

Trumpet Weekly

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U.S. Federal Reserve building in Washington, D.C.



BIS Says No Lifeboats Left for Next Economic Crisis

WE TALKED ABOUT THIS



WHEN THE 2008 GLOBAL ECONOMIC CRISIS HIT, CENTRAL BANKS saved the world—from an economic crisis *they* failed to detect or prevent and were in large part responsible for. But trust in central banks was high and total economic collapse was forestalled at the 11th hour.



ROBERT MORLEY

Yet now the Bank for International Settlement (BIS), one of the world's leading financial authorities, is warning that *when the next crisis strikes* central banks won't be able to save the day again. *The life preservers have all been used.*

The *Telegraph* called the BIS report a "scathing critique of global monetary policy."

According to the BIS, "[I]n some jurisdictions, monetary policy is already testing its outer limits, to the point of *stretching the boundaries of the unthinkable*" (emphasis added throughout).

"[T]he policy mix has relied ... on the very debt-fueled growth model that lay at the root of the crisis," wrote the authors.

As a result, "economic expansion is unbalanced, debt burdens and financial risks are still too high, productivity growth too low, and the room for maneuver in macroeconomic policy too limited."

The report's authors argue that central banks like the Federal Reserve and the European Central Bank are out of options to deal with an economic crisis. Bankers incessantly cut interest rates to deal with crises, but this causes other bubbles to form. When the bubbles burst, banks respond by cutting rates further. New and bigger bubbles result. But today, rates are near zero—and actually negative in some countries. There is no more room to cut, warn the authors.

Similarly, the world's central banks have expanded their balance sheets to oceanic proportions. They have printed titanic boatloads of money to prevent government defaults and finance stimulus spending—and keep economies floating. But now the

extra money and artificially manipulated interest rates appear to be acting like anchors.

But the report may actually be too optimistic. After warning readers we could be drifting toward an economic maelstrom, the authors write: “Nothing is inevitable about this. The problems we face are man-made and can be solved by the wit of man.”

Others are not so hopeful.

“I expect that within the next year or two we will see some major, major problems in the world financial markets,” warned famed investor Jim Rogers just days prior to the BIS report. “I suspect ... it will cause central banks to panic. ... By 2016, I am sure we will all be moaning and groaning because there is going to come a time when there is not much central banks can do, when they have lost all credibility, when governments have lost all credibility. They will print and spend and borrow. But there comes a time when people are just going to say, we don’t want to play this game anymore, and at that point, that is when the world has a serious, serious problem because there is nothing to rescue us.”

In some of his most dramatic language yet, Rogers describes the turmoil he sees coming. “We may conceivably survive one more big financial problem ... a collapse. ... If we do, if they come up with something to save us this next time around, the time after that, boy, there is nothing they can do then.

“I suspect the next economic collapse will be the one they cannot deal with, but if somehow they are miracle workers, be very, very careful and worried about 2022-2023. The debt game may be up, if it is not up this time around.”

Here is what is so worrying.

There is no major country in the world that has less debt today than it had in 2008. The Federal Reserve’s balance sheet has more than quintupled. Things are getting much worse. Countries talk about austerity, but they all have higher debts. They will all

have higher debts next year.

The world is focusing on Greece’s debt. But there are many other potential whirlpools. Last week the United States territory of Puerto Rico said that it was bankrupt. Detroit went bankrupt not long ago. Chicago could be next. Or Los Angeles. Ripple effects could quickly spread through domestic debt markets.

Earlier this month the Congressional Budget Office released a frightening report on America’s staggering federal debt, *which has doubled over the past seven years*. It warns that, within a decade, interest payments could drown the economy. If action isn’t taken immediately, America could face a debt vortex, say the report’s authors. But America is stuck in an election cycle.

It seems that debt levels are destined to surge. And as Greece, Puerto Rico and Detroit know, so will the odds of economic disaster. There could be multiple economic Fukushimas lurking along the coasts.

“[This is] going to affect the lives of every single individual in the U.S. and many in the world,” Gerald Flurry warned on June 18. “We have to deal with this quickly, but at this time that debt just keeps SOARING. ... And we’re doing little or nothing to stop it to remedy the problem.”

Mr. Flurry continued: “[W]e have also been telling you close to 50 years that the entire financial structure and system of the Western world was going to collapse, and ... that’s prophesied in your Bible.”

The next financial crisis is going to be big, and according to the BIS, there are no more life jackets left. Confidence in the U.S.-centric global economic system is sinking. Trust in bankers may completely break with the next downturn. If it does, it will have dramatic effects. To find out the biggest one, watch this analysis by Gerald Flurry.

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MIDDLE EAST

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RADIO SHOW

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[THE MURDER OF KATE STEINLE AND SAN FRANCISCO VALUES | JULY 8](#)

Is the Muslim Brotherhood Plotting to Retake Egypt? **Anthony Chibairwe | July 7**

EGYPT IS UNDERGOING A SERIOUS SECURITY AND POLITICAL CRISIS that is fast approaching a violent climax.

That crisis began with the Arab Spring and the resignation of longtime President Hosni Mubarak in 2011; Egypt’s first free presidential election of the Muslim Brotherhood’s Mohamed Morsi in 2012; the military coup that toppled Morsi in 2013; and the largely unpopular election of coup leader President Abdel

Fattah al-Sisi in 2014.

Ever since those dramatic shake-ups, Egypt has teetered on the brink of catastrophe. But a series of events in the last three weeks appears to have tipped Egypt’s security further off-balance.

In mid-June, when Egyptian courts upheld the death sentence initially imposed on Morsi in May, a document written by

pro-Muslim Brotherhood clerics came to the media's attention. It decrees that all Egyptians are duty-bound to "strive for complete elimination" of Sisi's "criminal and murderous regime," and to do so by "all legitimate means."

The document was endorsed by 10 Islamic bodies and half a million supporters across the Muslim world.

On June 29, some jihadists seemingly heeded the call and responded by killing Egypt's prosecutor general Hisham Barakat with a car bomb in Cairo. Barakat became Egypt's most senior official assassinated since the 2013 military coup that toppled Morsi. Barakat was known mostly for his prosecution of Muslim Brotherhood (MB) supporters, and the Egyptian government suspects that his assassination was retribution.

Then, on July 1, nine senior MB leaders were killed in what security officials said was a regular raid that escalated into an exchange of gunfire. Security officials claim that during the raid the MB leaders initiated the gun battle.

Whatever the truth of the matter is, it's not as significant as the manner in which the Muslim Brotherhood is *exploiting* this crisis and the extent to which it might attain *some success* in its radical goals.

The MB declared that the deaths of its leaders is "a turning point that will have its own repercussions."

It then made this chilling call to action: "Come out in rebellion and in defense of your country, yourselves and your children. Destroy the citadels of his oppression and tyranny and reclaim Egypt once more."

What makes these calls significant is that the MB maintains a

high level of influence on Muslims both within and without Egypt.

Since the Muslim Brotherhood elected youthful Mohammad Montasser as its spokesperson in January, the group has been in revolutionary mode. The younger and more revolutionary MB members have filled the leadership vacancies created by the imprisonment of some of the older generation of the MB.

Following Morsi's death sentence, Montasser said, "[R]evolution will be ignited, popular anger will increase, and we promise you unexpected revolutionary surprises." He has also issued public calls for a "revolution that would decapitate heads."

On the same day that MB leaders were killed for allegedly plotting terrorist attacks, an Islamic State-affiliated militant group called Sinai Province attacked military checkpoints and occupied a police station and a town in the Sinai Peninsula.

Egypt deployed its army and air force to fight the militants in a battle that took the entire day. Prime Minister Ibrahim Mehleb declared that his country was officially in a "state of war," which ended after 17 soldiers and over 100 militants were killed, according to Egyptian Army figures.

Expect the crisis in Egypt to escalate as the government continues its crackdown on the MB, and the MB continues to incite violence and revolution.

Egypt is prophesied in the Bible to fall under the umbrella of the "king of the south"—radical Islam led by Iran (see Daniel 11:40-43). The Muslim Brotherhood is setting up Egypt for this outcome. It's an outcome the *Trumpet* has proclaimed for over two decades. Request your free copy of *The King of the South* to understand why.

Obama's Nuclear Deal With Iran Hits Snag Over Weapons Buildup

Bloomberg | July 8

WE TALKED ABOUT THIS



IRAN'S MILITARY WILL GAIN POWERFUL NEW CONVENTIONAL weapons in a nuclear deal if Russia has its way, making it tougher than ever for President Barack Obama to sell an accord to an already skeptical Congress.

Russia is pressing to end a United Nations arms embargo on Iran at a time when the Islamic Republic is already poised to add potent offensive weapons to its arsenal, with or without a deal. Analysts, citing satellite imagery, say the Iranian military is on the cusp of producing armor-busting bombs, a capability few nations can claim.

"Part of the reason the administration is going to care about this a great deal is that Congress will use it," Gary Sick, a former National Security Council official under three U.S. presidents, said of the Russian bid. "Opponents of the deal will say Iran has a free hand to develop anything it wants."

Negotiators of six world powers and Iran are in the 12th day of their latest bid to craft a final agreement, having given themselves an extension beyond Tuesday's deadline. Russian Foreign Minister Sergei Lavrov said ending the UN weapons ban was the only major sticking point on the sanctions relief Iran demands as the price of a nuclear pact.

"It is essential to reach an agreement on lifting the arms embargo as soon as possible," he told reporters at talks in Vienna.

Giving Iran access to weapons to combat terrorism "is a very important task," he said. [Editor's note: The U.S. State Department labels Iran the world's leading sponsor of terror.]

Russia also plans to start supplying S-300 anti-aircraft defense systems to Iran this year over U.S. and Israeli objections, ending a self-imposed ban from 2010. ...

With or without a deal, Iran's military is close to producing armor-piercing weapons made from either natural or depleted uranium, an ability shared by fewer than 20 countries worldwide, Dewey said.

Although conventional and metallurgically dissimilar to nuclear weapons, uranium-penetrating shells are used against tanks and other vehicles. Their high heat and density can melt through thick alloys to deposit their explosives. ...

Iran is probably already testing armor-penetrating weapons systems, possible using uranium metal, according to Robert Kelley, a former director of the UN atomic watchdog and an ex-U.S. nuclear weapons scientist who used satellite images in February 2015 to analyze the Parchin military complex 30 kilometers (20 miles) south of Tehran. ...

A day earlier, a senior Iranian official said the arms embargo must be removed immediately because it's "extraneous" to the nuclear issue. ...

Vatican Refuses to Let Israel See Details of Agreement With Palestinians

Middle East Monitor | July 8

HAARETZ SAID ON TUESDAY THAT THE VATICAN HAS REJECTED requests by Israeli diplomats to see the text of an agreement signed between the Holy See and the State of Palestine two weeks ago. The Israeli newspaper quoted a senior official as saying that diplomats have attempted to review the text on four separate occasions, but the Vatican declined to give details about the content of the agreement. ...

“The Israeli Ministry of Foreign Affairs expresses its regret regarding the Vatican decision to officially recognize the Palestinian Authority as a state,” said spokesman Emmanuel Nahshon. ...

Israel also regrets the “one-sided” texts in the agreement “which ignore the historic rights of the Jewish people in Israel,” he added. “Israel cannot accept the unilateral determinations in the agreement which do not take into account Israel’s essential interests and the special historic status of the Jewish people in Jerusalem.”

According to *Haaretz*, the ministry is concerned that the treaty between the Vatican and the Palestinians contradicted a similar treaty that already exists between the Vatican and Israel. ...

EUROPE

Trumpet Hour

BIS SAYS NO MORE LIFEBOATS FOR GLOBAL ECONOMY;
GREECE'S ROLLER COASTER RIDE | JULY 10

GREECE STANDS UP TO GERMANY IN ITS ECONOMIC CRISIS | JULY 9

T Germany, Greece and the Fight for the Euro Richard Palmer | July 8

WE TALKED ABOUT THIS

FOR THE LAST FIVE YEARS GERMANY HAS DOMINATED THE EURO-zone in what *Der Spiegel* called an “economic ... Fourth Reich.” Its power has been astonishing, forcing out heads of state and dictating the laws of its southern vassals. No one has dared fight back. Until Sunday.

On July 5, the Greeks unleashed a fight for the eurozone, threatening Germany’s dominance. Unless there is a quick Greek surrender, Germany is now engaged in a fight that will radically transform its power.

Germany has reached the limits of what it can force Greece to do using economic power. The nation is so poor that threatening additional poverty or the uncertainty of a euro exit no longer holds the terror that it once did. Germany cannot control Greece this way anymore.

As Stratfor CEO George Friedman notes in his book *Flashpoints* (emphasis added throughout): “How does Germany compel repayment of debts through purely economic means? The logic here leads to *either capitulating economically*, difficult for the Germans, or moving towards some sort of political option. There is in Germany’s reality *a slippery slope* where the desire to work within the EU and the desire to work only from an economic standpoint become unsupportable, and Germany either accepts the consequences of defeat in the debt game, *or moves beyond economics*.”

For the last five years, Germany has created this new reich, not through Ms. Merkel’s desire for conquest, but simply by following its economic self-interest within the eurozone.

Germany has two aims. The first is to preserve the euro as a free-trade zone. If southern European nations break away, they would slow or even block the flow of German goods to their

countries. This would be a major threat to Germany’s economy.

The second aim is to protect taxpayers’ money. Part of this is ensuring any bailout money is paid back.

Greece, in itself, is not a major threat to either of these goals. Its economy is small. The real threat is that it could blaze a trail for others to follow.

These aims led Germany to loan Greece and others cash, and then to control how they spent that cash, taking over a great deal of Greece. Yet now Greece is threatening both of these core aims.

The Greek government is prepared for a fight. If Greece plays its cards right, it could end up leaving the euro in such a way that it leaves all its debts behind for the European Union—which ultimately means Germany—to pay.

If Greece can get away with that, then the rest of southern Europe will try it too.

This would be an unmitigated disaster for Germany. With southern Europe out of the euro, Germany’s export-led economy would be in major trouble. Unemployment would soar. At the same time Germany would suddenly be saddled with huge debts from other countries. The German government would collapse as mass protests filled the streets. This is the worst-case scenario Germany is fighting.

Germany needs to keep Greece paying off its debt. If this fails, it needs to make not paying the debt so painful that other nations aren’t tempted to follow suit. It needs to prevent Greece from quitting the euro and then flourishing, encouraging other nations to follow. Yet it also needs to prevent Greece from leaving Europe’s sphere of influence for Russia, or any alternative power. How can it accomplish all this with only economic power?

Friedman forecast something similar to this crisis. “Wealth

without strength is an invitation to disaster,” he writes. This is Germany right now. It has wealth. It has many of the components of strength. What it lacks is the most important—strong leadership. Without that leadership marshaling the German potential for strength, it is vulnerable.

Friedman continues: “A desperate nation will take desperate action. When steps are taken against a rich and weak country, there is little risk. As anti-German, anti-austerity sentiment rises, Germany, with vital interests, investments, markets and so on, will become a target and attacks on its interests will escalate. Germany will have a choice of accepting the punishment or *using its vast resources to transform wealth into power*. ... Germany will face stark choices, and increasing its strength in all dimensions will become more bearable than the alternatives.

“Germany will therefore become a full-fledged power, *first flexing its political muscles and in time its military ones as pressures develop*.”

This is the end of the path Greece has begun by confronting Germany. In the long run, Germany must either give in or develop real strength to back up its economic power. Germany has an economic reich. But reichs cannot be defended by the economy alone.


As with so much of this crisis, it may have to get worse before

it gets better. Ordinary Germans will have to feel that their financial security and standard of living are under threat before Germany changes. Yet this is exactly what the euro crisis threatens.

Earlier in the euro crisis, *Trumpet* editor in chief Gerald Flurry wrote: “Immediately after the Greek bailout was announced, gold prices soared to their highest level ever. *It was caused mostly by Germans buying gold*. ... They are alarmed because they know that Germany will have to carry most of the financial burden. The people are fearful about their future.

“When Germany is strong and the people are alarmed, all of us should be alarmed—especially in a crisis like this. If you understand German history, you know that the Germans are decisive when facing serious crises. History shows that they have repeatedly turned to a very strong leader to deal with a potential or real crisis.”

By standing up to Germany, Greece is bringing the crisis home to Germans. It has barely affected them so far. But if Germans see southern European nations threatening to destroy the trade area their economy relies on, while saddling them with hundreds of billions of euros of extra debt, they will become alarmed very quickly.

For more information on where this could lead, read our free booklet *He Was Right*, starting with the first chapter, “[Is a World Dictator About to Appear?](#)”  Follow [Richard Palmer](#)

Greek Crisis Shows How Germany's Power Polarizes Europe

Anton Troianovski, *Wall Street Journal* | July 6

MS. MERKEL'S POWER AFTER A DECADE IN OFFICE HAS BECOME seemingly untouchable, both within Germany and across Europe. But with the “No” vote in Sunday's Greek referendum on bailout terms posing the biggest challenge yet to decades of European integration, risks to the European project resulting from Germany's rise as the Continent's most powerful country are becoming clear.

On Friday, [July 3], Spanish anti-austerity leader Pablo Iglesias urged his countrymen: “We don't want to be a German colony.” On Sunday, after Greece's result became clear, Italian populist Beppe Grillo said, “Now Merkel and bankers will have food for thought.” On Monday, Ms. Merkel flew to Paris for crisis talks amid signs the French government was resisting Berlin's hard line on Greece.

“What is happening now is a defeat for Germany, especially, far more than for any other country,” said Marcel Fratzscher, head of the German Institute for Economic Research, a leading Berlin think tank. “Germany has, at the end of the day, helped determine most of the European decisions of the last five years.”

Senior German officials, in private moments, marvel at the fact that their country, despite its weak military and inward-looking public, now has a greater impact on most European policy debates than Britain or France, and appears to wield more global influence than at any other time since World War II.

Berlin think-tank elites, diplomats and mainstream politicians generally see the rise of German power as a good thing. They describe the stability, patience and rules-based discipline

of today's German governance as what Europe needs in these turbulent times. ...

U.S. officials generally see German leadership as crucial geopolitically, praising Ms. Merkel's push last year to get all 28 European Union countries to adopt sanctions against Russia over Ukraine. But across Europe, Germany's power is also straining unity in the EU, an alliance forged as a partnership of equals that now is struggling to accommodate the swelling dominance of one member.

With every crisis in which Ms. Merkel acts as the Continent's go-to problem solver, the message to many other Europeans is that for all the lip service about the common “European project,” it is the Germans and faceless bureaucrats in Brussels who run the show. ...

For several decades, it was the roughly equal tandem of France and Germany that together called the shots on European policy. Because they often disagreed, their compromises typically ended up as palatable to the rest of Europe.

Then a string of developments—including widespread opposition to the Iraq war, former Chancellor Gerhard Schröder's 2003 market-friendly economic reforms and the taboo-breaking summer of flag-waving when Germany hosted the 2006 World Cup—started to instill a more confident sense of national identity in a country still living in the shadow of the Nazi era. Economic problems in France weakened the country on the European stage, while British politics grew increasingly inward-looking. ...

“All of a sudden, Europe speaks German,” Volker Kauder, the

leader of Ms. Merkel's conservatives in parliament, said in a speech "Not in the language but in the acceptance of the instruments for which Angela Merkel fought so long and so successfully."

Ms. Merkel's approval rating at home shot up, from around 40 percent in 2010 to 70 percent in 2013, a range where it has remained. A years-long refrain from German politicians helped keep German voters behind Ms. Merkel even as it estranged Europeans elsewhere: Countries seeking help must also do their *Hausaufgaben*—their homework.

Facing Putin in March 2014, Ms. Merkel put her domestic political capital on the line and established Germany as a key European geopolitical power: She took on Mr. Putin. With him on the verge of annexing Crimea, the typically soft-spoken chancellor warned that Russia faced "massive damage," economically and politically, if it continued intervening in Ukraine.

In ensuing months, Ms. Merkel repeatedly secured unanimity among EU members for rounds of Russia sanctions. Her surprisingly tough line unsettled a pacifist German public that polls show shrinks from foreign-policy involvement and wants a good relationship with its former World War II enemy.

And, as it had at the peak of the eurozone crisis, the German-inspired consensus hid further strains on European unity. ...

Poland and the Baltic states said troops were needed for their security. The dispute over how to deal with Russia prompted a senior Polish official to exclaim, in one meeting last summer, that Germany was again toying with Poland's existence—alluding in part to the 1939 Nazi-Soviet nonaggression pact that effectively

divided Poland between Russia and Germany.

Other countries, from Italy to Hungary, have chafed at having to put their close ties to Russia on ice amid Ms. Merkel's push for sanctions.

But to Germany's south, it is the eurozone crisis that has been the biggest factor in fostering discomfort with Germany's dominant role on the Continent. ...

Within Germany, many politicians and leading commentators say a more assertive German role in Europe is the responsible thing to do. "Politically and economically stable countries cannot hide," Foreign Minister Frank-Walter Steinmeier said earlier this year. "Germany is a little too big and important to comment on international affairs from the sidelines."

In March, a prominent Berlin political scientist, Herfried Münkler, published a book, *The Power in the Middle*, that captured the German elite's foreign-policy Zeitgeist. Germany, he wrote, had the duty to lead Europe because neither Brussels nor another EU country was strong enough to do so. ...

"The crisis in Greece is a forerunner of a whole rash of similar crises set to soon break out across Europe. They will provide the catalyst for the EU's leading nation, Germany, to rise to the fore with solutions of its own making. Biblical prophecy declares that the result will be a European superstate with Germany at the helm."

Gerald Flurry, *Trumpet*, February 2009

Watching the Next War

William Cook, *Spectator* | July 4

LATE LAST MONTH, ON A WINDSWEPT PLAIN NEAR THE POLISH town of Zagan, the defense ministers of Poland, Germany, Norway and the Netherlands joined the NATO secretary general, Jens Stoltenberg, to watch NATO's response to Russia's incursions into Eastern Europe. The dramatic culmination of a week of military maneuvers, Exercise Noble Jump, was a spectacular show of force by NATO's new VJTF brigade. ...

NATO was preparing for a new kind of conflict in which identities are not clear-cut and battle lines can be hard to draw. ... NATO's answer has been the biggest reinforcement since the end of the Cold War. After the NATO summit in Wales last September, the alliance's "ready for action" Response Force is expanding from 13,000 to 30,000 troops. The VJTF is its spearhead.

VJTF stands for Very High Readiness Joint Task Force (armies love imperfect acronyms) but the key words are *Joint* and *Readiness*. The Readiness part is pretty simple: From bases all over Europe, the VJTF is ready to deploy in 48 hours in any NATO country—far faster than ever before.

The Joint part is more complicated but equally important. VJTF troops will be drawn from all 28 NATO countries. This results in a far broader range of firepower than would normally be available to one brigade. Exercise Noble Jump involved Dutch light infantry, Norwegian armored infantry, German Panzers, U.S. Blackhawk helicopters, Belgian F16 fighter-bombers and special forces

from Poland, Lithuania and the Netherlands. British troops weren't involved, but they soon will be.

This is the first time that NATO has created a multinational brigade from scratch, but it was actually built around a long-standing multinational force, the German-Netherlands Corps. Established 20 years ago, this corps forms the core of the interim VJTF. "Germany and the Netherlands have made a decision to cooperate, and to share their resources," says Lt.-Gen. Volker Halbauer, the corps' commander (and if the Dutch can forget their grievances against the Germans, surely anyone can). German efficiency and Dutch pragmatism is an effective combination. Combining different national traits within a single corps isn't a liability—it's an asset. ...

The VJTF takes this winning combination to a new level. The German-Netherlands Corps is normally ready to deploy within 20 to 30 days. The VJTF can be in the field within two, at the first sign of trouble. Its formation is timely. Russian defense spending has increased to 4 percent of GDP. NATO members are still striving for 2 percent. If NATO can't be bigger, it must be smarter—and more cost-efficient. Pooling military expertise makes strategic and economic sense. For Britons, the idea of a "European Army" may conjure up dark visions of a European superstate, but this isn't about ever-closer union—it's about meeting strength with strength. ...

The VJTF can be deployed in any NATO country, to counter any threat, but the locations of its six regional headquarters are

telling: Romania, Bulgaria, Poland and the Baltic states.

The location of these maneuvers underlines the historic significance of Exercise Noble Jump. This is Silesia, part of Prussia for several centuries and now part of Poland. It's been a battleground throughout European history. Will it be a battleground again? As the German and Polish defense ministers pose for photos together beside a tank, you can't help but marvel at how history has turned on its head. Twenty-five years ago this was Warsaw Pact territory, and Poland and Russia were allies. Now Poland and Germany are allies, and Russia is the ghost at the feast.

"That peaceful period after the Second World War is now over—there are more and more crises erupting around Europe," says Tomasz Siemoniak, the Polish defense minister (and deputy prime minister). "It's not only the Ukrainian-Russian crisis, but also

ISIS and a number of different crises in northern Africa. We cannot defend our European way of life if we don't do more for our defense." Noble Jump is just one of over 300 military exercises in NATO countries this year—three times as many as two years ago. ...

Editor's note: "This development is significant because it shows European powers building a multinational brigade around the German-Netherlands Corps. The Trumpet has long forecast that European powers would unite militarily and that the bloc would be led by Germany. Also, as the article points out, this rallying of European military powers behind Germany is happening in response to Russia's incursions into eastern Europe. The Trumpet has long said that Russia's resurgence would be a catalyst to European unification, and we now see it happening to a degree."

'Hackers' Give Orders to German Missile Battery **The Local | July 7**

GERMAN-OWNED PATRIOT MISSILES STATIONED IN TURKEY WERE briefly taken over by hackers, according to media reports on Tuesday.

The attack took place on anti-aircraft Patriot missiles on the Syrian border. The American-made weapons had been stationed there by the Bundeswehr (German Army) to protect NATO ally Turkey.

According to the civil service magazine, the missile system carried out "unexplained" orders. It was not immediately clear

when these orders were carried out and what they were.

The magazine speculates about two weak spots in the missile system, which could be exploited by hackers.

One such weakness is the Sensor-Shooter-Interoperability, which exchanges real time information between the missile launcher and its control system.

The second exposed point is a computer chip, which controls the guidance of the weapon. ...

TW IN BRIEF

Spiegel Online: German-American friendship no longer exists: The German-American friendship no longer exists. That is the assessment of an opinion piece printed on Wednesday in the German publication Spiegel Online. Friendship "may still remain between citizens of both countries," the article said, "but not between their governments." The friendship was severely damaged by the release of classified documents showing that the U.S. government has been systematically spying on the German government. America spied not only on Chancellor Angela Merkel, but also on ministries, ministerial offices and even German journalists. Polls show that the spy scandal greatly tarnished the German people's view of the United States.

Pope in Ecuador: Pope Francis has used his final full day in Ecuador to issue an impassioned call for a new economic and ecological world order where the goods of the Earth are shared by everyone, not just exploited by the rich. Thousands watched the pontiff's speech on big-screens from the plaza in front of Quito's Church of San Francisco on Tuesday evening. Francis led a prayer in front of the Vatican ambassador's residence in the capital, as he has done every evening during his stay. Meanwhile in El Quinche, to the northeast of Quito, pilgrims were starting to camp out around the church where the pontiff was scheduled to speak July 8 before departing for Bolivia to begin the next leg of his eight-day, three-country tour of South America.

ASIA

T No, Beijing Isn't Withdrawing Support for North Korea **Jeremiah Jacques | July 7**

WE TALKED ABOUT THIS

HOW HAS THE DANGEROUS PERSONALITY CULT THAT RULES OVER North Korea survived in the modern world for so long? Because mighty China has stood by the Kim dynasty for decades—like a big brother defending his belligerent younger brother.

When North Korea has needed food and weaponry, China's been happy to deliver. When the United Nations has tried punishing Pyongyang for illegal development of nuclear weapons, China's been quick to veto the attempts. When North Korea has

needed a trade partner willing to overlook its barbaric human rights abuses, China has eagerly swung its doors open for business. When North Korea needed a military ally, China—and only China—agreed in a formal alliance that it would protect the North.

But in recent years, a significant change seemed to be underway. Many Western analysts began joyously proclaiming that China had finally had enough. They said Beijing was tired of defending North Korea:

“China Losing Patience as North Korea Threatens Nuclear Strike on U.S.,” said a 2013 *Daily Tech* headline. “China Kinda Hates North Korea,” War Is Boring wrote. “Chinese Annoyance With North Korea Bubbles to the Surface,” the *New York Times* said in December 2014.

Western onlookers were ecstatic. If China was withdrawing its support of the Kim dynasty, that would mean the collapse of that poisonous, diabolical regime. It would mean the world would be safe from at least one lunatic’s nuclear arsenal. It would mean the economic opening up of the rogue nation and the end of suffering and starvation for North Korea’s 25 million people.

But the facts on the ground show that those joyous proclamations were hasty, and that Beijing won’t withdraw its support of the Kim dynasty anytime soon.

Here are a few instances of China’s ongoing support of the Kim dynasty:

Beijing is fueling the North’s military by secretly providing the Kim regime with large quantities of oil.

China is giving massive amounts of food aid to the North, even in stark violation of international principles which stipulate that food aid must go to deprived citizens rather than to the military and rulers.

The Chinese continue to shield North Korea from international efforts to investigate human rights violations in North Korea.

Beijing is exploiting North Korean slave laborers at North

Korean-run work camps within China.

China is disregarding many UN resolutions that it opted not to veto.

Chinese authorities capture North Koreans who escape into China and repatriate them to Pyongyang where they are punished for fleeing by torture and death.

On July 1, China invited North Korean leader Kim Jong Un to come to Beijing in September to commemorate the 70th anniversary of the end of World War II. (If he accepts, it will be Kim’s first time meeting another national leader since he took power in 2011.)

What does China gain from its near-unconditional support of the unruly and unstable North?

Beijing uses North Korea as a buffer state to safeguard China from South Korea where 28,500 U.S. soldiers are stationed. China also values North Korea as a massive distraction to the world. When the U.S. and other powers focus on Pyongyang’s egregious human rights abuses and illegal military activities, less attention is available to examine the same trends happening in China.

The most important reason was explained by *Trumpet* columnist Brad Macdonald in a 2009 article: “[T]he ultimate and most worrying reason Beijing sustains North Korea is that [the Kim dynasty’s] ideologies and ambitions align perfectly with China’s top global priority: undermining the United States! ... China considers Pyongyang a tool with which it can challenge the U.S.”

Despite the joyous proclamations from the West, China continues to keep the North Korean regime afloat. It continues to collude in many of Pyongyang’s illegal activities, and continues pumping enough capital into the regime to guarantee that it can preserve complete control over the people of North Korea. Despite the joyous proclamations, China isn’t withdrawing its support for the Kim dynasty.

 Follow [Jeremiah Jacques](#)

Russia's Putin Welcomes Chinese Leader to Twin Summits, Says They Can Solve Problems Together

AP | July 8

WELCOMING CHINA’S LEADER TO TWO SUMMITS IN A RUSSIAN city, President Vladimir Putin said Wednesday that Russia and China can overcome their countries’ difficulties by working together.

Putin and Chinese President Xi Jinping both arrived Wednesday in the Russian city of Ufa for summits of the BRICS trade group

and the Shanghai Cooperation Organization.

The BRICS group also includes Brazil, India and South Africa, while the SCO, which also focuses on regional security and political issues as well as economics, includes the former Soviet Central Asian republics of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. Iran, India and Pakistan are observer SCO participants. ...

Vladimir Putin's United Russia Party Unveils 'Straight Flag' to Rival Gay Pride Symbol

Independent | July 9

UPSET, DISMAYED AND EVIDENTLY FEELING A LITTLE LEFT OUT BY the global embrace of the gay pride flag following the U.S. Supreme Court ruling legalizing same-sex marriage, Vladimir Putin’s United Russia Party has hit back against with their own “straight” flag.

While homosexuality is not illegal in Russia, Mr. Putin introduced a law in 2013 that bans symbols which promote

“non-traditional” values.

Therefore, in response to the LGBT movement’s rainbow flag, the United Russia Party unveiled a banner celebrating the traditional, nuclear Russian family. The flag depicts two parents—a woman and a man—holding hands with three children.

It was unveiled at a party rally in Moscow’s Sokolniki park on the Day of Family, Love and Fidelity, an annual countrywide

celebration held on July 8.

Andrei Lisovenko, deputy head of the United Russia branch in Moscow, told the *Izvestia* newspaper, "This is our response to same-sex marriage, to this mockery of the concept of the family. We have to warn against gay-fever at home and support traditional values in our country. We are speaking of the traditional family. We mean the average standard Russian family that is ours: mother, father and three children."

The flag was launched alongside the hashtag #realfamily and it comes in three different Russian-colored backgrounds. ...

"Just as Putin has cozied up to the conservative Russian Orthodox Church in order to work against liberals within Russia, so he has also leaned toward the church in order to paint Russia as a defender of traditional values in a world led by a morally broken United States and Europe. In December, Putin said: 'Many Euro-Atlantic countries have moved away from their roots, including Christian values. Policies are being pursued that place on the same level a multi-child family and a same-sex partnership, a faith in God and a belief in Satan. This is the path to degradation.' ... This is an exact reversal of the Cold War era, which many viewed as 'Christian' America against the 'godless' communists of the USSR."
theTrumpet.com, June 25, 2014

Russia Conducts Military Exercises at Armenia Base in Latest Combat Readiness Drill

IB Times | July 7

RUSSIA ORDERED A SNAP-READINESS EXERCISE TUESDAY FOR AVIATION personnel located at its military base in Armenia, Russia's Southern Military District said in a press release. Russian President Vladimir Putin has ordered several drills in recent months to test the combat readiness of Russian troops staged around the world, despite protests from Western nations.

The military exercise will assess how quickly Russian forces at the Armenian military base are capable of achieving "full combat readiness." Russian military officials will use drones to capture footage of the personnel as they respond to a mock alarm and man their battle stations, Russian outlet TASS reported. ...

NATO officials condemned Russia's past snap-readiness maneuvers and expressed concern that Moscow used the training

exercises to posture its military forces near foreign borders, particularly in Eastern Europe. Several of Russia's neighbors, including Finland, Sweden and the Baltic States, have strengthened their ties with NATO amid the Russian military activity.

"We are concerned by the size, sale and frequency of Russia's snap exercises," a NATO official told CNN in May. "Three of them have included over 80,000 troops. Some of them have been used to deploy troops to annex Crimea, mass forces on Ukraine's border and support the [pro-Moscow rebels in Ukraine]."

The Kremlin drew international criticism and scrutiny for its annexation of Crimea in March 2014 and apparent support for pro-Russian separatists in the Eastern Ukraine conflict, in which more than 6,400 people have died since early last year.

MSDF, Coast Guard to Hold 'Gray Zone' Drill off Izu Oshima

Japan Times | July 7

THE MARITIME SELF-DEFENSE FORCE AND THE JAPAN COAST Guard are planning their first joint drill for a "gray zone" incident that would stop short of a military attack on Japan, according to a government source.

The drill will be held "soon" near Izu Oshima Island ... the source said Monday.

The Coast Guard will first determine the locations, speed and number of intruding vessels and share information with the MSDF, which will take over and intercept the vessels, according to the source. ...

The drill could draw criticism from China as the Japanese and

Chinese governments are making arrangements to sign an agreement as early as this month to set up a maritime communications mechanism to avert accidental clashes in the East China Sea.

The exercise is seen as part of Prime Minister Shinzo Abe's drive to bolster Japan's defense capabilities and the role of the Self-Defense Forces both at home and abroad.

In the controversial security bills currently under Diet deliberations, the government is eyeing a system of giving Cabinet approval by phone for swift SDF dispatch to cope with gray zone incidents, including an attempt by an armed group disguised as fishermen to take control of a remote Japanese island.

Rivals Pakistan, India to Start Process of Joining China Security Bloc

Reuters | July 6

NUCLEAR-ARMED RIVALS PAKISTAN AND INDIA WILL START THE process of joining a security bloc led by China and Russia at a summit in Russia later this week, a senior Chinese diplomat said on Monday, the first time the grouping has expanded since it was set up in 2001.

The Shanghai Cooperation Organization (SCO) groups China, Russia and the former Soviet republics of Tajikistan, Uzbekistan, Kazakhstan and Kyrgyzstan, while India, Pakistan, Iran,

Afghanistan and Mongolia are observers.

"As the influence of the SCO's development has expanded, more and more countries in the region have brought up joining the SCO," Chinese Vice Foreign Minister Cheng Guoping told a news briefing. "India and Pakistan's admission to the SCO will play an important role in the SCO's development. It will play a constructive role in pushing for the improvement of their bilateral relations." ...

Prime Minister Narendra Modi will be in Moscow for a summit of the BRICS group of emerging markets and both he and his

Pakistani counterpart, Nawaz Sharif, will attend a special SCO “outreach” session as part of the gathering. ...

U.S. Jets Intercepted Russian Bombers off the California and Alaska Coasts on July 4 **Business Insider | July 6**

ON SATURDAY, TWO PAIRS OF RUSSIAN TUPOLEV TU-95 BOMBERS approached the U.S. West Coast, causing the Air Force to scramble to intercept the planes before they breached U.S. airspace, two senior defense officials told Fox News.

The first incident reportedly occurred at 10:30 a.m. ET off the coast of Alaska, when NORAD identified the Russian planes and two F-22s hurried to intercept them. Another incident occurred at 11 a.m. ET off the coast of central California and was responded to by two F-15s.

The Russian bombers they intercepted are capable of carrying nuclear weapons, but sources do not indicate whether they were armed.

The Air Force intercepted the bombers before they entered America's sovereign air space, which extends 12 miles out from the coast, but the presence of the bombers is an ominous sign during the heightened tensions between Russia and the U.S.

As retired Air Force Lt. Gen. Thomas McNerney, who formerly commanded the North American Aerospace Defense Command (NORAD) told the *Washington Free Beacon*: “It's becoming

very obvious that Putin is testing Obama and his national-security team.” ...

Since the start of the crisis in Ukraine, Russia has flown increasingly aggressive aircraft missions throughout Europe and the Pacific. From May 2014 to September 2014, the U.S. intercepted Russian bombers over Guam and off the coast of California and Alaska. In September, two Russian aircraft carried out a mock cruise-missile attack on the U.S.

Throughout 2014, the European Leadership Network estimated that Russia and the West had up to 40 military encounters. Among these, three were designated as high-risk incidents that could have led to casualties or a military confrontation.

In April, Adm. Bill Gortney, the general at the head of NORAD, told reporters that Russia was using its long-range bomber fleet to “message” the U.S. about Moscow's international military capabilities.

“They are messaging us. They are messaging us that they are a global power,” Gortney said ...

Nearly 25 Percent of Chinese Stocks Have Stopped Trading **CNN Money | July 7**

WE TALKED ABOUT THIS

THE TURMOIL IN CHINA'S STOCK MARKET IS SO BAD THAT SOME companies are calling it quits.

Over 700 Chinese companies have halted trading to “self-protect,” according to the state media. That means about a quarter of the companies listed on China's two big exchanges—the Shanghai and Shenzhen—are no longer trading.

China's stock markets are in trouble. The Shanghai Composite Index has fallen over 25 percent since mid-June. The Shenzhen, which has more tech companies and is often compared to America's Nasdaq Index, is down even more.

The government has taken extraordinary steps to try to prevent further damage. The Chinese central bank made a surprise rate cut at the end of June. Then China's securities regulator

stopped initial public offerings on the exchanges.

Over the weekend, over 20 of China's top brokerage firms publicly pledged to buy back stocks and funds in an effort to slow the downfall. The firms expect to spend at least 120 billion yuan (about US\$19.3 billion).

“The government is taking good care of the stock market,” China's vice commerce minister said this week.

But investors clearly aren't convinced. China's stock market has been undergoing wild swings ...

According to Bespoke Investment Group, China's stock markets have now lost \$3.25 trillion. To put that in perspective, that's more than the size of France's entire stock market and about 60 percent of Japan's market. ...

ANGLO-AMERICA



Charleston, SC—How to Solve Race Relations

Gerald Flurry,

The Key of David | July 3

Charleston citizens reacted admirably to the June massacre of nine churchgoers.



England Sleeps Again as Our Enemies Rampage

Simon Heffer, *Daily Telegraph* | July 5

MICHAEL FALLON IS ONE OF THE MORE THOUGHTFUL MINISTERS; as Defense Secretary, he has to be. He inherited a department emasculated by cuts—or, rather, by the twisted priorities behind them. It was decided in 2010 that the world was a safe place, and Britain didn't need a proper armed forces. Sadly, as the Arab Spring unfolded, that decision quickly turned out to be monumentally wrong.

Mr. Fallon has raised the question of airstrikes against the Islamic fundamentalists who murdered 38 tourists, most of them British, in Tunisia. Let us leave aside whether revenge attacks would be a good idea The real issue, if you will forgive my repeating myself, is that we don't have proper armed forces to take such steps.

Since 2010, as a new report by the UK National Defense Association (UKNDA) pointed out, defense spending has been cut by 9 percent. New threats to our security have blown up: not just ISIS, but also a Russia aggressive towards Ukraine, and systematically destabilizing members of NATO and the EU.

Air Chief Marshal Sir Michael Graydon, introducing the UKNDA report, terms the imminent Strategic Defense and Security Review “the most important in four decades.” All three services are at their lowest strength since the 1920s, and Sir Michael asserts that “whole capabilities are missing and we have been unable to perform certain crucial military functions.” ...

As one leading defense expert, with decades of experience, said to me last week, “we no longer have a credible army or a navy or an air force, but there's no need to worry about that because they are of use only if we have a credible defense policy based on a credible security policy—and we have neither.” He also

mentioned the recent leak of a test pilot's report on the F-35 Joint Strike Fighter's “lethal limitations,” exposed when it simulated a dogfight with a 40-year-old F-16. The shortcomings were known to analysts for years: The expert told me the test pilot's language “made it so vivid that even the average M.P. should understand.” ...

There is a general understanding among NATO countries that each should spend 2 percent of the annual budget on defense. Britain is dangerously close to falling under that figure, and President Obama has started lecturing Mr. Cameron on the subject. It is certainly true—and I was in the States last week and picked this up forcefully—that America feels it is bearing too much of the burden for the defense of the West and of our shared values, and that others must pay more. The Americans, who fund 70 percent of the NATO effort, are right: And the less we pay, the more isolationist they will become, which will make us even more vulnerable.

We need a proper security policy that identifies who our enemies are, and what we must do to ward them off. We will then need more men and women under arms, and more and better equipment. This is not to launch invasions—no one wants that—but to seek to deter, and to respond adequately if threatened. I am sure even 2 percent is not enough. Why not class overseas aid as part of defense, and spend it protecting the interests of our allies abroad?

I admire Mr. Fallon, but he must surely see that, when we cannot defend ourselves, it is reckless to speculate about interventions elsewhere. He has exposed a weakness that it is his job to rectify. I trust he has had a meaningful conversation with Mr. Osborne about it, because if he hasn't the country risks paying a price far higher than can be calculated in pounds. ...

Illegal Immigrants Accounted for Nearly 37 Percent of Federal Sentences in FY 2014

Breitbart | July 7

WHILE ILLEGAL IMMIGRANTS ACCOUNT FOR ABOUT 3.5 PERCENT of the U.S. population, they represented 36.7 percent of federal sentences in FY 2014 following criminal convictions, according to U.S. Sentencing Commission (USSC) data obtained by Breitbart News. ...

Broken down by some of the primary offenses, illegal immigrants represented 16.8 percent of drug trafficking cases, 20 percent of kidnapping/hostage taking, 74.1 percent of drug possession, 12.3 percent of money laundering, and 12 percent of murder convictions.

One GOP aide expressed shock at the numbers, e-mailing Breitbart News, “These statistics blew me away, and they blow a hole through the oft-repeated line that people only want to come to America to work. It's tragic so few politicians are willing even to

acknowledge the true extent of this problem, but until more do, more Americans will keep getting harmed.”

The USSC data only deals with federal offenders sentenced under the Sentencing Reform Act of 1984, and does not include other categories like state cases, death penalty cases or “cases initiated but for which no convictions were obtained, offenders convicted for whom no sentences were yet issued, and offenders sentenced but for whom no sentencing documents were submitted to the Commission.” ...

Eliminating all immigration violations, illegal immigrants would account for 13.6 percent of all the offenders sentenced in FY 2014 following federal criminal convictions—still greater than the 3.5 percent of the population illegal immigrants are said to make up.

Army Plans to Cut 40,000 troops

USA Today | July 8

THE ARMY PLANS TO CUT 40,000 SOLDIERS FROM ITS RANKS OVER the next two years, a reduction that will affect virtually all of its domestic and foreign posts, the service asserts in a document obtained by *USA Today*.

The potential troop cut comes as the Obama administration is pondering its next moves against the Islamic State militant group in Iraq and Syria. President Obama said Monday he and military leaders had not discussed sending additional troops to Iraq to fight the Islamic State. There are about 3,500 troops in Iraq. ...

An additional 17,000 Army civilian employees would be laid off under the plan officials intend to announce this week. Under the plan, the Army would have 450,000 soldiers by Sept. 30, 2017, the end of the 2017 budget year. The reduction in troops and civilians is due to budget constraints, the document says.

The Pentagon's budget, released in February, envisioned the reduction to 450,000 would occur by Sept. 30, 2018. ...

The Army declined to comment on the proposed reductions in its forces.

If the automatic budget cuts known as sequestration, set to begin in October, take place the Army would have to slash another 30,000 soldiers, according to the document. At that level, the Army would not be able to meet its current deployments and respond to demands for troops in other regions.

Among the proposed changes, brigades at Fort Benning, Ga., and Joint Base Elmendorf-Richardson in Alaska will be downsized from units of about 4,000 soldiers to battalion task forces of 1,050 soldiers.

Downsizing Army forces in Alaska "makes no strategic sense," said Sen. Dan Sullivan, a Republican member of the Armed Services committee from Alaska. ... "One person who's going to be very pleased with this is Vladimir Putin," Sullivan said.

The Army overall will require more than 450,000 soldiers because the number of national security challenges around the world have "risen dramatically" in the past few years.

In 2013, the Army maintained in budget documents that dipping below 450,000 soldiers could prevent it from prevailing in a war.

BILL GROSS: 'We Are in the Eye of the Hurricane' With Greece

Business Insider | July 6

JANUS FUND'S BILL GROSS PHONED IN TO CHAT WITH BLOOMBERG Television about the Greek-eurozone crisis today

"It appears that we're in the eye of the hurricane. I do not believe that this situation really is calm," he said to hosts Erik Schatzker and Guy Johnson. "You're seeing basically central governments throwing everything they have at the markets and keeping them calm." ...

Gross said he predicts a 70 to 80 percent chance Greece will exit the eurozone. And that would be the best-case scenario for the country.

The decision will depend on whether Germany is willing to concede that austerity "to the extent that they have enforced it in Greece, and to the extent that restructuring or debt write-offs" is a necessity, he said. ...

"I think and I'm on the side of the Greeks here," he said. "The Germans are being disingenuous with their portion of the debt because they have had massive restructuring of their own debt after World War I, then after World War II."

But Germany has shown no hint of starting a "Marshall Plan" for Greece—which means European Central Bank President Mario Draghi will be Greece's saving grace.

"I would suggest that if European Central Bank President Mario Draghi doesn't at some point provide additional funds, and if Greece does not pay the \$3 billion, or euro dollar debt on July 20 or 21, then there is going to be significant problems within the system," Gross said. "The \$100 billion worth of funds extended to Greek banks through the ELA, will have to be declared in default because the ECB cannot lend on defaulted collateral."



America and Britain in Prophecy

Stephen Flurry,
Trumpet Daily | July 10

Could the Bible ignore the world's greatest superpower—or the most dominant empire in history?

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