for Middle East Studies at the University of Oklahoma. "It's quite clear that Salman has prioritized efforts against Iran over those against the Muslim Brotherhood." ...

At the end of March, the alliance—calling itself "Conquest Army"—took the city of Idlib, followed by the strategic town of Jisr al-Shughour and then a government military base. ...

Turkish officials say that the U.S. has no strategy for stabilizing Syria. One Turkish official said that the CIA has even lately halted its support for anti-Assad groups in northern Iraq. U.S. trainers are now in Turkey on a train-and-equip program aimed at adding fighters to counter the Islamic State group and bolster moderate forces in Syria, but Turkish officials are skeptical that it will amount to much.

Usama Abu Zeid, a legal adviser to the Free Syrian Army, confirmed that the new coordination between Turkey and Saudi Arabia—as well as Qatar—had facilitated the rebel advance, but said that it not yet led to a new flow of arms. He said rather that the fighters had seized large caches of arms from Syrian government facilities. ...

# A United Army for the Arab World?

#### Hussein Ibishmay, New York Times | May 3

HEN, AT ITS MARCH SUMMIT MEETING, THE ARAB LEAGUE announced that it intended to create a unified command for a joint Arab military force, eyes rolled. Given how divided the Arab states are, and how poorly most historical efforts at Arab military coordination have fared, this was widely assumed to be another empty rhetorical gesture.

Yet Arab governments are persisting in laying the foundation for this joint force. On April 22, the chiefs of staff of the Arab militaries met in Cairo to begin formalizing its precise makeup, rules of engagement and budget. Their proposals are to be ratified by the heads of state within three months.

Despite how ambitious this program is, and the numerous pitfalls that could derail it, the Arab states appear determined to make it work. If such a force emerges, even if it could be deployed only under limited circumstances, it would transform the regional strategic landscape and redefine relations between Arab nations. ...

The idea of a united Arab force also promises to bring together the financial resources of the Persian Gulf states with the manpower of Egypt, Jordan and Morocco. This responds to traditional Arab frustrations about the separation of large populations from major oil revenues (except in Iraq).

There is a profound appeal to the prospect of the sophisticated air forces and high-tech weaponry of the gulf states being combined with Egyptian infantry and mechanized units, along with Jordanian special forces, to defend Arab interests. But the plan is primarily a response to specific recent developments.

The rise of the Islamic State and—perhaps even more alarming—the expansion of Iran's influence in the Arab world through clients and proxies in Iraq, Syria, Lebanon, Yemen and beyond have created a rare consensus among Sunni Arab governments. They agree that they face an intolerable crisis and that it is no longer possible to rely on American intervention. ...

Both Riyadh and Cairo had separately expressed dissatisfaction with American policies and speculated about the need to move beyond a reliance on Washington's protection. ...

Yet the obstacles are enormous. Coordination and integration will be difficult, given disparities at every level in the communications systems, logistics, doctrines, procedures and even basic supplies and ammunition used by various Arab militaries. ...

Worse, the Arab states are divided on many core issues that might limit the effectiveness of such a force. Egypt and Saudi Arabia do not share a common position on the Syrian conflict. ...

Even if the plan cannot immediately be implemented, however, the fact that key Arab states are pursuing it demonstrates how gravely they view their strategic situation. After becoming over-reliant on the United States, they fear the Middle East is entering a "post-American" period. So they must move quickly to try to defend their interests. ...

Editorial Note: Psalm 83 indicates that this growing Arab alliance will not include Egypt. Egypt is destined to fall under the influence of Iran. For more on this read: "A Mysterious Prophecy."

#### **Arab Coalition 'Reconnaissance' Troops Land in Yemen**

#### Associated Press | May 3

WITH HELICOPTER GUNSHIPS HOVERING OVERHEAD, AT LEAST 20 troops from a Saudi-led Arab coalition came ashore Sunday in the southern port city of Aden on what military officials called a "reconnaissance" mission, as fighting raged between Iranian-backed Shiite rebels and forces loyal to the nation's exiled president.

It was the first ground landing by coalition forces since the start of the Saudi-led air campaign against the rebels and their allies—forces loyal to ousted President Ali Abdullah Saleh—who have captured most of northern Yemen and marched on southern provinces over the past year.

In Cairo, meanwhile, Egypt, a key coalition member that has been named as a likely participant in any ground offensive in Yemen, acknowledged for the first time that it has deployed troops in the Gulf region and the Red Sea as part of the Saudi-led coalition. ...

Saudi officials declined to immediately comment on Sunday's landing. However, military and security officials have repeatedly said a ground operation would follow the Saudi-led air campaign that began on March 26, after the military capabilities of the Houthis and their allies had been sufficiently weakened.



#### **EUROPE**

# Germany's Record Trade Surplus Is a Bigger Threat to Euro Than Greece

Ambrose Evans-Pritchard, Telegraph | May 5

G ERMANY'S CURRENT ACCOUNT SURPLUS IS OUT OF CONTROL. The European Commission's Spring forecasts show that it will smash all previous records this year, reaching a modern-era high of 7.9 percent of GDP. It will still be 7.7 percent in 2016.

Vague assurances that the surplus would fall over time have

once again come to nothing. The country is now the biggest single violator of the eurozone stability rules. It would face punitive sanctions if EU treaty law was enforced.

Brussels told Germany to do its "homework" a year ago, but recoiled from taking any action. We will see if Jean-Claude Juncker's commission does any better this time.

If not, cynics might justifiably conclude that big countries play by their own rules in Europe, and that Germany can defy all rules. ...

This is the fifth consecutive year that Germany's surplus has been above 6 percent of GDP. The EU's Macroeconomic Imbalance Procedure states that the Commission should launch infringement proceedings if this occurs for three years in a row, unless there is a clear reason not to.

There are few extenuating circumstances in this case. Germany's surplus is not caused by a one-off shock. The surplus remains huge even if adjusted for lower energy import costs. It is a chronic structural abuse, rendering monetary union unworkable over time, and is surely more dangerous for eurozone unity than anything going on in Greece.

"The European Commission should stop pulling its punches: Germany should be fined," said Simon Tilford, from the Center for European Reform. ... "What is so worrying is that the surplus would normally be falling rapidly at this stage of the economic cycle," he said.

Germany's jobless rate is at a post-Reunification low of 4.7 percent. It should therefore be enjoying a surge of consumption. This it is not happening because the rebalancing mechanism is jammed. What this shows is the EMU remains fundamentally out of kilter, and doomed to lurch from crisis to crisis even if there is a recovery.

Any rebound in southern Europe will lead to the same build-up in intra-EMU trade imbalances, and therefore in the same offsetting capital flows, vendor-debt financing, and asset bubbles that

led to the EMU crisis in the first place. ...

The IMF said Germany's exchange rate is undervalued by as much as 18 percent under trade elasticity theory even then, before the more recent plunge in the euro. This was achieved by squeezing wages in the early years of EMU, undercutting the South. ...

Germany denies that it is a serial violator of the Macroeconomic Imbalance Procedure. It admits that EMU effects have left the country with an undervalued exchange rate but denies that this is the result of "policy distortions," let alone a deliberate, cynical, self-interested strategy of mercantilist exploitation.

It is no mystery why the imbalance is getting worse. The German regulatory and tax structure is geared in favor of output and exports, and against consumption. It is the mirror image of Britain. Neither formula is healthy. ...

German surpluses did not matter in the days of the deutsche mark. The country revalued from time to time, correcting the problem. How Germany ran its own internal affairs were largely its own business. But as the IMF has repeatedly stated, it is an entirely different matter in a monetary union. The German surplus lies at the root of EMU's north-south divide. ...

This refusal to view matters from anybody else's point of view is testing patience around the world. Germany has displaced China as the archvillain in the U.S. Treasury's reports to Congress on currency manipulation, and for obvious reasons.

Chronic surpluses are a way of stealing demand from elsewhere. They export unemployment to other countries. This matters in an era of "secular stagnation" and excess global savings. Societies are entitled to retaliate once this gets out of hand. ...

# **Brexit Threat Looms Over Britain's Election and Europe's Fate**

Ambrose Evans-Pritchard, Telegraph | May 6

C HANCERIES, POLITICAL ELITES AND BUSINESS FEDERATIONS across Europe, regardless of whether they are on the left or the right, are hoping the Conservative Party loses this week's general election.

All the better if a motley Labor government is strapped to a bloc of triumphant Scottish Nationalists, guaranteeing a double-lock against any further flirtations with Brexit. Or so goes the argument.

They should be careful what they wish for. David Cameron is perhaps the only man who can ultimately prevent Britain breaking away from the EU, and therefore prevent a fatal body blow to an ailing project that lost its emotional hold over Europe's people long ago and no longer has a plausible claim to economic legitimacy.

Lest we forget—carried away by a short-term cyclical rebound—the eurozone is only just beginning to recover from an economic slump that has proved deeper and more intractable over the past six years than the Great Depression, with four sovereign insolvencies and mass unemployment to match. Nor should we forget either that the second leg of this episode was entirely caused by policy blunders and the unworkable structure of EMU governance. ...

There might be no referendum on EU withdrawal in 2017, but that would settle nothing. "While a Labor victory might reduce the prospect of Brexit over the next five years, it could increase them over the next 10," writes the think tank Open Europe.

A Tory defeat would flush out the last EU dreamers and leave a post-Cameron party with even less tolerance for the posturing of Commission Chief Jean-Claude Juncker, who this week accused the Anglo-Saxon world of trying to destroy the euro and vowed to stop Britain imposing its "exclusive agenda on all the other member states of Europe." ...

Brexit would play havoc with the EU's internal chemistry, leaving France even more exposed to the ill-disguised power of a reunified Germany that is already uncomfortably dominant, and wants no such hegemony for itself. The small Nordic countries that tuck into UK-led coalitions on free trade and open markets would be left adrift. ...

Whoever is elected will almost certainly have to deal a perpetual running sore in the eurozone. It is clear by now that monetary union is fundamentally deformed and will never be stable until there is a fiscal union and an EMU-wide government to back it up, but there is no democratic support for such a Utopian leap forward in any country. It is sheer fantasy following the Front

National's victory in the European elections in France.

The European Central Bank's Mario Draghi has averted a deflationary collapse—in the nick of time—but the gap in competitiveness between the north and south is wider than ever. The EU Fiscal Compact will force the weakest debtor states to pursue contractionary policies for two decades to come asymmetrically, starving the south of investment and further entrenching the divide. ...

The implication is that EMU will lurch from crisis to crisis until

the victims of this cruel dynamic rebel through the ballot box, as the Greeks are already doing. Cheap oil, a weak euro, and a blast of QE have together lifted the region off the reefs for now, but the deformed structure will be exposed again when the world economy spins into another downturn.

The European elites may imagine that a defeat for David Cameron can extinguish the Brexit threat. In reality it is has become a permanent fixture of the British landscape. They over-reached and brought it on themselves.

# France Restricts the Movement of Gold, Cash and Crypto-Currencies

#### **Armstrong Economics | May 4**

RANCE IS THE MOST SOCIALIST COUNTRY IN EUROPE .... FRANCE'S latest war on money is broadening to create a virtual lockdown on all assets. France is strengthening the control of cash payments drastically. Additionally, gold sales and movement of any tangible goods is to be reported.

French Finance Minister Michel Sapin has announced a drastic tightening of the use of cash in France. As the newspaper *Le Parisien* reported, citizens will be strictly monitored beginning September 2015 if they make payments in cash. Restrictions will include:

- A limit on cash payments will be reduced from €3,000 to €1,000.
- Tourists can only pay up to €10,000 in cash, so far there were €15,000.
- If a Frenchman wants to change money into another currency, it must still do to €1,000 without identification only. So far, French could buy foreign currencies for €8,000.

- If a bank customer stands out more than €10,000 a month from his account, the bank must report the transaction to the Money Laundering Authority TRACFIN.
- Banks must inform the authorities of all cargo transfers within the EU that exceeds €10,000. This regulation impacts checks, prepaid cards, and even gold.
- The control of crypto-currencies like Bitcoin are set to be tightened drastically.

This is the economic tyranny we currently face. ... We no longer live in a democratic world. This is all about controlling the people to sustain their power. The French official reason for these measures is the "War on Terror." In fact, it is the measure that we are witnessing around the globe because those in power feel it slipping away. ... It is still unclear whether other euro countries will follow the example of Paris and its citizens in other countries to restrict the free private use of their money.

#### **German Police Arrest Four Suspected of Planning Mosque Attacks**

#### Wall Street Journal | May 6

OLICE ARRESTED FOUR ALLEGED RIGHT-WING EXTREMISTS early Wednesday suspected of planning attacks on mosques and asylum seekers in Germany, the country's top prosecutor said.

The Federal Prosecutor's office said the four suspects procured explosives to carry out terrorist attacks in small groups on targets including mosques, accommodation for asylum seekers, and well-known Salafis—people who follow an ultra-fundamentalist branch of Islam.

According to the prosecutor's office, 56-year-old Andreas H., 39-year-old Markus W., 22-year-old Denise Vanessa G. and 47-year-old Olaf O. are suspected of forming a right-wing terrorist group with other suspects called "Oldschool Society," or oss, no later than November last year. ...

The searches uncovered "pyrotechnic materials with large explosive force" and further evidence, according to the prosecutor's statement. The investigation is examining whether the group had fixed targets or timings for attacks.

# 'Anglo-Saxons' Would Rip Europe Apart After a Grexit, Says Juncker

#### Telegraph | May 5

THE PRESIDENT OF THE EUROPEAN COMMISSION HAS RISKED angering Britain after comments warning that the "Anglo-Saxon world" would seek to dismantle the European project if Greece was ever allowed to leave the single currency.

Speaking to an audience at the Catholic University of Leuven in Belgium, Jean-Claude Juncker said a "Grexit" would leave the euro prey to forces who "would do everything to try to decompose" what remained of the monetary union.

"Grexit is not an option," said Mr. Juncker. "If we were to accept, if Greece were to accept, if others were to accept that Greece could leave the area of solidarity and prosperity that is the eurozone, we would put ourselves at risk because some, notably in the Anglo-Saxon world, would try everything to deconstruct the euro area piece by piece, little by little."

A spokeswoman for Mr. Juncker said the reference to the Anglo-Saxon world could be "understood in the sense of the markets and speculators," rather than a reference to Britain specifically.

Greece has been struggling to meet conditions laid out by its paymasters in order to unlock vital funds it needs to stave-off bankruptcy. But with the country edging ever closer to a default on its creditors, fears have mounted that that it will soon become the first state to be forced out of the euro. ...

Mr. Juncker's comments reflect anxiety that financial markets could then turn on other weaker member states, pushing up borrowing costs, provoking political crises, and forcing countries to return to their national currencies. ...

# Estonia Starts Biggest Military Exercise in History of Defense Forces

#### The Baltic Times | May 4

HE ESTONIAN DEFENSE FORCES WILL START MILITARY EXERCISE Hedgehog today, Postimees Online reports.

The chief of Estonian Defense Forces, Lt. Gen. Riho Terras, said that planning the exercise has taken several years. ...

Hedgehog 2015, which will last from May 4 to 15 throughout Estonia and culminate in Virumaa, is the biggest exercise in the history of the Defense Forces.

Hedgehog is taking the place of the annual Spring Storm exercise, and over 13,000 Estonian and allied reservists, defense league members, conscripts and active military members will participate. The success of the exercise depends largely on reservists, who make up more than half of the participants.

The purpose of the exercise is to check the supplementary

compiling of units that are in permanent readiness and formation of rapid response readiness units. ...

Estonia's allies will also participate in the exercise, including an infantry company from the UK and U.S. units who are already in Estonia. Belgium and Germany will also be represented by air defense systems; in addition to Polish pilots, who will be present at Ämari airbase. Dutch forces will also participate. Latvia and Lithuania will also be represented, but this time will not have separate units.

Four British Eurofighter planes will arrive in Estonia for their air policing rotation, and when possible they will be involved in Hedgehog, along with two Air Force Hawk practice planes. In addition, Polish and U.S. planes will participate in the training exercise.

### Germany Sees Rise in Anti-Semitic, Anti-Foreigner Crime Associated Press | May 6

G ERMANY'S TOP SECURITY OFFICIAL SAYS NEW STATISTICS SHOW A sharp rise in anti-Semitic offenses last year, as well as in crimes against foreigners.

Interior Minister Thomas de Maiziere told reporters Wednesday that anti-Semitic offenses rose 25.2 percent last year to 1,596 after declining in 2013. Crimes against foreigners were up 21.5 percent to 3,945.

De Maiziere says the rise is partially due to new reporting methods that more closely track the motivation of perpetrators, but said nonetheless "this development is worrying and must be stopped." ...

Overall, police registered more than 6 million crimes in 2014, up slightly from 2013.

"Most of Europe's governing elite are taking the position that their nations are friends of the Jewish people. These same leaders also believe the rise of radical Islam can be curbed through diplomatic efforts. What these leaders do not admit, however, is that many if not most of their own people do not agree with them. Rising anti-Semitism and hostility toward Muslims are feeding the current wave of rightwing extremism spreading in Europe."

the Trumpet.com, Sept. 24, 2008

# EU to Resume Nuclear Talks With Iran Ahead of June Deadline Deutsche Welle | May 5

TALKS BETWEEN THE EU AND IRAN WILL BEGIN ON MAY 12 IN Vienna with the U.S., Russia, China, France, Britain and Germany joining three days later.

"Negotiators will continue their work on the drafting of the main text of a Joint Comprehensive Plan of Action, based on the key understandings reached on April 2 in Lausanne and started last week in New York," the EU said. ...

Iran's Deputy Foreign Minister Abbas Araghchi confirmed the announcement in New York, where an Iranian team is taking part

in talks on the sidelines of a UN disarmament summit.

EU negotiator Helga Schmid and her Iranian counterparts Araghchi and Madjid Takht Ravanchi will meet prior to the arrival of the P5+1. ...

The announcement comes more than a month after the parties agreed on a June 30 deadline for an agreement. The final deal is expected to curb Iran's nuclear program by reducing its uranium stockpile and 19,000 centrifuges in exchange for Western powers lifting sanctions. ...

#### Racism in Germany 'in All Parts of Society,' UN Review Shows

#### Deutsche Welle | May 5

ACISM IN GERMANY IS NOT ONLY FOUND IN EXTREME RIGHTwing circles, but in all parts of society," the German government admitted to the UN Committee on the Elimination of Racial Discrimination in Geneva on Tuesday.

"Many politicians and parties fail to consistently disassociate themselves from racist resentments, stereotypes and prejudices," added Selmin Çaliskan, secretary general of Amnesty International in Germany. She says this contributes to support for the "stigmatization of minorities," promoted by the anti-immigrant PEGIDA movement among others.

The weekly right-wing PEGIDA rallies saw a huge surge in popularity between October and February, with numbers reaching as high as 25,000 in the eastern German city of Dresden. ...

[Justice Ministry official Almut] Wittling-Vogel also promised

that Germany would step up the prosecution of racist crimes. ...

On Wednesday, the second day of the two-day hearing, German human rights groups are expected to criticize the government for failures in the fight against racism.

Among other issues put before the panel will be persistent claims of "racial profiling" by German police in routine checks on trains.

"Such actions would undermine the confidence of ethnic minorities in the German police," Amnesty International warned. The German government's report denied the claims. ...

In around two weeks the panel of 18 independent experts will publish proposals to improve antiracism efforts in Germany and further implement the UN convention against racism, which came into effect in 1969. ...

#### ASTA

## China's No. 3 Leader Says Ties With Japan Improving

#### The Japan Times | May 5

A SENIOR CHINESE POLITICAL LEADER SAID TUESDAY THE COUNtry's once frosty relations with Japan have started thawing following a series of recent exchanges.

"Sino-Japanese relations have taken the welcoming initial step toward improving," Zhang Dejiang, ranked third in China's Communist Party, told a cross-party group of Japanese lawmakers at the outset of a meeting in Beijing.

The group's three-day visit to Beijing that started Monday came after Prime Minister Shinzo Abe and President Xi Jinping met April 22 for the second time in five months and agreed to advance a range of exchanges to enhance mutual trust, despite outstanding disagreements over territory and wartime history. ...

"Maybe Tokyo would be able ... to form an alliance ... to counter the China-Russia axis. An alliance between Japan and nations like Korea and Taiwan is difficult to imagine, though, given the intense loathing those countries still harbor toward Tokyo because of the savagery they suffered at its hands during times of invasion. ... But the strong implication of Bible prophecy is that even if some kind of Japan-led counter-alliance were formed, it would not be long before it joined China and Russia. Back in World War I, Japan was the only industrialized nation in Asia, so it was able to chart its own course. This time around, that advantage is removed."

Trumpet, January 2014

#### China Is Accidentally Turning Japan Into a Global Military Power

#### **Epoch Times | May 5**

In Less than two years, Japan transformed from a pacifist nation to a major military power willing and able to defend itself and its allies, and new draft legislation will further its shift. You can thank China for this.

While the changes don't mean that Japan is immediately going to exert its military globally, they mean that that time could soon come: they will be able to join UN peacekeeping missions, defend their allies, such as the United States, and even extend their defensive capabilities into space.

Japan used to have its arms tied behind its back with Article 9

of its Constitution, which outlawed war as a means to settle disputes. But in November 2013, the Chinese regime created an air defense zone over the East China Sea that included the Senkaku Islands, which are under Japanese control yet claimed by the Chinese regime.

The Chinese regime didn't let up. It threatened military action against anyone who entered its defense zone without permission, and began sending ships and jets into the territory. Japan didn't back down.

According to an analysis of the U.S.-Japan defense alliance,

from the nonpartisan Congressional Research Service, the Japanese government is now finalizing draft legislation for new security policies that may reform the role of Japan in global military operations.

Debate over the draft legislation that could even allow Japan to participate in UN peacekeeping missions, says the report, "will shine a light on the willingness of Japan to become involved in conflicts for the sake of aiding the United States, and on Japanese perceptions of the security environment in East Asia." ...

The draft changes will affect Japan's Mutual Defense Guidelines (MDG), which it codified with the United States in 1978 and updated in 1997. ...

If passed, the new MDG would allow Japan to cooperate with the United States on cybersecurity, the use of space for defense, and ballistic missile defense. According to the report, "Under the banner of collective self-defense, the Japanese military would be able to defend U.S. vessels and aircraft, provide non-combat logistical support to U.S. troops, and engage in minesweeping operations." ...

According to the report, "This new coordinating body removes the 'seam' between war and peace that had inhibited alliance coordination during peacetime, such as during the disaster relief response to the 2011 earthquake and tsunami in northeast Japan." ...

# T

# Russian Fighter Jet Intercepted Over Baltic With Transponder Off Albert Clarke | May 6

ATO FIGHTER JETS INTERCEPTED A RUSSIAN MILITARY TRANSport aircraft flying over the Baltic Sea on Monday.

The Russian AN-22 transport had its transponder switched off. The transponder receives radio signals from radar and sends back a squawk code with information about the aircraft's position, altitude and identification. Without the squawk code, the aircraft appears as an unidentified radar blip. Essentially, the Russian military plane was hiding itself.

A Ukrainian news source reported that NATO'S Baltic air policing mission intercepted four Russian military planes in March.

Two Russian bombers with their transponders turned off nearly collided with passenger planes near Ireland in February. Two Russian warplanes were intercepted on two separate occasions near the United Kingdom's airspace this February. Those events continue the trend developed last year, when NATO forces scrambled over 400 times in order to intercept Russian military planes.

To understand the significance and danger of Russia's increasingly provocative behavior, read *Trumpet* editor in chief Gerald Flurry's article "Vladimir Putin *Is* the Prophesied Prince of Russia."

#### Deepening Russia-China Alliance Challenges U.S., Western Order

IB Times | May 4

R USSIA AND CHINA HAVE INCREASINGLY FOUND COMMON GROUND in challenging the policies of the United States and the Obama administration. The two countries have recently announced a series of plans to strengthen their military and political ties. Analysts believe the deeper alliance may be a cause of concern for the U.S.

The former adversaries during the Cold War, China and Russia had increasingly found a common cause in challenging the Western-dominated order in Asia and Europe. Both countries view the attempts of the West to subdue them as efforts to contain their rise to power, reports *Washington Times*.

Last week, China and Russia had announced their first joint naval exercises in the Mediterranean. Russia has also agreed to be one of the biggest overseas investors in China's proposed development bank. U.S. President Barack Obama's administration has tried to undercut China's plans.

"Russia and China are now becoming, as we wanted, not only neighbors but deeply integrated countries," said Russian Deputy Prime Minister Dmitry Rogozin to reporters on a recent trip to China's eastern city of Hangzhou....

BBC has dubbed China and Russia's blossoming relationship as a budding "bromance" since its leaders, Russian President Vladimir Putin and Chinese President Xi Jinping, have gotten close

Western leaders have declined Russia's invitation to attend the celebration in Red Square to commemorate the 70th anniversary of the victory over the Nazis in Germany. Mr. Xi has agreed to attend the ceremonies. Andrey Denisov, Russia's ambassador to Beijing, said Mr. Putin and Mr. Xi have met five times in 2014 and "will meet as many times" within the year. ...

# Meet Japan's Newest Aircraft for Defending the Senkaku Islands

Diplomat | May 6

YESTERDAY, THE U.S. DEFENSE SECURITY COOPERATION AGENCY (DSCA) announced that the U.S. State Department approved a possible \$3 billion sale of 17 V-22 Osprey military transport aircraft and associated equipment to Japan.

U.S. Congress now has to approve the concept of the sale and the Japanese government will also have to give the go-ahead before companies can agree to term and delivery dates, USNI News

reports. In January 2015, the Japanese diet approved a defense budget that called for the purchase of five Ospreys. Deliveries of all aircraft are expected to be completed within the next five years.

The Bell Boeing V-22 Osprey tilt-rotor aircraft is a hybrid between a conventional helicopter and turboprop plane with both vertical takeoff and landing (vtol) and short takeoff and landing (stol) capability. It outperforms traditional helicopters

in terms of speed and range and has been deployed to the Western Pacific by the U.S. Marine Corps since the late 2000s. The DSCA press release reads:

"Japan is modernizing its transport fleet to better support its defense and special mission needs. The proposed sale of V-22B Block C Osprey aircraft will greatly enhance the Japan Ground Self-Defense Force's humanitarian and disaster relief capabilities and support amphibious operations. This sale will promote burden sharing with our ally and interoperability with U.S. forces. Japan will have no difficulty absorbing these aircraft into its armed forces."

The sale also includes 40 Rolls Royce engines, 40 infrared

radars, 40 missile warning systems, 40 countermeasure dispenser systems, 40 global positioning system (GPS) receivers, and 80 night-vision goggles, among a host of other items, the DSCA press release states. ...

Japan's Maritime Self Defense Force's newest 19,500 ton helicopter carrier, the Izumo, has a large and robust enough deck to accommodate the Osprey fleet, according to the *Japan Times*. The Ministry of Defense also wants to use the Osprey in the defense of Nansei Islands, including the Senkaku Islands, Japanese media reported in 2012. The new fleet will in all likelihood be stationed in Saga Prefecture, in the northwest part of the island of Kyushu, due to its close proximity to the East China Sea. ...

#### Shadowboxing in the Baltics as Russia Tensions Reach Cold War Levels

#### The Moscow Times | May 5

A DAILY GAME OF COLD WAR CAT-AND-MOUSE IS RATCHETING UP tensions in the Baltic and drawing the biggest military presence into the region for over 20 years, Swedish military officials say.

Eye-to-eye encounters with Russian combat jets and reports of suspected submarines in Swedish and Finnish waters are fueling regional concerns about Russian assertiveness in the wake of the Ukraine crisis and reversing years of defense cuts.

Western officials say Russia has stepped up probing flights and mock bomb runs near Europe's borders since 2013, forcing jets from NATO nations and non-NATO allies like Sweden to scramble repeatedly. For its part, Moscow says NATO has dramatically increased reconnaissance flights near its borders. ...

Last year, however, Swedish fighters, early warning aircraft and reconnaissance planes flew over 600 missions, up almost half from post-Cold War levels seen five years earlier. ...

The amount of regional military activity is back at Cold War levels, [Col. Marcus Bjorkgren, chief of staff of the Swedish Air Force] said, with NATO aircraft also crowding into the region on Baltic air policing missions. "We are back pretty much on the level where we were in the late 1980s and early 1990s."

The European Aviation Safety Agency has said safety incidents involving civil and "non-cooperative" military aircraft over the

high seas, particularly over the Baltic Sea, significantly increased in 2014. In the first three months of 2015, NATO aircraft intercepted Russian planes more than 100 times all over Europe, a NATO official said.

Sweden has drawn closer to NATO in the past few years but Prime Minister Stefan Lofven has ruled out seeking membership of the U.S.-led alliance. ...

Last week the Finnish military said it had fired handheld underwater depth charges as a warning against a suspected Russian submarine in waters near Helsinki.

The incident came months after Sweden's biggest mobilization since the Cold War, when stealth ships and helicopters scoured the Stockholm archipelago after reports of underwater activity. ...

Sweden's own military has questioned its ability to defend itself for more than a week against a Russian attack. ...

After 20 years of reduced or stagnant spending, Sweden is increasing its defense budget by 10.2 billion Swedish crowns over the next five years in a deal supported by parties on both sides of the political aisle in the Riksdag, where once-vocal opposition to higher military spending has largely faded.

Finland, Norway, Poland and the former-Soviet Baltic States are following suit. ...

# T

#### China, EU Celebrate Four Decades of Relations

#### theTrumpet.com | May 8

C HINA AND THE EUROPEAN UNION CELEBRATED 40 YEARS OF DIPlomatic relations on May 6 following on the heels of record-breaking relations in 2014.

Chinese and EU officials met on the eve of the anniversary to discuss improving security and defense cooperation. Over the past four decades, Chinese and European Union trade relations have reached historical highs. When relations began in 1975, trade volume between China and the EU (then known as the European Economic Community) reached \$2.4 billion. In 2014, the European Commission data recorded more than \$615 billion worth of goods traded between the EU and China—equivalent to \$1.68 billion every day. This marked a 9.9 percent year-on-year increase.

In March 2014, Chinese President Xi Jinping became the first Chinese president to visit the EU headquarters. He proposed "to build a China-EU partnership for peace, growth, reform and civilization, and thus bridge the Chinese dream and the European one."

Half a year later, in September, China began direct trading between the yuan and euro. This strengthened bilateral trade and investments between China and eurozone members by reducing transaction costs. It also meant the United States dollar would not be used as an intermediary currency to calculate rates. One of the greatest economic alliances came in April this year when half of the EU became founding members of the Chinese-led Asian Infrastructure Investment Bank, ignoring pleas from the U.S. to not join.

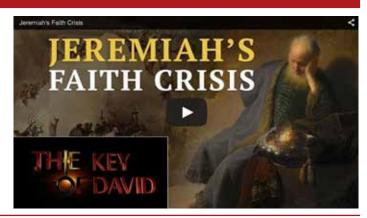
China and the EU share a unique relationship. In terms of political structure, the two have very little in common. They don't share geographical borders, nor are they close enough to challenge each other's sphere of influence. There are no cultural roots, common values, language or beliefs that would bind the two together. Yet this partnership has been steadily evolving since it began in 1975. To understand why this is an important partnership to watch, read "The Great Mart."

#### **ANGLO-AMERICA**



## Jeremiah's Faith Crisis Gerald Flurry, The Key of David | May 10

OD GAVE THE PROPHET JEREMIAH A POWERFUL COMMISSION TO take King David's throne to Ireland. But first, Jeremiah had to learn a deep lesson about faith.





## Why Marriage Stephen Flurry, Trumpet Daily | May 6

EW PEOPLE HAVE STOPPED TO ASK THAT QUESTION.

Follow Stephen Flurry



# America's Politicized Tax Enforcement Is a Harbinger of Decline

Victor Davis Hanson, National Review | May 7

W HY DID ROME AND BYZANTIUM FALL APART AFTER CENTURIES of success? What causes civilizations to collapse, from a dysfunctional fourth-century B.C. Athens to contemporary bankrupt Greece?

The answer is usually not enemies at the gates, but the pathologies inside them. What ruins societies is well known: too much consumption and not enough production, a debased currency, and endemic corruption. Americans currently deal with all those symptoms. But two more fundamental causes for decline are even more frightening: an unwillingness to pay taxes and the end of the rule of law.

Al Sharpton is again prominently in the news, blaming various groups for the Baltimore unrest. But Sharpton currently owes the U.S. government more than \$3 million in back taxes, according to reports. His excuses have ranged from insufficient funds to pay them to sloppy record-keeping and mysterious fires. Sharpton, a frequent White House guest, apparently assumes that his community-organizing provides him political exemption from federal tax law. ...

The Clinton Foundation is expected to refile its tax returns for 2010, 2011 and 2012 after failing to separate government grants

from donations. If an average citizen tried to amend his taxes for such huge sums and from that long ago, he would probably be under indictment. ...

Two of the most liberal talking heads at the MSNBC cable news network, Touré Neblett and Melissa Harris-Perry, known for their advocacy of higher tax rates on the affluent, turn out to be both quite well off and quite unwilling to pay their fair share of taxes. ...

Former IRS official Lois Lerner and her subordinates were found to have targeted conservative nonprofit groups for excessive federal scrutiny. While testifying before Congress, Lerner invoked her Fifth Amendment right against self-incrimination, and investigators later found that two years of her e-mails had gone missing in a mysterious computer crash. ...

Billionaire George Soros, a proponent of big government and higher taxes, reportedly could face a tax bill of approximately \$7 billion after years of deferrals....

Our laws are becoming as politicized as our tax system. Whatever one thinks of illegal immigration, it's undeniable that under the Obama administration, federal immigration law enforcement is now predicated on politics. The law as it was written suddenly

has ceased to exist ....

In the last six years, the enforcement of federal laws has depended on their apparent political utility. If elements of the controversial Affordable Care Act were deemed politically risky, then their implementation was ignored until after an election. If the Environmental Protection Agency could not see its agenda passed through Congress as federal law, then it implemented its green policies by fiat. If the Obama administration reaches a controversial agreement with Iran that will not meet the Constitutional test of ratification by two thirds of the Senate, then it will not be called a treaty and instead be imposed by presidential

executive order.

Prosecutors have never been more ideologically driven. Sen. Bob Menendez (D-N.J.) opposes administration policies on Cuba and Iran—and then suddenly faces federal indictments on charges covering a period from 2006 to 2013. ... Increasingly in the United States, the degree to which a law is enforced—or whether a person is indicted—depends on political considerations. But when citizens do not pay any income taxes, or choose not to pay taxes that they owe and expect impunity, a complex society unwinds. And when the law has becomes negotiable, civilization utterly collapses.

# T

# President Gave 195,900 Criminally Convicted Illegals a Free Pass

Jeremiah Jacques | May 7

NITED STATES PRESIDENT BARACK OBAMA OFTEN LAVISHES illegal immigrants with the highest praise. One example of this came during a prime-time address last year when he said: "I've seen the courage of students who bravely come out as undocumented in hopes they could make a difference in a country they love. ... [T]hey did not come here in search of a free ride or an easy life. They came to work, and study, and serve in our military, and above all, contribute to America's success."

But does the president's outreach to illegals draw *only* individuals who "contribute to America's success"?

During the six years Mr. Obama has been in power, the Department of Homeland Security (DHS) has knowingly released some 195,900 criminally convicted illegal immigrants onto the streets of America.

That averages out to about 85 convicted criminals released per day.

Thousands of those released have been convicted of violent crimes such as homicide and aggravated assault. In 2013 alone, the releases included 193 convicted murderers, 303 convicted kidnappers, and 426 convicted of sexual assault. Others were convicted of child pornography charges, robbery, aggravated assault, and driving under the influence. More than half of those released have been convicted of multiple felonies. Many are known gang members or affiliates.

"As a law enforcement officer, I'm really disgusted with it," said Neil Warren, the sheriff of Cobb County, Georgia, where several of the alien convicts were released.

Former chairman of the House Judiciary Committee, Republican Rep. Lamar Smith of Texas, agrees with Warren's assessment. He called the releases "the worst prison break in American history," and said, "President Obama's lax immigration policies have put the lives of Americans at risk."

Such concerns have proven well founded, as about 1,000 convicts each year go on to commit other crimes against Americans in the communities where they settle.

After being released into the public, one criminally convicted illegal alien went on to inflict injury on a domestic partner, commit child cruelty (with the possibility of injury or death), violate his probation, drive without a license, and fail to appear in court.

Is this individual—and others who have been released and go on to commit other crimes—contributing to America's success?

#### Trying to Keep It on the DL

Unsurprisingly, the administration didn't want the latest release numbers to be publicly known. But the extent to which it tried to obscure the truth is unnerving. Last May, the DHS failed to respond to a request under the Freedom of Information Act to disclose records about the releases. But after the Judicial Watch group filed a lawsuit against the agency, a federal court ruled for the documents to be released.

"It's appalling that we've had to sue in federal court to get key information about the Obama administration's release of 165,950 convicted criminal aliens," said Judicial Watch President Tom Fitton. (The figure he cited does not include another 30,000 released in the most recent fiscal year.)

Fitton added: "These documents show the Obama administration is lying when it says that its 'enforcement priorities' include deporting illegal aliens who have committed heinous crimes."

He then asked: "Where do the innocent victims of the illegal alien criminals this president's appointees have set free go for justice?"

This news fits a broader pattern of the Obama administration's espousal of immigration policies that undermine America's own interests.

The vast majority of Americans recognize the danger of such policies. A poll published on May 4 showed that 77 percent now consider illegal immigration a serious problem in America. And 63 percent say it is so serious that the U.S. military should be deployed along the Mexican border to prevent its continuation.

But the administration consistently ignores such polls and forges ahead implementing polices that favor illegals over citizens. Recognition of this prompted Sen. Jeff Session to say, "Immigration enforcement has been destroyed by this president."

Are you concerned about where the current administration is leading the United States? The problem is worse than you think, and there is only one way to solve it. To understand what the solution is, read our free booklet *America Under Attack*.

▼ Follow Jeremiah Jacques