



Partial view of the ancient oasis city of Palmyra

Palmyra: A Milestone in the Islamic State War

Callum Wood | May 27

THE SYRIAN CITY OF PALMYRA, WITH ITS BEAUTIFUL ROMAN ARCHITECTURE and rich history, has fallen into dark days. The Islamic State took control, striking a powerful and strategic blow to the Assad regime, his sponsors in Iran, and also against the Iraqis fighting to subdue the Islamic State in Ramadi and elsewhere.

Some analysts predicted the fall of Palmyra would be little more than a setback in the battle against the Islamic State. But the injuries sustained in this attack could yet prove fatal for Assad's power and will severely limit Iranian, Iraqi and American forces in their fight against the Islamic State.

Geographically, Palmyra was a blow delivered right at the center of the nation. While on the edge of Assad's territory, it is a city in the heart of the country itself. The implications of taking such a central city are huge for the Islamic State.

Firstly, Palmyra lies on the road between two areas of Islamic State control. On the west is the embattled city of Homs; on the east is Deir al-Zour, an Islamic State city. The two hotbeds of Islamic State operations are now linked by way of Palmyra. The capture of the city now means 50 percent of Syria is in Islamic State hands. A terrorist can get in his pickup or Humvee at breakfast and be across the nation by sundown without leaving Islamic State-controlled territory.

A Link to Iraq

But the networking is even more extensive and far-reaching. The Islamic State just took over the last Syrian-controlled border with Iraq—the al-Waleed crossing. Territory between Palmyra and Iraq is sparsely populated. The deserts surrounding Palmyra

extend all the way to the Islamic State-controlled city of Ramadi in Iraq. By taking these two cities, the terrorists have also captured the no man's land in between, linking their territory in both nations and giving them unrestricted travel from the heart of one nation to the other.

There has always been an issue of fighting an organization that isn't bound by borders. Should the Islamic State be pressured in one nation, it can easily move or bring in reinforcements. This is made possible by loose borders. With the seizure of al-Waleed, the Islamic State has another way to funnel fighters from al-Anbar in Iraq to the front lines in Syria or vice versa.

A Jewel in the Islamic State Crown

The blow is not only geographic, but also strongly symbolic. The city of Palmyra is steeped in history. It has seen the come and go of some of the most powerful empires of the Middle East. It was ruled over by the Roman, the Byzantine and the Ottoman empires. Now the city is held by a new group that wishes to be a world-ruling caliphate. The terrorists no doubt wish to strengthen their legitimacy by interweaving themselves with such history.

The End of Assad?

Another thing that may soon crumble and fall is Syrian dictator Bashar Assad. The defeat at Palmyra is a strong indication that his fight against the Islamic State is slipping. The fight for Palmyra was the biggest battle between the Islamic State and Assad's forces. It may seem strange that the Islamic State can control half the nation and not come to blows with the government. But much of the Islamic State territory was taken from other rebel factions. Now the two major powers in the nation are coming to blows, and the first round was unquestionably won by the Islamic State.

As a follower of the Assad regime, it would be hard not to get disheartened by the news.

In the days after the attack, Damascus has only criticized the West for not doing more to stop the terrorists. It has not launched its own counterstrike. Assad's troops are overstretched as it is. If a counterstrike is launched, Assad risks losing gains made in the northwest. A troop deployment to Palmyra would undoubtedly mean taking from another front. But if nothing is done, there is little to stop the Islamic State arriving at the walls of Damascus.

Iran Takes a Hit

It wasn't only Assad who received a decisive blow at Palmyra's fall. Iran also took a major hit. With 50 percent of Syria in Islamic State hands, Assad's position looks precarious, which is very bad news for Iran.

Tehran's greatest asset in the Middle East has been the government of Bashar Assad. Iran wants to see a Shiite-allied government maintained within Syria. It has supplied countless weapons and stockpiles of relief to ensure this. But the latest victory for the Islamic State is exposing Assad's vulnerability.

There is a stark difference between the fall of Ramadi and the fall of Palmyra: Ramadi can be retaken, but Assad cannot.

Islamic State victories in Iraq are a hindrance for Iran, but with its active militias and closer proximity to home, Iran can suffer the losses of such towns for a short while. Men like Iranian Gen. Qassem Suleimani know how to have victories. With United States airstrikes, Iraqi forces using U.S. weapons, and Iranian soldiers receiving a free pass, Iran's plans for Iraq remain unchanged.

But in Syria, Assad is being undermined. Iran has invested heavily to ensure it maintains control. To see Assad fall would be a major setback in Iran's Middle East ambitions. Assad's removal would leave Iran's Hezbollah isolated in Lebanon and no doubt facing the Islamic State. Iran would be without its key ally in the Middle East. A major link in Iran's "Shia crescent" would be missing.

What Iran Can Do

Iran is no doubt weighing its options in Syria. Sending more weapons is unlikely to work. Iraqi forces are proving that. They are armed with American tech and still can't win. Hezbollah is another option. The terrorist group has been an effective aid to Assad in the past. But Hezbollah is tied up in the northwest battling other rebel factions such as the al-Nusra Front. To take it away to fight the Islamic State would only lead to more pressure on Assad from other rebel groups. What Iran needs is a breakthrough in Iraq.

The Islamic State has held northern Iraq for too long. Controlling the oil fields has brought major wealth. The money and victories in the face of U.S. and Iraqi efforts help maintain a steady flow of recruits. While Islamic State origins are in Syria, their lifeblood comes from Iraq. The terrorists must be driven out of Iraq.

This is clearly Iran's most viable solution, and it simultaneously plays into Iran's strategies for Iraq. There is already a large Iranian presence in Iraq thanks to the Islamic State. Taking the fight directly to the terrorists could be a win-win for Tehran. It could mean the destruction of the group, but it also could lead to a far more powerful presence in the region for Tehran.

The fall of Palmyra could be a serious turning point in the war. The Islamic State showed it is ready and willing to take the fight to Assad and thereby Iran. Watch Tehran respond. *Trumpet* readers know well that it is Iran—not the Islamic State—that is the real king of the Middle East. And there is no room for two kings.

MIDDLE EAST

America Looked the Other Way While Iran Started a War in Yemen

Commentary | May 26

MANY [CRITICS OF THE OBAMA ADMINISTRATION] WOULD contend that the administration has been actively restructuring America's regional framework of alliances in order to meet

present challenges and pursue domestic policy goals like the extrication of Washington from Middle Eastern security affairs. Perhaps the most glaring example of the undue deference

Washington yielded to irresponsible actors like Iran is how the United States turned a blind eye toward Tehran while it sparked a bloody regional proxy war in Yemen.

The Shia Houthi rebels in Yemen were suspected of having military and diplomatic links to Iran long before they captured the capital of Sanaa last year, but that alliance did not give Washington pause before it offered to help the “virulently anti-American” Houthi forces come to power. On January 29, the *Wall Street Journal* revealed that administration officials had approached Houthi commanders and offered to speed the group’s transition to power in Yemen following the ouster of pro-Western President Abed Rabbo Mansour Hadi.

The strategic implications of this tectonic shift in Washington’s approach to regional security matters were immediately apparent. “The shift also could place it on the same side as Iran in the Yemen conflict,” the *Journal* reported. “U.S. officials said they also are seeking to harness the Houthis’ concurrent war on AQAP (al Qaeda in the Arabian Peninsula) to weaken the terrorist organization’s grip on havens in Yemen’s west and south.”

Ya’alon: Iran Cynically Fueling Conflict in Iraq to Ensure It Remains a Failed State

Times of Israel | May 27

ISRAEL’S DEFENSE MINISTER ON WEDNESDAY WARNED THAT IRAN, an ostensible partner in the U.S.-led fight against the Islamic State, has nothing but ill intentions toward Iraq and has cynically perpetuated the conflict in order to ensure that the country remains a failed state.

“He who did not allow stability in Iraq since 2003 is Iran,” Defense Minister Moshe Ya’alon said at the Fisher Institute for Air and Space Strategic Studies’ annual security conference.

“From its perspective, a strong Iraq runs counter to its own interests. From its perspective Iraq needs to be weak, bleeding.”

Ya’alon said that Tehran’s primary goal is to perpetuate the conflict, meaning that it often aids Shiite militias against Sunni forces, and at times, he asserted, has even funded Sunni forces fighting the United States.

For the Middle East’s Sunni powers, Washington’s overture to the Houthis reflected Obama’s belief that non-state Sunni militia groups like al Qaeda and the Islamic State rather than state actors like Iran posed the gravest threat to U.S. interests in the region. In Riyadh, Manama, Cairo and Abu Dhabi, it was obvious that Iran was behind the effort to upend the status quo in Yemen. What’s more, they knew that Washington had deliberately turned a blind eye to Iran’s efforts to destabilize their backyards.

The *Financial Times* reported last week that, right around the time that Washington was making overtures to the Tehran-backed Shiite militia in command of the Yemeni capital and preparing to expand its influence South toward Aden and the Red Sea’s key Bab el-Mandeb Strait, Iran was covertly supporting the militia with massive aid shipments. ...

The forces Barack Obama has unleashed in the Middle East are, by design, beyond his ability to restrain.

RELATED: “A NEW BEGINNING’ FOR SOON-TO-BE NUCLEARIZED MIDDLE EAST”

“The important thing [to recognize] is that the coalition, as led by the United States, has not been able to stabilize Iraq since 2003,” he said.

“Make no mistake,” he continued, “Iran does not intend to bring a blessing to Iraq.” ...

“Now that Iraq has been taken out of the picture, Iran is even closer to becoming the reigning king of the Middle East. It may seem shocking, given the U.S. presence in the region right now, but prophecy indicates that, in pursuit of its goal, Iran will probably TAKE OVER IRAQ. At least, it will have a heavy influence over the Iraqi people.”

Gerald Flurry, *Trumpet*, June 2003

EUROPE

Germany Must Lead in Europe

World Affairs | May 21

UNFORTUNATELY FOR THEM, GERMANY HAS NO CHOICE BUT TO play the role of Europe’s “well-meaning hegemon.” The European Union needs leadership, and, as distasteful as seizing the initiative may be to most Germans, who associate hegemony with the disaster of Nazism and World War II, only Germany has the geopolitical resources to be a consistent leader.

The lessons of Germany’s catastrophic embrace of Nazism have been underscored in all the media these last few weeks, as Europe *sans* Russia and Russia *sans* Europe commemorated the 70th anniversary of the end of World War II. And rightly so, as

long as Vladimir Putin’s Russia continues to ignore the criminality of the Molotov-Ribbentrop Pact, the division of Poland, the incorporation of the Baltics, and the USSR’s support of the Nazi killing machine. Unfortunately, all too many German policymakers and commentators still refer to the war as having been fought against *Russland* and insist that the *Russen* suffered immense casualties. The continued German blindness to the existence of the nations in between—Poland, Ukraine and Belarus—and to their far greater population losses (not to mention the full-scale destruction of their cities, towns and villages) is obscene. Poland

at least exists in the German popular consciousness; Belarus and Ukraine are empty signifiers—terms that evoke no associations and, hence, little sympathy.

Paradoxically, part of the problem may lie in the fact that Germans are, appropriately, fixated on the Holocaust and their role in it. As a result, academic research, policy commentary, and media discussions of the German responsibility for Nazism and the Holocaust are extremely detailed and nuanced. In contrast, German attitudes toward the East are shaped by the categories of the Holocaust. The wartime experience of Poles, Belarusians, and Ukrainians matters only when Poles, Belarusians and Ukrainians contributed to the persecution of Jews. Otherwise, they—and their narratives—take a back seat. Take a walk through Munich's newly opened Documentation Center for the History of National Socialism and you'll be hard-pressed to notice that the war actually affected the nations in between.

In fact, observing Adolf Hitler's rise to power cannot but evoke thoughts of Putin and Russia. A currently playing German docudrama, *Elser*, focuses on the young Georg Elser's failed attempt

to assassinate Hitler in late 1939. The film is especially good in depicting how the otherwise normal people of Elser's hometown acquiesce in or increasingly support the growing Nazi presence. Their faces glow at the mention of the führer, their right arms rise in salute, their voices hail victory in the coming war. I doubt that most Germans will see the parallel, but I couldn't help but think of the millions of Russians who view Putin as their messiah and who, no less blindly and no less fanatically than the Germans, are welcoming their country's drive toward war. Svetlana Alexijewitsch, a Belarusian writer living in Moscow, writes in the May 13 edition of *Die Zeit* that "Russia has become a different country in the last 1½ years We are people of war, because we know nothing else A cult of war rules over us." A statue of Putin in St. Petersburg depicts him as a Roman emperor. A Russian scientist I met in Regensburg, Germany, says that he no longer recognizes his mother, still living in St. Petersburg. Meanwhile, former Chancellor Gerhard Schröder, who would never say that we should "understand" Hitler, continues to call on the West to understand Putin. ...

Angela Merkel's Fear of Russia Could Turn Her Into Greece's Unlikely Guardian

Mike Bird, Business Insider | May 27

THE POTENTIAL FOR A GREEK EXIT FROM THE EUROZONE HAS probably never looked this real. The government is running out of cash and doesn't seem to have enough for its next International Monetary Fund payment.

Missing a debt payment could push the European Central Bank to withdraw support from Greece's banking system and eventually cause a Grexit, or disorderly Greek exit from the eurozone.

This would have major implications not just for the well-covered economic issues, but for European security, too: Greece has historically had close ties with Russia. Both are Orthodox nations on the fringes of Europe (with a common enemy in the Ottoman Empire for a long time), and Moscow could see an opportunity to expand its influence in a destabilized Greece.

And it looks as if German Chancellor Angela Merkel is getting concerned about those security risks.

On May 19, Bloomberg suggested that Merkel was preparing a defense of continued German support based on geopolitical lines. ...

Die Welt notes that Merkel has the strong support from the country's foreign office, which fears Greece "sinking it into turmoil and chaos, to perhaps even turn to the Russians, all because of a few billion euros." ...

Russia's destabilization of Ukraine has likely made Europe's choices even more difficult, by removing the illusion that President Vladimir Putin's Russia was on a path to converge with the West. Instead, the prospect of instability in the Balkans, the Black

Sea area, and the Eastern Mediterranean has become even more pressing. This, rather than financial contagion, seems to be the real problem for Europe and is certainly what currently preoccupies Germany most.

It's easy to see how this is a much more compelling argument for bailout skeptics, especially in the core of the eurozone. German conservatives may not be motivated particularly by same appeals to European solidarity that motivate the European Commission, but the appeal to national security may be stronger. ...

In March, Defense Minister Panos Kammenos (a member of the junior coalition party Independent Greeks) threatened to "flood" Europe with migrants if a bailout deal wasn't reached.

He added: "Even worse for Berlin if in that wave of millions of economic migrants there will be some jihadis of the Islamic State too."

Despite the ugliness of Kammenos's threat, there's a grain of truth there. ... According to the humanitarian news agency IRIN, 27,000 refugees and asylum seekers arrived in Greece in the first four months of 2015. That's more than five times as many as in the same period last year Kammenos's comment about Islamic State will not have gone unnoticed in Berlin. ...

The cost of propping up Greece gets many Germans (and other Europeans generally) hot under the collar. But it might be a price worth paying if Grexit poses a genuine security risk to Berlin—even if Germany's economy no longer catches a cold when Athens sneezes. ...

Austria Commits to Repatriate 110 Tonnes of Gold

Sprott Money | May 25

ACROSS WESTERN NATIONS, THERE IS AND HAS BEEN FOR AS long as many people can remember, a campaign against gold, a campaign to label it as a barbarous relic and discredit its use. ...

Yet there are those of us who know better. ... Countless examples exist of fiat money being hyperinflated away and becoming absolutely worthless, wiping out the savers of this "store of

savings” overnight. Gold, on the other hand has and always will remain a safe, steadfast way to shield yourself from the ravages of inflation and economic turmoil. It is ... insurance against a collapse in fiat. ...

Austrian Central Bank governor Edwold Nowotny just recently committed to repatriating 110 tonnes of gold held in Britain. This decision was reached after a wave of criticism forced the central banks hand.

Previously, Austria held a stunning 80 percent of its gold in Britain, 17 percent in Austria and 3 percent in Switzerland.

The change in policy would see Austria reclaim a large portion of its gold, as previously mentioned, bringing their holdings to 50 percent held in Austria, 30 percent in Britain and 20 percent in Switzerland.

Now the real question that has arisen is, will Austria be able to get its gold back from Britain? Is it even there, or has it been rehypothecated into oblivion? Only time will tell. ...

RELATED: [“WHY DOES GERMANY WANT ITS GOLD BACK?”](#)

TW IN BRIEF

VATICAN OFFICIAL CALLS FOR MORE EVANGELIZATION TO counter same-sex ‘marriage’: The Vatican secretary of state said yesterday that the Catholic Church needs to increase evangelism after Ireland became the first country in the world to legalize same-sex “marriage” by popular vote. Cardinal Pietro Parolin holds the second-highest office in the Catholic Church. Parolin

said at a Rome conference that he was “deeply saddened” by Ireland’s referendum in which 62 percent voted to legalize same-sex “marriage.” He called the decision a “defeat for humanity.” He added that the Catholic Church must “take account of this reality, but in the sense that it must strengthen its commitment to evangelization.

ASIA

T Vladimir Putin and the Boy Who Cried Wolf **Jeremiah Jacques | May 29**

H EADLINES THIS WEEK SAID A BUILDUP OF RUSSIAN FORCES NEAR its border could mean Russia is about to invade Ukraine ... and the world yawned.

After all, in recent months we’ve worried about such reports several times, only to see Moscow conduct drills and then pull troops back without sending many of them across the border.

If little or nothing came from previous buildups, why should anything be different this time around?

Maybe nothing will be different. But maybe this pattern means Vladimir Putin has been contemplating the time-honored fable of “The Boy Who Cried Wolf.”

In that ancient tale, a shepherd boy repeatedly tricks his neighbors into thinking a wolf is attacking his flock. When a wolf actually does appear, the neighbors are so accustomed to the boy’s false alarms that they ignore his cries. Then, without any interference from the neighbors, the wolf eats the sheep.

Putin knows that people grow desensitized to threats. He knows how quick we are to label others as alarmists if their warnings fail to materialize quickly.

With Russia’s buildup this time around, there is one factor that has some analysts watching more closely: “[M]any of the vehicles have number plates and identifying marks removed while many of the servicemen had taken insignia off their fatigues.” That was according to Reuters reporter Maria Tsvetkova, who saw and photographed the deployments on May 27.

This follows a pattern established last year in Crimea when Russia sent unmarked forces in to fight alongside pro-Russia Ukrainians. With insignia removed, Moscow was able to deny



involvement and say the forces were Ukrainian separatists fighting against the government to bring Crimea under Russian control. The tactic has proven effective for Moscow.

Writing for Vox, Max Fisher said he believes the removal of military insignia this time around could well mean that invasion looms. “It’s difficult to imagine another reason,” he wrote.

Kiev-based political activist Taras Revunets leans toward the view that the act is designed only to frighten Ukraine. He told the *Trumpet* on May 28 that Putin uses constant border troop movements as a “scare/diversion tactic.”

Maybe the troops will quietly disassemble and inflict no harm on anyone. If that’s the case, it will further condition onlookers to yawn when they see Russian troops—marked or not—massing near another nation’s border: *There’s no real wolf there; there never is.*

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U.S. Scared to Death as China Just Secured Larger Flow of Gold as Part of Its Plan to Back the Yuan With Gold

King World News | May 26

TODAY ONE OF THE TOP MONEY MANAGERS IN THE WORLD WARNED King World News that the United States is now scared to death as the Chinese have just signed a historic deal to further increase the flow of physical gold into China as part of their plan to back the yuan with gold. He also warned it will be “game over” for the United States dollar and U.S. world dominance once this nightmare unfolds.

Stephen Leeb: “The Chinese are planning to make gold an active and meaningful part of the monetary system.... Meanwhile, not one United States bank sells any physical gold. Whereas over in China and the Middle East, virtually every bank sells physical gold.

“Eric, you pointed out to me before this interview began that China’s state-owned gold company, Zijin Mining Group, just signed two deals, one of them with Barrick Gold—the largest gold mining company in the world. This deal with Barrick Gold is to secure an even greater flow of gold into China.”

Look at the comments from Barrick Gold’s Chairman John Thornton: “A 21st-century mining company with global reach and the intention to become an industry leader must, by definition, have a distinctive relationship with China. This is particularly true in our industry, where China has become both the largest producer and consumer of gold, and a major source of capital and expertise for the mines of the future.” ...

[Leeb continues:] “I also pointed out a few weeks ago that China is also busy making deals with Russia. So the Chinese are no longer content with just buying up all of the available physical gold in the world, instead they want to gain direct access to gold through the largest producers in the world. China is not doing this because they like to look at gold, they are doing it because they want gold to back the yuan. The headlines should read: ‘U.S. Scared to Death of China’ because it will be game over for the U.S. dollar and therefore U.S. world dominance once this nightmare unfolds.”

NATO: Russia May Use Nuclear Weapons Amid Growing War Fears

Value Walk | May 27

NATO BELIEVES THAT RUSSIA CONSIDERS USING TACTICAL nuclear weapons as a way of waging a war. Gen. Hans-Lothar Domröse, NATO commander of the Brunssum Allied Joint Force Command, said he sees a threat in Russia’s actions and desecrated Russian President Vladimir Putin as a dangerous “gambler.” ...

“The Russians consider it possible to use tactical nuclear weapons as a way of waging a war. We [NATO] do not,” the general said in an interview with German magazine *Focus Online*. ...

“America’s relations with both Russia and China have notably deteriorated. ... In fact, for some years now, several nations, including these two Asian giants, have shaped their foreign policy largely around a desire to contain American power. ... It is evident that both Russian and Chinese officials are working to form a new alliance and counter American dominance of world affairs.”

Russia and China in Prophecy

China’s 2015 Defense White Paper: Don’t Forget Taiwan

Diplomat | May 27

YESTERDAY, CHINA’S STATE COUNCIL INFORMATION OFFICE released a white paper on “Chinese Military Strategy”—a rarity for the People’s Republic. This document is notable for several reasons, as commentators both here at the *Diplomat* and elsewhere have already highlighted. It confirms what U.S. analysts have been saying for some time: Beijing is growing bigger and bolder with its military strategy. China envisions itself as a global player, and is in the process of shifting its strategic core from its land-based troops to its Navy. Furthermore, Beijing notes that it won’t initiate a war, but it will strike back if attacked (a modern restatement of Mao’s “active defense” doctrine). In a nutshell, the first part of Chinese Vice Premier Wang Yang’s famous statement—that China “[has] neither the ability nor the intent to challenge the United States”—no longer applies. The second part—intent—remains an open question. ...

Still, while the South China Sea is 2015’s flashpoint and while the East China Sea appeared to be the hot flashpoint in late 2013 and early 2014 (it’s admittedly cooled down a bit this year

as things heat up down south), in reading China’s white paper, I was reminded of the continuing centrality of Taiwan to the People’s Liberation Army’s posture. Despite all its talk of “[securing] China’s overseas interests” and “[safeguarding] its national sovereignty and maritime rights and interests,” the PLA’s overarching strategic priority remains Taiwan. The Taiwan Strait remains the primary war-fighting scenario for the PLA. In the white paper’s section on China’s national security situation, Taiwan, along with other “separatist forces,” features prominently:

“The Taiwan issue bears on China’s reunification and long-term development, and reunification is an inevitable trend in the course of national rejuvenation. In recent years, cross-Taiwan Straits relations have sustained a sound momentum of peaceful development, but the root cause of instability has not yet been removed, and the ‘Taiwan independence’ separatist forces and their activities are still the biggest threat to the peaceful development of cross-Straits relations. ...”

Despite headline-grabbing events in the East and South China

Seas and the PLA Navy's expansion westward into the Indian Ocean and the east coast of Africa, stability, unification with Taiwan, and internal security are seen as the most critical challenges for China's national security.

This is not to understate or underemphasize China's activities in other areas. Rather, it's a reminder of the enduring sensitivity of the Taiwan issue. In fact, the white paper's primary assertion—that China would fight back if provoked but not strike first—has

important implications for the U.S. response for any future crisis in the Taiwan Strait.

“How could anyone fail to see that Taiwan is destined to become a part of mainland China? ... [I]t is going to happen for one reason: because of a pitifully weak-willed America.”

Trumpet, August 1998

Southeast Asia Maritime Buildup Accelerates, Raising Risks in Disputed Seas

Reuters | May 25

SOUTHEAST ASIAN NATIONS ARE PRIORITIZING SPENDING ON their navies and coast guards amid rising tensions in the South China Sea, but as their capabilities grow, so does the risk that any confrontation in the contested waterway will be harder to contain.

Annual defense spending in Southeast Asia is projected to reach \$52 billion by 2020, from an expected \$42 billion this year, according to IHS Jane's *Defense Weekly*.

The 10 nations of Southeast Asia are expected to spend \$58 billion on new military kit over the next five years, with naval procurement comprising a large chunk, it said.

Much of this equipment is likely to be used in and around the South China Sea, where Beijing's creation of artificial islands has alarmed some Asian countries and stoked tension between China's navy and the U.S. Air Force.

China claims most of the South China Sea, through which \$5 trillion in ship-borne trade passes every year. The Philippines, Vietnam, Malaysia, Taiwan and Brunei also have overlapping claims. ...

Southeast Asian government sources said there had been a deliberate move to acquire capabilities that allow naval forces to operate more effectively in coastal zones. ...

Putin's Approval Rating Remains at 86 Percent Unfazed by Economic Crisis, Ukraine Conflict

Moscow Times | May 28

PRESIDENT VLADIMIR PUTIN CONTINUES TO ENJOY THE APPROVAL of a staggering 86 percent of the Russian public, a poll revealed Thursday, indicating levels of support that many Western leaders could only dream of.

Putin's approval rating, announced by independent Moscow-based pollster the Levada Center, sat at the same level last month, when a similarly worded poll was conducted.

By comparison, the most recent Gallup Poll data shows that U.S. President Barack Obama enjoys the approval of a mere 46 percent of Americans. German Chancellor Angela Merkel currently has the approval of 70 percent of her compatriots, Reuters reported in early May. ...

Putin's approval rating has soared in 2015 despite economic

troubles brought on by Western sanctions over the Ukraine crisis, rising inflation, and continued criticism of the Kremlin by the international community.

His current standing of 86 percent is also a far cry from May 2013, when a comparatively paltry 64 percent of the Russian public said they approved of his actions as president, according to a Levada Center poll. ...

Sixty percent of those polled said they approved of the direction that the country is taking under Putin, again indicating no change from last month's Levada poll. Twenty-three percent of those polled said they disapproved of Russia's current path. ...

RELATED: "PUTIN WON'T JUST SURVIVE, HE'LL THRIVE"

General Says Russia, China Airpower Will Be Better Than U.S. in Future

Press TV | May 26

HEAD OF THE U.S. AIR FORCE GEN. MARK WELSH HAS WARNED about the rising airpower of Russia and China, saying the two countries' gap with the U.S. military has closed.

"China and Russia are two good examples of countries who will be fielding capability in the next three to five years; if they stay on track, that is better than what we currently have in many areas," Welsh told Fox News on Monday.

"Fighter aircraft in the next three to five years that have more capability than what we currently have sitting on the ramp. The F-35 will stay a generation ahead of them. F-22 will, too. Everything else we have will not stay ahead. The gap has closed," he

added. ...

Welsh also said dozens of countries around the world would use Russian and Chinese top-end fighters in the future.

American officials have expressed their concerns about the military power of China and Russia during the past years. ...

A Chinese state-owned newspaper warned Monday a war between the two superpowers is "inevitable" unless Washington stops demanding Beijing halt its construction projects.

"If the United States' bottom line is that China has to halt its activities, then a U.S.-China war is inevitable in the South China Sea," the *Global Times*, an influential newspaper owned by the

ruling Communist Party's official newspaper the *People's Daily*, said in an editorial.

"The intensity of the conflict will be higher than what people usually think of as 'friction,'" it warned.

Try Not to Blink

Economist | May 30

AMERICAN OFFICIALS ARE LOSING PATIENCE WITH CHINA. ON May 22, the vice president, Joe Biden, was blunt. He warned naval-college graduates of "new fault lines" emerging between the great powers. China, he said, was challenging freedom of navigation in the South China Sea by reclaiming land on disputed reefs on a "massive scale." Two days earlier America had signaled its annoyance by sending a surveillance aircraft close to one of the reefs where China is building an airstrip. ...

On May 25, a Chinese Foreign Ministry spokeswoman called on America to end its "provocative behavior." *Global Times*, a state-owned newspaper known for its hardline views, said war would be "inevitable" if America kept complaining about the island-building. On May 24, the *People's Daily*, the Communist Party's main mouthpiece, warned America that those who "hurt others" could "end up hurting themselves." ...

Despite America's increasingly public complaints, there has been no change in the frantic pace of China's reclamation efforts on several reefs. ... On May 26, China's Defense Ministry released a "white paper" on military strategy. It said the country should build a "modern maritime military force" to protect China's "maritime rights and interests," including in the South China Sea. ...

America and China's neighbors worry that China may eventually declare an "Air Defense Identification Zone" (ADIZ) over the

South China Sea—requiring aircraft to identify themselves to the Chinese authorities before entering. ... On May 26, however, a Chinese Foreign Ministry official said his country would decide whether to establish one partly on the basis of "whether and to what extent the security of airspace is threatened"—a clear warning to America.

Chinese academics say that testing China's resolve could prove dangerous. Should America sail a naval ship close to one of the reefs it "may very well force Beijing to respond forcefully," says Zhu Feng of the China Center for Collaborative Studies of the South China Sea at Nanjing University. No Chinese leader, he says, wants to be seen as a "chicken."

Neither, however, does America. It is relieved that China's neighbors are beginning to speak out more forcefully about the problem as well. In April the 10-member Association of South-east Asian Nations (ASEAN), which is usually at great pains not to antagonize China, called the island-building a threat to "peace, security and stability." ASEAN countries welcome America's military presence in the region. But privately they have also been asking the Americans to avoid ratcheting up tensions. No Asian country wants to be forced to make a clear choice between backing America or backing China. For America, staying out of trouble will be tough.

TW IN BRIEF

RUSSIA MASSES WEAPONS ON UKRAINE BORDER: REUTERS: Russia is stockpiling weaponry near the border of Ukraine, Reuters reported yesterday. Four goods trains loaded with military equipment and troops arrived at the railway station in the Rostov region of southern Russia, it reports. The trains came over the course of four days, beginning on Saturday. The weaponry included at least 26 tanks, 30 rocket launchers and self-propelled howitzers. It was taken to the Kuzminsky firing range, 30

miles from the border. The amount of military equipment kept in the area has grown three times larger since Reuters reporters visited the area in March this year. The troops and vehicles did not have any identifying marks on them. They resembled forces seen in eastern Ukraine which the West believe are Russian. The reports led Reuters to ask the Kremlin if Russia was planning to invade Ukraine. A Kremlin spokesman replied that the wording of the question was inappropriate.

ANGLO-AMERICA

The Ruins of Empire in the Middle East

Robert D. Kaplan, Foreign Policy | May 25

THOUGH IMPERIALISM IS NOW HELD IN DISREPUTE, EMPIRE HAS been the default means of governance for most of recorded history, and the collapse of empires has always been messy business, whether in China and India from antiquity through the early 20th century or in Europe following World War I.

The meltdown we see in the Arab world today, with chaos in

parts of North Africa, the Arabian Peninsula, and the Levant, is really about the final end of imperialism. The Islamic State's capture of Palmyra, an ancient caravan city and one of the most visually stunning archaeological sites in the Near East, only punctuates this point. Palmyra represents how the region historically has been determined by trade routes rather than fixed borders.

Its seizure by the barbarians only manifests how the world is returning to that fluid reality.

It is actually three imperial systems whose collapse we are now witnessing in the Middle East.

First, Middle Eastern chaos demonstrates that the region has still not found a solution to the collapse of the Ottoman Empire after World War I. For hundreds of years, Sunnis and Shiites, Arabs and Jews, Muslims and Christians, in Greater Syria and Mesopotamia had few territorial disputes. All fell under the rule of an imperial sovereign in Istanbul, who protected them from each other. That system collapsed in 1918, unleashing the demon of national, ethnic, and sectarian disputes over who controls which territory at what border precisely.

Second, the implosion of Iraq in the wake of the toppling of Saddam Hussein, the implosion of Syria in the wake of the Arab Spring, and the rise of the Islamic State has brought to an end the borders erected by European imperialism, British and French, in the Levant.

Third, the demonstrably hands-off approach to these developments by President Barack Obama manifests the end of America's great power role in organizing and stabilizing the region. And the United States, remember, since the end of World War II, has been a world empire in all but name. ...

And it is not just imperial forces that have declined and left chaos in their wake. The fall of Saddam Hussein in Iraq, Muammar Qadhafi in Libya, and the reduction of Bashar Assad's regime in Syria to that of an embattled statelet has ended the era of post-colonial strongmen, whose rule was organically connected to the legacy of imperialism. After all, those dictators ruled according to the borders erected by the Europeans. ...

Alas, the so-called Arab Spring has not been about the birth of freedom but about the collapse of central authority

Only suffocating totalitarian regimes could control these artificial countries formed from vague geographical expressions. ...

Overlaying this meltdown of vague geographical expressions and the less severe weakening of age-old clusters of civilization has been the rise of indigenous regional powers such as Iran, Turkey and Saudi Arabia. Iran is a great, old-world civilization on one hand and a ruthless and radicalized sub-state on the other. This is what accounts for its dynamic effectiveness around the region. A Persian empire has been based in one form or another on the

Iranian Plateau since antiquity. Thus, rather than face political identity problems like the Arabs, Iranians are blessed with a cultural self-certainty comparable to that of the Indians and Chinese.

At the same time, however, the narrow assemblage of radical mullahs running the government of Tehran represent a sub-state akin to jihadi groups like the Islamic State, Hezbollah, al Qaeda, and the former Mahdi Army. Thus Iran is able to operate with unconventional flair. Iran has mastered the nuclear fuel cycle, trained radical and militarized proxy forces in the Levant, and brilliantly conducted negotiations with its principal adversary, the United States. Thus does Iran partially inherit the void left by the disappearance of Ottoman, European and American empires.

Whereas Iran is the Shiite node of power in the newly sectarian Middle East, Saudi Arabia is the Sunni node. ... Saudi Arabia's recent bombing campaign against Iran-backed Houthi tribesmen in Yemen and Riyadh's renewed intensification of support for anti-Iranian Syrian rebels (helped also by Turkey and Qatar) is a reaction to what Riyadh sees as an impending American-Iranian nuclear accord. Indeed, the Saudis are already factoring into their calculations the strong possibility of such a deal, and thus the bombing in Yemen and recent pressure on the pro-Iranian Assad regime in Syria represent—ahead of the actual fact—the post-nuclear accord Middle East. That accord, if it indeed happens, though limited to nuclear issues, will be viewed with some justification as the beginning of a more general American-Iranian rapprochement-of-sorts: in regional terms, that is, one declining imperial power coming to terms with a rising indigenous power. ...

Thus, the near-term and perhaps middle-term future of the Middle East will likely be grim. ...

Back then it was states at war; now it is sub-states. Imperialism bestowed order, however retrograde it may have been. The challenge now is less to establish democracy than to reestablish order. For without order, there is no freedom for anyone.

Editorial Note: As America withdrawals from the Middle East, watch for Europe to fill the power void and increasingly take the lead in confronting Iran. For more information on this Biblical prophecy read: the January 2014 Trumpet issue:

[“What Happens Next? Life in the post-American world.”](#)

HSBC Fears World Recession With No Lifeboats Left

Ambrose Evans-Pritchard, Telegraph | May 24

THE WORLD ECONOMY IS DISTURBINGLY CLOSE TO STALL SPEED. The United Nations has cut its global growth forecast for this year to 2.8 percent, the latest of the multinational bodies to retreat.

We are not yet in the danger zone but this pace is only slightly above the 2.5 percent rate that used to be regarded as a recession for the international system as a whole.

It leaves a thin safety buffer against any economic shock—most potently if China abandons its crawling dollar peg and resorts to “beggar-thy-neighbor” policies, transmitting a further

deflationary shock across the global economy.

The longer this soggy patch drags on, the greater the risk that the six-year-old global recovery will sputter out. While expansions do not die of old age, they do become more vulnerable to all kinds of pathologies. ...

Stephen King from HSBC warns that the global authorities have alarmingly few tools to combat the next crunch, given that interest rates are already zero across most of the developed world, debts levels are at or near record highs, and there is little scope for fiscal stimulus.

"The world economy is sailing across the ocean without any lifeboats to use in case of emergency," he said.

In a grim report—"The World Economy's Titanic Problem"—he says the U.S. Federal Reserve has had to cut rates by over 500 basis points to right the ship in each of the recessions since the early 1970s. "That kind of traditional stimulus is now completely ruled out. Meanwhile, budget deficits are still uncomfortably large," he said. ...

Each of the past four U.S. recoveries has been weaker than the last one. The average growth rate has fallen from 4.5 percent in the early 1980s to nearer 2 percent this time. The U.S. fiscal deficit has dropped to 2.8 percent, but is expected to climb again as pension and health-care costs bite, even if the economy does well. ...

The great hope—and most likely outcome—is that the recent monetary expansion in the U.S. and the eurozone starts to gain traction later this year. ...

JP Morgan estimates that the U.S. economy contracted at a rate of 1.1 percent in the first quarter, far worse than originally supposed.

The instant-tracking indicator of the Atlanta

Fed—GDPnow—shows little sign that America is shaking off its mystery virus. Growth was just 0.7 percent (annualized) in mid-May. It is becoming harder to argue the relapse is a winter blip or caused by temporary gridlock at California ports. ...

Over 100,000 layoffs across the oil and gas belt seem to have taken their toll. The Fed thought the windfall gain of cheaper energy for everybody else would weigh more in the balance, but this time Americans have chosen to salt away the money. ...

HSBC's Mr. King says the global authorities face awful choices if the world economy hits the reefs in its current condition. The last resort may have to be "helicopter money," a radically different form of QE that injects money directly into the veins of economy by funding government spending.

It is a Rubicon that no central bank wishes to cross, though the Bank of Japan is already in up to the knees.

The imperative is to avoid any premature tightening or policy error that could crystallize the danger. As Mr. King puts it acidly: "Many—including the owner of the Titanic—thought it was unsinkable; its designer, however, was quick to point out that 'She is made of iron, sir, I assure you she can.'"



America's Special Relationships—Unraveling

Stephen Flurry, Trumpet Daily | May 26

HOW THE RECENT ELECTIONS IN BRITAIN AND ISRAEL HURT THEIR alliances with the United States [Follow Stephen Flurry](#)



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Borrowing to Replenish Depleted Pensions

New York Times | May 27

FACING A SHORTFALL OF MORE THAN \$50 BILLION IN HIS STATE'S pensions, and with no simple solution at hand, Gov. Tom Wolf of Pennsylvania is proposing to issue \$3 billion in bonds, despite

the role that such bonds have already played in the fiscal woes of other places.

And he is not alone. Several states and municipalities are

considering similar action as they struggle with ballooning pension costs.

Interest in so-called pension obligation bonds is expected to intensify in the wake of a recent Illinois Supreme Court decision that rejected the state's attempt to overhaul its severely depleted pension system. The court ruled unanimously that Illinois could not legally cut its public workers' retirement benefits to lower costs, forcing lawmakers to scramble for the billions of dollars it will take to keep the system intact. ...

The Illinois justices offered a list of all the times since 1917 that state lawmakers had ignored expert warnings and diverted pension money to other projects. They said, in effect, that the lawmakers had to restore the money. ...

"My reaction was, 'Yeah, that's going to play here,'" said John D. McGinnis, a lawmaker in Pennsylvania, which has also been diverting money from its pension system, setting the stage for a crisis as more and more public workers retire. ...

"These deals are being done as a budget gimmick," said Matt

Fabian, a managing director at Municipal Market Advisors, who keeps a database of municipal bond defaults and other mishaps. "They should not be done at all."

But that has not stopped officials from pursuing them. ...

Barry Shutt, a retired state worker ... said there was little doubt as to when and why the state pension system went off the rails: In 2001, lawmakers increased everybody's pensions retroactively, causing a huge, wholly unfunded increase in the state's obligations.

The lawmakers figured that booming stock-market returns would pay for the costly increase, a mistake made by officials in many other states and cities as well. Two stock crashes later, the mistake is apparent, but it is too late to reverse the increase—it is deemed it an "implicit contract" that cannot be breached.

Pension obligation bonds would only make the problem worse, Mr. Shutt said. "When you're borrowing money for pensions," he said, "you're getting a new credit card to pay off the old one, and you still haven't paid off the old one."

L.A. Labor Leaders Seek Minimum Wage Exemption for Firms With Union Workers

Los Angeles Times | May 27

LABOR LEADERS, WHO WERE AMONG THE STRONGEST SUPPORTERS of the citywide minimum wage increase approved last week by the Los Angeles City Council, are advocating last-minute changes to the law that could create an exemption for companies with unionized workforces.

The push to include an exception to the mandated wage increase for companies that let their employees collectively bargain was the latest unexpected detour as the city nears approval of its landmark legislation to raise the minimum wage to \$15 an hour by 2020.

For much of the past eight months, labor activists have argued against special considerations for business owners, such as restaurateurs, who said they would have trouble complying with the mandated pay increase.

But Rusty Hicks, who heads the county Federation of Labor and helps lead the Raise the Wage coalition, said Tuesday night that companies with workers represented by unions should have leeway to negotiate a wage below that mandated by the law.

"With a collective bargaining agreement, a business owner and the employees negotiate an agreement that works for them both. The agreement allows each party to prioritize what is important to them," Hicks said in a statement. "This provision gives the

parties the option, the freedom, to negotiate that agreement. And that is a good thing." ...

Some business leaders criticized the proposal, however, calling it ironic in light of union leaders' past opposition to special considerations for some employers.

"I'd refer everyone back to the statements of labor leaders over the past seven months that no one deserves a sub-minimum wage," said Ruben Gonzalez, senior vice president for public policy and political affairs with the Los Angeles Area Chamber of Commerce, which opposed the minimum wage increase passed by the City Council.

Gonzalez said the change sought by labor officials could pressure companies into letting employees unionize as a way to seek relief from the mandated wage hike.

"Once again, the soaring rhetoric of helping the working poor is just a cover for city government acting as a tool of organized labor," he said.

The City Council voted last week to gradually increase the hourly minimum wage to \$15 over the next five years. Since then, City Attorney Mike Feuer has prepared an ordinance that would put the increases into effect. The Council's Economic Development Committee is scheduled to review the language on Friday.

Baltimore Gets Bloodier as Arrests Drop Post-Freddie Gray

Associated Press | May 28

A 31-YEAR-OLD WOMAN AND A YOUNG BOY WERE SHOT IN THE head Thursday, becoming Baltimore's 37th and 38th homicide victims so far this month, the city's deadliest in 15 years.

Meanwhile, arrests have plunged: Police are booking fewer than half the number of people they pulled off the streets last year.

Arrests were already declining before Freddie Gray died on April 19 of injuries he suffered in police custody, but they dropped sharply thereafter, as his death unleashed protests, riots, the criminal indictment of six officers, and a full-on civil

rights investigation by the U.S. Justice Department that has officers working under close scrutiny.

"I'm afraid to go outside," said Antoinette Perrine, whose brother was shot down three weeks ago on a basketball court near her home in the Harlem Park neighborhood of West Baltimore. Ever since, she has barricaded her door and added metal slabs inside her windows to deflect gunfire.

"It's so bad, people are afraid to let their kids outside," Perrine said. "People wake up with shots through their windows. Police

used to sit on every corner, on the top of the block. These days? They're nowhere."

West Baltimore residents worry they've been abandoned by the officers they once accused of harassing them, leaving some neighborhoods like the Wild West without a lawman around.

"Before it was over-policing. Now there's no police," said Don-nail "Dreads" Lee, 34, who lives in the Gilmor Homes, the public housing complex where Gray, 25, was chased down. "People feel as though they can do things and get away with it. I see people walking with guns almost every single day, because they know the police aren't pulling them up like they used to."

Police Commissioner Anthony Batts said his officers "are not holding back," despite encountering dangerous hostility in the Western District.

"Our officers tell me that when officers pull up, they have 30 to 50 people surrounding them at any time," Batts said.

Batts provided more details at a City Council meeting Wednesday night, saying officers now fear getting arrested for making mistakes. ...

"There are people, and they've said this to me, 'If I get out of my car and make a stop for a reasonable suspicion that leads to probable cause but I make a mistake on it, will I be arrested?' They

pull up to a scene and another officer has done something that they don't know, it may be illegal, will they be arrested for it? Those are things they are asking." ...

Baltimore was seeing a slight rise in homicides this year even before Gray's death [on] April 19. But the 38 homicides so far in May is a major spike, after 22 in April, 15 in March, 13 in February, and 23 in January.

With one weekend still to go, May 2015 is already the deadliest month in 15 years, surpassing the November 1999 total of 36.

Ten of May's homicides happened in the Western District, which has had as many homicides in the first five months of this year as it did all of last year.

Non-fatal shootings are spiking as well—91 so far in May, 58 of them in the Western District. ...

Lee ... says rival gang members are taking advantage of the police reticence to settle old scores. "There was a shooting down the street, and the man was standing in the middle of the street with a gun, just shooting," Lee added. "Usually, you can't walk up and down the street drinking or smoking weed. Now, people are everywhere smoking weed, and police just ride by, look at you, and keep going. There used to be police on every corner. I don't think they'll be back this summer." ...

TW IN BRIEF

QUEEN UNVEILS PROPOSED LEGISLATION AT STATE OPENING OF Parliament: Britain's first all-Conservative government in two decades unveiled its plans for its next term today. In a largely ceremonial speech at the State Opening of Parliament, Queen Elizabeth II read a list of the proposed legislation. She said, "My government will renegotiate the United Kingdom's relationship with the European Union, and pursue reform of the European Union for the benefit of all member states. Alongside this, early legislation will be introduced to provide for an in/out referendum on membership of the European Union before the end of 2017." The Queen also described new legislation to give Scotland and Wales greater autonomy. She continued, "My government will also bring forward legislation to secure a strong and lasting constitutional settlement, devolving wide-ranging powers to Scotland and Wales." Parliament's opening follows the May 7 British

election that saw David Cameron return to power as prime minister.

Americans continue to shift left on key moral issues: Americans view a much wider range of behaviors as morally acceptable, according to a survey released Tuesday by the polling organization Gallup. The survey found that in 2015, 63 percent of Americans view homosexual relations as morally acceptable, a 23 percent increase since 2001. Approval for having a baby outside of marriage increased 16 percent in the same time frame. Issues like divorce and sex outside marriage saw an approval increases of over 12 percent. Other issues that have seen surprising increases in support are: polygamy, cloning humans, and doctor assisted suicides. Of the 19 moral issues tested, the only ones that saw decreases in acceptability were the death penalty and medical testing on animals.



Jonah—A Sign of When Christ Comes Again

Gerald Flurry,
The Key of David | May 29

THE JEWS WANTED A SIGN THAT JESUS CHRIST WAS THE MESSIAH, so He gave them the sign of Jonah. That sign also shows when Christ will return!

