



PROPHETIC TIMES

WEEKLY WORLD NEWS UPDATE

OAKLAND, CALIFORNIA

FEBRUARY 20 2010

GREECE LOSES EU VOTING POWER IN BLOW TO SOVEREIGNTY

February 16, 2010 Telegraph.co.uk reported: "The council of EU finance ministers said Athens must comply with austerity demands by March 16 or lose control over its own tax and spend policies altogether. If it fails to do so, the EU will itself impose cuts under the draconian Article 126.9 of the Lisbon Treaty in what would amount to economic suzerainty.

While the symbolic move to suspend Greece of its voting rights at one meeting makes no practical difference, it marks a constitutional watershed and represents a crushing loss of sovereignty.

"We certainly won't let them off the hook," said Austria's finance minister, Josef Proll, echoing views shared by colleagues in Northern Europe. Some German officials have called for Greece to be denied a vote in all EU matter until it emerges from "receivership".

The EU has still refused to reveal details of how it might help Greece raise €30bn (£26bn) from global debt markets by the end of June. Investors are unsure whether this is part of Kabuki play of "constructive ambiguity" to pressure Greece and keep markets guessing, or reflects the deep reluctance by Germany to be drawn deeper in an EU fiscal union. Greek bonds sold off as ten-year yields jumped to 6.42pc, but the euro rallied to \$1.3765 against the dollar as broader issues resurfaced in currency markets.

Jean-Claude Juncker, head of the Eurogroup, hinted that ministers have already agreed on a support mechanism, should it be necessary. It will most likely involve by bilateral aid by eurozone states. He said proposals for an IMF bailout - backed by Britain - were "absurd" and would shatter the credibility of monetary union.

Many Germans disagree, including Otmar Issing, once the backbone of the European Central Bank. He said an EU rescue for Greece would be fatal, arguing that unflinching rigour is the only way to hold monetary union together without political union."..."



AHMADINEJAD WARNS POWERS WILL 'REGRET' IF IRAN SANCTIONED

February 16, 2010 SpaceWar.com reported: "President Mahmoud Ahmadinejad warned on Tuesday that world powers would regret any moves to slap new sanctions on Iran, while stressing that Tehran was still ready for a UN-brokered nuclear fuel deal.

His latest salvo came as US Secretary of State Hilary Clinton toured the Gulf to seek backing for possible sanctions against Iran for defiantly pursuing its nuclear programme.

"If anybody seeks to create problems for Iran, our response will not be like before," Ahmadinejad told a packed news conference in Tehran. "Something in response will be done which will make them (the world powers) regret" their move, he said.

Ahadinejad said negotiations over a UN-drafted nuclear fuel exchange were "not closed yet," and expressed readiness to buy the material even from Iran's arch-foe the United States.

Last year the International Atomic Energy Agency proposed sending Iranian low-enriched uranium (LEU) abroad for further enrichment, denying Tehran refining capacity world powers fear could be used to help build an atomic bomb."..."

JITTERS OVER CHINA'S WANING TASTE FOR T-BILLS

February 18, 2010 The Financial Times reported: "If there is one thing that gets investors twitchy, it is the fear that China is losing its appetite for U.S. government bonds.

As the biggest and most liquid pool of assets in the world, the US Treasury market lies at the heart of the global financial system and allows the American government to finance its trillion-dollar budget deficits. Until recently, China has been the largest foreign official holder of US debt.

That is why the latest release of Treasury International Capital (Tic) data, showing that China's holdings of Treasuries fell by a record amount in December, has caused something of a stir. China's holdings fell by \$34.2bn to \$755.4bn from the previous month, prompting renewed jitters that the country was diversifying from Treasuries over fears about their future value.

China's holdings have fallen from a peak of \$801.5bn in May 2009, and the data come at a time of heightened political friction between Beijing and Washington over issues such as Barack Obama's meeting with the Dalai Lama, U.S. sales to Taiwan, and pressure on China to revalue the renminbi.

"These developments require monitoring because they could cause China to become even less enthusiastic buyers of US Treasuries," says Yasunari Ueno, chief economist at Mizuho Securities in Tokyo. "A key issue now is how China will act in 2010 in light of the deteriorating bilateral relationship with the US."..."

BRITAIN AT RISK OF WORSE DEFICIT CRISIS THAN GREECE

February 18, 2010 Telegraph.co.uk reported: "Britain is at risk of a Government deficit crisis worse than that of Greece, sparking serious fears over the economic stability of the country. In surprise news which sent the pound sliding on Thursday, official figures showed that the Government borrowed £4.3 billion last month. It was the first time since 1993 that the public finances had gone into the red in January – a month in which tax revenues usually push the Exchequer into the black.

Economists said that the scale of the shortfall in the budget could this year mount to above £180 billion – higher than even the Chancellor's forecast of a record £178 billion. Such a deficit would, at 12.8 per cent of British gross domestic product, be even greater than the deficit faced in Greece, which is facing a full-scale fiscal crisis and may need to be bailed out by fellow euro nations or the International Monetary Fund.

The public borrowing figures coincided with further bad news from the housing market, as the Council of Mortgage Lenders reported that mortgage lending dropped last month by 32 per cent, hitting the lowest monthly total in a decade. The Bank of England also reported a decline in lending to businesses, indicating that the economic slowdown is far from over.

The poor economic figures came as a major blow for the Chancellor, Alistair Darling, coming a month ahead of the Budget, which he had hoped would provide proof that the economy was finally on the mend."...

Mr Brown will tomorrow (SAT) launch Labour's election slogans for the general election, still pencilled in for May 6. They are: "Ensuring the recovery"; "Protecting frontline services"; "Standing up for the many"; and "Protecting future jobs and new industries."

Despite growing warnings from economists and business leaders that the size of the deficit poses a grave threat to Britain's economic future, Labour says public spending should not be cut before 2011/12. In a speech in London today (FRI), the Prime Minister will insist that the Conservatives' plans to tackle the deficit by cutting spending this year would undermine the recovery.

"Instead of helping a recovery, their hatred of government action would risk the recovery," Mr Brown will say. "Instead of defending ordinary families, they would kick the ladder of opportunity away from ordinary families."

The Office for National Statistics said the Government had never before had to borrow cash in January, adding that the shortfall meant it had now borrowed some £122 billion this year, equivalent to around £2,000 for every man, woman and child in the country."..."

INTELLIGENCE TIES BETWEEN UK AND US IN JEOPARDY

February 18, 2010 The Associated Press reported: "Intelligence ties between London and Washington have been jeopardized by a British court's disclosure that a terrorism suspect was beaten and shackled in U.S. custody, diplomats and security officials said Wednesday.



Fears in the United States that Britain can no longer be trusted with secrets is prompting an urgent assessment of relations between the allies and _ according to some sources _ has already slowed the flow of sensitive information from the U.S.

Britain's Court of Appeal on Wednesday authorized the release of a previously secret summary of CIA documents detailing the treatment of former Guantanamo Bay detainee Binyam Mohamed. Mohamed was arrested in Pakistan in 2002 and, according to the British court, subjected to "cruel, inhuman and degrading treatment by the United States authorities."

Foreign Secretary David Miliband fought for two years to block publication of the seven-paragraph summary, insisting that would violate a long-standing rule that nations don't disclose intelligence shared by their allies.

The White House said Wednesday the British court's judgment "will complicate the confidentiality of our intelligence-sharing relationship."...

In a rare public statement _ his first since October _ MI5 director Jonathan Evans used an opinion article in the Daily Telegraph newspaper to stress the importance of British intelligence ties to Washington, insisting the relationship has saved lives in the U.K."..."

JOBLESS CLAIMS, INFLATION JUMP AS ECONOMY WOBLES

February 18, 2010 Reuters reported: "The number of U.S. workers filing new applications for unemployment insurance unexpectedly surged last week, while producer prices increased sharply in January, raising potential hurdles for the economic recovery. Initial claims for state unemployment benefits increased 31,000 to 473,000, the Labor Department said on Thursday. That compared to market expectations for 430,000.

Another report from the department showed prices paid at the farm and factory gate rose a faster than expected 1.4 percent from December after a 0.4 percent gain in December, as higher gasoline prices and unusually cold temperatures helped boost energy costs."...

Last week was the survey week for the employment report for February, which is scheduled for release in early March. The labor market, hardest hit by the worst recession in seven decades, has lagged the economic recovery that started in the second half of 2009. The economy has lost 8.4 million jobs since the start of the downturn in December 2007."..."

*Compiled by L. Jim Tuck, Pastor
UCGIA Oakland, San Jose, and Santa Rosa
ljt5053@sbcglobal.net*