



PROPHETIC TIMES

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U.S. DEBT IS LOSING ITS APPEAL IN CHINA

January 8, 2009 The International Herald Tribune reported: "China has bought more than \$1 trillion in American debt, but as the global downturn has intensified, Beijing is starting to keep more of its money at home - a shift that could pose some challenges to the U.S. government in the near future but eventually may even produce salutary effects on the world economy.

At first glance, the declining Chinese appetite for U.S. debt - apparent in a series of hints from Chinese policy makers over the past two weeks, with official statistics due for release in the next few days - comes at an inopportune time. On Tuesday, the U.S. president-elect, Barack Obama, said Americans should get used to the prospect of "trillion-dollar deficits for years to come" as he seeks to finance an \$800 billion economic stimulus package.

Normally, China would be the most avid taker of the debt required to pay for those deficits, mainly short-term Treasury securities. In the past five years, China has spent as much as one-seventh of its entire economic output on the purchase of foreign debt - largely U.S. Treasury bonds and American mortgage-backed securities.

But now, Beijing is seeking to pay for its own \$600 billion economic stimulus - just as tax revenue falls sharply as the Chinese economy slows. Regulators have ordered banks to lend more money to small and midsize enterprises, many of which are struggling with slower exports, and Chinese bankers say they are being instructed to lend more to local governments to allow them to build new roads and other projects as part of the stimulus program.

"All the key drivers of China's Treasury purchases are disappearing," said Ben Simpfendorfer, an economist in the Hong Kong office of the Royal Bank of Scotland. "There's a waning appetite for dollars and a waning appetite for Treasuries. And that complicates the outlook for interest rates."



TURKISH POLICE DETAIN DOZENS IN COUP PLOT PROBE

January 7, 2009 The Associated Press reported: "Police detained three retired generals and dozens of others in raids across Turkey on Wednesday, as they broadened their investigation into an alleged plot by secularists to overthrow Turkey's Islamic-rooted government. It was the 10th time in more than a year that police have targeted prominent secularists, who are accused of trying to destabilize Turkey with a string of attacks ahead of a coup that was never carried out.

Eighty-six people including former army officers, journalists, a former university dean and a lawyer already are on trial in the case. They have pleaded innocent and accuse Prime Minister Recep Tayyip Erdogan's government of attempting to silence secular critics.

The case is widely perceived as being part of a power struggle between Turkey's secular establishment, including parts of the military, and the democratically elected and religiously conservative government. It also has raised concerns about political instability in Turkey, a country that has endured the ouster of four governments by the military since 1960.

Turkey's state-run Anatolia news agency said nearly 40 people were detained during Wednesday's police raids, and local media said the suspects were taken into custody at homes and offices in about a dozen cities or towns. Police confirmed the raids, but provided few details.

Deniz Baykal, the leader of the country's main opposition party, accused Erdogan's government of conducting a "political vendetta" against anyone in opposition to the government. "The detentions have turned into a revenge campaign," Baykal said. "These are respected people who defended the secular republic."

Justice Minister Mehmet Ali Sahin rejected Baykal's allegations, telling reporters that the arrests were "purely legal, not political."

Anatolia said police detained three former generals, including Tuncer Kilinc, who once headed Turkey's National Security Council. The other secularists detained in Wednesday's raids also included two military colonels Mustafa Donmez and one identified only by the initials C.K, according to Anatolia news agency and other news reports.

Police also confiscated five guns and 22 hand grenades at the home of a serving military officer in western Izmit city, near Istanbul, Anatolia reported."

'VENEZUELA HAS SHOWN ITS TRUE COLORS'

January 7, 2009 The Jerusalem Post reported: "Israel is weighing its response to Venezuela's expulsion of its ambassador in Caracas, with the options ranging from kicking Venezuela's envoy out of the country to cutting off diplomatic relations with Hugo Chavez's regime.

Venezuela's Foreign Minister announced Tuesday that "it has decided to expel the Israeli ambassador and part of the personnel of the Israeli Embassy" to protest the Gaza operation.

Foreign Minister spokesman Yigal Palmor said Israel's ambassador Shlomo Cohen has been informed in writing that he and his diplomatic staff must leave Venezuela within 72 hours. He said the letter did not refer to any severing of diplomatic relations.

Chavez has condemned the campaign, condemning Israelis taking part as "murderers" and urging Venezuela's 15,000 Jews to take a stand against the Israeli government.

"Now I hope that the Venezuelan Jewish community speaks out against this barbarism. Do it. Don't you strongly reject all acts of persecution?" Chavez said.

"How far will this barbarism go?" he added in an appearance on state television. "The president of Israel should be taken before an international court together with the president of the United States, if the world had any conscience."

Foreign Ministry spokesman for the Hebrew media Yossi Levy issued a statement saying, "Israel will continue to defend itself from its enemies, including Hamas and Iran, with whom Venezuela has close ties. Every country has to decide which side it is on in this war - on the side of those fighting terror or those supporting it. It is no surprise that Venezuela has again shown the world what side it is on."..."

ISRAEL ADMITS HAMAS REMAINS CAPABLE

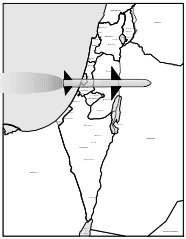
January 6, 2009 The Middle East Newslite reported: "Israel's intelligence community has assessed that Hamas remains capable of major attacks on the Jewish state. Officials said the intelligence community has determined that Hamas has retained its missile and rocket arsenal as well as most of its command structure.

The assessment concluded that the nine-day Israeli military campaign has not succeeded in disabling the Islamic regime in the Gaza Strip and that Hamas was likely to increase missile fire over the next few days.

"Hamas as so far sustained a very heavy blow from us, but we have yet to achieve our objective and therefore the operation continues," Defense Minister Ehud Barak said on Jan. 5."..."

ROCKET STRIKES APARTMENT BUILDING IN ASHKELON

January 7, 2009 Aretz Sheva Israel National News reported: "An apartment building in Ashkelon sustained a direct hit in a Grad rocket attack from Gaza at around 10:00 a.m. Wednesday morning. Two rockets were launched in the attack; the second missile landed in an open area elsewhere in the city. Two women suffered minor shrapnel wounds and seven other people were treated for severe emotional trauma before being evacuated to Barzilai Medical Center.



A mortar shell also struck the Sdot Negev Kibbutz at about the same time, igniting a fire. No one was injured, and firefighters raced to the scene to contain the blaze.

Gaza terrorists resumed firing the rockets after a 12-hour period of quiet while Israel was considering a United Nations ceasefire proposal. A few minutes before 9:00 a.m. terrorists fired a barrage of two long-range Grad rockets at the port city of Ashdod. Both exploded in open areas around the city. One man was lightly injured, according to local reports.

Four short-range Kassam rockets were also fired at the Eshkol and Sha'ar HaNegev regions. No one was hurt and no damage was reported in any of the attacks."

IDF: HAMAS USED UN SCHOOL TO FIRE MORTARS

January 7, 2009 Aretz Sheva News Service reported: "Hamas fired mortar shells from a United Nations Relief and Works Agency (UNRWA) school in Jabalya before the IDF retaliated with aerial bombing that killed Hamas terrorists as well as children, according to an initial IDF investigation.

"Amongst the dead at the Jabalya school were Hamas terror operatives and a mortar battery cell who were firing on IDF forces in the area," the IDF said. "We face a very delicate situation where the Hamas is using the citizens of Gaza as a protective vest," according to IDF spokesman Brig. General Avi Benayahu.

The military said that it appeared "a number of mortar shells were fired at IDF forces from within the Jabalya school. In response to the incoming enemy fire, the forces returned mortar fire to the source." The IDF added that most probably a secondary explosion from explosives within the building added to the destruction.

"This is not the first time that Hamas has fired mortars and rockets from schools, in such a way deliberately using civilians as human shields in their acts of terror against Israel," according to the military. "This was already proven several months ago by footage from an unmanned plane depicting rockets and mortars being fired from the yard of an UNRWA school."

A number of mortar shells were fired at IDF forces from within the Jabalya school.

Israel faces a new flood of protests over the bombing. The IDF's initial conclusions were released four hours after international media blamed Israel and showed the bodies of children buried under rubble. The U.N. used the school to shelter children, and before the IDF was able to report its initial report, Hamas used the incident to appeal to the U.N. for a ceasefire."..."