

Trumpet Weekly

MARCH 4, 2016



The Suddenly Poor Life: Millions Will Lose Their Pensions

FOUR HUNDRED THOUSAND AMERICANS JUST FOUND OUT THEY are not going to get the pensions they were promised. It is part of a trend sweeping the nation—it's called *the suddenly poor life*.

The Central States Pension Fund told its members on February 16 that they needed to take a massive cut in benefits—or the fund would be completely empty in 10 years.

Members face a 40 to 61 percent cut in benefits depending on age, what

company they worked for, and various other factors. The average loss appears to be approximately \$1,400 per month.

This is the best-case scenario.

If the pension plan goes bankrupt and falls back on the government-backed Pension Benefit Guarantee Corp., people will get even less.

The result is that many retired people are back out looking for jobs—not to support their lifestyles but themselves.

“What’s happening to us is a microcosm of what’s going to happen to the rest of the pensions in the United States,” said Jay Perry, a longtime Teamsters member.



ROBERT MORLEY

PHOTO: STEVE101/FLOCR

Perry is probably correct. Public-sector pension funds are grossly underfunded all across America.

Tens of millions of Americans are not going to get the benefits they are planning on! *This is an underappreciated trend that will have a profound effect on America's economy.*

Consider this: In Chicago, a recent report found that the city's unfunded pension liabilities totaled *10 times the entire city's revenues*. According to analysts, this means that the city will soon be paying 50 percent of its revenue just to cover pension costs.

New York City now spends more money paying pensions to retired police officers than it does to active ones.

Philadelphia, Boston, Houston, New York—virtually every major city in America—face the same pension crisis.

States are as well. Illinois's pension burden has brought the state to its knees financially speaking. Ninety-three percent of the state's retirement systems are underfunded, according to Wilshire Consulting's 2015 report. The state spends *almost a quarter of all its revenues just on pensions*.

In California, unfunded liabilities are so huge that it is projected that taxpayers will have to foot an *annual \$28.3 billion* tax increase for the next 30 years to pay for promised benefits, according to Wayne Winegarden, senior fellow in business and economics at the Pacific Research Institute. According to Steve Greenhut, "California faces death by pensions." David Crane, former chief pension adviser to Gov. Arnold Schwarzenegger, said the only way California's pension plans won't go bust is if the Dow Jones Industrial Average soars to 28 million by 2099. The Dow currently sits at around 16,800.

According to State Budget Solutions, California has unfunded pension liabilities of \$640 billion, Illinois \$287 billion, Ohio \$287 billion, New York \$260 billion, and Texas \$244 billion. But virtually every state in the union has underfunded pensions.

Add it all up and states owe \$4.1 trillion to their pension plans. This is money that needs to be in plans today—earning interest and compounding—to pay for promises.

Puerto Rico announced late last year that its government pension fund will be empty in five years or less—and it has no money to shore it up since the island is bankrupt. Around 119,000 people

currently pay into that fund.

What is left of private-sector pensions is just as bad. General Motors said on February 25 that it will sell 20- and 30-year bonds in order to meet its pension obligations.

Think about that! America's biggest car company is borrowing money—not to invest—not to develop new products—not to build more cars—but to pay pensions. And this is at a time when GM is selling record numbers of vehicles! Every financial planner in the world will warn you never to borrow money to "invest" in the stock market. But thus is the desperation of General Motors. The city of Chicago did the same not long ago.

Of course the biggest broken retirement funds are at the federal level. Social Security, Medicare and Medicaid liabilities range from \$55 trillion to \$222 trillion depending on whom you ask. Don't blame Obamacare though. It only added \$17 trillion to the hole.

But here is the scary thing no one is talking about. Even ignoring the massive, unpayable federal liabilities, tens of millions of unsuspecting Americans are headed for the suddenly poor life.

And don't think the Pension Benefit Guarantee Corp. (PBGC) has your back. As of 2015, the fund had \$88 billion in assets and \$164 billion in obligations. If just the Central States Pension Fund mentioned at the top of the article decided to continue paying out its money till it was gone and then declare bankruptcy—it would completely wipe out the Guarantee Corp.

In 2014, the PBGC estimated that it would be completely out of money by 2022 and it had a 50 percent chance of collapsing within the next eight years.

Yet the PBGC is supposed to cover *the pensions of 40 million Americans* in the event of failure. In other words, the insurance plan for grossly underfunded pensions is grossly underfunded.

What will become of those who depend upon their benefits to survive? "You know anybody hiring a 73-year-old mechanic?" Central States Pension Fund member Rod Heelan was quoted by the *Kansas City Star*. "I'm available."

When asked how he would cope, Gary Meyer summed up what will soon face many of America's suddenly poor: "I guess food stamps," he said. "I hope not."

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MIDDLE EAST

TrumpetDaily

RADIO SHOW

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No New Dawn in Iran

Algemeiner | March 1

WE TALKED ABOUT THIS



FOR THE PAST THREE YEARS, THE WEST HAS BEEN TRICKING ITSELF into seeing the Islamic Republic of Iran as a country undergoing a gradual process of reform. The outcome of Friday's two elections—one for the Majlis (parliament) and the other for the Assembly of Experts—is serving as the latest mirage in the delusion. ...

[Iranian President Hassan] Rouhani's appearance on the international stage [in contrast to former President Mahmoud Ahmadinejad's] provided particular fantasy-fodder for supporters of a diplomatic solution to the problem of Iran's race to obtain nuclear weapons and to guarantee its regional, and eventually global, hegemony. ...

[T]wo crucial things need to be kept in mind: the only thing the nuclear deal accomplished was to enable Iran to step up its nuclear program, but with lots more money at its disposal; and Rouhani is no moderate. ...

Though the Shiite cleric was not Khamenei's preferred choice, he would never have been approved as a candidate in the first place if his revolutionary credentials had not been impeccable. And they certainly were.

The only real difference between him and his predecessor is in his strategic understanding of how to accomplish Iran's goals by

presenting himself as more palatable to the West. ...

Addressing Iran's Supreme Cultural Revolution Council in September 2005, he explained the purpose of being a wolf in sheep's clothing: "While we were talking with the Europeans in Tehran, we were installing equipment in parts of the Isfahan facility," he said. "By creating a calm environment, we were able to complete the work." ...

In July, after the completion of the nuclear deal was first announced, ... Rouhani [said:] "We aspired to achieve four goals: The first was to continue the nuclear capabilities, the nuclear technology, and even the nuclear activity. The second was to remove the mistaken, oppressive and inhuman sanctions. The third was to remove the Security Council resolutions that we see as illegitimate. The fourth was to remove the nuclear dossier from Chapter VII of the UN Charter and the Security Council in general. All four goals have been achieved today."

Let us not kid ourselves. [The Iranian elections] could provide American voters with a false sense of national—and international—security that is utterly unwarranted.

RELATED: "IRAN WANTS WAR. IT IS ABOUT TO GET ONE."

Iran's Elections Are Magic

Bloomberg View | February 29

IF YOU ARE FOLLOWING THE IRANIAN ELECTIONS, PREPARE TO BE dazzled. According to major news outlets from the BBC to the Associated Press, the reformists beat the hardliners.

But wait. Didn't Iran's Guardian Council disqualify most of the reformists back in January? Of course it did, but thanks to the magic of Iranian politics, many of yesterday's hardliners are today's reformists.

Take Kazem Jalali. Until this month, Jalali was one of those hardliners whom President Barack Obama had hoped to marginalize with the Iran nuclear deal. Jalali has, for example, called for sentencing to death the two leaders of the Green Movement, who are currently under house arrest. And yet, he ran on the list endorsed by the reformists in Friday's election.

Two former intelligence ministers, accused by Iran's democratic opposition of having dissidents murdered, Mohammed Mohammadi Reyshahri and Ghorbanali Dorri-Najafabadi, also ran on the list endorsed by Iran's moderate president for the Assembly of Experts, the panel that is charged with selecting the next supreme leader. ...

The headlines, however, tell a different story. The *Guardian*,

for example, says: "Iranian elections deal blow to hardliners as reformists make gains." The BBC concludes: "Reformists win all 30 Tehran seats." And on it goes.

Headline writers should be given some slack on this. After all, President Hassan Rouhani—a moderate, but no reformer—himself has celebrated the preliminary results in the elections as a major victory. After criticizing the disqualifications, he has held his tongue and tried to make the most of a bad situation, encouraging Iranians to vote nonetheless. ...

[T]his is the magic of Iran's elections. In the end, Iran's supreme leader doesn't need to defend their legitimacy. He has plenty in the West eager to do it for him.

"Now that Iran has the wealth, international legitimacy and political clout to pursue its decades-old goal, don't look for a Guardian Council-approved election to do a fraction of what the abortive Green Movement was dreaming of."

"Iranian Elections: A Litmus Test for the Nuclear Deal,"
theTrumpet.com, February 25

America's New Libyan War

Wall Street Journal | February 26

PRESIDENT OBAMA HAS BEEN LEARNING THE HARD LESSON THAT, in war, you can't declare premature victory and go home. That's the story of Iraq, where the U.S. has returned thousands of troops to fight Islamic State long after the president declared the Iraq War over and done. It's also true in Afghanistan, where he has quietly abandoned plans to withdraw all U.S. forces in the face of major gains by the Taliban.

The same story now seems to be unfolding in Libya. On Tuesday the Italian government acknowledged that it had given permission for armed U.S. drones based in Sicily to carry out operations against Islamic State in Libya. The Italians will grant approval on a "case-by-case" basis, and then only for what they deem "defensive operations." On Tuesday the Journal cited U.S. officials saying that the drones would be used "to protect U.S. special-operations forces in Libya and beyond."

That's the closest we've heard to official confirmation that the

U.S. has special forces operating in Libya

... Islamic State has an estimated 6,000 fighters in Libya and controls a broad stretch of coastline centered on the city of Sirtre. On Wednesday, Islamic State fighters stormed the security headquarters of Sabratha's government and beheaded 12 officers. Abu Bakr al-Baghdadi, the Islamic State leader, is said to have taken personal charge of Islamic State operations in Libya, no doubt because it puts him in striking range of European targets across the Mediterranean.

Aware of the growing threat, the Pentagon has been pushing the White House to hit Islamic State in Libya, with Joint Chiefs of Staff Chairman Joe Dunford saying the U.S. wants to "take decisive military action" against the group. But Mr. Obama has resisted, on the view that it's up to the Europeans to take the lead. ...

RELATED: "THE NEXT WAR IN LIBYA"

Iran Says Blacklisting Hezbollah May Jeopardize Lebanon's Stability

Reuters | March 3

IRAN ACCUSED GULF ARAB NEIGHBORS ON THURSDAY OF JEOPARDIZING Lebanon's stability by blacklisting the Iranian-backed Hezbollah group, state television said, a move likely to stoke tensions in the regional power rivalry between Tehran and Riyadh.

The six-member Gulf Cooperation Council (GCC) branded Hezbollah a terrorist organization on Wednesday, opening up the possibility of further sanctions against the group that wields influence in Lebanon and fights in Syria. ...

Leading Sunni Muslim power Saudi Arabia and Shiite Muslim Iran compete for influence across the region and back different factions in sectarian-riven Lebanon and in Syria's civil war.

"Lebanon's Hezbollah is the vanguard of resistance against the Zionist regime (Israel) and Iran is proud of the group, which is also the champion of the fight against terrorism in the Middle East," Iranian state TV quoted Deputy Foreign Minister Hossein Amirabdollahian as saying.

"Calling Hezbollah a terrorist group ... will harm the unity and security of Lebanon."

Hezbollah's leader said on Tuesday Lebanon had been pushed into a new phase of political conflict by Saudi Arabia but was not on the brink of civil war and its government of national unity, of which Hezbollah is a part, should survive. ...

Relations between Lebanon and Saudi Arabia have been plunged into crisis since Riyadh halted \$3 billion in aid to the Lebanese Army—a response to the Beirut government's failure to condemn attacks on Saudi diplomatic missions in Iran. ...

Editorial note: Meanwhile, Saudi Arabia is courting Syrian refugees with military training to harass Hezbollah. According to Stratfor, Saudi Deputy Crown Prince Mohammed bin Salman reportedly affirmed Saudi intentions to use refugee aid agencies to recruit potential anti-Hezbollah militants.

Ya'alon: Syrian Regime Used Chemical Weapons During Truce

Times of Israel | March 1

DEFENSE MINISTER MOSHE YA'ALON SAID TUESDAY SYRIAN GOVERNMENT forces used chemical weapons against civilians this week in a particularly egregious violation of the ceasefire. ...

The minister's claims came as Syrian President Bashar Assad pledged to do his part to guarantee the success of a shaky ceasefire that was largely holding into its fourth day.

World powers have thrown their weight behind the landmark truce as a way to bring an end to Syria's conflict, which began in 2011 with anti-government protests. ...

"We will do our part so that the whole thing works," Assad told German public broadcaster ARD, referring to the cessation of hostilities reached by the United States and Russia.

"We have refrained ourselves from retaliating in order to give [a] chance for the agreement to survive. That's what we can do, but at the end everything has a limit. It depends on the other side." ...

RELATED: "ABOUT THOSE WMD IN SYRIA"

Trumpet Hour

EUROPEAN POLITICS, TRUMP VS. BLM, RUSSIA VS. TURKEY,
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GERMANY-RUSSIA RELATIONSHIP, GUTTENBERG AND THE PULL OF POLITICS,
JUST THE BEST LITERATURE, AND MORE | MARCH 2

Europe's New Right Sounds Like the Old Left

Anne Applebaum, *Financial Times* | January 27

WE TALKED ABOUT THIS



ONE DAY IN 2008, A FRIEND CALLED TO TELL ME THAT HE THOUGHT the world might be coming to an end. He was not a religious fanatic; he worked in markets. Lehman Brothers had just gone bankrupt and the international financial system appeared to be in its death agony. As Marx might have put it, the final “crisis of capitalism” seemed to have arrived.

But the world did not end. The international proletarian revolution did not arrive either, though a few decades earlier, it might have done. Financial collapse on the scale of 2008 might, once upon a time, have inspired the formerly powerful revolutionary Marxist and near-Marxist political parties of Western Europe to take to the streets. But because Marxism was so thoroughly discredited by the collapse of the Soviet Union, there was no appetite for radical revolution two decades later. Economic fashion, even on the political left, seemed to have moved on.

Fast-forward eight years and the situation is drastically different. Many have noticed that the old-fashioned left is back. Syriza in Greece, Podemos in Spain and Jeremy Corbyn’s British Labour Party all now contain radicals who would, if they could, renationalize industry and put an end to free trade. But the more remarkable and less obvious change is taking place on what we used to call the far right. The nationalist parties of Europe, long dismissed as fringe groupings, are now winning votes by adopting previously discredited “leftwing” ideas.

Exhibit A is France’s National Front. Though better known for its anti-immigration rhetoric, the party, under Marine Le Pen’s leadership, has also taken over some of the symbols of the old left, as well as some of its economic policies. A few years ago, the party began holding rallies on May 1, the traditional international socialists’ holiday. ...

Those who think Le Pen’s plans sound farfetched may be surprised to discover that in other places they are already being realized. In Hungary, the nationalization of banks—or rather the renationalization of previously privatized banks—is not a distant ideal but a central part of the government’s program. Viktor Orbán, prime minister, has used punitive taxes and regulations

to scare away foreign banks and has purchased others outright. His purpose, he says, is to give the Hungarian state more control over the country’s financial sector. He may also be hoping to revive the favoritism that state banks traditionally show to politicians’ friends (the elimination of that favoritism having been a major goal of privatization in the 1990s). ...

Even Austria’s Freedom Party, which used to speak the language of classical liberalism, now tries to appeal to leftwing voters. Its current leader, Heinz-Christian Strache, sounds very much like Ms. Le Pen when he attacks the “neoliberal” consensus, the depredations of globalization, the evils of international capital, and the need for a mass revolution. He also sounds very much like the Marxists of yore.

Opportunist, perhaps. But it is a mistake to dismiss this kind of language on the grounds that it sounds ridiculous or extreme. To younger voters, even the most discredited ideas can seem fresh, especially when they are backed by Internet campaigns and trolling operations that are impervious to counterargument. Just because nationalization, protectionism, fiscal irresponsibility or punitive taxation have been tried and have failed before does not mean that someone will not someday try them again, especially if they are branded with a shiny new national flag rather than a worn-out hammer and sickle.

“The National Front Party, led by Marine Le Pen, of France is usually referred to as a far-right political organization because of its staunch anti-immigration platform and its emphasis on French nationalism. Economically, however, the National Front favors many of the same big-government, anti-capitalistic ideas of its left-wing rivals. This is why Marine Le Pen is so often referred to as a neo-Nazi. Nazism—or National Socialism—was the synthesis of right-wing nationalism and left-wing socialism.”

“European Political Extremists Demand Authoritarian State,”
theTrumpet.com, May 11, 2012



Germany's Bundesbank Chief Pushes Communal Eurozone Treasury

Robert Morley | February 26

WITH A SECOND EUROPEAN BANKING CRISIS ALL BUT CERTAIN, many analysts are adding their voices to those calling for the quick end of the eurozone. In that context, it is interesting to listen to what Germany's banking authorities are saying because they have the power to pull the euro plug.

On February 9, Germany's all-important Deutsche Bank, *the nation's largest bank*, saw its share price plummet to its *lowest levels ever*. As recently as February 2014, its shares traded for \$48. But by February 2015, they were down to \$32 per share. At the beginning of January 2016, they were only \$22 per share.

Then on February 1, Deutsche Bank shares sharply slid 7 percent—a new record low. The following day, they fell even further. More than a billion dollars worth of value was destroyed in hours.

But Deutsche Bank wasn't alone. Virtually all of Germany's big banks were decimated. And all of Italy's. And Spain's. And—Europe's.

It is in this context of crisis and panic that Germany's—and perhaps Europe's—most important banker spoke.

Eurozone nations need to transfer more “sovereignty and powers to the European level,” wrote German Bundesbank President Jens Weidmann in a commentary coauthored with his French counterpart.

Weakening confidence was threatening eurozone bonds, he said. “More integration,” he wrote, was the solution. Europe needs “comprehensive sharing of sovereignty.”

According to Weidmann, Europe must create a “joint treasury” and a common Finance Ministry at the European level.

In other words, Europe needs to work toward *a communal debt market and a European government with the power of taxation*.

These are radical—national-sovereignty eroding—proposals. Solutions like these are expected from the French. BUT NOW THEY ARE COMING FROM GERMANY'S MOST IMPORTANT BANKER!

“Seen from the Bundesbank perspective, this push comes as a surprise,” wrote Deutsche Wirtschafts Nachrichten, “especially because it will lead, in the end, to the dissolution of the Bundesbank. If the eurozone, as it is proposed, becomes a unitary state, national central banks will no more be necessary” (February 8; *Trumpet* translation).

But the idea is obviously being discussed at high levels. Groundwork is being prepared.

And more importantly, the market has listened.

Following the publication of Weidmann's article, European financial markets stabilized. Weidmann's words appear to imitate “The Five Presidents' Report: Completing Europe's Economic and Monetary Union,” which was released in June 2015.

Weidmann's conforming words may have temporarily comforted markets, but the calm probably won't last long. Nothing structural is fixed. And as the report brings out, little can be done until after the upcoming French and German elections.

Yet another banking crisis appears to be brewing. This one could be much worse than in 2008 because debt levels are so much higher. What will European leaders do when they find themselves standing at the edge of the economic vortex, contemplating the total destruction of their banking sector, watching trillions in wealth disintegrate and unemployment skyrocket, leading to angry masses rioting in the streets of Paris and Amsterdam instead of only Athens?

Then the idea of pooling resources with Germany might not look that bad after all—because only one nation has the financial gravity necessary to hold Europe's monetary center together and prevent it from spiraling out of control. And that nation is Germany. Even the German public might be swayed, especially if leadership of the communal club was offered. Is loss of sovereignty a small price to pay for safety and stability?

Russia 'Weaponizing' Refugees against EU

Andrew Rettman, EUobserver.com | March 2

RUSSIA IS “WEAPONIZING MIGRATION” AS PART OF A BROADER campaign to extend its influence in Europe, NATO's military chief has said, echoing German and Turkish concern.

Philip Breedlove, a U.S. general who commands NATO forces in Europe, spoke out on Tuesday (March 1) in a hearing with the Senate's Armed Services Committee in Washington.

“Together, Russia and the Assad regime are deliberately weaponizing migration in an attempt to overwhelm European structures and break European resolve,” he said, referring to Bashar Assad, the Syrian leader and Russian ally.

Commenting on their “indiscriminate” fire on civilians in north Syria, he said: “I can't find any other reason for [that] other than to cause refugees to be on the move and make them someone else's problem.”

He issued the same warning to the House Armed Services

Committee last week.

The number of people fleeing to Europe in January and February, not long after Russia began airstrikes, reached 131,000—vastly higher than for the same period last year—EU figures say. ...

Norbert Roettgen, a German M.P. who chairs the Bundestag's foreign affairs committee, recently told EUobserver.com that the refugee crisis was “a welcome side effect” for Russia.

“The addressee of this problem is the EU as a whole,” he said. ...

Breedlove said on Tuesday the problems would “get worse before they get better” and that refugee numbers were likely to “continue to rise in 2016.” ...

“Continued weak economic growth [in Europe] ... keeps unemployment rates high, specifically among young migrants susceptible to radicalization,” he added.

“Local nationalists opposed to a large-scale influx of foreigners

could [also] become increasingly violent,” he said.

Jack Reed, a Democratic party senator, told the U.S. hearing: “The security implications of this [refugee] crisis are enormous, threatening to unravel a vision of Europe that has permeated the last two decades.”

Breedlove said Russia’s refugee tactics are part of a broader strategy to restore Soviet-era influence.

He said Russia was using the old and new conflicts in Armenia,

Georgia, Moldova and Ukraine to coerce its neighbors.

“We must not allow Russian actions in Syria to serve as a strategic distraction that leads the international community to give tacit acceptance to the situation in Ukraine as the ‘new normal,’” he said.

Noting that NATO powers and Russia had been on a path of reconciliation in the 1990s, he said: “Europe is not the same continent it was when I took command.” ...

Will Catholic Bishops Try to Scare Their Flocks Into Voting Against Brexit?

Damian Thompson, Spectator | February 9

THE CATHOLIC BISHOPS OF ENGLAND AND WALES—AND THE SEPARATE hierarchy for Scotland, for that matter—have long been uncritical, even sycophantic, supporters of the European Union. The question isn’t whether they will try to persuade Catholics to vote to stay in, but how they will go about it—and whether they will succeed.

The campaign is already under way. It has been kicked off by Cardinal Cormac Murphy-O’Connor, the English churchman closest to Pope Francis and a genial fellow who never met a canapé he didn’t like. ...

As for the Scottish bishops, they’re on record as urging Catholics to take “a positive view of the European Union,” so we can guess how they want us to vote.

Will their views carry much weight? Probably not among English-born Catholics. It’s been a long time since the English and Welsh hierarchy’s blather about “the common good” (meaning: vote Labour) swung a single vote.

In Scotland, Catholics have in the past formed a voting bloc and perhaps they still do. Around 60 percent of Catholics are

nationalists, which is remarkable when you consider that the SNP [Scottish National Party] were once their hereditary enemies. The church has helped encourage that shift. Scottish bishops, priests and teachers have embraced the cod-Celtic imagery of the Nationalists; some prelates display a loyalty to the SNP government that reminds me of bishops in Franco’s Spain. At any rate, they will use any influence they do have to try to block Brexit.

On both sides of the border, the hierarchies are likely to focus on immigrants. Catholic bishops and priests believe that the more migrants we welcome, the better. This view may be based on their reading of the Gospels; at the same time, they’re also well aware that immigrants are propping up their parishes. For their part, immigrants see the clergy as their natural champions—and, come the EU referendum, could respond favorably to a little nudging from the pulpit.

You can make a case that the European Union is inspired by Catholic ideals: two of its founders—Robert Schuman and Alcide De Gasperi—are being considered for sainthood. ...

ASIA

Vladimir Putin, Godfather of Kurdistan?

National Interest | March 1

IF TURKISH PRESIDENT RECEP TAYYIP ERDOĞAN THOUGHT LAST November that by downing a Russian Su-24 bomber near the Turkish-Syrian border he could contain Vladimir Putin’s Middle Eastern ambitions, he is certainly regretting that now. An incensed Vladimir Putin vowed that Turkey would come to rue its actions. He warned that Russia would not settle its accounts with Turkey with mere economic sanctions

What Putin meant is becoming clear. Earlier this month ... the Syrian Kurdish Democratic Union Party (or PYD) formally opened a representative office in Moscow, its first in a foreign country. Meanwhile, inside Syria, the PYD’s armed wing has been using Russian arms and Russian air support to aggressively expand the amount of territory it controls along the Syrian-Turkish border. Ankara is alarmed, and rightly so. Despite possessing its own acronym, the PYD is a subsidiary of the Kurdistan Workers’ Party (*Partiya Karkeren Kurdistanê*), or PKK, which is currently

intensifying the insurgency it is waging in Turkey’s southeast. ...

[T]he Turkish Republic has been trying to vanquish the PKK for over three decades. Yet the PKK has perhaps never been so robust and well positioned, militarily and diplomatically, as it is now. ...

Perhaps most significant is that the PKK’s contribution to the fight against ISIS has won it unprecedented international legitimacy. Whereas in 1997 Washington formally declared the PKK a terrorist organization, and was followed in this designation by the European Parliament, today, U.S. Special Forces are training and arming the PKK’s subsidiary inside Syria. ...

But the PKK may not need the assistance or goodwill of the West in order to realize its ambition of an independent Kurdistan. The PKK’s role in the war with ISIS also rekindled its relations with the oldest great power patron of the Kurds, Russia. ... The two now share common enemies in ISIS and Turkey. By working with the Kurds, Moscow can prosecute the war against ISIS,

punish Turkey, outmaneuver the United States in Syria and provoke a rift in Turkish-U.S. relations, thereby weakening NATO.

[T]oday's alliance between Russia and the PKK is hardly new or unusual. The Russian-Kurdish nexus has been a recurring feature of Middle Eastern geopolitics for more than 200 years

... Today, Russia is once again vigorously backing a Kurdish national movement. ...

Russia right now has a good deal to offer the Kurds. It is not just a source of arms and intelligence, but also, unlike the United States, it is proving itself to be a militarily decisive actor inside Syria. ...

"Russia's attack on Georgia in August marks the beginning of a dangerous new era in history. This was the first military strike of a rising Asian superpower—and there will be more! ... Vladimir Putin ... called the breakup of the Soviet Union 'the greatest geopolitical disaster of the 20th century.' That gives you some insight into his thinking. He is trying to resurrect the Soviet empire. He may not want to exercise the kind of brutality of some of his predecessors, but he certainly is intent on using whatever power is necessary to secure his country's resources!"

Gerald Flurry, "Russia's Attack Signals Dangerous New Era," *Trumpet*, October 2008

Armenia Pulled Into Russia-Turkey Clash in Syria

Washington Times | March 3

WE TALKED ABOUT THIS



THE CLASH BETWEEN RUSSIA AND TURKEY IS NOT JUST TAKING place in the skies over Syria. It's also spreading to the nearby Caucasus region, where a fresh wave of Russian military overtures to Armenia threatens to reignite a frozen conflict that has pitted Moscow against Ankara for decades. ... Moscow has spent the past several months beefing up its military footprint in Armenia

After quietly signing an air defense agreement with the tiny

former Soviet republic in December, Moscow has deployed at least four new MiG-29 fighter jets and a slew of other military vehicles to a Russian base just outside the Armenian capital of Yerevan. ...

[Some analysts say] Moscow is effectively turning Armenia into a "satellite state" for Mr. Putin to exploit as he pushes to challenge Turkey for regional dominance. ...

China to Announce Biggest Military Budget Increase in Nearly a Decade as Asian Arms Race Heats Up

ABC News | March 2

CHINA IS EXPECTED TO ANNOUNCE ITS BIGGEST MILITARY BUDGET increase in nearly a decade in the next couple of days, fueled by increasing tensions in the South China Sea and the need for the latest weaponry.

The increase is set to worry countries in the region, who see the massive rise as a driver for an Asian arms race.

China's military insiders say the budget could increase by up to 20 percent. Last year the budget was \$200 billion.

"The Chinese government is not only determined but capable of continuously increasing the military budget," Prof. Shi Yinong from the Renmin University of China said. "In the arms race in the Western Pacific, China wants to close the gap with the U.S." ...

"The burgeoning military spending throughout Asia is the result of bickering and disputes among Asian states, but all of that military might will soon be pooled together and channeled against a colossal European enemy. This rising militarism in Asia points to dark times on the horizon, but the Bible makes plain that the clash between Europe and Asia will be interrupted by the most spectacular event in the history of the universe: the return of Jesus Christ, and the beginning of an age of peace ... for the whole of mankind."

"Asia: Region-Wide Arms Race Is Under Way," *theTrumpet.com*, Nov. 26, 2010

Public Support for Putin to Serve Another Term Hits Highest Level in Four Years

Reuters | March 3

PUBLIC SUPPORT FOR VLADIMIR PUTIN TO SERVE ANOTHER TERM as president has hit its highest level in four years, a survey by a state-run pollster showed on Thursday.

Seventy-four percent of Russians would vote to reelect Putin

as president, according to a poll by VTSIOM. ...

He has capitalized on conflicts in Ukraine and Syria to boost his popularity and his message that Russia is again a force to be reckoned with on the world stage has gone down well with voters. ...

China Adopts Pop Songs, Rock to Instill Patriotism in Youth **Global Times | March 2**

AS CHINA'S MILLENNIAL GENERATION AND PEOPLE BORN AFTER 2000 grow up and start to play an increasingly important role in Chinese society, the government and the party are harnessing pop idols, Internet slang and new media to attract a younger following. This has also prompted musicians to pen modern versions of revolutionary "red songs." ...

North Korea Fires Short-Range Missiles Into Sea of Japan **Independent | March 3**

NORTH KOREA HAS FIRED SHORT-RANGE MISSILES INTO THE SEA of Japan—hours after the UN Security Council voted in favor [of] sanctions against the regime.

[T]he projectiles were launched from Wonsan on the east coast

China Takes Philippine Atoll **Philstar | March 2**

THE CHINESE HAVE TAKEN OVER ANOTHER TRADITIONAL [PHILIPPINE] fishing ground near Palawan where they have stationed up to five ships to keep local fishermen at bay, sources said.

Now effectively under Chinese control is Quirino or Jackson Atoll, which has been a rich source of catch for a long time for fishermen from Palawan, Southern Luzon, Western Visayas and

even Manila. ... One of these grass-roots patriotic songwriters is Wufeng Jifeng Unlike most rock songs ... Wufeng's song rejects rebellion in favor of conformity. "Through this song I want to show collectivism and how common people are moved [by the country's achievement]," he said. ...

It follows Pyongyang's recent nuclear test and long-range rocket launch. And it came just hours after the United Nations announced what have been described as the strictest sanctions imposed on North Korea in 20 years. ...

even Manila. ...

The Chinese are claiming almost the entire South China Sea, including the West Philippine Sea. ... In 2012, the Chinese took control of Panatag (Scarborough) Shoal after a brief standoff with a Philippine Navy vessel

New Taiwan President's Dilemma: To Host or Not to Host the Dalai Lama? **Reuters | February 29**

TAIWAN PRESIDENT-ELECT TSAI ING-WEN'S DIPLOMATIC HONEYMOON with China could be short-lived if she allows the Dalai Lama to visit the self-ruled democratic island that Beijing claims as its own, two senior political sources said.

China regards Tibet's exiled spiritual leader as a separatist, and Ma Ying-jeou, the outgoing president who favors closer economic ties with the mainland, refused the Dalai Lama entry several times since his last visit to Taiwan in 2009. ...

Tsai, who takes office on May 20, must decide whether to let the Dalai Lama in and risk riling China at a time when tensions in the region have already been raised over rival claims to the vital waterways of the South China Sea. ...

Beijing and Taipei have been diplomatic and military rivals since their split in 1949 after the Nationalists lost the Chinese civil war and fled to Taiwan. ...

Russian Faces Up to Year in Prison for Denying Existence of God **NBC News | March 2**

A RUSSIAN FACES UP TO A YEAR IN PRISON FOR SAYING "THERE IS no God" during an argument on social media, his lawyers said Wednesday.

Viktor Krasnov also wrote the "Bible is a collection of Jewish fairy tales" during the discussion on European social networking site Vk.com

Krasnov, whose offending posts have been deleted, is on trial in his native city of Stavropol in southern Russia, according to the

local magistrate's website. Charges were filed in the fall of 2015 and the trial began on Monday, according to his lawyer.

Russia's Investigative Committee—the equivalent of the FBI—charged Krasnov with "offending believers' feelings," which was criminalized in Russia after a notorious performance by [a] punk band ... in Moscow's Cathedral of Christ the Savior in February 2012. Two band members were jailed in 2012 for performing an anti-Vladimir Putin song

TW IN BRIEF

Indonesia earthquake: A 7.8 magnitude earthquake struck off the coast of Indonesia on Tuesday, in the same region where an undersea quake killed hundreds of thousands of people in 2004. The tremor on Tuesday hit about 500 miles southwest of the island of Sumatra, at a depth of around 15 miles. Initially, Indonesian authorities feared that the quake would spawn a tsunami, and issued a warning to residents of Sumatra and neighboring islands. But the warning was lifted a few hours later, after the threat had passed. The damage resulting from the tremor is said to have been minimal.

Russian Muslim decapitates child: A woman dressed in a black hijab was arrested on Monday when she was seen carrying a little girl's head around the streets of Moscow. CCTV showed the woman walking near a metro station while carrying a head and shouting "Alluha Akbar," as well as "I am your death." Russia's Investigative Committee later released a statement that rescuers had found the body of a 3- or 4-year-old child after extinguishing a fire in a Moscow apartment block.

ANGLO-AMERICA



Peter's Message of Hope

Gerald Flurry,
The Key of David | March 4

Caught in a storm of persecution, the Apostle Peter delivers a message of unwavering hope.



I See Bubbles Bursting Everywhere: Top Academic

CNBC | March 3

DEFLATIONARY TIDES ARE LAPPING THE SHORES OF COUNTRIES across the world and financial bubbles are set to burst everywhere, Vikram Mansharamani, a lecturer at Yale University, told CNBC on Thursday.

"I think it all started with the China investment bubble that has burst and that brought with it commodities and that pushed deflation around the world and those ripples are landing on the shore of countries literally everywhere"

Price levels are already falling in parts of Europe. ... Annualized inflation was flat in Japan in January ... but rose by a narrow

0.3 percent in the UK.

On Thursday, Mansharamani said that financial bubbles had been fueled by "cheap money" created by highly accommodative monetary policy across developed economies.

"I mean, we've got a bubble bursting, I would argue, in Australian housing markets—that is beginning to crack; South Africa—the whole economy; Canada—housing and the economy; Brazil. We can keep going on and on," the academic told CNBC.

Financial markets have suffered a rocky ride this year, with significant variation across the world. ...

Now It's Even Worse Than It Was When Lehman Collapsed, But It's 'Contained'

Wolf Richter, Wolf Street | February 26

WE TALKED ABOUT THIS



THE PILE OF TOXIC CORPORATE BONDS IN THE U.S., EUPHEMISTICALLY called "distressed" debt, ballooned 15 percent in the single month of February to \$327.8 billion, up 265 percent from a year ago, according to S&P Capital IQ. The number of S&P rated

U.S. companies with distressed debt rose 9 percent in February to 353, up 128 percent from a year ago.

The last time the pile of distressed debt had soared to this level was in November 2008, and the last time the number of distressed

issuers had shot up to these levels was in October 2008; Lehman had declared bankruptcy in September.

And so Standard & Poor's U.S. Distress Ratio ... hit the highest level since July 2009, when it was coming down from the financial crisis. ... The distress ratio measures the extent to which risk is being priced into the bonds. A rising ratio is "typically a precursor to more defaults," the report explains.

And it's not just the oil-and-gas and the minerals-and-mining sectors that are getting crushed. Of the 607 distressed bond issues in the ratio, 172, or 28 percent, are oil-and-gas related and 80 bond issues, or 13 percent, are minerals-and-mining related. The remaining 59 percent are spread across ... the spectrum.

"Spillover effect," is what S&P Capital IQ calls this. It has contaminated "the speculative-grade spectrum as a whole."

In terms of total debt, the third-largest sector on the distressed list is Telecom with 31 S&P-rated issuers and \$33.5 billion in distressed debt, followed by Utilities, where distressed debt has soared 58 percent in just one month (!) to \$32.5 billion, spread over 37 distressed issues. ...

When distressed bonds default, bondholders can't expect

much of a recovery of interest or principal

... That the distress in junk bonds is worse today than it was when Lehman filed for bankruptcy, and that it is predicting a higher rate of defaults than it predicted at that time, is *interesting* in a number of ways.

Today, still, no one is panicking. The Fed is talking about raising rates. There is no sign of QE or bailouts. The big three U.S. stock indices, while down, haven't crashed and offer a feel of eerie calm.

Part of this eerie calm on the surface is the still-widespread and ceaselessly propagated notion that all this is contained somehow, that it's only the oil-and-gas sector, and well, the minerals-and-mining sector that got obliterated. And yet, beneath the fading gloss on the surface, all heck has broken loose.

These junk bonds are precursors. Hundreds of stocks hidden in the bowels of the big indices have gotten totally crushed as that "spillover effect" is doing its magic. And that's what it looks like when a central-bank induced mega-credit bubble is left to its own devices and starts unraveling from the bottom up.

That spillover effect is spreading.

The Violence to Come

Atlantic | March 3

WE TALKED ABOUT THIS



WHAT WILL HAPPEN TO AMERICAN POLITICS IF, AS NOW APPEARS likely, the Republican Party nominates Donald Trump? Here's one bet: It will get more violent.

The United States is headed toward a confrontation, the likes of which it has not seen since 1968, between leftist activists, who believe in physical disruption as a means of drawing attention to injustice, and a candidate eager to forcibly put down that disruption in order to make himself look tough. The new culture of physical disruption on the activist left stems partly from disillusionment with Barack Obama. In 2008, Obama's election sparked unprecedented excitement among young progressives. But that excitement was followed by deep disillusionment

So Millennial activists began challenging politicians directly. In June 2012, two protesters connected with the National Immigrant Youth Alliance occupied the Obama campaign's Denver office for six days and threatened further takeovers unless the president stopped deporting the young undocumented immigrants dubbed "Dreamers." ...

A year later, the Black Lives Matter movement was born in response to the acquittal of George Zimmerman for killing Trayvon Martin. In 2014, Black Lives Matter leaders began to organize protests after a policeman in Ferguson, Missouri, shot and killed Michael Brown. And last summer, in an effort to force presidential candidates to address police violence and mass incarceration, Black Lives Matter activists began disrupting candidates' events.

After some initial hesitation and defensiveness, Bernie Sanders, Martin O'Malley and Hillary Clinton reacted to these disruptions by meeting with activists and embracing much of their

agenda. Most Republican candidates ignored the protests as best they could.

But Donald Trump saw them as an opportunity. Asked last August about a Bernie Sanders event in which Black Lives Matters protesters spoke at length from the stage, Trump called the senator from Vermont's response "disgusting." He added: "That will never happen with me! ... I felt badly for him. But it showed that he was weak. Believe me, that's not going to happen to Trump." ...

At a rally in Atlanta last November, an African-American man began chanting, "Black Lives Matter." According to various reports, Trump supporters responded by punching and kicking him Meanwhile, from the podium, Trump contrasted his response with that of Sanders's. "You see," Trump declared, "he was politically correct I promise you, that's not going to happen with me. I promise you. Never going to happen. Not going to happen. Can't let that stuff happen." Later on Fox News, Trump declared that, "Maybe he should have been roughed up, because it was absolutely disgusting what he was doing." ...

As security dragged a protester from a Nevada rally in February, Trump declared: "You know what I hate? There's a guy, totally disruptive, throwing punches, we're not allowed to punch back anymore. I love the old days. You know what they used to do to guys like that when they were in a place like this? They'd be carried out on a stretcher." ...

In mentioning the "old days," Trump was likely referring to the 1960s. Back then, another generation of young leftists disillusioned with the failure of liberal presidents to undo systemic justice tried to physically disrupt political events, most famously

at the Democratic Convention in 1968. And back then, another presidential candidate, Alabama Gov. George Wallace, also turned protesters into props for an audience hungry to see order restored—if necessary by force. ...

The police are more professional today than they were back then. And video-recording devices are now ubiquitous, which may make such incidents less likely. Then again, Wallace never won a major party's nomination. Between now and November, Trump could hold hundreds more rallies, many in areas with

large African-American and Latino populations, in an atmosphere of mounting hysteria as Election Day nears. The young left-wing militants ... who hold their more conflict-averse elders in contempt, are unlikely to stop their disruptions. Trump will keep baiting and threatening them because it's how he rouses his fans.

How will Americans react if something truly terrible happens? Given the events of recent months, it's impossible to know.

TW IN BRIEF

'Great wall of Trump' sparks migrant rush: United States Customs and Border Protection data shows that over 150,000 migrants were detained trying to cross the U.S.-Mexico border between October and February. This figure is up 24 percent from the same period last year. Reuters interviews with some of these migrants reveal that they are trying to cross the border now instead of facing tougher policies to halt illegal immigration if Donald Trump or another Republican wins the U.S. presidential election. "There's a lot of fear among Latinos," said Isaias Franco, a 46-year-old from El Salvador who was deported from the United States late last year and is now trying to get back. Donald Trump has built a strong lead in the race for the Republican nomination by promising to build a wall along the Mexican border.

Police ask lawmakers for armed drones: Lawmakers debated a bill on Monday concerning banning armed drones on American soil. Police representatives argued that armed drones could be an effective tool for public safety. The American Civil Liberties Union of Connecticut testified against allowing police to arm drones, saying it could open the door to excessive use of force. Regardless of whether or not a ban is put in place, advancing technology has made arming drones a relatively simple procedure.

Black Lives Matter vs. KKK: Three people were stabbed when protesters clashed with members of the Ku Klux Klan in Anaheim, California, on February 27. Dozens of protesters who heard about the planned KKK rally were waiting by a southern California park when six klansmen arrived with signs that said, "White Lives Matter." The protesters immediately surrounded the klansmen. One protester smashed the windows of the klansmen's vehicle, and then the violence escalated into a brawl. Video showed several protesters kicking a KKK member, and witnesses said the klansmen used a knife and the tip of an American flagpole as weapons. One of the individuals stabbed was listed in critical condition.

New Zealand begins voting on flag change: New Zealanders began voting Thursday on whether to change their flag from a design that features the British Union Jack to one that features a native silver fern. The postal ballot will take place over the next three weeks, with preliminary results to be announced on March 24. Opinion polls indicate the nation of 4.7 million people will opt to stick with its current flag, although proponents of the new design say they have momentum on their side and that more and more people are embracing a change.



America and the Rule of Law

Stephen Flurry,
Trumpet Daily | March 4

What happens when a nation rejects the rule of law?

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