



PROPHETIC TIMES

WEEKLY WORLD NEWS UPDATE

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ICELAND VOLCANO TO EMIT LARGE NEW CLOUD: METEOROLOGISTS

May 6, 2010 AFP reported: "An Icelandic volcano which caused havoc to European aviation after erupting last month is to emit a large new ash cloud after surging back to life, meteorologists said Thursday. A plume of ash measuring up to seven kilometers (more than four miles) high had been detected at the Eyjafjoll volcano, said a statement from the Icelandic Met Office and Institute of Earth Science.

"The eruption has changed back to an explosive eruption, lava has stopped flowing and most of the magma gets scattered due to explosions in the crater," said the statement in English.

"The ash plume rises high above the crater (4-7 km) and considerable ash fall can be expected in wind direction. No signs of the eruption ending soon."

MERKEL BLASTS 'TREACHEROUS' BANKS IN GREEK CRISIS

May 6, 2010 AFP reported: "German Chancellor Angela Merkel on Thursday slammed "treacherous" practices by banks during the Greek crisis and said governments must crack down on speculators hunting profits in the turmoil. Merkel, whose Christian Democrats face a tough re-election battle in Germany's most populous state Sunday, railed against gamblers on the financial markets who she said were exacerbating an already volatile situation.

"First the banks failed, forcing states to carry out rescue operations. They plunged the global economy over the precipice and we had to initiate recovery packages. Because of these packages, we have become indebted and now, they are speculating against these debts -- that is really very treacherous," she said.

"Governments must regain their supremacy over the markets, which they no longer have, and for that we need much stricter global rules," she added, at a debate on Europe organised by a public broadcaster. Merkel said it was now up to the European Union member states to reassert their authority and shore up the financial rules governing the bloc.

"We must clearly demonstrate that in Europe we have the political power, each in his own country, of getting back on the track of the Stability and Growth Pact," she said.

"It is a fight of policy against the markets. That is how I see it personally but I am determined -- as are my colleagues, I am certain -- to win this fight and we will be victorious, I am sure."

Greece has seen its cost of borrowing soar as investors, fearing a default, have demanded greater risk premiums for their loans, which in turn has pushed the country's debt even higher."..."



SPAIN IN EYE OF STORM ON GREEK CONTAGION FEARS

May 6, 2010 Agence France-Presse reported: "Spain emerged as a litmus test for the eurozone as stocks slumped on Wednesday and authorities sought desperately to dispel fears that the Greek debt debacle would infect the fragile Spanish economy.

"There is no need to propose financial assistance" for Spain, the EU's Economic Affairs Commissioner Olli Rehn said in Brussels.

"No, we'll not do it," he added, when asked whether the eurozone would be forced to put together the kind of multi-billion euro loan rescue package for Spain that it is organising for debt-ridden Greece.

Madrid's benchmark Ibx-35 share index closed down 2.27 percent on concerns over Spain's deficit and after ratings agency Moody's warned that it may downgrade neighbouring Portugal's sovereign debt due to its worsening public finances.

The fall extended losses from Tuesday when the index closed down 5.41 percent on rumours, denied by the government, that Madrid would ask for a 280-billion-euro (364-billion-dollar) bailout from the International Monetary Fund.

The borrowing costs of Spain, Greece and Portugal also rose on Wednesday as investors demanded higher interest rates to hold their debt.

Spain remains the last major economy still in recession, with an unemployment rate that topped 20 percent in the first quarter, the highest in the 16-nation eurozone. The Spanish economy has proved especially vulnerable to the global credit crunch because growth relied heavily on credit-fuelled domestic demand and a property boom boosted by easy access to loans that has collapsed.

The socialist government announced a 50-billion-euro (66.5-billion-dollar) austerity package this year as part of its drive to slash public deficit from 11.2 percent of gross domestic product in 2009 to the eurozone limit of 3.0 percent by 2013.

But many analysts argue more measures will be needed for this target to be met."..."

"I believe that contagion risks are increasing," IHS Global Insight economist Diego Iscarro told AFP."...Royal Bank of Scotland strategist Gregg Gibbs agreed that "the contagion in Europe is a worry."..."

UK BUDGET DEFICIT 'TO SURPASS GREECE'S AS WORST IN EU'

May 5, 2010 guardian.co.uk reported: "Whoever wins the election must make sorting out the public finances the top priority, the European commission warned on the eve of the poll, as it predicted the British budget deficit would swell this year to become the biggest in the European Union, overtaking even Greece.

The commission's spring economic forecasts put the UK deficit for this calendar year at 12% of GDP, the highest of all 27 EU nations and worse than the Treasury's own forecasts.

The country's budget shortfall was the third largest in the EU last year but will overtake both Greece and Ireland this year, according to the forecasts. Greece's measures to tackle its public finances problems are projected to cut its deficit to 9.3% of GDP.



Worries about Britain's public finances – in their worst state since the end of the second world war – continue to unnerve financial markets and analysts are divided over whether a hung parliament will have the clout to rapidly reduce the deficit.

"The first thing for the new government to do is to agree on a convincing, ambitious programme of fiscal consolidation in order to start to reduce the very high deficit and stabilise the high debt level of the UK," said

European economic and monetary affairs commissioner Olli Rehn.

"That's by far the first and foremost challenge of the new government. I trust whatever the colour of the government, I hope it will take this measure."

The deficit forecasts are an improvement on the commission's last outlook for Britain but they still paint a gloomier picture than the government itself.

In financial year terms, the commission's forecasts are for a worse deficit than predicted by Alistair Darling at his March budget. In 2010/11 the commission puts the deficit at 11.5% of GDP, compared with Darling's forecast for an 11.1% ratio of public sector net borrowing – the gap between tax and spending – to GDP."..."

EMP COULD LEAVE '9 OUT OF 10 AMERICANS DEAD'

May 4, 2010 WorldNetDaily.com reports: "There is renewed alarm about the possibility of an EMP attack – electromagnetic pulse – on the United States because of Iran's work on a multi-stage Space Launch Vehicle, according to a report from Joseph Farah's G2 Bulletin. And experts forecast if such an attack were a success, it effectively could throw the U.S. back into an age of agriculture.

'Within a year of that attack, nine out of 10 Americans would be dead, because we can't support a population of the present size in urban centers and the like without electricity,' said Frank Gaffney, president of the Center for Security Policy. 'And that is exactly what I believe the Iranians are working towards.'..."

IRAQ'S SHITES PARTIES EDGE OUT SUNNI-BACKED COALITION

May 5, 2010 AFP reported: "Iraq inched towards a new government Wednesday with power set to be vested once more in the hands of Shiite religious parties that have close ties to Iran, pushing Sunni-backed secularists to the margins. A deal was struck late on Tuesday between the war-torn country's two biggest Shiite Muslim alliances, allowing them to squeeze out a secular coalition that won a March 7 general election but failed to build a parliamentary majority.

The agreement, struck after two months of haggling that paralysed politics and alarmed the United States ahead of its planned military withdrawal from the country, was condemned by the secular bloc as "a sectarian merger."

Discussions about who will become premier are now under way between the Shiite parties, an official from incumbent Prime Minister Nuri al-Maliki's State of Law bloc told AFP. However, it is widely believed the price of the agreement between State of Law and the Iraqi National Alliance (INA) was a commitment that Maliki would not continue in the post.

There was no immediate reaction from Washington, which in the past week urged Iraqi politicians to set aside their differences and speed up the process of forming a coalition capable of running the country.

American combat troops are due to pull out of Iraq by September, ahead of a complete military withdrawal at the end of 2011, and the seating of a new government in Bagdad is key to Washington's exit strategy."..."

SYRIA: ISRAEL WOULD NEVER DECLARE WAR WITHOUT U.S. PERMISSION

May 3, 2010 Haaretz reports: "Syrian Foreign Minister Walid al-Moallem denied that the Middle East was on the brink of armed conflict, telling Radio Monte Carlo on Thursday that Israel was unlikely to declare war without first consulting Washington. Moallem told the radio that the Arab side was taking responsible steps to preserve the security of the Middle East.

He added that the dialogue between Damascus and Washington cannot move forward since the United States has yet to fulfill its promise, hinting at Washington's decision to delay the stationing of the new U.S. ambassador in Damascus following reports that Syrian transferred advanced missiles to Hezbollah..."

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